

January 13, 2010

Member Town
Sandy River Recycling Association

Dear Town Officials,

Sandy River Recycling Association celebrated its 20th year in 2010. Throughout that time it has met its commitment to its members: to keep the cost of removing recyclable material from the solid waste stream well below that paid for the disposal of non-recyclable waste.

If you have followed the minutes of the directors meetings, you know that the SRRA has not escaped the economic downturn of the past two years. The dramatic drop in prices received for material, combined with a decrease in tons collected resulted in annual revenue plummeting from over \$200,000 in 2008 to \$61,000 in 2009, resulting in net losses for the year of \$112,000. The directors realized that our member towns are also facing difficult financial times, and even though we had a loss of over \$112,000 in 2009, we elected to keep member towns 2010 allocations stable at \$55,685, electing to fund the anticipated shortfall in our 2010 operating budget out of the capital fund that we have built of several years.

The staff and directors recognized the need for significant changes and have worked hard during 2010 to control and reduce operating costs, while at the same time increasing efforts to obtain recyclable material and enhance revenue. We have stopped the steady growth in annual expenditures, cutting the operating budget in each of the last two years, with the 2011 budget coming in at \$31,000 less than the amount budgeted for 2009. This represents a 12.8% decrease. At the same time we have managed to maintain the quantity of material process while the market for material has rebounded, resulting in annual revenue for 2010 of \$126,500, or more than twice 2009 level. Still, in spite of our efforts we saw annual losses of \$39,500.

At their November meeting, the directors unanimously agreed that further depletion of the capital fund would not be prudent, and along with the approving the proposed budget cuts, elected to increase member allocations from \$45 to \$52 per ton in order to balance the 2011 budget. This \$7 per ton increase results in the total requested allocation of \$63,416 for 2011, an increase of \$7,731 that is shared among the 18 member towns. The attached spreadsheet provides the allocation for each member town.

We are confident that you will agree this is a relatively modest increase, and that the \$52 per ton is still well below the cost associated with disposing of municipal waste by any other means. We remain committed to keeping SRRA a viable and valuable asset for its member towns.

Please visit our website at www.sandyriverrecycling.org for more detailed information including minutes to our bi-monthly directors meetings and a line item budget for 2011.

Regards,

Richard G. Doughty
Treasurer, SRRA

