

REPORT ON REFUSE AND RECYCLING COLLECTION ANALYSIS

David G. Kraynik, Township Manager
December 22, 2011

1. **January, 2011**: At the Public Works Committee meeting, the Commissioners asked Staff to do an analysis of various collection methods.
2. **July 1, 2011**: A detailed analysis was provided to the Commissioners.
3. **Collection methods analyzed**:
 - a. Automated single-stream recycling
 - b. Automated single-stream refuse and recycling
 - c. Privatization
4. **Other municipalities studied**: Eleven (11) nearby municipalities were contacted to examine various collection programs.
5. **Factors considered**:
 - Trash fee
 - Labor costs
 - Other Public Works services/programs
 - Layoffs/attrition
 - Wages
 - Severance pay
 - Unemployment costs
 - Disposal costs
 - Health benefits
 - Pension contributions
 - Life insurance
 - Accidental death/dismemberment insurance
 - Fuel costs
 - Fleet insurance
 - Fleet maintenance costs
 - Workers compensation insurance/injuries

Factors considered (continued)

- CDL random drug and alcohol testing expenses
- Fleet acquisition costs
- Recycling containers
- Sale of some existing fleet
- Recycling revenue

6. Technical Assistance Study – Gannett Fleming, Inc.
“Feasibility of Implementing a Single-Stream Recycling Program”,
January 2010, paid for by a state grant.

7. Automated Single-Stream Recycling

- Two (2) automated trucks (one-arm or two-arm)
 - Retrofit two (2) refuse trucks with tipplers
 - 10,500 containers with wheels (65 gallons, 32 lbs.)
 - Elimination of three (3) positions via attrition or layoffs
- b. First-year costs: \$1,194,208 (\$1,132,240 or 95% - Capital Budget)
- c. First-year savings: \$308,903 (Operating Budget)
- d. First-year net costs: \$885,305
- e. Program pays for itself in 4 years

8. Automated Refuse/Single-Stream Recycling

- Five (5) automated trucks (one-arm or two-arm)
 - 21,000 containers with wheels
 - 95 gallons, 36 lbs. for trash
 - 65 gallons, 32 lbs. for recycling
 - Elimination of nine (9) positions via attrition or layoffs
- b. First-year costs: \$2,713,384 (\$2,341,576 or 86% - Capital Budget)
- c. First-year savings: \$750,626
- d. First-year net costs: \$1,962,758
- e. Program pays for itself in 5 years

9. Privatization of Refuse/Recycling

(estimated in part based on analysis of other communities)

- a. Elimination of 18 positions via attrition or layoffs
- b. First-year costs: \$1,007,631
- c. First-year savings: \$2,383,359
- d. First-year net savings: \$1,375,728 (Operating Budget)
- e. Increased refuse fee per house: approximately \$40.00

10. Fact vs. Fiction

- a. No change to bulk pick-ups. Non-combustible collection will still occur on Fridays of non-holiday weeks.
- b. Refuse and recycling will still be collected on the same day. There should be little if any time delay in collection.
- c. Container(s) will be delivered to each home.
- d. Attrition:
 - Between now and 2015, two (2) persons per year are eligible for retirement
 - one (1) employee eligible now; two (2) eligible in August, 2012
 - Public Works Department averages two (2) separations per year (non-retirement)
- e. No additional overtime costs
- f. Narrow streets will be collected with standard trash packer trucks equipped with tippers.
- g. No impact on snow removal for small to medium-sized storms. Additional outside contractors may be needed for large storms of lengthy duration, cost of which has been factored into all projections.

Fact vs. Fiction (continued)

- h. No impact on leaf collection and current parks maintenance.

11. Estimated Financial Projections (2012-2014)

a. Fixed Costs

- Debt Service: +\$1,011,255
- Wages: +\$1,559,296
- Health Insurance: +\$882,628
- Sewer Treatment Costs: +\$1,180,262
- Pension Plan Obligations: \$1,022,627
- **Three (3) year Average: \$1,885,347 per year**

b. Use of Fund Balance: Short-term Solution

- 2011: \$1,100,000
- 2012: \$1,700,000
- Widens funding gap in long-term

c. Projected Property Tax Increases* (for average assessed home)

- 2013: \$148
- 2014: \$148

* Assumes no changes in revenue, no savings from automation, no additional use of the Fund Balance, and no additional increases in sewer rates.
