

Review of Millfair Compost Center Revenues and Expenses

Millcreek Township
3608 West 26th Street
Erie, PA 16506



SCS ENGINEERS

02217011.02 – Task 48 | September 29, 2021

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Appendices

Appendix A – Municipal Recycling Requirements from Act 101

1 PROJECT DESCRIPTION

Millcreek Township (Township) is a Pennsylvania Municipal Waste Planning, Recycling and Waste Reduction Act (Act 101) mandated recycling community. The Township partners with neighboring Fairview Township to operate the Millfair Compost Center (Center or Millfair). The five-acre facility, which opened in 2004, provides an opportunity for residents and businesses to drop-off yard waste seven days a week from mid-March to mid-December. Residents from Millcreek and Fairview townships as well as West County must obtain a one-time permit from the Township at no charge to drop off materials at the Center. Commercial entities, including landscaping companies, can drop-off yard waste at the Center by obtaining a commercial permit for a one-time fee of \$20. **Appendix A** provides a summary of Act 101 municipal recycling requirements.

Recycling technical assistance is requested by the Township to review the Millfair Compost Center's annual revenues and expenditures. The goal of this study is to provide recommendations for how the Township can better manage costs and revenues to facilitate a sustainable program going forward.

2 SUMMARY OF WORK

The following summarizes the tasks completed for this project.

Task 1 – Project Kick-Off and Data Request

SCS hosted a virtual meeting with Township staff to discuss the project and review the scope of work. The meeting included a preliminary discussion on data availability and recordkeeping. Following the meeting, SCS prepared a data request and sent it to Township staff to collect information on the Millfair Compost Center. The data request included a number of items including, annual cost and revenue stream data, incoming feedstock quantities, product production quantities, number of residential and business permit holders, and product pricing formulas.

Task 2 – Review of Center Costs and Revenues

SCS reviewed all the information provided by the Township as part of Task 1. The review included how the Township accounts for facility capital and operation costs in business usage permit fees and product pricing.

Task 3 – Guidance on Center Costs and Revenues

Based on the review of financial information in Task 2, SCS made recommendations for how Millfair Compost Center expenses and revenues can be managed by the Township in the future.

Task 4 – Final Report

This final report provides the results of this study and was provided directly to the Township and DEP.

3 CURRENT PROGRAM

The Millfair Compost Center is a partnership between Millcreek and Fairview townships. The two communities work together to manage and operate the Center. The Center provides yard waste management services to residents and commercial entities in Erie County. Upon obtaining a one-time permit, residents and businesses are authorized to drop-off yard waste seven days a week from mid-March through early December. Residential permits are available for no charge while commercial permits must be purchased for a one-time fee of \$20. Residents can drop-off yard waste at no charge while commercial permit holders are charged by volume for dropping off material according to the following schedule:

- 1 – 2 yards of material - \$10 per drop;

- 3 – 10 yards of material - \$20 per drop.

Additionally, the Township has agreements with select haulers to drop-off yard waste materials collected curbside from residents in the Township. The Center accepts leaves, brush, logs, and non-food organic material. The Millfair Compost Center serves over 26,000 households in both Millcreek and Fairview townships and receives over 20,000 visitors each year. The Center has agreements to provide donations of compost and mulch products to about 20 to 25 non-profit organizations on an annual basis.

Materials collected at the facility are used to produce a number of compost and mulch products. Leaves and other non-woody yard waste are processed at the Center in open windrows to produce a leaf compost product. Branches and other woody material are ground up at the Center to produce mulch products. Some products are made available to residents for free while other products are sold. The Center strives to make at least one compost or mulch product available at no charge to benefit low-income residents and improve the aesthetics of the community. The Township also supports 20-25 local non-profit organizations by annually donating compost and mulch. Additionally, the Park and Recreation, Streets, and Public Works departments in both townships benefit from being allowed to drop-off materials and receive products from the Center at no charge. **Table 1** summarizes the products produced at the Millfair Compost Center along with their price.

Table 1. Millfair Compost Center Product and Pricing List

Product	Price
Course Screened Mulch (>2 inches)	Free
Fine Screened Mulch (1/2 to 2 inches)	\$20 per yard
Leaf Compost	\$25 per yard
Logs	\$20 per pick-up truck
Mix of Screened Dirt and Compost	\$20 per yard
Screened Dirt	\$12 per yard
Unscreened Dirt	\$5 per yard
Wood Chips	Free

In 2020, the Township launched a delivery service for a flat rate of \$25. Residents can arrange with the Township for the at-home delivery of compost and mulch products produced at the Center. The Township delivered 219 loads of compost and mulch products in 2020 and deliveries as of September 2021 are significantly outpacing that of 2020. The Township anticipates expanding delivery service in the future.

4 FINDINGS

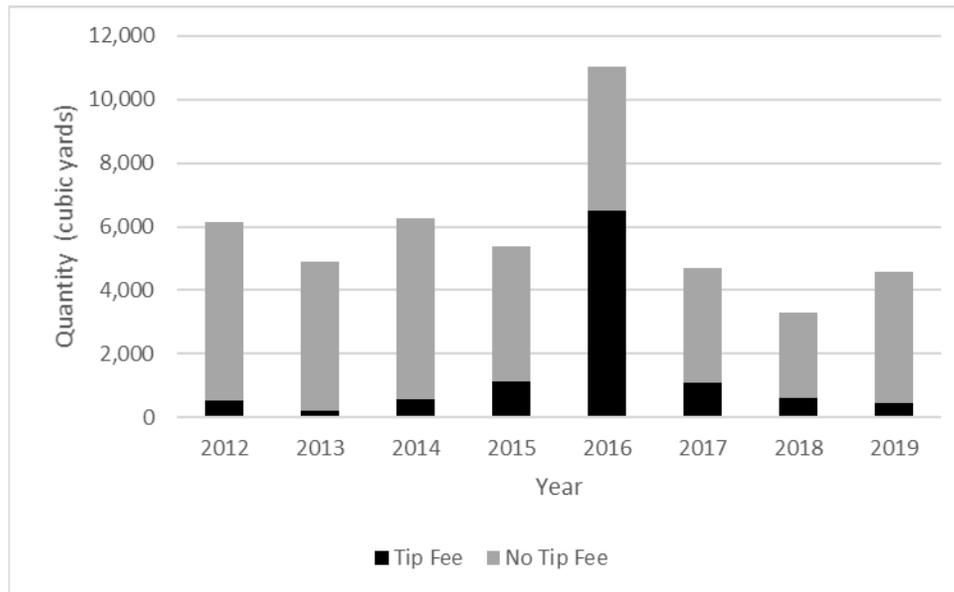
MATERIAL QUANTITIES

The Center is open to the public and receives yard waste and leaves direct-hauled from both residential and commercial customers. Millcreek Township, Fairview Township and West County residents may bring unlimited quantities of material to the Center during normal operating hours. Residents in each of these jurisdictions must obtain a free permit from the Township prior to using the facility. Additionally, commercial haulers and landscapers may drop-off unlimited quantities of yard waste at the Center.

Over the last eight years, the amount of leaves received and processed at the Center has varied significantly. It has ranged from a low of 3,288 cubic yards in 2018 to a high of 11,045 cubic yards

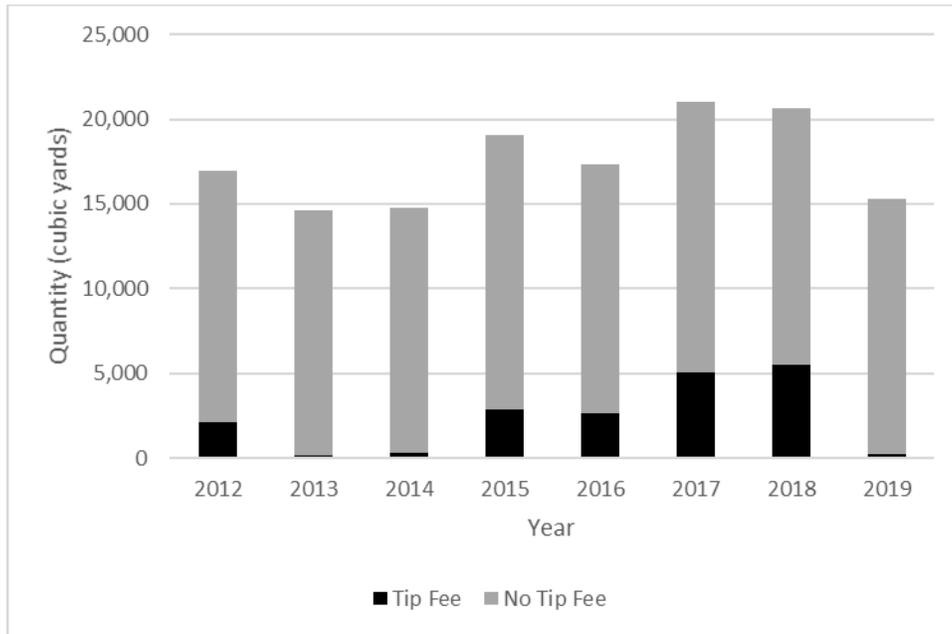
in 2016. Leaf receipt quantities from 2016 were unusually high. Typical leaf receipt quantities are between 4,000 to 6,000 cubic yards annually, with an average of 5,000 cubic yards. Over 80 percent of the materials at the Center are dropped-off by residents of Millcreek and Fairview townships and West County. The Township does not collect a tipping fee for the disposal of this material. The remaining material is delivered to the Center by commercial haulers and landscapers that pay a tipping fee to drop-off materials. **Figure 1** summarizes the annual quantity of leaves received and processed at the Center from 2012 to 2019. The black shading in each column represent leaf quantities where a tip fee was paid (i.e. commercial hauler). The portion of each column shaded in gray represent leaf quantities where no tip fee was paid (i.e. residential customers).

Figure 1. Annual Quantities of Leaves



In addition to leaves, the Center also accepts brush for grinding and mulching. Similar to leaf receipt quantities, the quantity of brush received at the Center has varied over the last eight years. In 2013, 14,632 cubic yards of brush were received at the Center. In 2017, 21,084 cubic yards of brush were received. On average, the Center accepts about 17,500 cubic yards of brush annually. Much like leaves, most brush (>80 percent) is self-hauled to the Center by residents from Millcreek Township, Fairview Township, and West County and no tipping fee is paid. The remaining quantities of brush are brought to the Center by commercial haulers and landscapers for which a tipping fee is paid. **Figure 2** summarizes the annual quantity of brush received and processed at the Center from 2012 to 2019. The black shading in each column represent brush quantities where a tip fee was paid (i.e. commercial hauler). The portion of each column shaded in gray represent brush quantities where no tip fee was paid (i.e. residential customers).

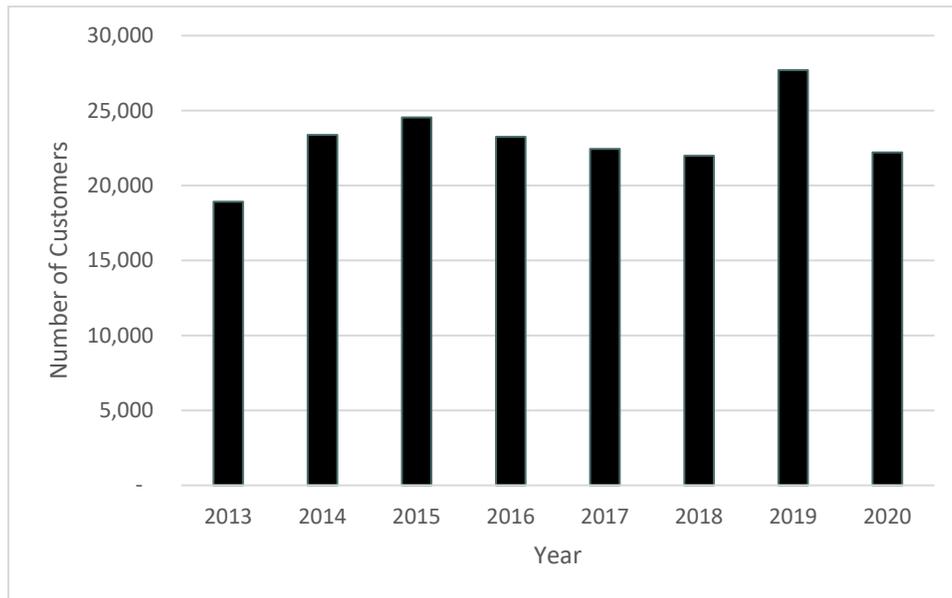
Figure 2. Quantities of Brush



CUSTOMERS

The Township tracks the number of customers it serves on an annual basis each year. Interest and usage of the Center continues to grow and in 2019 approximately 27,700 customers visited the Center. On average the Center serves approximately 23,000 customers annually. Customers must document they have obtained the appropriate permit to use the Center even though the Township does not track facility usage by jurisdiction. However, the Township reports that 5,522 permits have been issued to Millcreek residents. Additionally, 2,085 Fairview Township residents have been issued a permit to use the Center. A total of 192 commercial permits have been issued at a cost of \$20 per permit. The Township also reports that 19 “donation” permits have been issued. A “donation” permit is issued to an entity (typically non-for-profit) for usage of the Center without paying the commercial permit fee. **Figure 3** provides annual customer count data for the period 2013 to 2020.

Figure 3. Annual Number of Customers



REVENUES AND EXPENSES

Revenue

The Millfair Composting Center is funded by the following sources and services:

- **Commercial Permits** – Commercial haulers and landscapers must purchase a one-time permit in order to drop-off materials at the Center. The revenue from the sale of new commercial permits is minor and has not exceeded \$300 annually in the last eight years. The Center has experienced an increased number of commercial entities seeking a permit in 2021.
- **Commercial Tipping Fees** – Commercial haulers and landscapers pay a tipping fee to use the Millfair Compost Center. As discussed earlier in the report, the Center does not receive significant quantities of yard waste from commercial haulers as most materials are dropped-off by residents. Revenue from commercial tip fees has varied significantly over the last several years. In 2019 and 2020, revenue from commercial tip fees was between \$2,000 and \$4,000 annually. Revenue from commercial tip fees in 2017 and 2018 amounted to over \$13,000 each year, which was due to some significant weather events that resulted in increased amounts of brush being delivered to the Center. Prior to 2017, revenue from commercial tip fees fluctuated between \$2,000 and \$9,000 annually. **Figure 4** summarizes the annual tip fee revenue for the Center over the last eight years.
- **Product Sales** – The Center processes all yard waste received into marketable products that are then made available for free or sale to the general public. **Table 1** lists the products produced at the Center. The Center is known for producing high-quality compost and mulch products and as such sales from these products comprise the largest part of the Center’s revenue stream. Revenue from the sale of compost and mulch products ranges from a low

of \$51,000 in 2014 to a high of nearly \$97,000 in 2020. Revenue from the sale of mulch and compost products is impacted by discounts provided by the Center. **Table 2** summarizes the quantities of compost/mulch products that were sold in 2020.

The Center often provides residents and commercial entities with discounts and coupons to encourage the purchase of products produced at the Center. The townships understand that in order to successfully operate the Center and continue to provide services to their customers, material must continually be moved off the site. Staff at both Millcreek and Fairview townships continually monitor site capacity. When excess amounts of products are available, the townships provide coupons or discounts to the public to encourage the purchase of the additional materials. Discounts range anywhere from 20 to 50 percent off the regular price and are most often offered as a coupon printed in the Township's quarterly magazine, *IN Millcreek*. Expiration dates for the coupons and discounts provided vary each time depending on the quantity of excess materials available at the Center. Coupons or discounts can be good from one month to the entire operating season (nine months). When the Center experienced significant increases in brush receipts due to storms and natural disasters during the 2017/2018 season, the Center offered mulch products for sale to the public at half-price for the entire season. Commercial permit holders are also eligible to receive a 20 percent discount on compost products. **Figure 5** summarizes the annual product sales revenue for the Center over the last seven years.

- **Deliveries** – Millcreek and Fairview townships implemented a new service as part of the Center's operations in 2020. Residents in both of the townships can arrange for the home delivery of compost and mulch products produced at the Center. The Center charges a flat fee of \$25 per delivery plus the cost of the materials based on the established fee schedule. In 2020, a total of 219 deliveries were made that provided \$5,475 in revenue for the Township. Deliveries in 2021 have significantly outpaced that of 2020 with the townships collecting over \$7,000 in revenue from deliveries through the first part of September. The Center expects to expand delivery service again in 2022.

Figure 4. Commercial Tip Fee Revenue

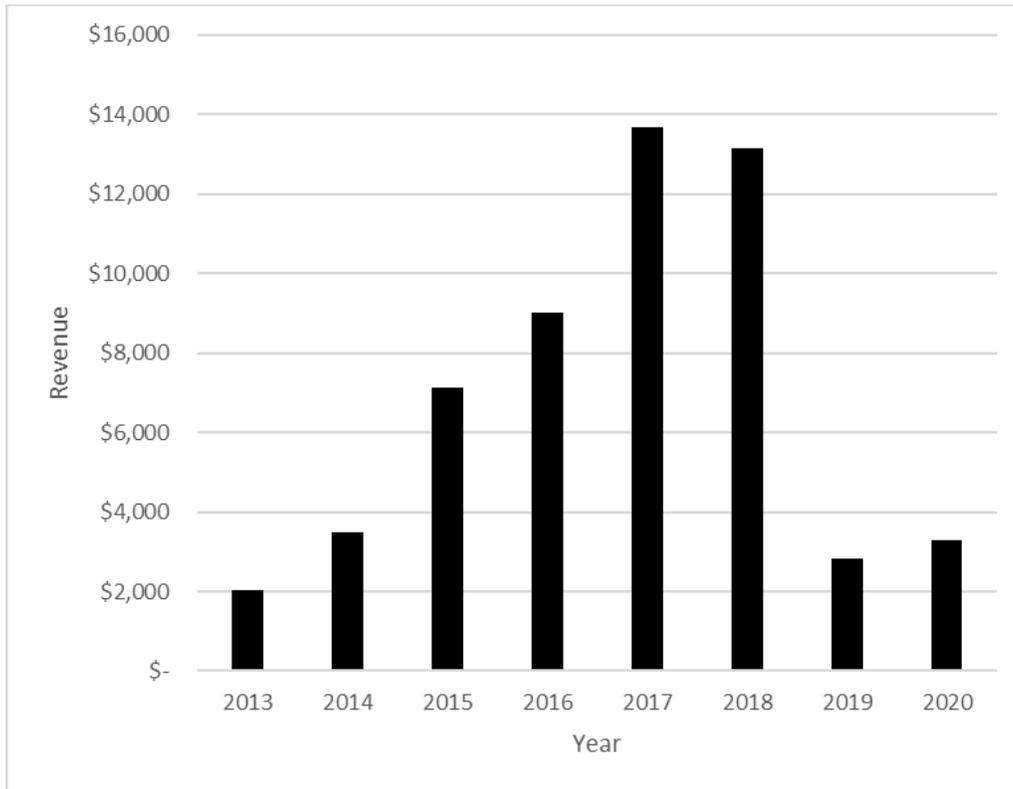
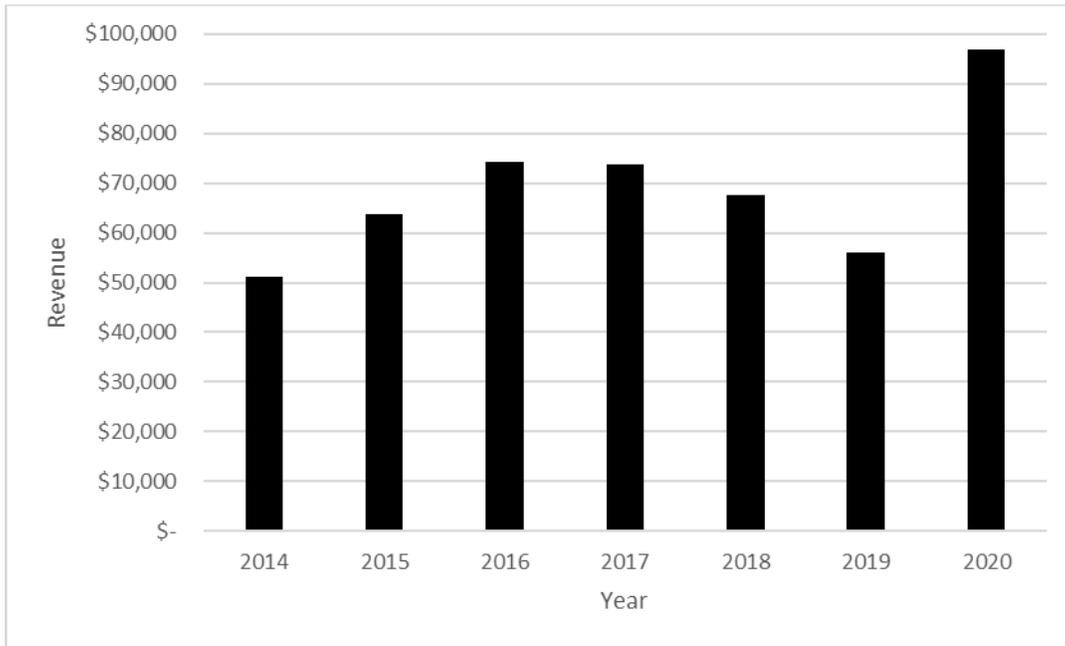


Table 2. Product Sales in 2020 (yards)

Quantity (Yards)	Product
820	Course Mulch
3,373	Fine Mulch
1,138	Compost
537	Dirt/Compost Mix
2,026	Screened Dirt
356	Unscreened Dirt
8,250	TOTAL

Figure 5. Product Sales Revenue



Expenses

Expenses for the Millfair Composting Center fall into the following major categories:

- **Employee Wages** – Employee wages account for the largest portion of direct expenses for operating the Millfair Compost Center. In 2021, employee wages were budgeted at \$110,000, which includes \$55,000 each for both Millcreek and Fairview townships. The townships split staffing the Center evenly with each township staffing it 3 ½ days per week.
- **Equipment** – Equipment costs represent the second highest expense item for the Millfair Compost Center. Equipment costs include maintenance and repair, parts, and fuel/oil. In 2021, the Center anticipates spending about \$70,000 on equipment. These expenses can be higher when significant equipment upgrades and repairs are required as in 2018 and 2019 when the Beast grinder needed a significant overhaul.
- **Materials and Supplies** – Expenses for materials and supplies, including advertising/promotion and bank fees, cost the Center about \$14,500 annually. Bank fees represent the largest portion of this expense at about \$3,500 annually. In 2021, the Center budgeted \$800 for advertising and promotion, but township staff indicate they intend to increase promotion of the Center in the future to attract more customers.
- **Utilities** – Expenses for utilities vary from one year to another and generally represent the smallest expense item for the Center. In 2021, the townships expect to spend \$4,000 - \$4,500 on utilities for water, electric, and telephone services at the site.

REVENUE AND EXPENSE COMPARISON

SCS reviewed the Center’s revenue and expenses for the last eight years to understand how well they balance. Generally, over the last several years, the Center’s revenues pay for the costs for equipment, materials and supplies, and utilities. These expenses are paid directly out of Millfair’s budget and it is important that revenue from the Center pay for these costs to maintain a sustainable program that can continue to provide yard waste management services in the future. The two years (2018 and 2019) equipment costs were not fully paid for by Center revenues was when the Beast grinder required extensive repairs beyond traditional maintenance. **Figure 6** summarizes the annual expenses and revenues from the Center for the last seven years. Note **Figure 6** does not include expenses for employee wages.

When employee wage expenses are allocated to the Millfair Compost Center, there is no year since 2014 where revenues exceeded expenses. The Center simply does not generate enough revenue to pay for employee wages attributed to operating the Center. When employee wages are included as an expense for the Center, revenues typically only pay for 26 to 56 percent of the Center’s expenses depending on the year. Currently, employee wages to operate the Center are paid by the Millcreek Public Services Budget and Fairview Administration Budget, respectively. **Figure 7** compares the Center’s revenues and expenses, including employee wages, for the last seven years.

Figure 6. Overall Millfair Compost Center Revenue and Expenses (Not including wages)

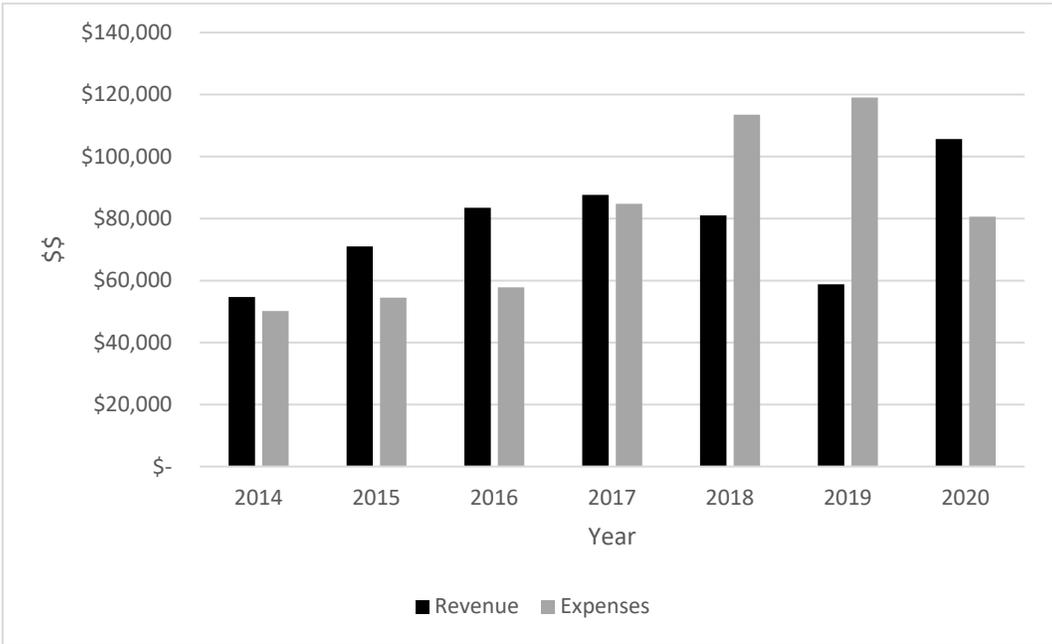
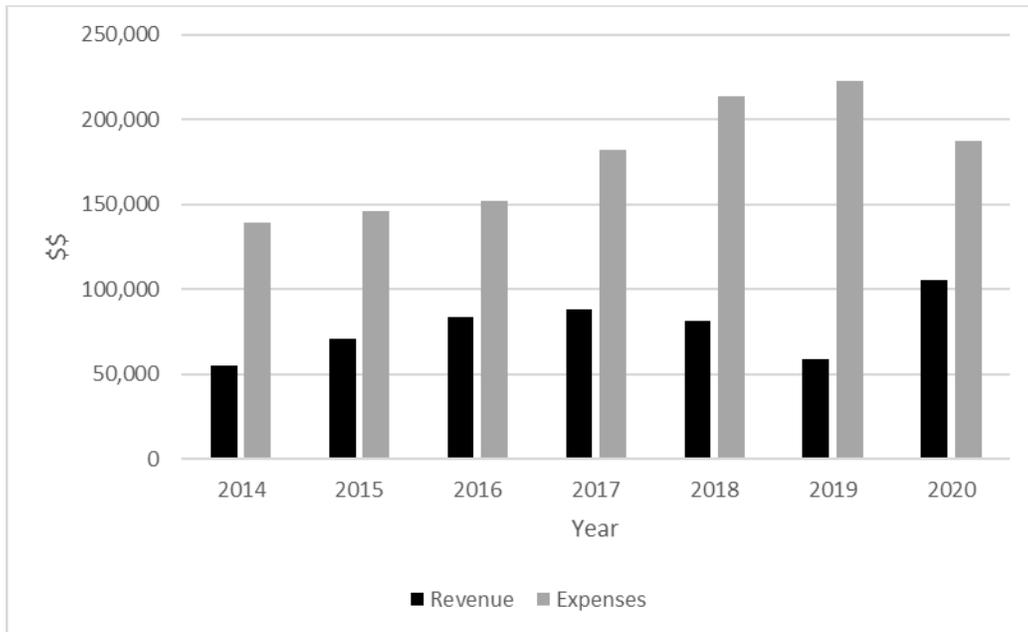


Figure 7. Millfair Compost Center Revenue and Expenses (including employee wages)



RECOMMENDATIONS

Based on a review of data for the Millfair Compost Center, SCS provides the following recommendations and considerations with respect to Center revenues and expenses:

- **Annually Review Product and Service Pricing** – Township staff indicated that tipping fee and product pricing have changed little over the last decade. While the townships desire to provide affordable yard waste management services and compost/mulch products to the community, it is important to note that Center operating expenses have increased over the same time period. The townships should review product pricing on an annual basis in the context of current market conditions and adjust pricing accordingly. Considerations to evaluate as part of the annual product pricing include:
 - Current operating expenses and revenues
 - Capital expenditures and needs
 - Consumer price index
 - Availability of products/production activities
 - Competitor pricing and services

With increasing expenses, SCS believes that product and service pricing should be evaluated annually and small annual adjustments be made accordingly. This is a more sustainable approach than making larger adjustments to pricing less frequently. This activity can include completing a detailed cost analysis of each compost/mulch product produced at the Center. A cost/cubic yard for each product produced using specific equipment costs for each step of the composting process from material preparation to composting/curing to screening would be calculated as part of this analysis.

- **Consider Fuel Surcharge** – The establishment of a delivery service for compost and mulch products is an important example of how the Center is adapting to the changing needs and demands of their customers. With the new service comes opportunities for new revenue streams and additional expenses. The townships have established a flat \$25 delivery fee for this service to help offset additional labor, fuel, and truck maintenance costs that are expected with this new service. Considering the fluctuating price of fuel in particular, SCS recommends that the townships establish a policy and plan for implementing a fuel surcharge when the price of fuel exceeds an established level. AAA data indicates that the price for diesel fuel has increased about 28 percent over the last year in Erie County.¹ Rising fuel prices will increase the cost of the delivery service and the townships should prepare for implementing a fuel surcharge when necessary.

- **Continue Offering Discounts/Coupons to Move Material** – The townships understand the need to continually move compost and mulch products out of the Center to maintain efficient operations and make room for more materials. SCS encourages the townships to continue to provide coupons/discounts, or even make materials available at no charge, to residents as an incentive to move products. Although offering discounts reduces the amount of revenue for the Center it is an important strategy method to maintain continuity of Center operations.

- **Establish Capital/Reserve Fund for New Equipment and Major Repairs** – SCS recommends that the townships establish a capital fund to pay for new equipment and major (beyond routine) repairs to existing equipment. SCS notes that when the Beast Grinder required extensive repairs in 2017 and 2018, those expenses quickly outpaced the Center’s operating revenue and required the townships allocate additional resources from other funds to pay for those expenses. Establishing a separate capital fund for equipment, major repairs, loan servicing, and even extensive site work and upgrades, will help the townships manage these significant costs without impacting the Center’s operational budget. The capital fund should be funded in part from a portion of the revenue from permit, tipping, product sales, and delivery fees that are collected on an annual basis.

- **Annually Evaluate Existing Market Conditions** – Over the years the Center has been successful in attracting and retaining customers that help fund the Center, primarily through product sales. More recently during the COVID-19 pandemic with the establishment of the compost and mulch delivery program, the Center has attracted additional customers that in the past had relied on other vendors to supply compost and mulch. Since the sale of compost and mulch products comprise a significant portion of the Center’s revenue, it is important for the townships to continue to identify and assess other entities supplying similar products and services that could either increase or decrease the Center’s customer base. The ongoing research should include identifying the following:
 - Who is providing composting/mulching services in the region?
 - What products are they producing? What level of quality are they producing?
 - How are other service providers different/same as the Millfair Compost Center?
 - What tip fees are charged and what are their product price points?
 - What additional services are provided (i.e. delivery)?

¹ 2021 AAA Gas Prices, <https://gasprices.aaa.com/page/3/?state=PA>

SCS understands that the townships have already been doing this somewhat informally. In 2020, when Home Depot and Lowes stopped accepting mulch orders, the Center remained open and provided important services to residents. The Township believes many of these residents who were exposed to Millfair have or will become regular customers of the Center going forward.

- **Internalize Employee Wage Expenses** – As is typical for most composting facilities, labor costs comprise the largest expense item for Millfair’s operations. Currently, labor costs for operating the Center are paid by the Millcreek Public Services Budget and Fairview Administration Budget, respectively. SCS believes that to the extent feasible and to establish a truly self-sustaining program, employee wages attributable to operating the Center should be paid out of the Millfair Compost Center budget. While SCS does not recommend the Center significantly adjust pricing in order to pay for all employee staff time immediately, SCS believes that the townships should begin to incrementally transition employee wages into the Millfair Compost Center budget for the following reasons:
 - Provides for more direct accounting of Center expenses
 - Provides greater transparency of township resources
 - Facilitates calculation of a cost/ton of compost/mulch products produced
 - Allows benchmarking to other compost facilities
 - Reduces overhead expenses
- **Explore Requirements/Opportunities for Accepting Food Scraps** – The Millfair Compost Center provides an important service to residents and business for managing organic waste in Erie County. In many communities throughout Pennsylvania, including in Erie County, there is a continual desire to increase the amount of waste diverted from disposal to enhance sustainability. A significant opportunity for expanding waste diversion includes establishing programs that capture food scraps from the waste stream, both from the commercial and residential generating sectors. Interest in food scrap composting continues to grow throughout Pennsylvania and the Millfair Compost Center may have an opportunity to take a leadership role in implementing food scraps composting in Erie County. SCS encourages the townships to begin conversations with DEP, the County, haulers, and other stakeholders to potentially explore expanding the services at Millfair to include food scraps composting. Although it will take time to implement food scraps composting, Millfair has an opportunity to begin exploring how food scraps could be incorporated into their operation and provide additional revenue sources at the Center.

5 CONCLUSION

Overall, the Millfair Compost Center provides an important service to residents and commercial entities that conforms to the mandatory municipal recycling requirements of Act 101. The Center produces a number of compost and mulch products that are either sold or made available at no charge to residents, commercial entities, and non-profit organizations. The Center appears to have the support from the community and from a financial perspective generates significant revenue to pay for key operational expenses, including equipment, materials and supplies, and utilities.

In order to position the Center for continued success and sustainability, SCS recommends that the townships work together to regularly assess current tip fee and product pricing and make adjustments accordingly. SCS notes that Center expenses have increased over the last eight years

while pricing for products and services have not been adjusted. SCS's experience supporting municipal budgets is that pricing should be adjusted frequently as needed to avoid larger more impactful pricing changes. A more detailed cost analysis on the production of each unique product may be necessary to allocate costs accordingly. Additionally, SCS encourages the Center to monitor current market conditions that could impact customers' use of the Center. This is particularly important in regards to the sale of compost/mulch products as revenue from that source comprises a significant amount of the revenue received.

Finally, SCS suggests that the townships consider integrating labor costs into the budget for the Center. Labor costs represent the most significant expense for Center operations and to accurately account for the costs of the Center labor should be included. Including labor costs in the Center's budget can be done incrementally and in conjunction with pricing adjustments. Including labor costs in the Center's budget will be important for completing a more detailed cost analysis on each individual product price.

Appendix A
Municipal Recycling Requirements of Act 101

Summary of Act 101 Mandatory Municipal Recycling Requirements

Overview

Chapter 15, Section 1501 of the Pennsylvania Municipal Waste Planning Recycling and Waste Reduction Act (Act 101), outlines the requirements for large municipalities to recycle. Municipalities, other than counties, with a population of 10,000 or more people or with a population of more than 5,000 but less than 10,000 people, and a population density of more than 300 people per square mile, are mandated to recycle.

Recycling Ordinance

An Act 101 mandated local government must adopt an ordinance that requires recycling. The ordinance shall require the following:

- 1) Recycling at single-family homes and apartments; commercial, municipal, and institutional establishments; and at community activities.
- 2) A scheduled day, at least once per month, when separated recyclable materials are to be placed at the curb or similar location for collection.
- 3) A collection system, including trucks and related equipment, to pick-up separated recyclable materials from the curb or similar location at least once per month from homes and businesses in the municipality. The municipality shall explain how the system will operate, the dates of collection, the responsibilities of persons within the municipality and incentives and penalties.
- 4) Provisions to ensure compliance with the ordinance, including incentives and penalties.
- 5) Provisions for the recycling of collected materials.

Residential Recycling

Residents must separate for recycling at least three materials deemed appropriate by the municipality from municipal waste generated at their homes, apartments, or other residential establishments. Separated materials must be stored at the property until collection. The three materials must be selected from the following:

- Clear glass;
- Colored glass;
- Aluminum;
- Steel and bimetallic cans;
- High-grade office paper;
- Newsprint;
- Corrugated paper;
- Plastics.

Leaf waste must also be separated from municipal waste generated at residential properties and stored for collection, unless residents have already provided for the composting of the materials (i.e. backyard composting).

Owners or landlords of multi-family rental properties with four or more units must establish a recycling collection system at each property. The collection system must include suitable containers for collecting and sorting materials, easily accessible locations for the containers and written instructions to the occupants concerning the use and availability of the collection system. Owners or landlords that comply with these requirements shall not be liable for noncompliance by occupants of their buildings.

Commercial, Municipal, and Institutional Recycling

Occupants of commercial, municipal, and institutional establishments are required separate and store for recycling of the following materials at a minimum:

- High-grade office paper
- Aluminum;
- Corrugated paper;
- Leaf waste.

Occupants of commercial, municipal, and institutional establishments may be exempt from the requirements of this law if those persons have otherwise provided for the recycling of materials they are required to recycle. To be eligible for an exemption, the commercial, municipal, or institutional generator must provide written documentation to the municipality annually.

Community Activity Recycling

Organizers of community events must provide for the separation, storage, and collection of high-grade office paper, aluminum, corrugated paper, and leaf waste at the events. Community activities required to recycle include events sponsored in whole or in part by a municipality or held within a municipality and sponsored privately. Events include fairs, bazaars, picnics, or sporting events that will be attended by more than 200 or more people each day of the event.

Leaf Waste Diversion

Municipalities mandated to recycle under Act 101 must require residential and commercial establishments to separate and store leave waste for collection. Leaf waste includes leaves, shrubbery, tree trimmings, and similar materials, excluding grass clippings. These materials must be collected at least monthly. In order to comply with Act 101, mandated municipalities must at a minimum:

- 1) Implement an ordinance that requires leaf waste to be separated from municipal waste for recycling at residential and commercial, municipal, and institutional establishments, AND
- 2) Establish a scheduled day, at least once per month, when leaf waste is collected curbside or similar location, OR
- 3) Establish a scheduled day, no less than two times per year and preferably in the spring and fall, when leaf waste is collected curbside or similar location from residential and commercial establishments, AND facilitate a drop-off location or other collection alternative approved by the Pennsylvania Department of Environmental Protection that allows persons to drop-off leave waste for composting at least once per month. A leaf waste drop-off site can be in a neighboring municipality or at a private establishment provided there is an agreement in place to utilize the site, and residents and occupants of commercial establishments are informed of the drop-off location at least every six months.

Municipalities are encouraged to manage source separated Christmas trees as leaf waste for processing at DEP approved composting facilities.

Public Education and Outreach

Municipalities subject to the requirements of Act 101 must implement a comprehensive and sustained public education program. This program is to provide residents and owners/tenants/occupants of commercial, municipal, and institutional establishments with information on recycling program features and requirements. The educational program includes two features:

- **Initial Education** – At least 30-days prior to the start of a recycling program notify all persons occupying residential, commercial, municipal, and institutional establishments of the recycling requirements as contained in the ordinance.
- **Sustained Education** – Every six months the municipality must inform and remind all persons occupying residential, commercial, municipal, and institutional establishments of the recycling requirements.

Numerous forms of educating the public are acceptable and include:

- Newspaper advertisement circulating in the municipality;
- Public notice posted where such notices are customarily posted;
- Notices in other official notifications (i.e. utility bills);
- Website;
- Newsletter;

A combination of forms are acceptable and at least one form must be in print annually.

Implementation

Municipalities may implement their responsibilities for the collection, transportation, processing, and marketing of recyclable materials in one or a combination of the following ways:

- 1) Collect, transport, process, and market recyclable materials themselves;
- 2) Enter into a contract(s) with other entities for the collection, transportation, processing, or marketing of recyclable materials. If contracting for recycling services, the entity being contracted is responsible to the municipality for implementing of recycling activities.
- 3) Contract with a landfill or material recovery facility, in lieu of a curbside recycling program, that guarantees by contract that at least 25 percent of the waste received is recycled. The technology utilized in this program must have prior approval from DEP.
- 4) Utilize a recycling facility that demonstrates that the materials separated, collected, recovered, or created by the facility can be marketed as readily as materials collected through a curbside recycling program. In addition, the mechanical separation technology used by the facility has been demonstrated to be effective for the life of the facility.

Exceptions

The municipality is not required to collect, transport, process, or market recyclable materials or contract for these services if all of the following conditions are met:

- 1) The municipality is not collecting and transporting municipal waste from such establishment or activity.
- 2) The municipality has not contracted for the collection and transportation of municipal waste from such establishment or activity.
- 3) The municipality has adopted an ordinance as required, and the establishment or activity is in compliance with the provisions of the ordinance.

Act 140 Requirements for Section 904 Recycling Performance Grants

Overview

Act 101 was amended in 2006 by Act 140 to establishment requirements for the use of Section 904 Recycling Performance Grants.

Requirements:

Municipalities mandated to recycle under Act 101 and receive more than \$10,000 in funding from recycling performance grants must meet the following requirements:

- 1) Requires, through ordinance, that all residents have waste and recycling service.
- 2) Has an implemented residential recycling program and facilitates a commercial recycling program or participates in a similar county or multi-municipal program.
- 3) Has a residential and business recycling education program.
- 4) Has a program of enforcement that periodically monitors participation, receives complaints and issues warnings for required participants and provides fines, penalties, or both, in its recycling ordinance.
- 5) Has provisions, participates in a county or multi-municipal program or facilitates a private sector program for the recycling of special materials.
- 6) Sponsors a program, facilitates a program or supports an organization to address illegal dumping and/or littering problems.
- 7) Has a person or entity designated as recycling coordinator who is responsible for recycling data collection and reporting recycling program performance in the municipal or municipalities.

If these requirements are not satisfied by the municipality, then the grant funds awarded under this section must be expended by the municipality only to satisfy these requirements. If all these requirements are satisfied, then the grant funds awarded may be used for any expense as selected by the municipality.