



## MUNICIPAL SERVICES COMMITTEE MEETING

Wednesday, May 20<sup>th</sup>, 2020 - 5:30 p.m.

Webmeeting: ID# 823 6567 8902, Password: 018148

<https://us02web.zoom.us/j/82365678902?pwd=d2hzUVhiRzgvVS9wYWM2dGNKQXhFdz09>

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### MEETING AGENDA

- I. Approval of draft minutes of December 6, 2019 M.S.D. meeting.
- II. Approval of draft minutes of December 27, 2019 M.S.D. meeting.
- III. **Solid Waste Review (Options 1-3)** - dated May 20, 2020.
- IV. Review of **"Draft City Council Agenda Report"** - dated June 1, 2020.
- V. Review of City of Franklin, NH **"Solid Waste/Curbside Collection Summary"** - dated May 20, 2020.
- VI. Summary of Bids received for **"Municipal Solid Waste, Containerized Curbside Collection Services."**
- VII. Other Business

### Adjournment

*The City Council of the City of Franklin reserves the right to enter into non-public session when necessary according to the provisions of RSA 91-A.*

*This location is accessible to the disabled. Those wishing to attend who are hearing or vision impaired may make their needs known by calling 934-3900 (voice), or through "Relay New Hampshire" 1-800-735-2964 (T.D./TRY)*

## **DRAFT - MUNICIPAL SERVICES COMMITTEE MEETING MINUTES**

**Friday, December 6, 2019**

**MSD OFFICE, 43 West Bow Street, Franklin, NH**

Chair Scott Clarenbach called the meeting to order at 2 p.m.

Members Present: Councilor Clarenbach (Chair); Councilor Starkweather; Councilor Trudel; Councilor Desrochers; Councilor Dzujna; City Manager Milner; Director Sullivan.

### **Item # 1 – Solid Waste Disposal and Collection**

Scott asked if the categories will be budgeted. This item should be broken down to Disposal; Curbside Collection; Recycling and Transfer Station. A brief discussion took place.

The meeting content and discussion evolved around a report prepared by Director Sullivan entitled “City Council Workshop/Solid Waste Disposal” that was reviewed by the full City Council on Monday, November 19, 2019. At the direction of the full Council, it was voted to refer this subject to the Municipal Services Committee, hence this meeting of the M.S.D. Committee.

- Disposal: Brian Sullivan stated that there is a shortage in landfill capacity. Jim Presher is starting negotiations with Wheelabrator. Brian stated that we still have recyclable markets – problem is single stream. Note: 60 tons curbside pick-up weekly; 30 tons brought to Transfer Station weekly. We need to do a trash audit to see what is coming into the Transfer Station vs. what is being picked up curbside. Ideas for changes: sticker fee; change curbside pick-up to three units and below; yearly barrel fee. All were part of Brian’s report.
- Curbside Collection: Scott suggested putting savings from four units and over not being picked up curbside towards purchasing new truck. Judie suggested using \$290,000 for one truck now and put savings of over three units into fund balance for second purchase in four years? Scott proposed pulling money from fund balance to pay for a new vehicle.

Following opening remarks, Brian followed the report outline (attached). Topics included in the discussion are as follows and can be found in detail.

- Key questions that need to be considered.
- Estimated Tonnage for Fiscal Year 2020 to Wheelabrator.
- Fiscal Year 2020 Current City Solid Waste Budget.
- Curbside Collection utilizing the option of outsourcing and creating incentives for a private public partnership.
- Potential for improved operations at the Transfer Station.
- Alternatives/Action Items to be considered.
- Establishing a revised base level service and other Solid Waste Ordinance Changes

The Committee agreed to have two additional meetings: December 20<sup>th</sup> and December 27<sup>th</sup>.

Meeting was adjourned. 4:10 p.m.

## **DRAFT - MUNICIPAL SERVICES COMMITTEE MEETING MINUTES**

**Friday, December 27, 2019      Bessie Rowell Community Center in Franklin, NH**

Chair Scott Clarenbach called the meeting to order at 2 p.m.

Members Present: Councilor Clarenbach (Chair); Councilor Starkweather; Councilor Trudel; Councilor Desrochers; Councilor Dzunja; Council Brown; City Manager Milner; M.S.D Director Sullivan; Finance Director Pessie Essandra; Deputy M.S.D Director Justin Hanscom.

City Manger led the discussion, using a whiteboard. The handout is a rough draft containing four categories entitled "City of Franklin, New Hampshire, Solid Waste Review, December 2019." The handout contains four proposed scenarios of budget projections for fiscal year 2021. The handout is a sample of Curbside Collection and Transfer Station operations and costs relating to the four scenarios.

Initial discussion started with Brian expressing his continuing concern about the Municipal Services Department ability to deliver curbside collection of solid waste due to the condition of both side loader rubbish trucks which perform collection. Downtime is significant, the trucks are not reliable and we are spending money in an attempt to keep them safe and operable. He noted that in the past 15 months outside repairs and vehicle parts for both trucks totaling \$119,387.

Following is a brief summary (attached) to the four scenarios that were presented along with very initial cost estimates by column in a proposed curbside collection and transfer station budgets for 2021:

- Status Quo / Do nothing approach = \$956,186
- Scenario #1/ Status quo + new truck = \$968,417
- Scenario #2/ Keep residential curbside collection only in house + outsource ALL commercial and multi-family over 3 units for curbside pickup = \$846,591
- Scenario #3 / Outsource all curbside collection providing for residential curbside collection only. ALL commercial and multi-family over 3 units would be excluded from City provided curbside collection = \$845,830

The was consensus by the MSD Committee to move forward in evaluating the proposed options and continue to be involved in the process once the subject is presented to the full City Council.

Voted three to nothing to move forward with evaluating scenario three:

Councilor Trudel made the following motion: I move that the MSD Committee vote to present scenario three to the Franklin City Council and in support of evaluating the base level service and other ordinance changes as necessary, considering changing base level service provided by curbside collection of trash to multi-family homes to three units and under only. Councilor Desrochers seconds and motion passes 3 to 0 in favor. Meeting was adjourned. 3:45 p.m.

Attachments:1

City of Franklin, New Hampshire			
Solid Waste Review			
MSD Committee 5/20/20			
Budget Lines	Option 1 - Status Quo FY21 proposed budget (this is the "do nothing" scenario)	Option 2-Outsource all	Option 3- Inhouse/New Trucks
Total Solid Waste Budget	888,811	760,584	888,811
		220,000	
Costs Outside of the Solid Waste Budget (YTD):			
Vehicle parts/outside repairs (vehicles 67 & 68)	150,000		20,000
Rental of trash truck	50,700		
Debt Service			102,000
Total Costs	1,089,511	980,584	1,010,811
	FY21 proposed budget includes 4 employees as well as steps & cost of living adjustment which could change for managers proposal	Reduces staffing by one FT employee (outside contractor will pick up employee or City leaving water/sewer position open for inhouse employee transfer)  reduces solid waste overtime by \$13,302; 0 maintenance hours, fuel costs, etc.  opens up staff time to assist with code enforcement issues relating to solid waste ordinance	Based on experience, the trucks will need constant maintenance, therefore, mechanical garage services will require at least a half time position to assist (that cost is not reflected here)
	In house labor of 1,664 hours have been spent this year on vehicles 67 & 68 (2019)		truck 67 & 68 not available due to condition; may receive some revenue for sale of trucks at White Farm
	1700 hours (July - Dec )of overtime and other employees in the mechanics division (FY20)		change in operations could lead to some minimal reduction in overtime at transfer station
	Estimate received to get both trucks reconditioned and road worthy (67 is out of service, 68 is barely road worthy)	Outside Vendor cost	
	Needed to collect trash while 2 trucks (67 & 68) are being reconditioned	expiring debt service in the next couple of years could be utilized to start the program inhouse again, if desired	



## CITY OF FRANKLIN COUNCIL AGENDA REPORT

June 1, 2020

**From:** Brian J. Sullivan, Municipal Services Director

**DRAFT**

**Subject:** Franklin City Council to consider authorizing the City Manager to enter into a five-year contract with Pinard Waste System's of Manchester, New Hampshire, (low bidder) for "Municipal Solid Waste, Containerized Curbside Collection Services."

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### **Recommended Motion:**

#### **Councilor moves:**

I move that the Franklin City Council authorize the City Manager to enter into a five-year contract for "Municipal Solid Waste, Containerized Curbside Collection Services" with Pinard Waste Systems of Manchester, New Hampshire beginning July 1, 2020.

#### **Discussion:**

Subsequent to a City Council meeting conducted on November 19, 2019 it was voted and passed that the Municipal Service's Committee be charged to work with City Staff on the topic of future curbside municipal solid waste collection and disposal options. Subsequent to this on December 6 and December 27, 2019, the Committee met to evaluate various options relative to residential curbside collection services; future operational changes at the Franklin Transfer Station and revisions to the City Solid Waste Ordinance.

Since then City Staff has issued a "Request for Proposals" and received bids from three reputable companies for "Municipal Solid Waste, Containerized Curbside Collection Services". This decision was made as a result of the need to consider all options available for the Fiscal Year 2021 City Budget and beyond.

Due to the poor condition and age of our two eleven year old solid waste curbside collection trucks, the Municipal Services Department's ability to provide timely trash collection service due to their condition and downtime; ongoing and excessive repair and maintenance costs and the impact it has taken on our Vehicle Maintenance and Solid Waste Division's has been significant.

Given the need to replace these two vehicles versus the alternative of outsourcing deserves very strong consideration. Currently, it is cost prohibitive to keep dumping money into both our existing curbside collection vehicles. Truck #67 has been off the road since January due numerous repair issues. Truck #68 is not roadworthy nor dependable although we continue to attempt keep it operational. This has resulted in the need to rent a side loader from Premier Trucking at a cost of \$52,000 for the period January 1, 2020 to June 30, 2020. The cost to lease / purchase two replacement trucks is pushing an approximate \$640,000 or an annual lease payment of \$102,000 assuming 3% interest over 7 years. The typical life cycle cost to keep two

side loaders in service and dependable diminishes with age and after six to seven years they need replacement. The City is currently not in the financial position to purchase replacement trucks.

### **Fiscal Impact:**

Given the current uncertainty of the City's ability to fund a lease purchase program and staff to continue to support in house repairs including the short and long-term maintenance, the concept of outsourcing becomes more attractive and cost effective. **We must look at the potential cost savings and residential curbside collection service delivery for the City over a five-year period.** With the assistance of the City Manager, Finance Director and the Municipal Services Committee, believe that outsourcing is an extremely worthwhile alternative to cons

In conjunction with moving forward with a five-year contract award to Pinard Waste Systems, I recommend the following **incremental steps** over the next couple of months, aimed at fine tuning both the operation of the residential curbside collection program as well as, the City Transfer Station. The following "ACTION ITEM'S should be considered:

- Simultaneous to outsourcing, begin the process of evaluating **current and future** base level service to include small commercial residential curbside collection and the Transfer Station operation. This could include limiting residential curbside collection service to commercial housing unit's three units and under and small commercial business. Pinard has included this option and resulting revenue in their proposal.
- Amend the current City Solid Waste Ordinance based on recommendations from the MSD Committee; Staff, City; Council and the Public Hearing(s) process. This would include all sections of the City Code of Ordinances including Transfer Station operations. The last update was in 2008. It is time to update this and other sections of the City Code relative to Solid Waste. This would include revising the fee structure for commercial businesses and multi family dwellings with over three units utilizing the Transfer Station.

### **Concurrences:**

### **Alternatives:**

Taking no action is not an alternative.

As was done 12 years ago when the City transitioned from a manual to an automated curbside collection program, there is now the need to again re-evaluate the way City service delivery with respect to the way residential curbside collection base level service is provided. This also includes evaluating future operation of the City's Solid Waste Disposal needs to include the Transfer Station. The driving force behind any proposed changes will require a thorough evaluation of the current Solid Waste Ordinance in order to meet our current and long-term needs, goals and objectives. Given the situation the Municipal Services Department has been struggling with over the last few years, our options are limited and the concept of outsourcing curbside collection is highly recommended. It is important to point out that in 2023 the City will be retiring debt service that could potentially be utilized to bring our curbside collection back in house rather than to continue outsourcing.

**Enclosures / Attachments:**

- **Draft Minutes for approval 12/6/19**
- **Draft minutes for approval 12/27/19**
- **City of Franklin, New Hampshire “Solid Waste / Curbside Collection Summary 5/15/2020**
- **Revised City of Franklin, New Hampshire, Solid Waste Review Worksheet (options 1-3)**
- **Table of Bid Prices for “Municipal Solid Waste Containerized Curbside Collection Services”**

**TO: Municipal Services Committee Meeting /Mayor and City Council**

**FROM: City Staff**

**RE: City of Franklin, New Hampshire. Solid Waste / Curbside Collection Summary:** This summary is meant to provide City Staff, the Municipal Services Committee and City Council with an understanding of the rationale behind the concept of outsourcing **“Municipal Solid Waste Containerized Curbside Collection Services”** for a five-year period.

**DATE: May 20, 2020: Opening Remarks:** The following are topics for discussion. My hope is that by addressing as many questions pertaining to each of these item's below, we can then present an organized presentation for the City Council

**1. Benefits of Outsourcing Curbside Collection for the next five years:**

- Condition of two 2009 City Side loaders are beyond the end of their useful life.
- City Mechanical Garage has spent inordinate amount of time and money since 2017 keeping both side loader's operational. During this period **down time has been significant** which has greatly impacted the Municipal Services Department's ability to deliver timely trash pickup. This issue is of great concern to residents and City Staff alike!
- Outsourcing of curbside collection will free up a significant amount of time and dollars spent on maintaining rubbish trucks, allowing mechanics the time to spend on other City vehicles. Due to an aging City fleet of over the road equipment, the focus of the mechanics will revert back to a more organized service schedule while dealing with other necessary major repairs.
- At the present time neither of the two side loaders are roadworthy and vehicle safety is of great concern.
- Current replacement cost for two new side loaders for a seven-year lease purchase payment will be upwards of \$640,000. More important there is a long waiting period of up to nine months for delivery time of two new trucks.
- A five-year deferral on the replacement of two rubbish trucks will enable the City to build up its C.I.P. fund for vehicle replacement due to expiring debt service. The replacement cost for large pieces of City equipment is very expensive. One example is the need to replace the City's vintage 1996 road sweeper at a cost of \$180,000.
- Outsourcing of City operated curbside collection will save City motor vehicle insurance costs, worker's compensation costs, fuel costs etc.
- With respect to City Staff and job loss. By cutting one of the four positions currently assigned to the Solid Waste Division of the Municipal Services Department, there would be one full time position eliminated, HOWEVER, we are currently holding off on filling a position in the Water/Sewer Department in anticipation of a change in operation of trash collection.
- Also, with respect to personnel loss of one position, if we move forward with a contract with Pinard Waste Systems, they would be offering a position to one of our best trash truck drivers.



- 2. Transfer Station Operational Changes:** To effectively operate the Transfer Station and associated tasks, a three-person crew is essential towards meeting our facility permit issued by the State of New Hampshire as well as, other tasks associated with Franklin's solid waste needs.
- Assist Pinard during the "Transition/ Start Up Period" to outsourcing.
  - There is the need to cover staff time assigned to the Transfer Station when vacation and sick time is used. A three-person crew will enable the facility to operate in accordance our State permit which requires the minimum of two persons to operate.
  - Update City owned trash can inventory and necessary ongoing repairs.
  - Assist with implementation and enforcement of the amended "Solid Waste Ordinance" and associated changes in "Base Level Service"
  - Once implemented assist with the desperately needed enforcement of the "Solid Waste Ordinance" Citywide. This will assist code enforcement issues with property maintenance issues throughout the City.
  - Work with the Mechanical Garage Division on upkeep, maintenance and repairs of City equipment. When available one of the three-person Transfer Station Crew will assist the Mechanical Garage with maintenance and repair.
  - Outside of the Pinard Contract is the ongoing need to pick up decorative trash cans in business areas, beaches, School Department dumpsters twice per week Wednesday's and Friday's.
  - Improve on our current Transfer Station operation with respect to stickers, access, and making other operational improvements.
  - It gives management the ability to evaluate the hours of operation at the transfer station to accommodate citizen's needs. (i.e. which could be an evening opening.)
- 3. "Pinard Waste Systems" Contract Summary for "Municipal Solid Waste Containerized Curbside Collection Services".**
- Meets the requirements as set forth in the City's "Request for Proposals".
  - Has met reference checks on the company's performance standards.
  - Pricing over a five-year period of the contract is lower than industry standards resulting in a very good deal for the City.
  - Pinard is anxious to work with City Staff to improve our current operation. This is important as we develop an amended "Solid Waste Ordinance" and proceed with the long overdue transition necessary to maintain and reduce our solid waste collection and disposal costs.
  - With over twenty years of experience in the "Solid Waste Collection and Disposal Services Industry", Pinard offers staff expertise and the company infrastructure necessary to evaluate Franklin's short- and long-term collection and disposal needs.
  - Pinard is a New Hampshire based company with its corporate office in Manchester, New Hampshire and delivers quality service to municipalities and private customers throughout the State.
  - In order to stay on a schedule, it will take approximately one month from the date of contract award to prepare and initiate service.

**4. Solutions for Potential Drawbacks with Outsourcing:**

- Contract with vendor will have a nonperformance clause so that the City can terminate the relationship at any time.
- City Long term debt will be expiring in FY23 that could assist the City in funding the purchase of new vehicles to bring the operations back in house.
- Customer & contractor learning curve – vendor will assist with education promotion items and a hotline to answer questions.

FY 2021 Curbside Disposal Bids

	Pinard	Waste Management	Casella
Year 1	\$220,000	\$309,645	\$355,767
Year 2	\$228,000	\$325,127	\$373,556
Year 3	\$235,000	\$341,384	\$392,234
Year 4	\$244,000	\$358,453	\$411,845
Year 5	\$252,000	\$376,375	\$432,437
<b>TOTAL</b>	<b>\$1,179,000</b>	<b>\$1,710,984</b>	<b>\$1,965,839</b>