



# TOWN OF KILL DEVIL HILLS

*Land Where Flight Began*

MEMORANDUM

April 11, 2022

TO: Mayor and Board of Commissioners

FROM: Debora P. Díaz, Town Manager

REF: New Business

## 2. Bay Disposal rate increase request (Attached NB-2)

Bay Disposal & Recycling, which provides voluntary subscription residential curbside recycling for the Town's citizens, has requested a rate increase. Public Services Director Steve Albright's attached memorandum provides an overview of the request, which would increase the monthly rate to \$13.20 per cart, per month.

The BOC previously approved a rate increase on May 11, 2020, to \$12.76 per cart, per month. However, based on uncertainties at the time, Bay Disposal & Recycling maintained its then monthly rate of \$12.45 and never implemented the approved increase for customers.

The Town has enjoyed a 14-year relationship with Bay Disposal & Recycling, providing citizens a convenient service to those who want it, without imposing it on those who prefer to utilize the Town's Recycle Center. If this rate increase is approved, it would only be the fourth increase since the company entered into a franchise agreement with the Town in 2008.

Staff recommends the BOC approve the rate increase to \$13.20 per cart, per month for Bay Disposal & Recycling's subscription type residential curbside recycling program.

A motion will be in order.



# TOWN OF KILL DEVIL HILLS PUBLIC SERVICES

Post Office Box 1719, 107 Town Hall Drive  
Kill Devil Hills, NC 27948  
Administration (252) 480-4080 Fax (252) 441-6136  
Office Hours: 8:00 a.m. – 5:00 p.m. Mon. – Fri.  
Water Plant (252) 480-4090  
www.kdhnc.com

**STEPHEN F. ALBRIGHT**  
Director

April 11, 2022

**DEREK A. DAIL**  
Assistant Director

## **Memorandum**

To: Debora P. Diaz, Town Manager

**MARCIA K. OLLIS**  
Administrative Services

From: Stephen F. Albright, Public Services Director *SFA*

**ALFRED W. BURTON**  
Water Plant

*Subject: Subscription Type Residential Curbside Recycling Annual Rate Increase Request*

**WILLIAM H. WATERFIELD**  
Water Systems

**L. RANDOLPH TURNER**  
Streets

The Town updated the voluntary subscription curbside recycling program franchise agreement in May 2019 following over a decade of collections by Bay Disposal (formerly Outer Banks Hauling). The franchise agreement has provisions for an annual rate increase request.

**LYNN E. LINDSEY**  
Solid Waste

Bay Disposal was granted a rate increase in the amount of \$12.76 per month per cart on May 11, 2020. However, based on numerous uncertainties at that time, Bay has maintained the prior rate of \$12.45 and never implemented the previously approved rate increase.

Attached is a request from Bay Disposal dated March 1, 2022 requesting a rate increase to \$13.20 per month per cart and providing their justifications. This reflects an approximately 3.4% rate increase over the previously approved \$12.76 rate. Bay also indicates that the recycling materials markets have improved with most materials currently being recovered at the RDS facility in Portsmouth, Virginia.

Thank you for your consideration of this request.



March 1, 2022

Town of Kill Devil Hills  
P.O. Box 1719  
Kill Devil Hills, NC 23948  
ATTN: Steve Albright

RE: Recycling Franchise Agreement

Dear Mr. Albright,

In accordance with Section XII.B (page 9 of 12) of the Recycling Franchise Agreement between Bay Disposal and The Town of Kill Devil Hills regarding rate adjustment, Bay Disposal is requesting a rate increase.

Like most businesses, we have all been hit with the increasing costs of labor, fuel and disposal. Unfortunately, we are then forced to pass some of these costs down to the customer. We are requesting an increase from the \$12.45 per month per home to \$13.20 per month per home.

We apologize for any inconvenience this may cause and hope you understand. Please do not hesitate to reach out to Pam or myself if you have any questions or need any additional information. We look forward to continuing to provide exceptional service to your residents.

Sincerely,

Emmett Moore  
District Manager



## Albright, Steve

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**From:** Pamela Marlowe <pmarlowe@pennwaste.com>  
**Sent:** Tuesday, March 08, 2022 9:38 AM  
**To:** Albright, Steve; Emmett Moore  
**Cc:** Dail, Derek; O'Dell, Michael  
**Subject:** RE: Recycling Franchise Agreement - Requested Rate Increase

Good morning, Steve!

Thank you for your response to our letter. After researching, we have found that the 2020 approved increase was not implemented on our end. Kill Devil Hills customers are still at the \$12.45 rate. As far as the recycling market, as we continue to educate the community and our customers on proper recycling, we continue to be able to increase the amount of clean recycle we take to RDS, a recycling facility in Portsmouth, VA. Last month alone, 70% of our recycling was clean enough to go to that facility. The remaining 30% of contaminated recycling did go to Wheelabrator. Please let me know if you have any additional questions or concerns. We look forward to continuing to work with all of you.

Thank you!

Pam

*Pamela Stine*

Site Manager  
Bay Disposal – Outer Banks Hauling  
8546 Caratoke Hwy  
Powells Point, NC 27966  
252-455-4103

**From:** Albright, Steve <Steve@kdhnc.com>  
**Sent:** Monday, March 7, 2022 7:48 PM  
**To:** Pamela Marlowe <pmarlowe@pennwaste.com>; Emmett Moore <emmett@baydisposal.com>  
**Cc:** Dail, Derek <derek@kdhnc.com>; O'Dell, Michael <odell@kdhnc.com>  
**Subject:** Recycling Franchise Agreement - Requested Rate Increase

**WARNING: This email is from outside of Waste Connections; Exercise caution.**

Good Evening Pam and Emmitt,

I received the attached rate increase request today. I wanted to follow up regarding two items:

1. The minutes below from a May 11, 2020 KDH Board Meeting indicate a prior rate increase was approved from \$12.45 to \$12.76. The current request indicates a request to increase from \$12.45 to \$13.20. Was the previously approved request ever implemented by Bay? If so, please revise the request to indicate the correct current rate.
2. What is the current status of the recyclable materials market and where are the recyclable materials currently going? Is the Wheelabrator waste to energy plant still being used or a MRF with materials going to market?

**New Business**

I.

**Subscription type residential curbside recycling rate increase request  
(Attached NB-1)**

Public Services Director Steve Albright's accompanying memorandum highlighted the request by Bay Disposal for a subscription increase to \$12.76 per cart, per month. Although this is a 2.49% increase, it is only the third rate increase since the company entered into a franchise agreement with the Town in 2008. The last increase was in 2019, and like this request, is based on increased operating costs.

Minutes  
May 11, 2020  
KDH BOC Meeting  
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Bay Disposal has been responsive and cooperative with Town Staff and its Kill Devil Hills customers over the past 12-year relationship. The service is convenient to those who want it, without being imposed on those who opt to not use it.

Staff recommended the BOC approve the rate increase to \$12.76 per cart, per month for the subscription-type residential curbside recycling program.

Mayor Sproul asked for comments or action from the BOC and Commissioner Gray made a motion for the BOC to approve the curbside recycling rate increase for \$12.76 per month, as requested by Bay Disposal. Commissioner Windley seconded that motion and approval was unanimous, 5-0, by roll call vote, as follows:

Commissioner Windley	Yes	Commissioner Ingram	Yes
Commissioner McAvoy	Yes	Mayor Sproul	Yes
Commissioner Gray	Yes		

Thanks in advance for your assistance.

Sincerely,

**Steve Albright**

Public Services Director  
Town of Kill Devil Hills  
107 Town Hall Drive