

VOTER APPROVAL: A SIMPLIFIED APPROACH TO OVERCOME FINANCING OBSTACLES

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ABSTRACT

This paper describes the successful utilization of in-house talents for a mass educational program to gain voter approval in a unique Special Election held in five cities and necessitating voter approval in every city, for a millage increase necessary to finance installation of air pollution control equipment on incinerators out-of-operation since December 31, 1982.

INTRODUCTION

The Central Wayne County Sanitation Authority's municipal incinerator plant, owned by the cities of Dearborn Heights, Garden City, Inkster, Wayne, and Westland, is located in Wayne County in southeastern lower Michigan. The owner communities encompass a 50 square mile area with a 1984 State Equalized Valuation of \$1,864,871,970. Most of the residents of the owner communities live in single homes which they own or are buying on contract.

The Authority's incinerator plant operated successfully for 18 years in the safe disposal of the solid waste generated by not only the 268,000 residents of its owner communities, but the 77,500 residents of another community as well, who had contracted with the Authority. In addition, the Authority disposed of solid waste

for private haulers, banks, local, state, and federal agencies.

In December of 1982 the Authority's furnaces were shut down by court order for noncompliance with local county codes and in order to be in compliance with the Federal Clean Air Act. By virtue of this fact, 50% of its plant employees were laid off, and the Authority had to utilize its transfer station to dispose of the municipal solid waste from its owner communities.

The Authority worked diligently for years to solve the problem of complying with the standards and time limits imposed by the Clean Air Act. However, all of their efforts were to no avail due to many factors, the most important of which was their inability to market successfully any security in the depressed general economic climate in this area. Two primary economic problems were as follows:

(a) The State of Michigan appeared to be in serious financial difficulty and, in fact, raised the State Income Tax 38% in order to reverse its position.

(b) The County of Wayne was also in serious financial straits and, in fact, took drastic cost cutting measures to alleviate their financial stress.

A contributing factor to the above was the fact that the automobile industry was in the throes of a recession, and unemployment in the State of Michigan was at all time highs.

The Authority also completed a feasibility study

financed through a grant from the U.S. Department of Energy for "Cogeneration From an Existing Municipal Incinerator Plant." They completed the engineering for air pollution control equipment with provision for waste heat boilers, up to and including contractors' bid package. The project would not only solve the meeting of the standard but would also enable them to produce steam and electricity. Their only problem, at that point, was the method of financing the project.

QUEST FOR FINANCING

The Authority, after investigating many different avenues of financing the project, concluded that it would not, at that time, be economically feasible without some type of funding support from federal, state, county, or other sources. They continued with their pursuit of such funding support. However, at that time, there was absolutely no program available.

A major "stumbling block" in any financing decision by the Authority was the November 1978 voter approved amendment to the Michigan Constitution, commonly referred to as the Headlee Amendment, which restricted the owner communities' ability to increase taxes. Under the Headlee Amendment, the owner communities were prohibited from pledging their full faith and credit and unlimited taxing power behind their contractual pledge to pay the Authority. The owner communities could only pledge their limited taxing power to meet their contractual payment to the Authority. The owner communities were all faced with extremely tight general budgets, and many were at their charter tax limit. This meant that any increase in charges for use of the incinerator would require cutting some other function out of their general fund. Therefore, it was determined that the best approach would be to go for a vote of the people. Also, voter approval would almost assure a more favorable interest rate on any bond sale.

LAYING THE NECESSARY GROUNDWORK

As far back as mid-1983, the Authority presented a position paper to the City Councils of each of the five owner communities entitled "We Do Not Want Someone Else's Refuse Buried Here." The paper brought them up-to-date on the status of the incinerator plant, including the Authority's efforts to seek financial assistance. It stressed the fact that even though the furnaces were not operating, the disposal of the solid waste was being handled in a smooth, orderly, and efficient

manner, due to the foresight of the owner communities in adding a Transfer Station in 1971, which enabled them to continue to maintain control of their solid waste disposal. The position paper brought to light the following areas of concern:

(a) The rise in landfill costs over a 20 year period amounted to 2150% versus a rise of 300% in incineration costs for the same period.

(b) The remaining life expectancy of landfills in Wayne County was 7 years.

(c) The cost to communities to dispose of refuse in landfills could become staggering when area landfills become saturated. One community in Northern Michigan travels 300 miles round trip to the closest landfill to dispose of its refuse.

(d) New state regulations for existing landfills now call for more stringent requirements, such as geological surveys, monitoring wells, etc. Also, to site a new landfill could conceivably take as long as 5 years, due to these regulations.

(e) If the Authority ever closed its incinerator plant, it would be next to impossible to ever reopen due to Michigan's State Implementation Plan which would consider the incinerator plant as a new source and, as such, would be subject to a very complicated system of credits.

(f) The importance of the continuance of the Authority for control by the owner communities of their solid waste disposal by taking whatever steps were necessary to install the air pollution control equipment with provisions for steam and electric generation, to enable them to comply with the air pollution control regulations and again incinerate their wastes.

The position paper posed the following questions:

(a) What will it cost the owner communities if they do not take these steps?

(b) Are they developing serious problems for the next generation by dumping into landfills?

(c) What future liability are they creating?

(d) Can the owner communities afford to allow their costs to be controlled by private companies?

(e) Can the owner communities afford to relinquish control of their solid waste disposal?

In mid-1984, the Authority mailed a follow-up to their position paper, in an effort to keep the City Councils of the owner communities apprised of the status of the incinerator plant and the ongoing investigation of different avenues for some type of financial assistance. It advised them that, in any event, the Authority was anticipating moving forward with their project, hopefully, by the year's end, at which time they would advise the City Councils of the steps which had to be taken by them, in order to bring this project to fruition.

In August of 1984, the Authority made a decision to advise the residents of the owner communities of the problems facing them and the alternative available to them. This was accomplished by publishing an "Open Letter to the Residents of the Cities of Dearborn Heights, Garden City, Inkster, Wayne and Westland," in newspapers of general circulation. The letter informed them of the status of the incinerator plant, the status of landfills, and the fact that we all had to do whatever was necessary to obtain financing to equip the Authority's furnaces to enable them to again incinerate the solid waste generated in our communities. The Authority listed the options to consider and the approximate costs involved, in the following manner:

(a) Equip two of the three furnaces with the necessary new air pollution control equipment which would amount to approximately \$3.50 per person per year.

(b) Equip all three furnaces with the necessary new air pollution control equipment and install boilers to produce steam and generate electricity which would amount to approximately \$21.60 per person per year.

(c) Equip all three furnaces with the necessary new air pollution control equipment with provision for the addition of the boilers at a later date which would amount to approximately \$5.20 per person per year. It should be noted that the Authority used a cost per person per year approach as best to explain to the general public based solely on the fact that it was easier for the average person to relate to. Also, the Authority felt that an open letter to the residents was not the place to explain total project costs or necessary millage increases inasmuch as they would be informed of this information at a later date.

The Authority's telephone number was listed with the request that residents call to register their opinions. It was a very pleasant surprise when all responses received were in the affirmative and most chose option No. 2. All were in favor of reopening the incinerator plant. The important message received by the Authority was that the public, while not necessarily well versed on their city owned incinerator plant, were very much aware of the current status of landfills.

In October of 1984, the Authority made a decision to consider installation of air pollution control equipment on two furnaces only, at an approximate cost of \$11.2 million dollars, with space for the addition of waste heat boilers at a later date. This approach would enable the Authority to serve, first and foremost, the owner communities. At a later date, the Authority will install the air pollution control equipment on the third furnace and retrofit for steam and electric generation, when the necessary guaranteed additional waste stream

can be attained from other communities which will be faced with staggering landfill costs. Also, there is state legislation in the works which, if successful, could offer funding assistance in the form of matching grants for retrofit projects. It is the Authority's understanding that this would be retroactive, thereby enabling the Authority to be given credit for their current investment.

The next step to be taken was setting up study sessions with the City Councils of the owner communities to apprise them of the preliminary cost estimates and millage increases necessary for financing the installation and obtaining their approval to hold a Special Election. July 30, 1985 was targeted as the date for the Special Election to be held in each community. Several of the owner communities had "the room" in their millage limitations to handle an increase without going for a vote of the people. However, the majority were fast approaching or had already reached their limitation. Therefore, it was deemed, in the best interests of all five owner communities, to go for a vote of the people with a like ballot proposal in each city, for an increase of up to one mill for 15 years. The Authority purposely chose July 30th as the date for a Special Election, knowing that most of the owner communities had Primary Elections in September and General Elections in November, so that this issue would not be politicized. The Authority received approval from all five City Councils to hold the Special Election in their cities.

EDUCATING THE PUBLIC

In September of 1984, anticipating the possibility of going for a vote of the people, the authors, well versed in the solid waste disposal filed, each with 20 years employment with the Authority, embarked on a project to develop an audio/visual presentation as a tool for educating the general public.

It was decided that the audio/visual presentation should be no longer than 15 min and should be as non-technical as possible so that it would be easily understood by everyone. The first step was the preparation and refining of a script depicting the past, present, and future of the Authority's incinerator plant. The next step was the researching of files for old photographs which had to be made into 35 mm slides. New photographs were taken by the authors to depict the present and future. The audio/visual presentation encompasses a period of 32 years in a span of less than 15 min. The theme of the presentation is "The Conservation of This Beautiful Land of Ours." The taping

was done in the Authority offices with narration by the principal author. The only cost to the Authority, at that point, was the cost of the film. The presentation was made first to the Authority Board of Directors in December of 1984. Their response was unanimous that this film should be used as the major tool for educating the general public. The presentation was also made to each City Council of the owner communities as an integral part of the Study Sessions held with them in early 1985.

STRATEGY PLAN

Since the shut down of the Authority's furnaces in December of 1982, they were successful in garnering periodic coverage of the plant in local newspapers, including a roving reporter type of interview which asked the question, "Would you vote for a one mill tax levy to help finance pollution control equipment for the incinerators?" The majority of people queried indicated "yes."

A strategy Plan was developed, beginning in May of 1985, as follows:

(a) Local Cable Television coverage. The format used was a hosted show with questions and answers by the Authority representatives and included the airing of the audio/visual educational presentation. This show was repeated by the cable company all the way up to the end of July.

(b) In mid-May, the audio/visual presentation was made by Authority representatives to groups such as The League of Women Voters, local Chambers of Commerce, Rotary Clubs, Kiwanis Clubs, Political Clubs, Senior Citizens Clubs, etc., for the purpose of the educational process, answering questions and last, but not least, seeking endorsements from these groups, as leaders in the communities.

(c) The Authority developed and printed an educational brochure for delivery in mid-July to every address in the five owner communities. The brochure emphasized the pros and cons of incineration versus landfilling, depicting recent newspaper headlines concerning both methods of disposal and informed the public of the Special Election to be held on July 30, 1985.

(d) During the month of July, the educational audio/visual presentation was made in each of the owner communities, to the general public. The locations for these presentations were in council chambers, local recreation complexes, and the auditorium of the largest shopping complex in this area. The dates and times of these presentations were advertised in the local newspapers and on cable televisions.

(e) A mass media blitz was scheduled for the last 10 days prior to the election.

An oversized Calendar of Events was made and posted in the office of the principal author, in order that everyone involved was kept constantly apprised of the activities. All presentations arranged by city officials were coordinated with the Authority office, in order to avoid overlapping or duplication of dates. Members of City Councils, members of the Authority Board of Directors, and Authority staff all participated in the presentations. An oversized Press Coverage Board was posted in the office of the principal author in order that everyone involved would be kept apprised of the media coverage. The press coverage of general news items and editorials concerning the Authority were all favorable.

The Authority mailed requests for endorsements of the project to all elected officials of the owner communities as well as county, state, and federal representatives. Endorsements were received from every level.

A committee was formed of citizens from each of the owner communities and was successful in its efforts to solicit contributions and endorsements to encourage a "yes" vote at the polls. On the 25th of July, 1985, a rally was held at the incinerator plant with all supporters invited. This was also covered by the press, newspapers, and local television stations. The evening before the election, Authority staff made telephone calls to friends, neighbors, and relatives urging them to get out to vote. On July 30, 1985, the voters in the five owner communities "told the story" with a resounding "Yes" vote at the polls.

The following facts are of particular interest:

(a) In the 20 year history of one of the owner communities, voters have never approved a millage increase. This one was approved by them.

(b) In another of the owner communities, for merely the second time in their history, not only did all of their elected officials and department heads publicly endorse the project, but opposing candidates for elected offices in their city also endorsed the project.

(c) A local county taxpayers association, who are traditionally anti-tax, publicly endorsed the project.

(d) This is the first time in Michigan history that five separate cities approved a Special Election to be held on the same day with a like ballot proposal which necessitated passage in all five cities.

CONCLUSIONS

Elections, particularly millage elections, can be surprising. You can predict the outcome of some with

reasonable certainty. However, the July 30, 1985 property tax increase beat the odds. Homeowners voted overwhelmingly in favor of boosting their taxes for 15 years to allow an incinerator to reopen. Even millage proposals with some appeal, like those for schools, libraries, roads, or parks, have a hard time getting past money-conscious voters. However, the Central Wayne County Sanitation Authority may have written suburban political history. From the start, the Authority's Board of Directors and supporters had obstacles to overcome. Since the closing of the furnaces in December of 1982, the Authority was forced to bury rubbish in landfills. The Authority is in the business of burning rubbish, not burying it. The Authority's Board of Directors and staff felt bad about laying off approximately half of the 28 person work force when the incinerators were shut down, so they set out to develop a way to reopen the incinerator plant and lessen their dependency on landfills which, in this county, are fast being filled to capacity.

The tax increase, necessary to finance the project, would be a maximum of \$1 per \$1000 of state equalized valuation or approximately \$20 per year for an average homeowner. The Authority Board of Directors and

staff and the City Councils of the owner communities, armed with the educational audio/visual presentation, and the sole purpose of reaching all of the residents of the five owner communities, succeeded. The message was simple and to the point. The group had a plan that worked and they worked the plan.

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ABSTRACT

Applications of a financially based solid waste disposal model will be described. The model is written as an overlay to the LULU 1-3 spreadsheet program. It makes use of the LULU 1-3 basic engineering capabilities and is a user-driven spreadsheet oriented computer skills for use. The model allows engineers to estimate costs for on-site incineration, transfer, energy plants, and landfill. Outputs include summary tables of operational and capital costs, as well as a 10 year performance summary. The model was developed by the California Waste Management Board, an agency of the State of California, and will be distributed by them.

INTRODUCTION

The California Waste Management Board (CWMB), an agency of the State of California, has been tasked by the California Legislature with providing technical assistance to county and local governments in the planning of solid waste management systems. This was done through the Solid Waste Financial Model, which was developed as part of CWMB's initial assistance program.

California Waste Management Board provides assistance to county and local governments in the planning of solid waste management systems.

design alternatives and the same degree of waste which could be economically recovered. The goal was of making alternatives as cost effective as possible without sacrificing environmental protection for the convenience of alternatives.

The CWMB recognized that the development of a relatively low cost management system for solid waste disposal would require that capabilities. The CWMB contacted the Civil and Environmental Engineering Department of California Polytechnic State University (Cal Poly) at San Luis Obispo, to develop a spreadsheet model based on the LULU 1-3 data.

The Solid Waste Financial Model will be distributed as a spreadsheet from the California Waste Management Board to a general use. The program of the SWF Model has been developed by the CWMB in the form this paper was submitted (December 1984). It is expected that the user will be familiar, referring to the LULU 1-3 manual. The model will include the program file and the "User's Guide" (1). A detailed programming guide will also be made available for the user's reference (2). Contact the CWMB at the address below for further information.

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