

South Portland Redemption Center

Testimony of Dave Tremberth in Support of LD LD 134

“An Act to Increase the Handling Fee for Beverage Containers Reimbursed to Dealers and Redemption Centers”

Joint Standing Committee on Environment and Natural Resources

March 29, 2023

Senator Brenner, Representative Gramlich, and distinguished members of the Joint Standing Committee on Environment and Natural Resources my name is Dave Tremberth, I manage the South Portland Redemption Center and live in Scarborough. I am here today to support LD 134 and share my experiences with the Committee operating a redemption business.

The South Portland Redemption Center is a woman-owned business located on one of the busiest city roads in Maine with an average of 23,000 cars traveling by daily. Founded in 2014, we've seen steady growth in our volume and increased pressure as other redemption centers close their doors.

This is a unique business, each container that comes through the window means our business is paying the customer and then we must rush to process so we can get paid. Management of cash flow is always a challenge. At our location, we have two operating windows where we collect bottles and cans. Outback we have a sorting area where we operate Reverse Vending Machines (RVMs) and organize containers that cannot be processed through the machines. Before we utilized the RVMs we had more than 600 sorts for one pickup agent. On a busy day during summer, we can process 35,000 to 40,000 containers through the window. Often that requires a second shift to get those bottles prepared for pick up and then ten days later for payment.

Like every Maine business, the cost of operations has skyrocketed. Everything from utility costs, winter maintenance, labor, and insurance. We've also struggled to maintain a steady crew, and that's created additional pressure for everyone who does show up when expected. As those costs rise, we don't have a mechanism to increase our income. It's a tricky game, the more volume we have, the more upfront money goes out the window and that cycle continues. While the RVMs have helped us keep the place clean, and reduced the added pressure of hundreds of sorts, they also have a cost to operate, lease, and staff to maximize their usefulness. Everything we do is really four steps, collect through the window, sort, process, and then move to the pickup area.

Prior to covid, we had more than twelve employees who worked full or part-time and others who would work nights or weekends in the back-room processing. During covid our volume begin to increase, as did our costs but we also lost about half our available team. We've worked hard to ensure our base of employees remains all year, even during slow periods, because we cannot afford to have additional turnover. What this really means is that we are under tremendous stress to keep our doors open.

This bill is a positive start, but we need relief right away. Another season at the same handling fee will reduce the number of local redemption centers. I want to thank the Senate President and other sponsors of this bill. I urge the Committee to pass a handling fee increase with an emergency bill so this summer we can adequately manage the volume and keep up with our rising costs. Thank you, I am happy to answer any questions.