

Life After NESWC Committee
Minutes of Meeting
January 13, 2005
Town Hall Room 204

Members present: Ann Chang, Bob Johnson, Peter Ashton (Chair), Pat Clifford, David Stone, Bruce Stamski (Staff), Carol Holley (clerk)

Guests present: Garry McCarthy, Sally Edwards

The minutes of the previous meeting were reviewed. Ms Clifford moved to approve as corrected, Mr. Johnson seconded, and all voted in favor.

Mr. Ashton introduced Mr. Stamski's report on the financials and scheduling of the town's continuing to run the transfer station on some level. The other proposals will be coming in the week of the 18th.

Ms Chang expressed concern about public participation and ramifications of the changes the committee will be proposing, and the time any change is going to take. The committee will not be ready in April and Ms Chang wished to discuss timelines.

Mr. Stamski explained the transfer station financial data. What is the cost of staying in business? Staff met and tried to come up with an operation that meets the appropriate scale going forward. Things appear to be, in sum, as follows:

- We will be out of the brokerage business and dealing with Acton trash only, about 5,200 tons/year
- We will be down from 5 days to 2 days per week. How do we structure this with eyes toward service and economics? Saturday and one other day is it – there's a little more studying to be done but the cost implications appear to be which other day doesn't matter a whole lot.

Mr. Stamski continued, staff looked at the original survey data. The preferred days were noted to be Friday and Saturday. This was verified by traffic counts a while back. Over two weeks in November/December, there were 3,550 car trips each week. We have 3,100 stickers sold; this count included commercial packers. Of these trips, 1,750 were on Saturday with 300-500 trips on the other days of the week. Where can we put the mid week traffic? It will sort itself out. It will take about 6 months for people's patterns to change.

Mr. Stamski noted that part of this process is re-looking at the recycling area and making it more user-friendly. The reduced operation would have 3 people on staff, one for gate checking, one for recycling, and one for the transfer station. Recycling containers will have to be changed out during the day due to concentrated traffic; there will be some initial investment for more containers. A specialized truck to move the containers will need to be purchased. The town would also start taking its own recyclables to a MRF.

Buying new equipment would be with the presumption of being in the trash business for the long haul.

Right now, Mr. Stamski noted, BFI hauls the recyclables and changes the containers on Monday and Saturday. BFI made 7-8 trailers moved per week. The town spent \$66,000 moving materials last year, which costs about \$20,000 to dispose of recycling. If the town had a truck and had the operation open for two days, assuming we are going with NESWC, we will have one full-time person. Per query of Ms Holley, grant monies for recycling equipment is available but the town will need to have a recycling policy in place. This includes town buildings. This policy does not require a town meeting vote.

Mr. Stamski noted that the town would save about \$120/trip on taking recycling to a MRF, and we get money for the recycled materials. We have revenues from recycling and sticker sales and special costs (white ware, etc), the total revenue stream being about \$477,000, with anticipated costs of \$64/ton with NESWC. If the town gets better at recycling the tonnage cost would go down. It might also turn out that people recycle more so that we have less tonnage.

Mr. McCarthy asked, is there an advantage for us to not have a contractual relationship with NESWC? Mr. Stone noted that if we are going to do this long term, you could do 3-5 years with NESWC and if we have reach a contract elsewhere, NESWC has the right to match it. The new contract is based on market price. The thing that motivated us to do this exercise was an interim-basis operation of the transfer station.

Ms Edwards noted that the best incentive for recycling is PAYT, and PAYT isn't built in to this proposal. Educating helps, but you really need to give an economic incentive. Mr. McCarthy noted that if you are going to further develop this option, PAYT should be considered so that the trash business makes some money. This scenario pays for itself with recycling and sticker revenues. Mr. Stone noted that you have labor costs associated with PAYT. Overlaying PAYT might make people recycle less and use private curbside service. The important conclusion is that the initial case of breaking even looks about right.

What happens if the customer level drops by a third, etc? Mr. Stamski related a large jump in costs going from 2 days to 3 days of keeping the transfer station open. If you leave it open for 3, you may as well leave it open for 5. Mr. Stone asked, what happens with the numbers if you don't buy the equipment? Mr. Stamski felt that then the town should do what it's doing now.

Mr. McCarthy noted this was for a long-term option; what if brokerage is factored in? Mr. Stamski didn't think brokerage would change the numbers much. Mr. Stone noted that the difference between what somebody else pays and what we pay to get rid of it is very small, and the biggest way brokerage helps us is to satisfy the tonnage requirements for NESWC. You also have staff overhead. An integrated operation would make more money than we will as being open part time. Mr. Ashton thought the town could make

more money if we were willing to invest in the operation. Ms Clifford felt it doesn't make a lot of money as a service to townspeople.

The town is now doing between 20 and 27 tons of trash. Going into the trash brokerage business would not yield more than a 2-3% profit; going forward, it's not that attractive. Mr. Ashton noted that if you do brokerage you are subject to the vagaries of the market; Mr. Stamski observed that the town can't compete with BFI, etc. and win.

Per query of Mr. McCarthy, Mr. Stamski stated that the town is taking the trash out at \$68-69 per ton. Mr. McCarthy asked if WMI could come back and tell the town they will be doing the process. There is a 9-month interim contract available which lasts until next June; Winchester is taking that option. Per Mr. Ashton, a 9-month contract at \$64/ton is available to Acton.

Mr. Stamski noted that if the town engages in negotiations with other people to do curbside, etc, it will not invest in new equipment.

Mr. Johnson asked, what does Wheelabrator want? Mr. Ashton noted, they don't want Acton in the brokerage business.

Ms Chang asked, if Acton doesn't sign a contract with Wheelabrator, do they have a hand reaching out from the grave? Ms Chang expressed a desire to chop off that hand. Mr. Ashton noted that John Murray and/or Steve Anderson need to be consulted about that. Ms Chang is concerned about what NESWC could do. Ms Clifford noted, they are not going to make it easy under any circumstances. Mr. Stamski thought they might bid on the transfer station.

Ms Chang asked if the recycling center could be opened to non-Acton residents if there's a decision to go into the trash business long-term. Mr. Stamski replied, you have to remember that we also be capping and closing the landfill. Landfill and recycling center design will be part of that closure. Once you get something established, you can make other decisions based on the economics as it happens.

Ms Chang noted that, from an incinerator's perspective, she would not have thought Acton's small volume would be of interest. Mr. Ashton observed that an incinerator with nothing to burn loses money. Mr. Stamski observed that the market for recyclables goes up and down. Right now, scrap metal and paper are high because of China's demand.

Mr. Ashton asked, under this scenario, when do we close the landfill? Mr. Stamski noted that proposers have been poking around at DEP, so they are alerted that something is going on in Acton. Mr. Stamski thought that this has a one or two year timeline. Mr. McCarthy elaborated that once the Town gets to the top of the list, there's an Administrative Consent Order (ACO), negotiations over that, and it can be stretched out a couple of year. Mr. Stamski observed that closure/capping costs could be up to \$2.8 million before work started.

Mr. McCarthy asked about the Enterprise Fund – what are we getting on that every year? Mr. Ashton replied, same as everything else – about 1% per year – this is defined by law. It depends on whether or not the monies are designated for operations.

Mr. Stone was concerned about how sensitive the staff economic analysis was to the current customer count. Mr. Johnson observed that, at two days/week, the town will be laying people off. Mr. Ashton asked when other towns operate their transfer stations. Mr. Stamski noted that typically, it's Wednesday and Saturday. Ms Chang asked, is there an advantage of having the two days together in terms of hiring staff? Mr. Stamski thought there was. He noted that Harvard and Boxboro have their transfer stations run by highway department crew, and they do two days/week, Wednesday and Saturday. Another was looking to use part-time people so it didn't matter what days.

Mr. Stone thought that having a cap between the days would be good so that there was time to get the trash hauled out. Mr. Stamski noted that the numbers don't shift too much.

Ms Clifford noted that change upsets everybody, and that's what this committee is doing.

Mr. Johnson asked Town staff's opinion on doing brokerage in the open market. Mr. Stamski observed that first you have to pay to install scales, and you also need to have somebody on staff to do it and support it. It came out that the upside of brokerage was pretty small and there's a lot of exposure. Mr. Stone compared Acton's going into brokerage with opening up a retail operation to compete with Wal-Mart.

Mr. Ashton found the staff's analysis very helpful, noting that, if the Town wants to stay in this business, this is the way to do it. Ms Chang asked, aside from the truck, is the transfer station in good shape? Mr. Stamski noted that there is always maintenance and stuff to be bought, there is a new load and a new tractor. The equipment in there has only been there a few months. The foreseeable expenses – the building is 20 years old and it's been banged up and had garbage in it for 20 years, and it looks like it. Mr. Ashton noted that if you are in the brokerage business you don't have those big trucks, and without the commercial haulers building longevity is extended.

Responding to a question from Ms Chang, Mr. Stamski stated that there will be four loads pre week, and the Town already has four trailers. The town also has 3 tractors, but one of these is the yard tractor. You only need one other for this operation.

Ms Chang observed that people will find the crowds annoying.

Mr. Johnson noted that the committee is also supposed to look at recycling in a broader sense, and we haven't done that yet. Mr. Stamski noted that with the work necessary to cap the landfill there will be a good opportunity to redesign the whole thing. The Town can have a fresh look on how to do everything.

Mr. Johnson noted that everybody talks about give and take areas (exchanging unwanted items). Ms Chang noted that the Community Supper wishes to keep the bottle and can drop-off thing.

Mr. McCarthy noted on top of this, we have to pay for capping the landfill. So, this is an option that needs to be looked at along with other options. Mr. Ashton asked if this is a longer-term solution, what do we do with the landfill once it's capped? Mr. McCarthy noted that the committee will get lots of options in the rest of the proposals over the next few weeks.

Mr. Stone felt the tradeoff will be when somebody else pays for the capping. He felt the Town would break down into people who like the current service versus people concerned about making money. Mr. Stone and Ms Clifford did not believe that anything more than tradition and sentiment are in favor of continuing this service.

Ms Chang noted she would like to see a revenue stream from this property. However, she is concerned about the cost and that has to be in the mix. Mr. Ashton noted that a lot depended on the proposals the committee gets back. He stated he would also look into the "hand from the grave" issue.

Ms Chang brought up the public participation process, noting that the committee has to first lay out the options in a way that is clear for the voters to understand, so the public can react and then the committee can look at the comments. After the comment period, we can decide what to do once feedback has been assimilated.

Regarding a timetable, Ms Chang initially suggested March 3 as a forum date since the LWV has room 204 reserved at that time. Ms Clifford felt that too much was going on for that to be a good time to introduce something new.

Mr. Johnson noted that the committee did have to have something for Town Meeting. Mr. Stone felt that if the committee just let NESWC lapse, that isn't the case. Mr. Ashton felt that whatever was replacing what ends in September would have to come before Town Meeting. Mr. Stone thought that if there wasn't a contract, it could be absorbed into the general operating costs, but there's the issue of the enterprise fund. Mr. Stone continued, even if we don't have something on which Town Meeting has to act we should get something out. There is a question as to whether a warrant article is needed. If the money is to be used it needs an article. It could be using the enterprise fund and put on the consent agenda.

Mr. Ashton thought the committee needed to get out exactly what it intended to do, but that isn't known yet. Ms Clifford noted that the committee had done an article for the Beacon and could follow up on that.

Mr. Stamski noted that the committee should check with how the proposals are being handled. A certain amount of openness is ok but there is a legal issue – the committee has to figure out what can be said, and when. Mr. Stone thought some of the information

could be used in public meetings. Ms Chang asked when the risk analysis came – before town meeting?

It was noted that proposals are due the end of the week of the 20th, and another meeting was scheduled for the 26th. Mr. Stone noted that, by then, the committee will have a better idea of options.

Mr. Stamski asked if the proposals could be reviewed in a public forum?

By the 26th staff will generate a summary. CDM will also work on evaluating the proposals. The proposals will be available for committee members to pick up.

Mr. Ashton asked that a list of respondents be provided.

Ms Chang thought the committee should do a town report; Mr. Johnson said he'd work on it.

Next meeting: January 26, 7 p.m., probably room 204.

Ms Holley moved to adjourn, Ms Clifford seconded, and all voted in favor. Meeting adjourned 8:40 p.m.

Respectfully submitted,

Carol Holley