



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

Legislation Text

File #: 22-449, **Version:** 1

AGENDA REQUEST GENERAL DISCUSSION ITEM

Subject:

Discussion concerning appropriation of Transfer Station and other recycling revenues to a reserve fund for Transfer Station capital needs.

Background:

All Transfer Station fees and other recycling revenues are appropriated to the undesignated capital fund. As conditions warrant, due to lifecycle needs or necessary improvements for function or compliance, substantial cumulative expenditures have been and will continue to be necessary at the Transfer Station. We expect significant improvements for the bulky waste collection area, among perhaps other areas, in the near future.

Department Comment/Recommendation:

Consideration should be given to allocating a fixed percentage of Transfer Station/recycling revenues to established fund 21040113-56315 (Transfer Station) for periodic needs.

Meeting Action Details:

Finance Cmt Meeting 10/5/2022

File #: [224 <https://ledyardct.legistar.com/LegislationDetail.aspx?ID=5814186&GUID=E2C7069F-CBA6-4209-A4C0-5F8D44613280>49](https://ledyardct.legistar.com/LegislationDetail.aspx?ID=5814186&GUID=E2C7069F-CBA6-4209-A4C0-5F8D44613280)
Version: 1

Type: Discussion Item ☐

Title: Discussion concerning appropriation of Transfer Station and other recycling revenues to a reserve fund for Transfer Station capital needs. . ☐

Action: Remove From Agenda ☐

Meeting Notes:

Public Works Director/Town Engineer Steve Masalin stated based on his September 21, 2022 conversation with Finance Committee to set aside some of the revenue generated from the Transfer Station Fees and Recycling into a separate account to be used for Transfer Station capital needs that he has begun to research several components of his proposal which included the amount of revenue generated by these two sources annually and the portion of those revenues that he has requested to spend for Public Works initiatives such as Transfer Station Improvements for lifecycle and compliance requirements.

Mr. Masalin stated he in looking at all of the revenues the town received with Finance Director Matthew Bonin

that go into the Undesignated Account that they come from a variety of sources which included the revenue generated from the Transfer Station Fees and Recycling. He noted Ordinance # 200-009 “*An Ordinance Providing for the Transfer Of Certain Revenue From The Real Estate Conveyance Tax To Specific Town of Ledyard Funds*” Section 1 “*Allocation of Funds*” stated: A sum equal to forty percent (40%) of the money thus received shall be deposited to Fund 8, the Parks and Recreation Capital and Non Recurring Expense Fund; ***an additional forty percent (40%) of said money shall be deposited to Fund 6, Capital and Non-Recurring Funds, to be used only for capital/infrastructure expenses; and the remaining twenty percent (20%) of said money shall be deposited to Fund 6, Capital and Non-Recurring Funds, with an Acquisition of Open Space Allocation.***”

Councilor Saums stated it made sense to establish a separate account to allocate a portion of the revenue generated from the Transfer Station Fees and Recycling into. He stated for planning purposed that the Public Works Director would present a Plan for Public Works initiatives such as Transfer Station Improvements for lifecycle and compliance requirements, as part of the Annual Budget Process, as he was currently doing for the Facilities Maintenance. Mr. Masalin stated with the upcoming budget that he would prepare a Transfer Station Capital Lifecycle Plan. He stated initially he may still need to request some appropriations from the Undesignated Fund for improvement work if needed, until the funding in the new account has reached a level that he could begin to draw from. He stated a comprehensive engineering analysis of the Transfer Station would need to be done to determine the work required to bring the Transfer Station into compliance. He noted that recently the Town of Preston conducted an engineering study of their Transfer Station and that they were able to obtain funding thru the Local Transportation Capital Improvement Plan (LoTCIP) from the State to help pay for some of the improvement work. He stated for the upcoming Fiscal Year 2023/2024 Budget planning process that he would be preparing a Plan to obtain an Engineering Study of the Transfer Station, which would require some seed money.

Mr. Masalin noted more work needed to be done in preparing a proposal to establish a separate Account to set aside some of the revenue generated from the Transfer Station Fees and Recycling to be used for Transfer Station capital needs.

The Finance Committee agreed to remove this item from their agenda, and to revisit it when Mr. Masalin was ready to present his proposal.

Action : Remove From Agenda

Finance Cmt Meeting 9/21/2022

File #: [224](#)

<https://ledyardct.legistar.com/LegislationDetail.aspx?ID=5814186&GUID=E2C7069F-CBA6-4209-A4C0-5F8D44613280>49>

Version: 1

Type: Discussion Item ☐

Title: Discussion concerning appropriation of Transfer Station and other recycling revenues to a reserve fund for

Transfer Station capital needs. . □

Action: Continued □

Meeting Notes:

Public Works Director/Town Engineer Steve Masalin thanked the Finance Committee for the opportunity to discuss a proposal to set aside revenue generated from the Transfer Station Fees and Recycling Revenues in a separate account for Public Works initiatives. He explained that currently the revenue generated from the Transfer Station Fees and Recycling Revenues were being appropriated to the Undesignated Capital Fund. He stated once the revenues were deposited to the Undesignated Capital Fund the only way to access those funds was thru a special request for the Town Council to approve an appropriation from the Undesignated Capital Fund. He noted that the Public Works Department has stood in-line along with other Departments to request the Town Council approve the use of the Undesignated Capital Funds for various Public Works initiatives including road work, drainage work, and transfer station work, etc.

Mr. Maslin went on to note as he mentioned in New Business Item #2 (above), that he has been tracking the revenues received from Transfer Station Fees and Recycling Revenues and they have generated over \$1.5 million over a 21-year period, averaging about \$75,000 per year during the last five years. He stated the reason he has requested discussing these revenues this evening was to appeal to the Town Council to consider drafting a mechanism similar to Ordinance #200-009 *“An Ordinance Providing the Transfer of Certain Revenues from the Real Estate Conveyance Tax to Specific Town of Ledyard Funds”*. He explained per the Ordinance: *“ A sum equal to forty percent (40%) of the money thus received shall be deposited to Fund 8, the Parks and Recreation Capital and Non-Recurring Expense Fund; an additional forty percent (40%) of said money shall be deposited to Fund 6, Capital and Non-Recurring Funds, to be used only for capital/infrastructure expenses; and the remaining twenty percent (20%) of said money shall be deposited to Fund 6, Capital and Non-Recurring Funds, with an Acquisition of Open Space Allocation”*.

Mr. Masalin stated before he took the time to prepared a proposed measurement in terms of specifics, he wanted to find out whether the Finance Committee was interested in his concept to set aside a portion of the Transfer Station Fees and Recycling Revenues to specifically be used for Public Works initiatives. He noted putting something aside would be of value because it would eliminate him having to come to the Town Council for appropriations from the Undesignated Capital Fund things such as Transfer Station Improvements for lifecycle and compliance requirements.

The Finance Committee and Mr. Masalin continued by discussing the revenues generated by the Transfer Station Fees and the Recycling Revenues relative to the following:

- Recycling revenues were declining because the town was now being charged per ton for things such as glass.
- Single Stream Recycling has not worked as well as initially expected, because of glass contamination. The glass containers were breaking and mixing with paper.
- Southeastern Connecticut Regional Resource Recycling Authority (SCRRRA) has asked towns to continue to include glass in the Single Stream recycling because it was cheaper to put the glass in the Stream Recycling than it was to pay for the weight of the glass in the household trash that goes to the incinerator.
- Looking at alternative ways to remove glass completely out of the waste stream.
- Currently there was no market for the recycling of glass. Some markets were using crushed glass as an aggregate for this such as asphalt and other products.
- Cost to pick-up recyclables every week, alternating between paper one week and glass the other week.

- *Pay as you Throw* programs were not popular and did not produce a correlating decrease in taxes for residents.

Mr. Masalin stated he was looking for a consensus from the Finance Committee as to whether he should take the next step to prepare a proposal with numbers and with some specifics to allocate a fixed percentage of the Transfer Station Fees and Recycling Revenues to an Account to be used for periodic Public Works initiatives. He stated to spend the funds from this Account that he could prepare a Plan, as he currently does for the Building Improvement Needs, to be presented during the Annual Budget approval process.

Councilor Ingalls questioned whether there were any Departments that currently request appropriations from the Undesignated Capital Fund but do not generate any revenues. She also questioned how those Departments would be impacted if a portion of the Transfer Station Fees and Recycling Revenues were redirected to an Account other than the Undesignated Capital Account. Mr. Masalin stated there were Departments that do not generate revenue and do request funding from the Undesignated Capital Fund. He stated some research would be required to determine the portion of the Transfer Station Fees and Recycling Revenues that the Public Works Department has used in past years to help determine the correct fixed percentage that would be allocated to the new Account for the Public Works Department; explaining that the Undesignated Capital Fund grows independent of any annual budgeting for it.

The Finance Committee agreed by consensus for Mr. Masalin to prepare for discussion a proposal to allocate/redirected a fixed percentage of the Transfer Station Fees and Recycling Revenues to a new Account to be used for periodic Public Works initiatives. Mr. Masalin stated he would talk with the Mayor and work with Finance Director Matthew Bonin and others to draft a proposal.

Action: Continued