

Letter to Alpena Board of Commissioners
July 20, 2023



Northeast Michigan Materials Management Authority (NMMMA)

Commissioners,

Thank you for the opportunity on behalf of NMMMA to address all things recycling today. We look forward to answering any questions you may have.

We are transitioning from the Northeast Michigan Council of Governments (NEMCOG), as our fiduciary under the former recycling board, and have almost completed that process. At the commissioners' request, the former recycling board transitioned to an authority as of January 1, 2023.

Recycling is part of the County's Waste Management Plan and has operated independently since 2011 when each township and the City signed local intergovernmental agreements, the commissioners approved them, and the surcharge was set at \$10 per year, per resident; businesses are exempt. Under 1989 PA 138, which we operate under, the surcharge can be up to \$25 per year. Each year the agreements had to be approved by each entity until 2017 when we changed the contract to include that the agreements only needed to be approved if there was a change. In 2017, the recycling board returned to the Alpena Board of Commissioners and asked for an increase to \$20 per year, per household because of rising costs; it was approved.

We are back to ask for an increase in the surcharge from \$20 to \$25 per year, per household. Each entity had its respective boards approve the increase, and you have those documents in your packet. Prices and operating costs have increased significantly, especially over the last few years, and income has not kept up; we are subject to the same issues all businesses have faced recently.

The price of hauling material went up when a new business bought up local haulers and we had to think outside the box to be able to provide recycling; we bought a used truck and contracted with a private company to help us haul our bins back to the facility. Prices under the old hauler were \$70 per run, and we now pay \$135 per run in the City and \$225 for township runs. As of January 1, we have employees instead of contract workers, gas, utilities, repairs, insurance, and equipment purchases all of which add to costs, and our fixed income has been the same since 2017.

In 2011, we processed 381 bins and fast forward to 2022 we processed 1009, our facility is woefully insufficient. With the new facility, we can process more material locally and become a hub for the entire region. This will bring money and jobs to the area.

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The price of commodities we send to market is part of our operating budget, but it is unstable. Last year, material prices were the highest in my time on the recycling board, an anomaly, but it helped us as we transitioned to hauling our own materials.

For example, prices from last year to this year: cardboard at this time last year was \$175 per ton, and this year it is \$70 per ton, paper last year was \$130 per ton to \$40 per ton this year, tin last year was \$200 per ton and now is \$125 per ton; plastics are down depending on the type from 2%-5% from last year.

If we can't make ends meet, we will be forced to close the facility towards the end of the year until the surcharge money becomes available. We never want to face this, but it could be a decision the NMMMA will have to make.

Clean-up days for household goods and electronic equipment are not something that is required or part of the surcharge, but the benefit for all areas of the County is immeasurable. Until this year, we took that money out of the surcharge; we knew our budget could not sustain the program's rising costs. We raised the funds through grants and donations, and each entity including the County contributed money. We would like to thank everyone for helping to provide these valuable programs to our community. It helps to keep items out of ditches and gives residents a place to take things they don't know what to do with.

We also run a transfer station. We purchased a POS (point of sale) system to separate all the items we take to ensure we are charging enough to cover the disposal costs. We didn't have this opportunity under NEMCOG, and we think it is a good business decision that helps us do better with tracking.

We apply for tire and hazmat grants every year. Hazmat has become increasingly expensive to dispose of; our last bill was over \$15,000.

NMMMA is working with Holcim Alpena to provide glass recycling. This is a perfect example of a circular economy; we have a product someone can use in the production of their product. This is truly recycling at its best. This model keeps things out of the landfill and puts them back into use. Landfills must be monitored forever; there is a never-ending cost to garbage.

We are happy to answer any questions you have.

Also, Elisa Seltzer from RRS will give a short presentation regarding the new facility online and answer any questions you have.

Respectfully,

Cindy Johnson
NMMMA- Vice Chair