

Report of the Solid Waste Disposal Study Committee

On May 19, 2014, the Board of Selectman of the Town of Hopkinton (“SB”) voted to form the Solid Waste Disposal Study Committee (the “Committee”).

The Charge of the Committee from the SB:

Purpose: To take a “big picture” look at solid waste disposal and determine and review options for the Town and develop a master plan for now and into the future for implementing recommendations. Tax impact, economic impact, and environmental concerns shall be considered when developing the plan.

Timeframe: A report should be submitted to the Select Board no later than November 3, 2014 when a meeting will be held with the Board. This report may be a preliminary report or the final report depending on needs of the committee.

Structure of Committee: The committee shall consist of up to 7 members plus the Town Administrator (ex-officio). The Superintendent of Environmental Services shall be used as a consultant. The Select Board will appoint one member to be the Chair of the Committee. The committee shall keep minutes of all meetings and provide them to the Administrative Assessing Assistant at the Town Hall within 5 business days. All meetings shall comply with the provision of NHRSA 91-A

Plan should include, but not necessarily be limited to:

- 1. An analysis and recommendations for improvements on current procedures and policies including:
 - 1. Pay-by-Bag program.*
 - 2. Recyclable separation procedure.*
 - 3. Acceptance of commercial trash policy.*
 - 4. Agreement with the Town of Webster**
- 2. An analysis and recommendations of alternatives for solid waste disposal including:
 - 1. Town-wide refuse pick-up.*
 - 2. Single Stream recycling.*
 - 3. Outside vendor**
- 3. A timeline for implementing the master plan.*
- 4. Comprehensive budget and financial analysis for implementing the master plan.*

Prior to its first meeting on June 9th, the Committee was populated with the following members: Art Cunningham (Chair), Mike Byrne, Tom Congoran, Denis Goddard, Richard Horner, Geoff Mirantz and Scott Zipke, with Neal Cass, Town Administrator, as its staff. The Committee has met every other week through October 27, 2014. Minutes of every meeting were taken and made publicly available.

During the course of its meetings, work was done to understand the following items prior to making its recommendations to the SB. The Committee Chair continually challenged its members to look at the “big picture” in moving forward. The recommendations follow the descriptions of these items.

1. The contractual and practical impact of the Hopkinton and Webster Transfer Station Agreement between Hopkinton and Webster

2. The range of services provided by the Hopkinton-Webster Transfer Station, as well as, the net cost of those services
3. The “market” for trash collection in Hopkinton
4. The potential vendors that might provide “curbside pickup” and their estimated costs
5. Estimates of the “Total Out-of Pocket Cost” (“TOOPCOST”) to Hopkinton residents to get their trash/recyclables to the transfer station or away from their home (including taxes) versus the estimates of the TOOPCOST that residents would pay to go to a curbside program (including taxes)

The Hopkinton and Webster Transfer Station Agreement (the “Agreement”)

The Agreement was executed July 2, 1975 and defined the responsibilities and rights of Hopkinton and Webster as administered. The current agreement legally constrains Hopkinton’s ability to operate the Transfer Station without Webster’s consent. The document specifies that major decisions about the Transfer Station budget, capital outlays and operations are to be made by the *Hopkinton-Webster Refuse Disposal Committee* which is populated by three members of each town. There is no process for resolving deadlocked decisions, except negotiation or inaction. In addition, the towns split the capital and operating costs of funding the Transfer Station according to pro-rata populations of the towns regardless of each town’s level of use or the adoption of the *Pay-by-Bag Program* it has adopted. The Committee recognized that if Hopkinton voted to make a major change in solid waste collection that would affect Transfer Station operations, there would be a need to renegotiate the terms of this agreement on a prospective basis. The ideal would be to move toward terms that would reasonably reflect the actual use of the Transfer Station.

Transfer Station Services and Related Costs

In addition to accepting trash and recyclables (aluminum cans, cardboard, glass, paper and most plastic containers), the Transfer Station accepts construction debris and shingles, electronic equipment, landscape debris and leaves, metals and waste septic liquids from commercial vendors who pickup in Hopkinton. There are charges for the construction debris and shingles and the waste septic liquids.

The costs of Transfer Station operation for the past three years (?) follow, as well as, any revenue associated with the services, the tax rates for our residents and taxes paid on a \$250,000 home.

ITEM	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL
Expenses			
Transfer Station Cost	494,711	505,364	518,938
Capital Expense	25,000	25,000	27,000
TOTAL EXPENSE	519,711	530,364	545,938
Revenue			
Webster Share of Cost	67,721.00	87,097	84,936
Commercial Revenue	138875	112263	139,142
Recycling Receipts	109954	69713	67,054
Pay-By-bag Revenue	58500	71281	69,957
TOTAL REVENUE	375,050	340,354	361,089
COST TO TAXPAYERS	144,661	190,010	184,849
Tax Rate Impact/Thousand	0.219	0.287	0.279
Cost for \$250,000 home	54.64	71.77	69.82

On a prospective basis, assuming the Transfer Station continues to operate providing the same services at the same charges, the Committee expects that these operating costs increase roughly at the rate of inflation. Again, assuming the operations continue, there will be capital requirements to be met over the next 6 years, as the table below suggests.

	2015	2016	2017	2018	2019	2020
Vertical Baler		15,000				
10-yd Packer						
Scale System Replacement	48,750					
Loader Replacement			75,000			
Accurate Trailer Replacement				41,685	52,500	
TOTAL	48,750	15,000	75,000	41,685	52,500	-

The “Market” for Trash Collection in Hopkinton

Understanding what our townspeople do with their trash is an important factor. We collected the following information anecdotal conversations with residents and town employees and the most recent bills from haulers.

As best we could determine, between 1,000 and 1,200 Hopkinton households pay a hauler to take their trash (and sometimes their recyclables) to either the Transfer Station or to take it to another place accepting trash. Currently, the trucking service delivering solid waste to the Transfer Station requires its customers to use the town’s green bags and charges each household about \$74/quarter for hauling only trash. Because this trucking service delivers only Pay-By-Bag trash to the Transfer Station, there is no charge to the hauler for the loads of trash. The trucking service taking trash outside of Hopkinton charges more for its service and does not provide any recycling services.

We estimate that 700-1,000 households in Hopkinton use green bags and take their trash and recyclables to the transfer station if they live in single family dwellings. The remaining residents live in one of the manufactured home parks or in multi-family dwellings. The trash from these households is taken to the Transfer Station by a trucking service.

Potential Vendors that might provide “Curbside Pickup” and their Estimated Costs

The Committee solicited four vendors that it believed could provide Curbside Pickup service for the entire town of Hopkinton. Two of the vendors were not interested in delivering this service to the entire town. One seems capable but did not provide any information. A representative from Casella attended one of the Committee’s meetings and provided the following estimated information.

Manual pickup (Trash in any bag and single bin recycling)

- Recycling rate in 15% range
- It would take 4 days a week to do pickup
- Estimated Total Cost \$394,000/year

Manual pickup with Pay-by-Bag (Trash in green bag and single bin recycling)

- Recycling rate in the 40%-50% range
- No significant cost difference as compared too manual pickup
- Estimated Total Cost \$ 394,000 per year

Automated (One bin provided for trash, one for recycling)
 Recycling rate in the 32%-33% range
 Town or company can provide them (cost is about \$65/cart)
 Containers last about 25 years
 Estimated Total Cost \$ 398,000 per year

The following chart demonstrates the change in Hopkinton tax rates with the Manual and Automated “options” with minimum modifications to the operation of the Transfer Station. (See Appendix 1)

ITEM	2013 ACTUAL	With Manual Curbside Pickup	With Automated Curbside Pickup
Expenses			
TOTAL EXPENSE	545,938	753,620	757,620
Revenue			
Webster Share of Cost	84,936	64,787	64,787
Commercial Revenue	139,142	60,000	60,000
Recycling Receipts	67,054		-
Pay-By-bag Revenue	69,957	110,000	-
TOTAL REVENUE	361,089	234,787	124,787
COST TO TAXPAYERS	184,849	518,833	632,833
Tax Rate Impact/Thousand	0.279	0.784	0.956
Cost for \$250,000 home	69.82	195.97	239.02

Estimates of the “Total Out-of-Pocket Cost” (“TOOPCOST”) to Hopkinton residents to get their trash/recyclables to the transfer station or away from their home (including taxes) versus the estimates of the TOOPCOST that residents would pay to go to a curbside program (including taxes)

It was clear to the Committee that if a Hopkinton Taxpayer looked only at the taxes paid related to running the Transfer Station, there would be an increase in taxes to cover either an Automated or Manual Curbside Pickup system.

The question posed by the Committee was what if it attempted to estimate the “Total Out-of-Pocket Cost” or TOOPCOST cost of getting trash away from their home? This TOOPCOST would equal the taxes paid to the town related to the Transfer Station plus the expenditures made by each household to actually get their trash away from their home (either to the Transfer Station or picked up by a trucker and delivered to another waste disposal site).

To develop a TOOPCOST for households, the Committee assumed that if a household used Green Bags, they used 1 per week. It also separated the households into three classes. There may be others, but the following appear to be the most significant:

1. Class 1 – Use Green Bags and pay a trucker to pick up the bags up on a weekly basis and deliver them to the Transfer Station.

2. Class 2 – Do **not** use Green Bags and pay a trucker to pick up their trash and the trucker delivers their trash to a waste disposal site out of Hopkinton.
3. Class 3 – Use Green Bags and deliver their trash (and perhaps their recyclables) to the Transfer Station themselves.

Class 1 TOOPCOST: \$65 for bags (52x\$1.25) + \$ 296 per year (trucking) = \$ 361 per year + the Transfer Station portion of the Hopkinton Property Taxes

Class 2 TOOPCOST: \$ 296 per year (trucking only) + the Transfer Station portion of the Hopkinton Property Taxes

Class 3 TOOPCOST: The results for this class are determined by where each household is located within the Town of Hopkinton relative to the Transfer Station (the last column in the table which follows) + the Transfer Station portion of the Hopkinton Property Taxes. The assumptions made about these households are as follows:

1. Trip to Transfer Station made every other week
2. 20 miles per gallon of gasoline in the vehicle
3. Gasoline cost of \$3.50 per gallon
4. One green bag per week.

Location	Miles To Transfer Station	Annual Cost of Gas	Annual Cost of Bags	Total Estimated Annual Cost – not Including Taxes
Contoocook Center	3.5	\$ 31.85	\$ 65.00	\$ 96.85
Hopkinton Center	5.0	\$ 45.50	\$ 65.00	\$ 110.50
Southwest Corner of Hopkinton/Contoocook	7.5	\$ 68.25	\$ 65.00	\$ 133.25
Southeast Corner of Hopkinton/Contoocook	9.0	\$ 81.90	\$ 65.00	\$ 146.90

The following compares the TOOPCOST for a residence valued at \$250,000 in Hopkinton in the current state and the TOOPCOST for the same residence in an automated, curbside pickup environment.

CLASS Title	Current Input	TOOPCOST-Current	TOOPCOST-Curbside	Savings (+) or Additional (-)
Class 1	\$ 361 + \$ 69.82	\$ 430.82	\$ 239.02	\$ 191.80
Class 2	\$ 296 + \$ 69.82	\$ 365.82	\$ 239.02	\$ 126.80
Class 3 (Hopkinton Center)	\$ 110.50 + \$ 69.82	\$ 184.00	\$ 239.02	(\$ 58.70)

Committee Recommendations

While the Committee voted, passed and reconsidered other votes, the following motions passed unanimously. Following the motions is a summary of the Committee’s views on these votes.

1. The committee moved to recommend to the SB that an Request for Proposal be prepared for single stream recycling and household trash curbside pickup using either the manual or

automated systems with the Transfer Station remaining open to accept appliances, electronics, tires, wheels, asphalt shingles, compostable materials such as leaves and manure, BBQ grills and cylinders, storm debris (tree limbs-structure damage) used petroleum products and residential construction debris.

2. The Committee moved to recommend to the SB that if the Town enter into an Automated or Manual curbside pickup agreement with a vendor that the SB work to reduce the Hours of the Transfer Station to reduce cost and the Capital budget.
3. The Committee moved to recommend to the SB that as soon as practically possible the Transfer Station should stop accepting Septic Waste from all commercial haulers and the SB should let the current permit expire.
4. The Committee recommends that the Select Board reach out to the Webster Select Board to discuss any changes at the Transfer Station.

Appendix 1

ITEM	CURRENT	LIMITED TRANSFER STATION USE		
	2013 ACTUAL	Manual Pickup NO PbB	Manual Pickup w/PbB	Automated
Expenses				
Wages	186,695	101,661	101,661	101,661
Benefits	24,679	21,679	21,679	21,679
Telephone	1,571	1,571	1,571	1,571
Alarm	160	160	160	160
Computer Software (scale)	2,184	2,184	2,184	2,184
Electricity	7,319	4,500	4,500	4,500
Trash Transport & Disposal	184,028	254,478	254,478	254,478
Demolition Hauling	5,442	5,442	5,442	5,442
Demolition Tipping Fees	31,945	31,945	31,945	31,945
Building/Equipment Maintenance	37,676	20,000	20,000	20,000
Equipment Rental	10,298	5,000	5,000	5,000
Travel/Meals	2,094	1,000	1,000	1,000
Conferences/Training	2,003	1,500	1,500	1,500
Office Supplies	1,105	1,000	1,000	1,000
Gas/Oil	9,333	4,500	4,500	4,500
Uniforms/Safety Equipment	2,100	1,000	1,000	1,000
General Supplies	10,306	5,000	5,000	5,000
Capital Expense	27,000	5,000	5,000	5,000
Trash Pickup	-	156,000	156,000	135,000
Recycling Pickup	-	130,000	130,000	125,000
Cart Cost	-	-	-	30,000
TOTAL EXPENSE	545,938	753,620	753,620	757,620
Revenue				
Webster Share of Cost	84,936	64,787	64,787	64,787
Commercial Revenue	139,142	60,000	60,000	60,000
Recycling Receipts	67,054	-	-	-
Pay-By-bag Revenue	69,957	-	110,000	-
TOTAL REVENUE	361,089	124,787	234,787	124,787
COST TO TAXPAYERS	184,849	628,833	518,833	632,833
Tax Rate Impact/Thousand	0.279	0.949	0.783	0.955
Cost for \$250,000 home	69.82	237.28	195.77	238.79
ADDITIONAL COST BEYOND CURRENT				
To Taxpayers	-	443,984	333,984	447,984

**Town of Hopkinton
Automated Curbside Pickup v. Current Costs
Notes**

Number of Households	2,450
Average Trash per household per year	1.27 tons
Average Recyclables per household per year	.63 tons
Cost of Trash Disposal per ton	\$67.00

Disposal Costs:

1.27 ton X 2,450 households X \$67.00/ton = \$208,471

Modified Use:

- Wage/Benefits eliminates all PT Staff
- Transportation/Disposal is for Webster's 25%
- Webster Revenue = 25% of \$259,149 (Costs not including pickup, Hopkinton disposal, and cart costs).

Town assessed value is the 2013 value of \$661,892,055.