



MINUTES
GOVERNANCE COMMITTEE
Wednesday, July 21, 2021 – 10:00 AM
Authority Conference Room, 4th Floor
Dulles State Office Building

The Development Authority of the North Country Governance Committee met in regular session at the State Office Building, Authority Conference, 4th Floor, 317 Washington Street, Watertown, New York on Wednesday, July 21, 2021 at 10:00 am.

Members Present

Frederick Carter
Dennis Mastascusa
Al Calligaris
Thomas Hefferon
Stephen Hunt

Staff Present

Carl E. Farone, Jr., Executive Director
Carrie Tuttle, Chief Operating Officer
Angela Marra, Executive Assistant

Guests Present

Committee Members - Absent

Mary Doheny
Margaret Murray

Other Board Members Present

Alex MacKinnon

1. Board Chairman Carter called the meeting to order at 10:03 AM, and turned the meeting over to C. Farone.
2. C. Farone called the roll call to establish a quorum.

C. Farone stated that the purpose of this meeting was to review the MRF Feasibility Study from the SCS Engineers. The study has been thoroughly reviewed by himself, C. Tuttle, and P. Pastella, and they all felt it is a good representation of the MRF feasibility for Jefferson, Lewis, and St. Lawrence Counties.

The Development Authority currently owns and operates the Recycling Transfer Station (RTS) in Harrisville, which continues to be a central location. The facility is being utilized by St. Lawrence County, and is currently the only county utilizing the RTS. They are currently single stream recycling, meaning all recyclables go into one bin. They then haul recyclables from Massena and Ogdensburg to the RTS, the recyclables are then compacted and hauled to Recycle America. Lewis County is single stream recycling and compacting in Lowville then directly hauled to the Oneida-Herkimer facility. This makes more sense logistically than collecting them and bringing them to Harrisville, and then shipping them to Recycle America. The Oneida-Herkimer facility offers a better rate than Recycle America, but is currently at capacity. Jefferson County is not participating in single stream recycling. All of their residents sort their recyclables, and

the county bales and sells them at market. Fort Drum does its own single stream recycling, and compact and haul them themselves to Recycle America.

F. Carter asked if there are any private companies utilizing the Harrisville facility. C. Farone responded that Casella is coming directly to the RTS and utilizing their own equipment. T. Hefferon asked what we are charging them. C. Farone replied that St. Lawrence County is being charged a rate of \$22/ton. Massena, Ogdensburg, and Gouverneur are all direct to the RTS. C. Tuttle stated that Casella is hauling for the county, and doesn't have a private relationship with the RTS. F. Carter asked if they are being weighed when they come in. C. Farone replied that we are not weighing at Harrisville, but they are providing us with a weight ticket when they arrive at the facility.

C. Farone stated the first year operation cost was budgeted at \$500,000, and the actual cost ended up at \$329,000. Changes have been made in that the Authority was paying the hauling costs for Lewis County from Lowville to Oneida Herkimer, and for St. Lawrence County from the RTS to Recycle America. Effective June 1, Lewis County is paying their own hauling costs, and St. Lawrence County is paying \$22/ton to help offset the Authority's hauling cost to Recycle America, bringing our annual operation cost for the RTS to roughly \$325,000.

C. Farone reviewed a table showing the recyclable composition. Currently the majority is paper and cardboard, but there is also cans, glass, and assorted plastics. Of these items, natural HDPE, a plastic, draws a very high price, but is only 1% of our volume. During a recent visit to the Oneida-Herkimer facility, their executive director shared that a MRF is dependent on volumes, with 40,000 tons needed to breakeven. In reviewing the tri-county breakdown, if all three were participating this would only be 16,000 tons total. Currently Jefferson County is not using single stream, but one purpose of this analysis was to see if we could save them money if they were to participate.

In reviewing the MRF feasibility, we reviewed low, high, and medium scenarios. The low scenario consisted of Lewis and St. Lawrence County participating. A high scenario would be the best case with all three counties participating. We developed a theoretical scenario based on the medium option using 10,000 tons per year, which would be all recyclable volumes within the three counties with the exception of the Jefferson County Transfer Station. A high option was also generated using 35,000 tons, referencing us having all three counties with a perfect recycling system.

Locations were compared between Harrisville, Rodman, and Fort Drum. To build a MRF at the Regional Transfer Station (RTS) would cost \$7.45 million versus \$12 million to build a new facility in Rodman. However, the RTS is a stand-alone facility which would make the annual operating costs \$1.43 million, which is roughly \$200,000 more than at MMF due to synergies with staff. Fort Drum would also show higher operational and capital costs. Based upon this information, SCS concluded that Harrisville would be the optimal location due to lower costs.

We requested the MRF in the study be suitable for up to 16,000 ton per year. If the facility were to operate eight hours per day, five days per week, it could process 20,000 tons of recyclables each year, but there is always the option to work additional hours to process more recyclables noting that it may become difficult to have staff work all these hours. Because of this, robotics versus manual sorters were also added into the study,

even though robots are not typically utilized in a facility this small. Each robot would cost \$500,000, with three totaling \$1,500,000 with the amortized eight year cost being \$1.9 million. The three robots could possibly replace six workers, which would cost \$2.7 million over an eight-year period. This investment in robots would actually result in a savings of about \$804,000 over an eight year period.

Recyclable sales are very sporadic due to market fluctuations. When this study was first reviewed the average price per ton for 2020 was at \$44.17. As of June 30th this had increased to \$88/ton, and will continue to be sporadic. For this study 10,000 tons of recyclables per year were estimated at \$44.17 per ton. 15-16 additional people would need to be hired for to operate the facility. The total operating costs would be \$1.4 million, while operating at a \$1.5 million deficit if everything were to remain status quo. Comparing these figures with Rodman and automated sorting would save some money but would still be expensive. Receiving 100% grant funding on a \$13 million project is not very realistic.

Based on the 10,000 tons per year and having to develop the MRF at Harrisville this does not seem feasible. The same goal can be met for less money by continuing what we are doing.

S. Hunt asked about Jefferson County not doing single stream recycling, and them selling them on the market. He further asked if it was known who they sell it to. C. Farone replied that someone at the county markets the materials, with most recyclables staying in the state. S. Hunt asked that since Jefferson County thinks they are using the best option and making a profit, has the Authority looked into doing this the same way. C. Farone stated that single stream has been determined to increase the amount of recycling by 15-20%, however contamination also increases. He further commented that if Jefferson County is making a profit with what they are doing, we cannot see how we would get them to make that switch.

A. Calligaris asked about if we were to take and sell the recyclables separately. C. Farone responded that to do this the counties would have to change from single stream to sorting. A. Calligaris stated or you would need a MRF. C. Farone responded the revenue shown is \$723,000 from the sale of recyclables. S. Hunt stated this is the question between whether you sort and separate or go with single stream. T. Hefferon asked if our consultant put a price on what we could see after we had the MRF. C. Tuttle responded yes, we would be at \$40 per ton. A. Calligaris stated that it is now \$88, and that is a risky number.

A. Calligaris commented that in his town he needs to sort his recyclables before taking them to the transfer station. S. Hunt commented that he does as well and he can see the perspective if everybody sorted their own stuff being a win for all, but not if they are throwing them away instead.

C. Tuttle commented that Fort Drum has a very robust recycling program because they have soldiers across the country where some don't recycle at all and now they need to learn and sort. This process needs to be simple or it is not going to happen, and it is difficult to get them to even do the single stream. T. Hefferon said it would make a better environment, better for the landfill, and better for everyone. F. Carter commented that he spoke with a West Point graduate who is there now trying to set up a single

stream program for all military bases, and if the general says to do they will do it. Fort Drum is setting up a recycling program to put in front of the Pentagon. He further stated that many military bases have no recycling at all.

F. Carter stated that in regards to the market, there are things that will always have to be stored for a while because there is no market for them. Big items are cardboard and paper and plastics because there are different types. Some of them are worth nothing. C. Farone further explained there are the Natural HDPE (high density poly ethylene or the natural or clear laundry detergent thick plastic containers, which makes up only 1% of the recyclables and are at \$1,000 per ton. PET plastics are at \$153, leaving a huge gap in the pricing perspective. The MRF would take all recyclables, including items like glass which actually have a negative value.

A. MacKinnon stated that in St. Lawrence County glass is sometimes ground into sand. A bottle takes up more room than ground sand. This sand could be used as fill for later projects.

A. Calligaris commented that we are trying to make it easier for people to recycle. C. Farone stated that we also have to educate, especially against "wish recycling" as they need to know what should be recycled.

A. MacKinnon stated that Harrisville is currently important for storage. Cardboard & plastics cannot sit out in the rain or they become trash, generate an awful smell, and attracts rodents.

C. Farone reviewed the financial aspects of the SCS Feasibility Study, and stated that the Authority doesn't have the tonnage to support the proposed facility. Franklin, Clinton, and Essex counties were also looked into to see if the tonnage is available there. If the situation were to ever develop where Recycle America were to shut down, a MRF would be a good choice or option, otherwise these items would end up in the landfill. A. MacKinnon commented that 13% of recycling tonnage already ends up in the landfill. F. Carter stated that infestations can happen very quickly, within four days. C. Tuttle stated this is not a glamorous business. A. MacKinnon stated that without robots, it is a very dirty job.

D. Mastascusa commented that in Lewis County a MRF is very important, even though they are not currently taking advantage of it, but it creates economic activity in a community that has none so there is an investment. C. Farone stated if we were to ask Lewis County to bring their recycling to the RTS they would, but from a financial perspective it doesn't currently make sense. Developing a MRF in Lewis County would create jobs, but at the cost of roughly \$1.5 million doesn't make sense.

F. Carter asked when this project was started, wasn't there a program with Lewis County where they would help to finance this. C. Farone responded the Authority has invested \$1.6 million in single stream recycling throughout the three counties. C. Tuttle stated \$600,000 was authorized per county for capital improvements to help them move forward with single-stream recycling in 2016.

C. Farone stated that based on the MRF Feasibility Study results, it doesn't make sense at this point, unless the recycling markets go up even higher or there are additional recycling markets within the stream.

F. Carter stated that there was an RFP done for this report, and the highest bidder was selected because of their background and experience. We have spent \$22,000 to date, should we continue with the rest of the \$44,000 knowing that this is not a breakeven venture, or do we have enough information to share with our partners.

A. MacKinnon responded that he agrees that we have enough information. The details have been very well thought out and reviewed. This may not be a viable current option, but we now have the study in the event the situation changes. He further stated that maybe had we had this done before buying Harrisville, we may have done that differently.

D. Mastascusa asked if the MRF goes dark, how many workers are affected. C. Farone responded that at this point of not moving forward with the MRF, three people are staffed at the facility currently and that will stay the same with zero impact on staff.

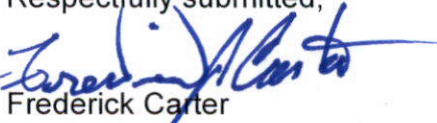
The next step will be to talk with the Board, and then to meet with Authority partners, especially to converse with St. Lawrence County regarding how we are handling single stream in wondering if this is the best option. A. MacKinnon commented that St. Lawrence County got involved when the Authority asked them to, and if the current process were to be stopped it would be unfair to them. Seeing we are through more than half of the budget year A. MacKinnon suggested that we leave Harrisville as it currently is, and with the passing of time an obvious solution may arise.

F. Carter requested a motion for a resolution to not move forward with the MRF facility.

Upon a motion A. Calligaris, and seconded by T. Hefferon, the Governance committee moved to recommend a resolution to the Board that the Authority not move forward with the MRF facility at this time.

3. Chairman Carter adjourned the meeting at 10:52 AM.

Respectfully submitted,


Frederick Carter
Board Chairman