

Trash/Recycling Rate Rationale

June 9, 2020

Honorable Selectboard;

Please accept this memo as an explanation to support my recommendation to increase the annual trash fee from \$75 to \$125 for Fiscal Year 2021.

I also would also like to support and ask for your support as well for the Department of Public Works Directors FY 21 fee schedule for the Transfer Station below;

Antifreeze (used)	\$1.00 per gal.	Please see Gate Attendant
Appliances containing CFL's - air conditioners, freezers, dehumidifiers and refrigerators	\$10/each	The charges for these items include CFC removal PLEASE REMOVE ALL DOORS
Car batteries	\$1/each	Place in bulbs & batteries shed
Clothing & Textiles	Free	Salvation Army drop boxes available
Electronics -TVs – (under 19") (19-27") W/console or larger than 27" -computer monitors	\$5/each \$10/each \$20/each \$10/each	The charges for these items are for CRT removal NOTE: there is no charge for CPUs and other electronics
Fluorescent lights -includes energy saver/compact bulbs	Free	
Mattresses or box springs all sizes / sleeper sofas	\$25/each	
Couches / non sleeper	\$20/each	
Stuffed chairs / recliners	\$10/each	
Household Batteries (Rechargeables, Ni-Cad, Lithium, etc.)	Free	Please place in mercury shed or see Attendant
Household Trash (green bags)	\$5.00 per visit	Must be in Town approved Green Bags; no further charge applies
Motor Oil (used)	\$1.00 per gal.	Please see Gate Attendant; waste motor oil ONLY
Propane tanks & fire extinguishers -1 lb. Coleman	\$5/each \$1/each	Please see Gate Attendant

Recyclables – paper & mixed containers	\$5.00 per visit	Please place in appropriate recycling rolloff; green with sliding black doors for paper/cardboard, orange for mixed containers
Redeemable bottles & cans	Free	
Scrap metal	Free	Salvaging from the metal pile is NOT ALLOWED
Styrofoam	Free	Please place in Styrofoam rolloff; No Peanuts or colored Styrofoam
Thermostats, Thermometers & Ballasts	Free	Please see Gate Attendant
Tires		Please see Gate Attendant
- without rim/with rim	\$4/\$9	
-large truck without rim/large truck with rim	\$15/\$20	
-tractor tires	\$25	
Used vegetable oils & grease	Free	Please see Gate Attendant
Yard & Leaf waste = Brush, Grass, Leaves & Butt logs <i>ONLY</i> ; No stumps allowed	Free	Residents only – no landscapers or contractors. Any other materials deposited will be considered illegal dumping. Fines apply.

Much of what is articulated in the table above is essentially a pass-through charge. The cost we pay to various parties to properly dispose of the material contained within or the item as a whole is reasonably close to what we take in from the fees. In 2019 we took in \$88,687 and paid about \$72,500 out to the approved vendors to dispose of the residual. This is changing and I suspect the margins will be smaller and likely to out pace the income if no adjustments are made to the fees.

The changes to the final material components are becoming less value or in many cases adding additional cost related the changes in the recycling market. It is anticipated in the fees an increase to those disposal costs.

We have added a charge of \$5 added for recycling and or “Green Bag” delivery by the public to the Transfer Station. In 2019 we made 187 trips at a cost of \$39,270 to dispose of solid waste material, “green bags” and recycling material were a significant portion of those shipping costs. It has been pointed out on several occasions in SB Meetings that curbside pick up does not create this additional cost as the transportation is a set annual fee. So, the cost of delivering to the Transfer Station is then borne by all, including those who never go to the Transfer Station.

The rationale is to encourage people to use the curbside service as often as possible and cover the cost for those who choose not in a more equitable manner. I would also point out with the new Republic contract allows any residents who would like to subscribe for “off-week” service they can do so directly with Republic for \$180 annually.

The fees are otherwise very competitive with what other communities are charging.

At the Transfer Station (again using 2019 data) we accept 914.08 tons of material which could have been picked up at the curb. It would add \$8,226.72 to tipping cost at the new rate (up \$9) if it continues.

About a third of that was from construction waste. You can see in the new private means to properly dispose of building material. We are recommending not to accept construction waste at the facility. With increased disposal costs and stricter guidelines on contamination it makes it is wise to avoid the cost and the risk of a returned load.

We never have had to pay for disposal of recycling. It was previously a revenue generator, now it is estimated to cost the Town an estimated \$80 a ton to dispose of the recycling. In 2019 we accepted at the Transfer Station 176.36 tons of recycling. Using the 2019 amount as guide and at \$80 a ton it will add approximately \$14,108.80 to our cost in FY 21.

Curbside we processed 2,293.83 tons of trash with the increased cost we will add approximately \$20,644 to our annual cost next year. Curbside recycling produced 1,360.66 tons at \$80 a ton that will add \$108,853 to the annual disposal costs.

Republic has been reporting a 30% increase in the volume for South Hadley during the pandemic at the new rates it is estimated to add \$158,200 to the annual cost if the “pandemic” increase falls to 20%.

If we take the costs and add them up and divide them by the number of households the cost comes to \$47.01, I believe adding \$50 to the flat fee would satisfy the increases for FY 21 and FY 22.

\$61,605.52 added cost for Transfer Station (contract increases and trucking)

\$191,102.79 added cost for curbside tipping costs (trash and recycling)

\$158,200 added cost from increase to household trash due to COVID 19 stay at home

(\$110,000) from Transfer Station fee with increase

Total \$300,908.32 increased costs divided by the approximate number of households 6,400 equals \$47.01

Admittedly there is several unknowns, and I am making some assumptions based on a very unsettled industry, however with this increase and the continued \$500K (estimate) from the "Green Bag" program we would be able to meet the proposed \$1,338,086 budget (\$318,224 increase over FY 20) without significantly impacting the Retained Earnings for Solid Waste (\$447,663 balance).

Thank you for your patience and I hope this rationale is helpful.

Thanks,

Michael Sullivan

South Hadley, Town Administrator.