

Members present: Allen R. Phillips Christopher A. Rucho
Valmore H. Pruneau Kevin M. McCormick
Members absent: John B. DiPietro, Sr.

Mr. Phillips convened the meeting at 7:00 p.m.

Discussion Of Pay-As-You-Throw Options

John Westerling, Director of Department of Public Works joined the Board with Irene Congdon, Central Mass Municipal Assistance Coordinator for the Department of Environmental Protection.

Mr. Westerling reported that the Fy10 budget for trash and disposal is \$433,500. From July 1 through December we will be paying \$80.35 per ton and next January we increase 8.4% and go up to \$84.00 per ton. The collection side with BFI is at \$253,000 and the disposal side with Waste Management is at \$180,500 for a total line item of \$433,500. They have reviewed many pay-as-you-throw options for FY09 and narrowed it down to two options. Mr. Phillips questioned why other options were thrown out. Mr. Westerling explained that SWAT looked at the different variations and found a happy medium.

Ms. Congdon reported that the first options allows for 50 free bags and would save \$22,917. The second option is no free bags and results in a \$191,537 savings. The disposal cost depends on how much is recycled. There are two sizes of bags, 15 gallon, at a cost of \$1.00 and 33 gallons at a cost of \$2.00, and the income will cover the costs for disposal and purchase of addition bags. West Boylston is also on the DEP one-time grant list for \$9,500 which can be used for start-up costs. Ms. Congdon stressed that this is a simple program. Mr. Phillips asked if we do not get the grant in year one and we go with the program can we apply for the grant for next year. It is not a guaranty according to Ms. Congdon and they have to spend their grant money by July 1. She noted that by going with a pay-as-you-throw system people change what they put in their trash bags. They have towns with 60% waste reduction at this time. She projects a 30% reduction, which is what they projected in Shrewsbury, and Shrewsbury is at 40%. Because you are paying for every bag you generate less trash, bring home less trash, compost, recycle and donate one third to charity. They have composting bins on the state contract, which the town has applied for in the past. She noted that her numbers are very conservative, include an opt out and are based on purchasing enough bags.

According to Mr. Westerling the town pays \$175 per resident for trash and the second scenario would be \$279 per resident. The town does incur the \$100,000 of disposal costs. Mr. Rucho asked about eliminating trash completely and replacing it with a town-run curbside program. Ms. Congdon explained that in Holden, residents are charged \$15 a month and they purchased trash totters for residents to use. It is a flat fee with the benefit of trash being off the taxes and the negative is administration and billing with no incentive to recycle. She also noted that West Boylston's current trash hauler does not have the type of trucks to use the totter program. In Holden the trash trucks pick up the totters and dump them. The cost for the totters is \$50 to \$100 each, the cost to retrofit the truck is \$3,000 to \$5,000 and it takes three months to get the totters out. Another option is take trash off the taxes and send out a quarterly bill for pick up, although that would result in an administrative cost. Ms. Congdon pointed out that eliminating trash would result in six trash haulers traveling our roads creating much wear and tear. She also noted that administratively, a pay-as-you-throw system is an easier program, reduces trash by a minimum of 30%, could go as high as 50%, all of which you see within the first month. The program could also begin by July 1. The collection costs stay in the taxes, you hold a public hearing, sell bags and educate the public.

Judith Doherty, Chairperson of SWAT, stated that her committee is willing to devote their time to educate the public and hold community programs. Ms. Congdon noted that any store which sells milk and bread could also sell the trash bags. The town selects a trash bag company, picks a color, and provides the company with a list of retailers it would like the company to sell the bags to. The vendor makes arrangements, talks with the vendor, sets up a program and deals with the money flow. The benefit to the supermarket is foot traffic. According to Ms. Congdon 130 communities in Massachusetts use pay-as-you-throw and in the City of Worcester they have 63 locations to purchase bags including Walmart. The cost of the bags is approximately \$10,000, with a one-time set up fee and the bags are made from recycled material. Ms. Doherty asked about any extra money left in the budget from last year. Mr. Gaumond explained that this would require an appropriation if there are not funds in the trash line item. He is unsure whether the Finance Committee would consider this an unanticipated expense and thus qualify for a Reserve Fund Transfer. Ms. Congdon feels the current hauler might be helpful with education. Mr. Westerling indicated that Allied Waste is very receptive.

Mr. Phillips asked about the availability of recycling bins. Mr. Westerling indicated that the town did get a grant from DEP for bins, however, we ran out and then the town received stickers to put on your recycling container. Mr. Rucho questioned the 'off the taxes'. Mr. Westerling explained that we would no longer need to appropriate \$433,000 for trash, however, we would still need to have trash pick up for municipal building dumpsters. It could be a flat fee with pay-as-you-throw using the Municipal Light Plant to invoice residents \$100 to pay for the disposal. Mr. McCormick suggested working a deal with the Water Department to combine sewer and water billing and that would free up the DPW administrative assistant to bill for trash. With a pay-as-you-throw system they expect 10% to opt out. Northborough charges \$1.50 for small trash bags and \$2.50 for large bags, Shrewsbury charges \$.75 for small bags and \$1.50 for large bags and Worcester charges for small bags and \$1.50 for large bags.

Mr. Westerling pointed out the fact that there has been some talk about an override. He suggested taking the \$200,000 from the original override and putting it towards collection costs, which are \$243,000. Bruce Peterson, who is in the audience this evening has calculated the original override figure with the 2-1/2% inflator for each year from 1991 to 2009 and came up with a \$311,931 figure. He questioned the actual savings to the residents should we go with a pay-as-you-throw system and noted that businesses pay for trash in their taxes, however, they do not get the benefit of the service. Mr. Peterson feels that pay-as-you-throw will cost taxpayers more than what trash is costing us today when you add both what is included in the tax rate and the cost of the trash bags. Mr. Westerling noted that the incentive to residents is to recycle more. Mr. Phillips voiced concern that people will dump their trash at the Wachusett Earth Day site.

According to Ms. Congdon, they have not found any increase with illegal dumping and should the town have an issue with illegal dumping of large bulky items it will not increase with pay-as-you-throw. Mr. McCormick feels the question the Board needs to face is do we want to transfer the money in the budget from rubbish to something else in the budget or just leave the money in the tax base. Ms. Congdon recommends a public hearing prior to the Board taking an official vote.

Dick Johnson, resident of West Boylston, stated that should the Board move trash out of the budget he will go for a rescinding of the override for collection. Mr. Phillips believes the override language was for trash and should those funds still be used for collection it is the same thing. Mr. Johnson then stated that if we get rid trash completely he would ask for it then. He has heard no indication that any party look at containerization as that would allow you to eliminate plastic that does not decompose. He suggested talking with our present hauler as using a totter would eliminate manual labor and would be much safer. The hauler could supply the bins as part of the contract.

Mr. Westerling explained that SWAT looked the totter system, which is used in Holden. Each totter would cost \$100, a \$240,000 cost to the town. Mr. Johnson would like the hauler to provide the totters. Ms. Doherty noted that we could look at that scenario in our next trash hauler contract and allow haulers to compete for our trash business. Mr. Johnson feels it would be three times faster, reduce personnel, and if a resident does not have any recycling out with the totter, they would not get their trash picked up, which is the system they use in Holly Springs, North Carolina and in San Diego. Mr. Westerling feels Mr. Johnson has some excellent points that SWAT has looked at.

Mr. Gaumond noted that if the town were going out to bid today, it would make sense to go with that system, and something to look at implementing in May or June of 2010. Mr. Rucho noted that the last time the town went out to bid for trash services it only received two bids.

Finance Director Michael Daley feels the town has a good working model, has questions about assumptions, and we need 2008 data. In option #2, we need to put in FY10 data assume no grant money, and there is no money in FY09 for start up costs, with the exception of possibly some money in the trash budget. He is more concerned about the assumptions and data we are working on and would like to review FY08 and FY09 data to date. He feels it is weighted towards the pros and he would like a real set of models.

Mr. Phillips noted that the language of the Proposition 2½ ballot question included 'trash'. Mr. Daley explained that the statue has changed, and there is language in the contract for hauling and collection. He thinks we need a better set of numbers to work with and would challenge that 16% of the waste stream will be eliminated. He would like to have more discussion over the set up of a revolving fund or an enterprise fund. Mr. Daley would set up a revolving fund to purchase the bags and any general fund budget would require approval of town meeting. He pointed out that we have to be able to defend any estimated revenues and sign a recap sheet. He thinks we are on the right track, however, he does not see this happening on July 1, as he feels it is more a phase in for FY10 and full implementation in FY11.

Mr. Westerling noted that DEP has seen a 30-60% reduce with their pay-as-you-throw towns, we are assuming a 20% reduction. The 2008 models are being used because they were developed with the grant from DEP and they are the numbers we have been working with for two years. Ms. Doherty noted that SWAT member Janet Vignaly, teaches match and will continue to look at the numbers and Elise Wellington has over 30 years in conservation and is eager to follow this program through. All members of SWAT are willing to volunteer their time and efforts for this initiative. Ms. Congdon feels the numbers are very conservative and it depends on what direction the Selectmen wish to go to.

Ms. Doherty indicted that as of November, SWAT's recommendation was no free bags. Mr. Daley voiced concern around inventory control as it is a cash business, which needs internal controls. Mr. Rucho pointed out the fact that West Boylston will not be the first to do this, it has been done in other communities and those towns must have had the same concerns. Mr. Daley had one client that tried and failed miserably. He stressed doing due diligence and hearing from both sides. Ms. Condon noted that the state contract has three companies who go cradle to grave. When the drop off the pallet of bags at the supermarket, payment is made by a lock box and if the bags are stolen it is on the supermarket. According to Ms. Condon one third of the state is pay-as-you-throw, one third have no program and the other third have a drop off facility. This pay-as-you-throw model is the one everyone is looking at, just voted on by Grafton and Shrewsbury accepted it in January.

If we are going to make a shift, Mr. McCormick feels it has to be significant to make it worthwhile. Last night he noted the Board committed to helping the library and his thought was to shift the trash money to the library line item. Mr. Phillips is not opposed to shifting the money he just wants to make sure the money is there to shift. Mr. Gaumond reminded the Board that an under ride has to be decided by ballot and some people may think that those funds could be shifted to other departments.

Mr. Phillips hoped he would have sufficient information to make a decision this evening, however he would like clarification on the numbers. Mr. Rucho feels SWAT is saying let's just start something and he would like to start something. Mr. Pruneau is also not comfortable with the numbers and would like to wait until Mr. Daley has reviewed the figures. Mr. Daley will also calculate the override amount.

Mr. Westerling will send Ms. Congdon the FY09 data and forward the data to Mr. Daley. Mr. McCormick feels the Board needs to decide whether they want to go with a pay-as-you-throw system. Once that is decided he feels Mr. Daley can figure out how it is going to be set up whether it is an enterprise or a revolving account. He also feels the override amount should stay in the budget.

Motion Mr. McCormick to go with a pay-as-you-throw system and start the process, seconded by Mr. Rucho. Mr. Phillips prefers seeing the numbers prior to the Board voting. Mr. Gaumond recommends the Board vote to direct him to work with Mr. Westerling on a plan to present to the Board for a pay-as-you-throw system maximizing the amount of return we can see what time tables and business models for the next meeting of the Board in coordination with SWAT and DEP.

John Owanasian commended the Board for moving forward on this. It will encourage recycling, and bring much needed revenue into the town. If you do not vote now you will have the same discussion next year. He was in Worcester when it went to pay-as-you-throw and he thinks it is time to move ahead on this. Mr. Phillips stated that he is not opposed to pay-as-you-throw, however, he would like to see the numbers first. Vote on the motion – Messrs. McCormick and Rucho yes; Messrs. Phillips and Pruneau no.

Mr. Gaumond will get additional information to the Board for the next meeting with a working model to answer the finer points of how this would be structured. This will be included on the Board's agenda for March 18th.

With no further business to come before the Board, motion Mr. McCormick at 9:00 p.m. to adjourn, seconded by Mr. Rucho, all in favor.

Respectfully submitted,

Approved: March 18, 2009

Nancy E. Lucier

Allen R. Phillips, Chairman

Valmore H. Pruneau, Vice Chairman

Kevin M. McCormick, Selectman

Christopher A. Rucho, Selectman