

Approved by City Council on January 6, 2020



**City Council Special Meeting
MSD SWOT Presentation
Tuesday, November 19th, 2019, 6:00 p.m.
Bessie Rowell Community Center**

In attendance:

Mayor Giunta, Councilor Jo Brown, Councilor Scott Clarenbach, Councilor Bob Desrochers, Councilor George Dzujna, Councilor Kathy Rago, Councilor Vince Ribas, Councilor Ted Starkweather, Councilor Karen Testerman, Councilor Paul Trudel.

Others in attendance:

City Manager Judie Milner

Mayor Giunta opened the meeting at 6:01 p.m. at Bessie Rowell Community Center.

Salute to the flag was led by Councilor Clarenbach.

Agenda Item I.

Mayor Giunta welcomed everyone and stated that the City Manager is in need of a non-public session.

Motion – Councilor Desrochers moved to enter into non-public according to RSA 91-A:3, II (I) Consideration of legal advice provided by legal counsel, either in writing or orally, to one or more members of the public body, even where legal counsel is not present.

Seconded by Councilor Dzujna.

Roll call vote to enter into non-public:

Councilor Brown	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Ribas	<u>Yes</u>
Councilor Clarenbach	<u>Yes</u>	Councilor Starkweather	<u>Yes</u>	Councilor Testerman	<u>Absent</u>
Councilor Desrochers	<u>Yes</u>	Councilor Rago	<u>Yes</u>	Councilor Trudel	<u>Yes</u>

Eight in favor. Motion PASSED.

Entered non-public session at 6:03 p.m.

Councilor Testerman joined the meeting @ 6:04 p.m.

**Motion made to leave non-public and return to public session made by Councilor Trudel.
Seconded by Councilor Testerman.**

Public Session reconvened at 6:13 p.m.

Motion made by Councilor Brown to seal the minutes because it is determined that divulgence of this information likely would render a proposed action ineffective.

Seconded by Councilor Testerman.

Roll call to seal the minutes:

Councilor Brown	<u>Yes</u>	Councilor Dzujna	<u>Yes</u>	Councilor Starkweather	<u>Yes</u>
Councilor Clarenbach	<u>Yes</u>	Councilor Rago	<u>Yes</u>	Councilor Testerman	<u>Yes</u>
Councilor Desrochers	<u>Yes</u>	Councilor Ribas	<u>Yes</u>	Councilor Trudel	<u>Yes</u>

All in favor. Motion PASSED.

Motion – Councilor Brown moved that the City Council approve the demolition of two locations according to RSA 155 (B). The first location is 26 Pleasant Street and the second is a building located at 16 Spring Street.

Seconded by Councilor Desrochers.

Councilor Clarenbach stated that he will abstain from the vote.

Councilor Dzujna asked how this affects our tax base because this is a cost to the City. City Manager Milner replied that the City hopes that when the property is sold, something is placed there that will increase the tax base because what is there now, is not doing anything for the City. Mayor Giunta added that MSD may have had costs associated with this address too so yes, these things do affect City funds.

Mayor Giunta asked if there was any further discussion. There was none.

Eight approve. One abstention. Motion PASSED.

Agenda Item II.

Municipal Services Discussion on City Solid Waste Disposal

Mayor Giunta announced that Municipal Services Director Brian Sullivan will lead the discussion.

Councilor Trudel informed the Council that he needs to leave tonight's meeting at approximately 7 p.m.

Councilor Ribas informed the Council that he also needs to leave early this evening.

Director Sullivan began his presentation with a handout of his dialog in writing so everyone could follow. He also mentioned that the state recently completed their 2019 Waste Disposal Report after Sullivan pulled together this presentation for tonight. The state's report is saying basically the same things that he put together in his own report and discussion. In summary, the state's report basically states that municipalities are on their own. Sullivan informed the Council that it's time to plan for the future similar to what was done when single stream recycling was rolled out in 2008-2009. Approximately ten years ago, there was a market for recyclables. The City was able to initiate a successful recycling program getting between \$38-\$60 a ton for recycling. Currently, there isn't enough landfill and approved incinerator capacity.

Sullivan stated that he is making some projections and recommendations to save the City some money. Currently, future solid waste disposal and recycling options for the City are again at a crossroads. The transfer still does a lot of separation of wood waste, tires, metal, and waste oil. He explained why the value is not there anymore for curbside recycling. City equipment is aging for both curbside collection and at the City owned and operated Transfer Station. The City's current contract with Wheelabrator with respect to tipping / disposal fees will continue to rise about 3% annually until 2022 when a new contract will be negotiated by the Concord Regional Solid Waste Resource Recovery Cooperative (Co-op). Tipping fees will be predicated on the "market rate". The Co-op has closed their Punch Brook Road Ash fill. There is and will continue to be limited landfill and incinerator options available within the proximity to Franklin by 2024. There is also a lack of fully operational recycling plants. The recycling market as it exists in our region, has a current tipping/disposal rate of \$128+ per ton. A poor recycling market along with contamination continues to be the major factor. Limited disposal capacity nationwide for future disposal facilities are decreasing and this will result in escalating disposal and tipping costs. Trucking and collection costs are separate additional costs.

This workshop is meant to provide everyone with a better understanding of the short and long-term challenges relating to Franklin's options for its future solid waste disposal needs. The City needs to begin planning now for the future in evaluating the most efficient and economical Solid Waste Collection and Disposal options for curbside collection and the Transfer Station. At the time of this report, this was Director Sullivan's best scenario as to what path the City needs to take. Oddly enough, he had just completed this workshop summary a few weeks back and last week he received an email from NHDES entitled "Report of the Committee to Study Recycling Streams and Solid Waste Management in New Hampshire". All of New England has some very serious challenges relating to solid waste disposal.

The following outline is relative to changing and improving the way the City currently provides for Solid Waste Collection and Disposal as we move forward.

Key Questions that need to be Considered:

- 1) Does the City want to continue to provide the service of curbside trash collection to its residents and small business continuing to use containerized service? If so, the

purchase of two side loaders are needed at a cost of \$290,000 each. This equates to an annual lease payment of approximately \$80,000 for 6 years.

-Sullivan stated that containerized service was a good move for the City. It has helped clean up a lot. He recommends keeping this service going.

2) Based on cost projections provided in this report, would the City Council wish to direct City Staff to pursue the outsourcing of curbside collection of residential and small business waste?

- We wouldn't need to purchase two new loaders and would then outsource with a private company.

3) Municipal Services Department Staff has ideas relative to improved operations at the Transfer Station; trash pickup at City Buildings; a more aggressive approach to the enforcement of our Solid Waste Ordinance, and making amendments as needed.

The following are Tonnage estimates for Fiscal Year 2020 to Wheelabrator

1. Curbside Collection Tonnage = 60 tons per week / 3,120 tons year
2. Transfer Station Tonnage = 30 tons per week / 1,560 tons per year
3. Total of above = 4,680 tons per year
4. Commercial Haulers Dumping at Wheelabrator under the City's contract. The bring in 1,536 tons per year.
5. Tonnage from commercial haulers is a wash as the city collects the tipping fee and an administrative fee back from haulers.
6. All combined tonnage to Wheelabrator from City is currently = 6,216 tons per year.

Fiscal Year 2020 City Solid Waste Budget:

- Curbside Collection Total = \$184,565 (excludes tipping / disposal fee)
- Municipal Transfer Station = \$605,553 (includes all tipping charges, River St. Landfill, House hold Hazardous Waste collection Day) some revenue returns
- Municipal Transfer Station Recycling = \$91,724 (tipping costs for recycling of various items as required by the NHDES Solid Waste Regulations) some revenue returns
- Transfer Station Building = \$14,650

Continue with Curbside Collection utilizing the option of outsourcing and creating incentives for a private public partnership:

- Approximately 30 pickup hours per week
- Cost of two new City side loaders =\$290,000 each. Outsourcing will eliminate this cost.
- Maintain same pickup schedule of Monday, Wednesday and Friday
- Reduce # of stops and residential curbside tonnage by limiting the number of residential units to be provided such service to 4 units and under. It is currently 6 units and under. The larger rental properties with multiple units would have their own private pick-up. This would be a

change in the solid waste ordinance. Sullivan stated that there is very little time dedicated to solid waste enforcement due to being understaffed.

- Citywide compliance of the Solid Waste Code by Transfer Station Staff.
- City to maintain existing cans until not useable. At that point, customers will need to purchase a replacement can that meets City specifications.
- Perform a can audit based on the generation rate of each residential customer.
- Maximum can service to be provided based on generation rate determined by City Staff.
- No need for the City to incur long term debt nor spend significant time and money involving replacement and repairs to two expensive side loaders.
- Based on my projections as a result of preliminary discussions with private rubbish haulers, the cost of outsourcing curbside collection will be approximately \$283,000 annually. This does not include the disposal/ tipping cost or fuel escalation costs.

Sullivan described some of the pros and cons of privatization vs. purchasing rubbish haulers. One point was that even if they are purchased new, at some point, they will be in the shop for repairs and there will be down time. Privatization also bases their costs on hours not tons. When comparing the numbers against City costs, employee benefits and fuel increased costs must also be added in. The City has spent approximately \$80K in repair costs this past year.

Potential for Improved Operations for the Municipal Transfer Station Operation:

- Sullivan stated that there is land that the Coop gave back to the City that can be utilized.
- Open up facility to additional collection and disposal of demolition to non-Franklin Contractors as this could be a significant revenue source. The City is hauling approximately 6,000 to 7,000 tons of demolition and only making a small amount of money. If the City opened it up to contractors, we could charge a tipping rate and make much more money just from demolition.
- Transfer Station Staff to perform increased compliance of the Solid Waste Ordinance, City-Wide.
- Transfer Station staff continues to handle commercial and residential waste which is not provided by means of curbside collection. Three people are needed on Saturdays.
- Transfer Station staff to continue pickup of municipal buildings, parks, City sponsored events etc. This would not be outsourced.
- Consider requiring schools to obtain locking dumpster service with the same private hauler. Sullivan stated that there is a lot of out of town trash in the school's dumpsters. He stated that the bottom of the dumpsters at the schools are rotting out and new locking ones are needed. This is an operational problem for the City. It is costing the City time and money that we shouldn't be spending otherwise. Dzujna stated that the school sent a letter to all the teachers on this.

- Maintain the need for the 4-person crew to effectively operate the Transfer Station; other solid waste needs of the City, and to assist other MSD Divisions for emergency situations.
- Improvements are desperately needed to the Transfer Station. Many mechanisms are beyond their useful life (34 Years). These include a scale and software replacement; main building rehabilitation; trash compactor replacement; replacement of the 1984 Bobcat Skidsteer; construction of an entry gate shed to provide for improved facility security and traffic control; improved collection / drop off areas for customers i.e. waste oil; and a Trash Trailer replacement (facility is only operating on one).
- Assists with the proper maintenance of the Hill Road Pit with respect to concrete /asphalt rubble material along with stump dump upkeep. Sullivan stated that the stumps could be ground up to become very profitable loam.

Sullivan asked the Council and public if there were any questions.

Dzujna asked how long an outsourcing collection contract would normally run. Sullivan responded that it is typically a three-year contract but one year or even daily can be done as well. Dzujna stated that at the moment, it looks as though the City can afford to do this but what would happen after the contract is up and how hard it would be for the City if we didn't want to renew a contract. The City doesn't have any trucks to fall back on.

Sullivan stated that there is going to be a serious shortage of landfill and incinerators in the Northeast by 2024. The tipping fees are going to increase significantly and this concerns Sullivan the most.

Desrochers stated that he doesn't see any savings between outsourcing and purchasing our own trucks. He is also concerned about losing control. Sullivan stated that he wants to do what is best for the City and not advocating for one or the other. It's up to the City Council.

Clarenbach stated that there are different pieces to this that need to be broken out. Curbside pick-up, the transfer station, and the private contract are a few examples. He stated that possibly only one truck could be purchased and run on a dual shift instead of buying two trucks and run them for only 4 hours each.

Mayor Giunta stated that this is the perfect time for a sub committee to review all of these points and drill them down, then bring them to the Council.

Ribas stated that he liked Clarenbach's suggestions and if tipping fees are going up to \$160 per ton, then it might make more sense to maintain our own services in case we go back to recycling. He is in support of keeping this in house. Ribas then exited the meeting at 7:03 p.m.

Sullivan suggested that we could purchase one new truck, keep the better one of the two we currently have, and sell the other truck.

Trudel stated that Flag Hole Road has garbage and debris thrown over the sides of the road and we don't want to create a worse situation. People are dumping over there at night.

Testerman is not in favor of losing curbside collection. This would cause a new set of problems.

Clarenbach stated that he read in the state report that 23% of all household trash is compostable. This could help relieve tipping fees if more people did this so it makes sense to encourage homeowners to do it. City Manager Milner stated that UNH has a program through the Coop Extension on composting.

Councilor Trudel asked if there is a deadline on making decisions for the trash pick-ups. Sullivan replied that this is focused on the next budget cycle FY2021.

Trudel stated that Clarenbach has some good points and there is really only once chance to make the right decision with all of this. He asked Sullivan if an MSD Committee Meeting could be scheduled so they can begin to look at all the details of these options and suggestions.

City Manager Milner stated that she asked Director Sullivan to write down as many ideas and suggestions on this and she was hoping to get a good feel from the Council on which way they were leaning and cross off things that absolutely would never be considered. She suggested asking Mr. Richard Ellert to come in and help the Council LEAN out these ideas.

The following are alternative action item thoughts

"I move that the Franklin City Council provide City Staff with direction and to move forward towards the evaluation of the following items relating to Solid Waste Disposal, as listed below (item's a through f) and report back to the Council for further action(s):"

- a) Evaluation of the feasibility of outsourcing City residential and small business generator curbside collection of trash. Consider a similar process that Laconia follows.
- b) Examine funding alternatives in order to purchase the infrastructure needs of the Transfer Station.
- c) Consider revising sections of the City's Solid Waste Ordinance relating to Curbside Collection: Transfer Station Operations; and Fees including the re-evaluation of a "Base Level Service".
- d) Feasibility of establishing a "Transfer Station Revolving Fund", or other funding, to help offset facility costs.
- e) Modification of the City Transfer Station Permit if necessary, to accommodate changes in operation.
- f) Discuss future use of adjacent 86-acre parcel for compatible use.

- g) Take no action (take this off this list, we can't do nothing at all). Under this scenario we need to purchase two side loaders in the F.Y. 21 budget.

Note: The option of discontinuing curbside trash collection would save the City a considerable amount of money; however, this would create operational problems at the Transfer Station and would pose additional burdens on residents. The concern over code compliance and health effects from accumulated trash on property is also an issue. Sometimes for every solution a new problem arises.

Mayor Giunta stated that Massachusetts started closing their landfills and now sends their waste to New Hampshire and when he was the Waste Management Director, he wanted to place a tax on all out of state waste. It was called the Tony Tax but because of the Federal interstate Commerce Law, it couldn't be passed.

Representative Dave Testerman commented on the financing of the recycling phase and believes there will be a replacement for China. Desrochers stated that we thought the recycling was going to China when in actuality, it was just being dumped in the ocean.

Establishing a Revised Base Level Service and other Ordinance Changes:

- Base Level Service sets a specified maximum amount of trash to be picked up curbside. Currently, the City picks up primarily residential trash along with small commercial generators. Larger multi-family complexes over six units and commercial properties use commercial dumpster service. There has been sentiment amongst the City Council to reduce the limit of commercial multi-family unit's serviced by City curbside collection from 6 units to 4 units.

- In establishing a revised Base Level Service for containerized curbside trash, Staff is recommending a maximum can size of up to one 96 gallon and one 64 gallon per single residential dwelling unit based on the properties weekly trash generation rate. This service is based on the customer not having "extra cans" on the property. Additional containers for multi-family units will be determined by the estimated maximum weekly volume of trash and the number and size of containers distributed accordingly. Existing small commercial customers will also continue to be serviced.

Director Sullivan stated that the next steps should be a review of each of his areas discussing the challenges and risks.

Mayor Giunta stated that Director Sullivan and Mike Amero do a fabulous job at the Transfer Station. Applause was given by all to Mike.

- Proposed Base Level Service should be reaffirmed as follows:

- 36, 64, and 96-gallon size for garbage / trash with 1 time per week pick-up. All waste must fit inside the container and be bagged with the container lid closed. Weight of

trash cannot exceed 200 pounds for a 96 gallon can, 150 pounds for a 64 gallon can and 100 pounds for a 36 gallon can.

- Containers remain the property of the City and size would be determined based on the weekly volume of trash a property is generating and by property classification.
- All repairs to containers would be made by the City.
- Any amounts generated beyond specified volumes must be brought to the Transfer Station.
- Loose un-containerized trash will not be picked up.
- Customer Base includes: (2951 Units of the combined listed below)
 - Single Family
 - Two Family
 - Multi-Family six units and under
 - Municipal Buildings and Schools
 - Smaller commercial properties currently being serviced
- Customer Base Excludes:
 - Commercial Properties not currently being serviced
 - Trailer Parks
 - Properties located on unaccepted roadways
 - Unaccepted Subdivisions and Private ways
 - Condominium Complexes
 - Apartment Complexes
 - Multi-Family seven units and over

Mayor Giunta asked City Manager Milner and the Council if there was any further business. There was none.

Motion to adjourn was made by Councilor Dzujna. Seconded by Councilor Clarenbach.

All in favor. Motion PASSED.

Meeting Adjourned at 7:21 p.m.

Respectfully submitted,

Audrey Lanzillo