

I get this idea presented to me almost every month. It goes like this. Mayor, if the town reduced residential garbage service to one day a week, operating costs and rates could be reduced. Never do I get the suggestion to cut daily commercial service, which is the source of those recurring sanitation deficits.

My response is always the same question. Would the cost saving by going to one-day-a-week residential service be because worker hours would be reduced, or would it be a reduction in staff size, which is already at a barebones level, or a combination of both?

So, as a result of implementing the suggestion, a worker on the low end of the town wage scale, a person who is expected to have a CDL driver's license, would work for the town 36 (IS IT 32) hours a week while other town workers would get 48 hours (IS IT 40)? We have a hard enough time hiring sanitation workers as it is that cost-saving measure would be a recruitment deal killer.

Staffing in the Sanitation Department is so low now that the town has to use electric trim crew workers to run garbage routes when we have sanitation workers out for illness, injuries, when there is a resignation, or a combination of all these situations. Twice a week, residential pick up also helps with removing trash in a timely manner in coping with our hungry bear friends.

Within our budget structure, there are the enterprise fund and the general fund budgets. A department in the enterprise fund category is expected to make enough money from service fees to pay for its operation and maintain a reserve fund, as in the case of the electric department. In recent years the sanitation department was running yearly deficits. At the advice of the town auditors, the board decided this past year to move the sanitation department to the general fund where these self-sustaining measures are not in place. In short, when there is a deficit in sanitation costs, it is now covered by general tax revenues. That is not to say that sanitation rate increases are off the table in the future. I anticipate rate increases to help off set the deficits in the coming years.

Another idea is that the town should sell the sanitation department to a private company. Many metropolitan areas have already privatized garbage collection. It is an interesting idea, but the town is a small market with about 3000 collection accounts. Also, there is that expectation of continuing commercial collection, which is a unique practice in such a small town.

The town board and manager studied the possibility of privatization two years ago. Potential providers were contacted, but the decision was to continue as is. The concern was that if the town went out of the sanitation business, it would be for good, with the elimination of all those expensive vehicles and equipment. The concern was that as a

small, isolated market a private provider might pull out of the area after a few years of deficits like the ones the town has incurred. In a private provider scenario, to cover the losses, rates might dramatically increase while service would be reduced. If the company stopped service, what would be the alternative? All the factors cited above caused the board to decide garbage collection was an essential service that the town must continue operating.

Finally, another recurring notion is that garbage, water and sewer, and electricity services should only be fee-based services. Translated, a customer pays for only what is used, so a seasonal resident would pay for service only when in town. The problem is that Highlands, a very small town and market, requires the operation of these services at a high level all year long. The town has to charge a minimum fee regardless of how much power, water and, garbage is collected. Our utilities are very akin to a coop model in that everyone has to contribute to the continuous operation of the services. This plan works well now as many former seasonal residents can be described as back-and-forth transitional residents throughout the year.

The challenge facing the town currently is how to maintain these systems and expand services as demand constantly increases. Investments through grants are a major vehicle for meeting these challenges. In the past three years, we have received about 8 million dollars in state grants to improve our water department and water lines.