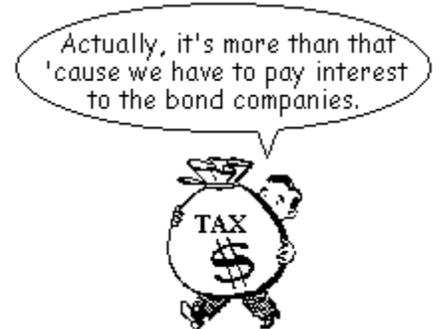


Harrisburg Tax Alert!

Harrisburg City taxpayers are responsible for **over \$300 MILLION in debt** according to official City documents.¹

Over \$55 million of the debt is due to the trash incinerator.² With interest, the city is scheduled to pay over \$144 million on incinerator debt alone over the next 21 years.³

The city-operated trash incinerator in south Harrisburg may be the **most polluting incinerator in the U.S.**⁴ and is the oldest one still operating.⁵ Mayor Reed warns that taxes will go up if the incinerator is shut down.⁶ What he hasn't been telling people is that it will cost **MUCH MORE** to keep it open. The incinerator has **lost money 7 of the last 8 years** according to Harrisburg Authority documents.^{7,8}



In November 2000, **Mayor Reed got city council⁹ to approve an additional \$25.5 million bond¹⁰** to prevent the incinerator from defaulting on its debt and to help it stay open while escaping new pollution standards.¹¹

To keep the incinerator running once they are forced to comply with the new air pollution laws,¹² they will have to **borrow another \$50 to \$150 million¹³** to rebuild the incinerator. We, the city taxpayers will get to pay this back with interest over the next 20 plus years.

¹ Comprehensive Annual Financial Report for the City of Harrisburg, 1999.

² "Official Statement, The Harrisburg Authority, Guaranteed Resource Recovery Facility Refunding Revenue Bonds and Guaranteed Taxable Resource Recovery Facility Refunding Revenue Bonds, Series of 1998."

³ "The Harrisburg Authority, Guaranteed Resource Recovery Notes, Series of 2000, Combined Debt Service Structure," Tucker Anthony, Inc.

⁴ Letter from region III of the Environmental Protection Agency (EPA) to the PA Department of Environmental Protection, Nov. 20th, 2000. The letter states: "...there is no doubt that [the Harrisburg incinerator] is one of, and perhaps, the most significant single source of dioxins/furans in the United States" (dioxins and furans are the most toxic chemicals known to science)

⁵ The Harrisburg incinerator was started up in 1972 and is the oldest operating incinerator in the U.S. according to the "The IWSA Directory of Waste-To-Energy Plants," Integrated Waste Services Association, 2000.

⁶ "Mayoral candidates lead forum," *Patriot News*, April 24, 2001.

⁷ City of Harrisburg, Department of Incineration and Steam Generation, HMERRF Monthly Report, December Reports (1993-2000).

⁸ "Harrisburg Authority Financial Statements with Supplemental Information (with Independent Auditors' Report thereon)" December 31, 1999. The KPMG audit states that the incinerator has "experienced significant operating losses and has an accumulated deficit of \$13,494,792 at December 31, 1999."

⁹ A long-standing City Council voting pattern has shown that Mayor Reed

effectively controls 5 of the 7 votes on the current City Council (all but Mosten and Stringer). Reed's administration often makes the decisions, then forces them on Council last minute, without giving them enough time to look into what they're voting on.

¹⁰ "Official Statement, Harrisburg Authority, Guaranteed Resource Recovery Facility Revenue Notes and Guaranteed Federally Taxable Resource Recovery Revenue Notes, Series of 2000"

¹¹ EPA's new pollution standards for large incinerators went into effect on Dec. 19th, 2000. The incinerator was shut down for 3 weeks, while they equipped it so that it qualifies as a "small" incinerator, for which the standards don't apply for 5 more years.

¹² According to the "Consent Order and Agreement (COA) by and between the PA Department of Environmental Protection and the City of Harrisburg," dated Jan. 9th, 2001, the Harrisburg incinerator can only continue to operate in violation of the rules for large incinerators for 2.5 years, rather than the 5 years that it will take for the rules for 'small' incinerators to take effect. The COA includes a clause where the City reserves the right to challenge this so they can continue to defy the intent of the law for the full 5 years.

¹³ The KPMG independent audit (see footnote #8) states "The Authority is required to undertake a modernization program of its waste incinerator... before December 1, 2000 to enable the incinerator to meet standards required by the Environmental Protection Agency. **The cost of this modernization program is estimated to be approximately \$150,000,000.** It is probable that waste processing contracts and related funding for these improvements will not be available prior to December 1, 2000." Note: the Mayor's office has been claiming that this would cost \$50-60 million.

Top 10 Myths About The Harrisburg Trash Incinerator

1) "THE INCINERATOR IS IN COMPLIANCE"

Since 1974, the incinerator has **repeatedly violated air quality and solid waste laws** and regulations. The city has paid at least \$150,000 in related fines and penalties.

2) "THE INCINERATOR IS NOT A HEALTH HAZARD"

Burning trash creates a wide range of health-damaging pollutants, including lead, mercury and acid gases. The Harrisburg incinerator is the smallest in the state, but the U.S. Environmental Protection Agency claims it's possibly the **nation's largest single source of dioxins - the most toxic chemicals known** to science. Dioxins cause cancer, learning disabilities, early puberty, endometriosis, sexual reproductive disorders, and impaired immune systems.

3) "\$25 MILLION WAS SPENT BY THE CITY TO IMPROVE THE INCINERATOR"

No additional pollution controls were installed. The existing pollution controls are outdated and actually **create dioxin** by keeping the exhaust gases within the temperature range for forming dioxin.

More than \$20 million went strictly to refinance the debt on the plant. About \$4 million was used to cover financial shortfalls. Some \$300,000 was spent to install computer software and fans to limit the amount of trash burned at the facility so it can **escape new federal emissions standards** which went into effect on December 19th, 2000.

The incinerator releases 20-25 times more dioxin than what they would be allowed to if they didn't get away with "downsizing" the plant.

4) "THE INCINERATOR IS A MONEYMAKER"

The incinerator has lost money 7 out of the last 8 years – increasing the debt by at least \$13 million. In October 2000, Harrisburg City Council approved Mayor Reed's request for a \$25 million bond to bail out the incinerator. By 2003, Mayor Reed would have to have Council approve another \$50-150 million to pay for rebuilding the incinerator. **The City undercharges for the trash being imported to appear competitive, while losing money at the expense of City taxpayers.**

5) "THE INCINERATOR IS NOW TAKING LESS WASTE"

Harrisburg produces about 150 tons of trash a day. The incinerator was permitted to burn 630 tons per day. However, they only burned an average of 460 tons per day in 2000. To escape the new air pollution laws for large incinerators, they installed equipment to ensure that they can't burn more than 500 tons per day, making it a "small" incinerator. **On paper, the incinerator went from "large" to "small" to avoid cleaning up their air emissions. In reality, they're allowed to burn the same amount.**

The \$50-150 million "retrofit" would pay for the incinerator to be replaced with one which can burn up to 720 tons per day. Even if the plant burns this much waste, they still won't be able to make a profit or cover their debt. The plant seeks trash from around Pennsylvania and from out-of-state.

Mayor Reed has sought to bring in New York City waste to feed the incinerator. Harrisburg is in the business of attracting other people's waste and subjecting us to the environmental and economic consequences.

6) "THERE IS NO ALTERNATIVE TO INCINERATION"

Harrisburg has a new trash transfer station, capable of processing 500 tons per day. It can handle all the City's trash plus about 350 tons of trash from neighboring towns. The City already has contracts with three area landfills for its waste. It would be cheaper to ship waste to these landfills than to incinerate. The best option would be to have a waste management program that encourages waste reduction, reuse, recycling, and composting.

7) "INCINERATORS ARE BETTER THAN LANDFILLS"

Landfills are much safer than incinerators. **Incinerators convert trash to toxic ash and toxic air emissions.** Incinerators require landfills for their toxic ash. This ash is more dangerous than trash in a landfill because toxics more easily leach out of ash. At the Harrisburg incinerator, this toxic ash is dumped on-site in what is known as **"Mount Ashmore"** - a large hill made of the burned trash.

8) "WE HAVE A GOOD RECYCLING PROGRAM"

Harrisburg's curbside program does not take newspaper, mixed office paper, glossy paper, cardboard or flatboard (which most store bought food is packaged in). These items represent a tremendous amount of recyclable material, all of which is currently collected as trash and burned in the incinerator. None of these items can even be deposited at the tiny recycling drop-off cart located at the incinerator.

The state recycling law requires Harrisburg to have a program requiring businesses to recycle. This would also yield a tremendous amount of paper and packaging, yet the City maintains no such program. An aggressive recycling program would save a massive amount of recyclable trash from being burned at the incinerator or landfilled. **However, the incinerator needs trash to burn, discouraging reduction and recycling.**

9) "60 JOBS WOULD BE LOST"

Mayor Reed has promised 60 layoffs. However, Harrisburg would still have to deal effectively with its trash. Operating a state-of-the-art transfer station and recycling center could easily make up for jobs lost from closing the incinerator and would even create **new jobs.**

10) "A SHUTDOWN WILL CAUSE HIGHER TAXES"

Harrisburg's taxes will rise no matter what – it's just a matter of when. Mayor Reed has been putting the City into more and more debt using bonds to **"pay the Mastercard interest with the Visa."**

Trying to keep the incinerator open will increase the taxpayer debt. **Mayor Reed – when you find yourself in a hole, stop digging!**

Recycling creates 8-10 times more jobs than using landfills and incinerators

Excerpt from U.S. Environmental Protection Agency report:¹

“Recycling has made a vital contribution to job creation and economic development. Recycling creates or expands businesses that collect, process, and broker recovered materials as well as companies that manufacture and distribute products made with recovered materials. Numerous studies have documented the billions of dollars invested and the thousands of jobs created by recycling. A 1995 recycling employment study for the state of North Carolina, for instance, documented that recycling activities support more than 8,800 jobs in the state, most of which are in the private sector. The study also found that recycling was a net job creator - **for every 100 jobs created by recycling only an estimated 13 were lost in solid waste collection and disposal and virgin material extraction** within the state.”²

(That’s about **8 times more jobs** created by recycling!)

Excerpts from Wasting and Recycling in the United States 2000:³

“Waste reduction also reduces the negative effects of landfilling and burning materials. For landfills, these effects include groundwater pollution, release of global warming gases, and monitoring and remediation costs that will likely span centuries. Incinerators may even be worse, as pollution is borne directly to the air as well as to the land as ash; and energy wasted by not recycling is greater than the amount of energy produced via burning.

“...The economic development benefits of recycling are often overlooked (recycling creates at least ten times more jobs than landfills).

“...**Local governments can also save.** A recent U.S. EPA study of 14 communities recovering between 44% and 65% of their residential waste, found that 13 of these had cost-effective programs. Other research shows that costs for recycling decrease as recovery level increase. One factor for this is the costs for processing recyclables and yard debris are often much less than landfill or incinerator disposal tip fees.

“Restructuring waste management systems can pay off handsomely. For example, Madison, Wisconsin, reduced trash routes by 32% and switched to smaller trash trucks, after introducing its multi-material curbside recycling and yard debris collection programs. These trucks cost less and have lower repair costs than the trucks the city needed to collect all discarded materials as trash. The overall collection cost went down in Madison compared to the cost of operating a single fleet to pick up unseparated waste. Falls Church, Virginia, reduced trash collection frequency from twice to once a week, one year after implementing a multi-material curbside recycling program. As a result, the city raised its material recovery rate from 39% to 65%,”

cut trash collection costs by more than half, and reduced annual per household waste management costs by more than one third.

“In some communities recycling is viewed as an expensive burden. But often that is because these communities are recycling at low rates and are treating recycling as an add-on to their traditional trash system rather than a replacement for it. When communities reach high waste reduction levels, recycling becomes more cost-effective. Communities that maximize recycling save money by redesigning their collection schedules and/or trucks. Staff once devoted to trash collection now collect recyclables or yard trimmings. As communities attain ever higher recovery levels, planners and public works administrators are beginning to realize that recycling and composting can be the primary strategy for handling discards, rather than a supplement to the conventional system. The economics of recycling improves when, instead of adding to costs of recycling onto the costs of conventional collection and waste disposal, recycling becomes the heart of the system.

“...**Recycling has had a major impact on job creation in local and state economies:**

“...The job gains in recycling in [North Carolina] far outnumber the jobs lost in other industries. For every 100 recycling jobs created, just 10 jobs were lost in the waste hauling and disposal industry, and 3 jobs were lost in the timber industry.”

Excerpt from The Five Most Dangerous Myths About Recycling:⁴

“**Recycling creates many more jobs for rural and urban communities than landfill and incineration disposal options.**

Just sorting collected recyclable materials sustains, on a per-ton basis, **10 times more jobs** than landfilling. However, it is making new products from the old that offers the largest economic pay-off. New recycling-based manufacturers employ even more people and at higher wages. Recycling-based paper mills and plastic product manufacturers, for instance, employ 60 times more workers than do landfills. Product reuse also sustains significantly more jobs than disposal options. Computer refurbishing and repair, for example, creates 68 times more jobs than landfills. If half the 25.5 million tons of durable goods now discarded into America's landfills each year were reclaimed through reuse, more than 100,000 new jobs could be created in this industry alone.”



¹ “Puzzled About Recycling’s Value? -- Look Beyond the Bin,” U.S. Environmental Protection Agency Office of Solid Waste And Emergency Response, January 1998. www.epa.gov/epaoswer/non-hw/recycle/benefits.pdf
² Shore, M.J. 1995. The impact of recycling on jobs in North Carolina. Prepared for the North Carolina Department of Environment, Health, and Natural Resources, Office of Waste Reduction, Raleigh, NC.

³ “Wasting and Recycling in the United States 2000,” GrassRoots Recycling Network, as reprinted in “Recycling on the Rise, but Trash Rising Faster,” Ecology Center, June/July 2000
www.ecocenter.org/junejuly00web/trashrising.html
⁴ “The Five Most Dangerous Myths About Recycling,” Institute for Local Self-Reliance, September 1996. www.ilsr.org/recycling/fivemyths.html



The Future of Harrisburg Lies in Your Hands:

On May 15th, you'll have a choice to elect Harrisburg's future leadership. Your main choices are...

Option #1: Vote for Change

- **Put the brakes on the massively growing debt!**
Harrisburg taxpayers will be paying enough as it is.
- **Replace the incinerator with clean recycling jobs**
- **Bring democracy and accountability to the City.**

How to get this:

Vote for the only candidates willing to stand up for your health and your pocketbooks...

Democrats:

Republicans:

Mayor: Sandra Mosten	Jonathan Gallup
Council: Sandra Mosten	Sherman Cunningham
Wendi Taylor	
Evelyn Warfield	
Rebecca Myers	

Wendi, Evelyn and Rebecca are community leaders running as a team. Find out more about them and their positions online at www.takebackcitycouncil.net

Sandra Mosten is one of only two current City Council people who have voted against such things as the \$25 million bond (debt) which enabled the incinerator to keep operating without meeting the new pollution laws. She is running both for Mayor and for council.

Option #2: More of the same

- **Even MORE debt**, leading to tax hikes higher than would otherwise be needed.
- **Continued incinerator pollution**
- **Continue attracting polluting industries, like:**
 - The huge medical waste plant Reed and his friends on council promoted a few years ago
 - The gas-fired power plant that Reed's administration tried to sneak onto the incinerator tract 2 months ago through a proposed 12 year tax-free zone
- **Continue blowing money on special projects** like the Civil War Museum while ignoring important needs of the city.
- **Out of control water bills**
- **Misuse of police power**
- **Top-down decision-making** - Important spending decisions made by a few people close to Reed with no meaningful input from city residents



How to get this:

Re-elect Mayor Reed and his choices for City Council.

Where do they stand? — According to a candidates questionnaire done by the Pennsylvania League of Conservation Voters, only the 6 candidates listed in Option #1 have come out publicly with all of the following pro-environmental positions on current issues:

- 1) Shut down the Harrisburg trash incinerator for good.
- 2) Replace the incinerator with recycling facilities, making sure that there are jobs created for the former incinerator workers and others.
- 3) Oppose a plan to import sewage sludge to south Harrisburg across from the incinerator site in order to repackage the toxic sludge as "fertilizer."
- 4) Oppose a plan to build an unneeded gas-fired power plant on the incinerator tract.
- 5) Support improvement of public transit, especially for the presently under-served parts of the city.

The full questionnaire and the candidates' responses and comments are online at www.palcv.org