



TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, including back up information, 8 days prior to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to the requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

MEETING INFORMATION

Date Submitted: 1/12/2022
 Submitted by: Kyle Fox
 Department: Public Works
 Speakers: Kyle Fox

Date of Meeting: 1/27/2022
 Time Required: 15 Minutes
 Background Info. Supplied: Yes No

CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	<input type="checkbox"/>	Recognition/Resignation/Retirement:	<input type="checkbox"/>
Public Hearing:	<input checked="" type="checkbox"/>	Old Business:	<input type="checkbox"/>
New Business:	<input type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

TITLE OF ITEM

Establishment of new fee structure for the Transfer Station

DESCRIPTION OF ITEM

In accordance with section 163-4 of the Town Code, the Town Council shall hold a Public Hearing prior to the implementation of any increase or implementation of a new fee schedule for the disposal of Solid Waste. The Public Works Department is recommending changes to the fee schedule for commercial trash and construction and demolition disposal.

REFERENCE (IF KNOWN)

RSA:		Warrant Article:
Charter Article:	163-4, D	Town Meeting:
Other:		N/A:

EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	<input type="checkbox"/>	Grant Requirements:	<input type="checkbox"/>
Easel:	<input type="checkbox"/>	Joint Meeting:	<input type="checkbox"/>
Special Seating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Laptop:	<input type="checkbox"/>	None:	<input checked="" type="checkbox"/>

CONTACT INFORMATION

Name:	Kyle Fox	Address:	6 Baboosic Lake Road
Phone Number:	603-424-5137	Email Address:	kfox@merrimacknh.gov

APPROVAL

Town Manager: Yes No Chair/Vice Chair: Yes No

LEGAL NOTICE
Town of Merrimack
Public Hearing

Residents of Merrimack are hereby advised that the Town Council will hold a public hearing prior to the implementation of a new fee schedule for the disposal of Solid Waste. The Public Works Department is recommending changes to the fee schedule for commercial trash, construction and demolition disposal, in accordance with the Merrimack Town Code, Chapter 163-4. The public hearing will be held on **Thursday, January 27, 2022 at 7:00 PM** in the Matthew Thornton Room located at 8 Baboosic Lake Road in Merrimack.

For Town of Merrimack Use:

Posted: January 18, 2022

To Be Published: January 17, 2022 (*Union Leader*)

To Be Published: January 21, 2022 (*Sunday Select Merrimack Edition*)



TOWN OF MERRIMACK INTER-DEPARTMENT COMMUNICATION

DATE: January 12, 2022

AT (OFFICE): Department of Public Works

FROM: *KF*
Kyle Fox
Public Works Director

SUBJECT: Review of Transfer Station Fees

TO: Paul Micali
Town Manager

Town Code section 163-4; C & D gives the Town Council authority to set fees for disposal of items through the Transfer Station. The Town of Merrimack recently entered into new contracts for disposal of solid waste, construction and demolition (C&D), and single stream recycling.

The Town Council discussed proposed new fees for those items at their meeting on December 2, 2021. Discussion at the meeting resulted in a Town Council vote (6-0-0) recommending the following fees:

Item	Current Fee	Proposed Fee
Commercial Trash	\$122.00 per Ton	\$133.00 per Ton
Construction and Demolition	\$122.00 per Ton	\$150.00 per Ton
Commercial Recycling (Single Stream)	\$124.00 per Ton	\$124.00 per Ton

I recommend that the new rates become effective on March 15, 2022, allowing more than 30 days for publication of notice of the fee increase in a newspaper of general circulation as required by Town Code Section § 163-4, D.

1 **2. Tipping Fees Discussion**

2 *Submitted by Public Works Director Kyle Fox*

3 The Town Council to be presented with the new tipping rates proposal for the Merrimack Transfer
4 Station as it relates to the new contracts for trash, construction materials and recycling.
5

6 Town Manager Paul Micali presented a quick overview, stating that this is the first time in over 17 years
7 where the trash tipping fees have been broken out into three separate contracts. Usually, there would be a
8 recycling contract and trash contract, which includes construction debris, however there are new contracts
9 starting in the next few months with new tipping rates. Public Works Director Kyle Fox then shared that
10 there is a 5-year trash contract with Waste, Inc., in which the trash goes to Pembroke, NH to be burned and
11 turned into energy. This new contract begins in December and is \$78 per ton for the tipping fee, and the final
12 year (Dec 2025) the fee will be \$88.90, which does not include the manpower fees to get the trash to
13 Pembroke. Mr. Fox then shared that the Finance Department calculated an overhead rate for the manpower
14 efforts, which came to \$63 per ton to add on to the total costs. Mr. Fox is proposing charging \$150 per ton
15 for commercial trash disposal, as this is the middle of the 5-year contract plus \$63 overhead costs combined.
16 This is about a \$28 increase per ton over the current fee.
17

18 Chairman Koenig questioned the \$150 per ton commercial trash disposal fee, asking for clarification about
19 the \$63 charge for anyone that brings in an additional ton of commercial trash. Mr. Micali stated that they
20 run about \$125,000 into capital reserve funds, so they took the overall total tonnage number, which was
21 around 8,100 tons per year, and they divided it by \$125,000 to come up with the calculation. There was some
22 discussion to clarify residential vs commercial trash and the hauling/disposal of such, in which Mr. Fox
23 shared about 8% of the total trash is commercial. Chairman Koenig asked if the \$125,000 in the capital
24 reserve fund is put in annually, in which Mr. Micali stated that it is, but he expects that amount to drop to
25 \$100,000 in the budget, due to some trucks and trailers having been recently replaced.
26

27 Vice Chair Rothhaus questioned if there would be a financial benefit to keeping a lower rate and bringing in
28 more commercial haulers for a financial benefit, and Chairman Koenig added to this by asking if bumping
29 the amount up to \$27 or \$28 would result in losing extra cash. Vice Chair Rothhaus stated he thinks it is
30 reasonable to come in at \$50 handling for the time being and have a further discussion on this to see if it
31 beneficial in one way or another. Councilor Healey asked if the town haulers are handling the trash going to
32 the waste to energy plant and if there is a fee paid to the plant to take the garbage, in which Mr. Fox stated
33 that this is the tipping fee. Councilor Healey followed up by asking where the energy goes, in which Mr. Fox
34 said they create electricity, but he is not sure where it goes. Mr. Micali added that the plant is giving them a
35 break in the fee for tonnage as they are not paying \$95 to have the trash buried. Mr. Fox suggested having
36 the Council elect set rates for each year to help make the transition more palatable. Councilor Harrington
37 asked Mr. Fox if surrounding towns charge extra for commercial trash, in which Mr. Fox stated that 10 of the
38 15 towns he researched do not accept commercial trash, and the ones that do don't charge residential and
39 have varying rates depending on how close they are to the landfill in Bow. After some discussion, Mr. Micali
40 asked what the Council is comfortable with for an overhead rate. Councilor Harrington suggested setting the
41 overhead rate to \$50 and debating the capital reserve funds at a later time once they receive additional data.
42 Councilor Healey suggested only setting a rate for 2022, as this would give them time to perform a cost
43 analysis and set future rates depending on the information discovered. Chairman Koenig suggested that while
44 he is comfortable with a \$50 overhead rate for commercial waste, perhaps an incremental raise to \$55 would
45 be appropriate for now, pending further re-evaluation. (See attachment 1)
46

47 **MOTION made by Vice Chair Rothhaus and seconded by Councilor Harrington to set the overhead**
48 **costs for a ton of commercial waste to \$55, re-evaluate this more thoroughly within the next year.**

49 **MOTION CARRIES 6-0-0**

1
2 **MOTION made by Councilor Healey and seconded by Vice Chair Rothhaus to set the overhead costs**
3 **for household trash per ton for commercial haulers to \$133 effective February 1, 2022.**

4 **MOTION CARRIES 6-0-0**
5

6 After voting, the Council moved on to setting the rate for construction materials. Mr. Micali shared that
7 commercial haulers pay from pound zero, whereas residential gets the first thousand pounds free. He is
8 asking the Council if the Town should keep it this way or have residential pay from pound zero as well. Mr.
9 Fox shared that with this new contract, construction materials will not be a part of the trash hauling. Vice
10 Chair Rothhaus believes in keeping the overhead charge of \$55 for construction/demolition materials as well.

11
12 **MOTION made by Vice Chair Rothhaus and seconded by Councilor Harrington to set the overhead**
13 **costs for construction and demolition materials per ton for commercial haulers to \$150 effective**
14 **February 1, 2022.**

15 **MOTION CARRIES 6-0-0**
16

17 After voting, Mr. Fox shared some data that he has been collecting regarding residential demo, stating that
18 based on the current tipping fee there is going to be \$77,220 of demo materials that they are paying to
19 dispose of. This is about 1,100 tons per year. The Council then discussed how some individuals are claiming
20 their trash is residential, but they really are commercial haulers and are cheating the system to get free waste
21 disposal. Chairman Koenig asked if they should drop the limit from 1,000 pounds to 500 as that seems like a
22 more reasonable amount of demo waste from a resident, in which Mr. Fox suggested charging from pound 1.
23 Mr. Micali stated that setting a pound limit can be difficult as if you lower the limit, people could just make
24 additional trips with smaller amounts to stay under the weight limit. Councilor Harrington suggested making
25 a penalty, such as losing the privilege to use the Transfer Station, if an individual is caught making additional
26 hauls.

27
28 Councilor Healey asked what the definition is of construction and demo (c&d) materials, as some materials
29 are heavier than others (such as shingles on a roof, marble countertops, etc.). Mr. Fox stated that everything
30 that is not trash is counted as c&d, and this can vary from plywood to carpets to toilets. Councilor Healey
31 then suggested lowering the weight limit to having the first 800 pounds be free as opposed to the current
32 1,000. Councilor Murphy stated that part of the issue is that people are taking advantage of a system that is in
33 place for Merrimack residents and thinks something needs to be done to stop these fraudulent activities. She
34 also believes that there needs to be accountability for individuals who choose to partake in this. She does not
35 want to see the residents lose the ability to use the Transfer Station in the way that they have, but she doesn't
36 think we should be paying for people that are abusing the dump. Mr. Micali shared that there is a small
37 number of people who are doing this, and not everybody who brings construction debris is making multiple
38 trips to be fraudulent. After some discussion, Mr. Fox then described how the new processing fees will work
39 for commercial hauling, as the rates were previously fixed but is now a blended rate. Further, there is a cap
40 on this rate, so for the first year the cap per month is \$65, which brings them to about \$117 per ton.
41 However, the cap is only built in for the first year and then it gets adjusted for each year depending on the
42 market. The Council was in agreement with Mr. Fox's suggestions regarding the processing fees and the new
43 blended rate.

44
45 **MOTION made by Councilor Woods and seconded by Councilor Harrington to proceed beyond 10pm**
46 **as there are two more items on the agenda.**

47 **MOTION CARRIES 6-0-0**
48

*Town of Merrimack, NH
Wednesday, January 12, 2022*

Chapter 163. Solid Waste Facility

§ 163-4. Fees.

- A. Household solid waste generated within the geographic limits of the Town, but excluding bulky metals and metal scraps in excess of 1,000 pounds, vehicle parts, vehicle bodies, hazardous, nuclear and other illegal or unacceptable materials, may be deposited at the facility free of charge, provided that:
- (1) Refuse is hauled in a private (not for hire) vehicle, having a net legal load limit of 1,000 pounds or less;
 - (2) Refuse is properly separated and deposited in designated areas; and
 - (3) A current Transfer Station decal, available from the Town Clerk, the Public Works Administration Office, or at the Transfer Station, is displayed conspicuously on the driver's side lower interior windshield to be effective July 1, 2007.
- B. All commercial, industrial and agricultural uses and operations in the Town of Merrimack shall pay a fee per ton of solid waste to dispose of solid waste at the facility, as established by the Town Council.
- C. The Town Council shall establish a list of household solid waste items that will be accepted by the Town upon the payment of a disposal fee. The list of items and/or disposal fees for the listed items shall be established and/or modified by the Town Council after a public hearing at a regular meeting of the Town Council, and they shall publish a notice of any fee increase in a newspaper of general circulation in the Town at least 30 days prior to the implementation of any new or amended fee schedule.
- D. The Town Council of the Town of Merrimack shall have the authority to revise the fees charged commercial customers per ton, per trip, or by such other means they should deem fit, including the authority to charge and impose fees for the disposal of solid waste requiring special handling. Before the adoption of any such revised fee schedule or before the imposition of fee collection for the special handling of certain materials, the Council shall hold a public hearing, and they shall publish a notice of any fee increase in a newspaper of general circulation in the Town at least 30 days prior to the implementation of any increase or implementation of a new fee schedule for the special handling of certain materials.
- E. Tipping fees charged for household refuse generated in Merrimack and brought in by commercial haulers shall be the same irrespective of origin within the Town.
- F. The Town Council may set and adjust disposal fees for the following items:
- (1) Passenger tires.
 - (2) Truck tires.
 - (3) Off-road tractor tires.
 - (4) Propane tanks (20-30#).

- (5) Refrigerators.
- (6) Air conditioners.
- (7) Electronic equipment, to include TVs, VCRs, DVD Players, CD Players, computers, monitors, microwave ovens and any other items that contain electronic components.



TOWN OF MERRIMACK INTER-DEPARTMENT COMMUNICATION

DATE: November 24, 2021
AT (OFFICE): Department of Public Works

FROM: Kyle Fox
Public Works Director

SUBJECT: Review of Transfer Station Fees

TO: Paul Micali
Town Manager

The Town of Merrimack recently entered into new contracts for disposal of solid waste, construction and demolition (C&D), and single stream recycling. I would like to recommend the fees for these items be reviewed and updated as appropriate.

Solid Waste

The Town recently entered into a five (5) year extension of our contract with Waste Management. The contract period runs from December 15, 2021 through December 14, 2026. Rates for the agreement are shown in the table below:

SOLID WASTE DISPOSAL FIVE YEAR RATE SCHEDULE

Contract Period Extension Offer	Solid Waste Cost Per Ton
December 2021	\$ 78.00 Per Ton
December 2022	\$ 80.50 Per Ton
December 2023	\$ 83.00 Per Ton
December 2024	\$ 86.00 Per Ton
December 2025	\$ 88.90 Per Ton

The overhead cost for processing and transporting the solid waste is \$63.00 per ton. A breakdown of that rate is shown below:

	Overhead Rate for Trash / C&D <u>(8100 Tons)</u>		
CRF Deposits	\$	15.42	per ton
Fuel		4.88	per ton
Equipment Repairs		3.95	per ton
Wages & Benefits (2 oper III, 1 scale)		27.85	per ton
General Operations and Supervision		<u>10.90</u>	per ton
Subtotal - Overhead	\$	63.00	per ton

The Public Works Department recommends increasing the rate for commercial disposal of solid waste to \$150.00 per ton (\$0.075 per pound). This rate is just over the average cost for the tipping fee for the duration of the agreement, plus the overhead fee rounded up to the nearest half cent per pound to account for increased overhead costs through the next five years.

Construction and Demolition Waste

The Town recently entered into a three (3) year contract with ReSource Waste Services of Epping, NH for disposal of our construction and demolition waste (C&D). The contract period runs from December 15, 2021 through December 14, 2024. Rates for the agreement are shown in the table below:

12/15/2021 – 12/14/2022	\$95.00 per ton
12/15/2022 – 12/14/2023	\$97.00 per ton
12/15/2023 – 12/14/2024	\$99.00 per ton

The overhead costs are the same for C&D as solid waste. The Public Works Department recommends increasing the rate for commercial disposal of solid waste to \$160.00 per ton (\$0.08 per pound). This rate is the average cost for the tipping fee for the duration of the agreement, plus the overhead fee.

Single Stream Recycling

The Town recently entered into a five (5) year contract with Waste Management of NH for processing of our Single Stream Recycling. The contract period runs from February 1, 2022 through January 31, 2027. The rates for this agreement are based on a combination of market value for the recycled commodities and fixed fees for transportation and rental of the compactor and containers. For the first year of the agreement, the commodity fee is capped at \$65 per ton, but can be less if market conditions are favorable (in October 2021, we would have seen a rebate of \$6.23 per ton). The fixed costs are outlined in the following table:

Contract Period	Single Stream Recycling Equipment	Equipment Ownership	Equipment Rental Fee Per Month	Transportation from Merrimack to Billerica	Processing Fee Per Ton
2/1/22-1/31/23	4yd Compactor and 4 – 40 yd Containers	WM Owned	\$650	\$220.00 Per Haul	See Exhibit D
2/1/23-1/31/24	4yd Compactor and 4 – 40 yd Containers	WM Owned	\$650	\$229.00 Per Haul	See Exhibit D
2/1/2-1/31-25	4yd Compactor and 4 – 40 yd Containers	WM Owned	\$650	\$238.00 Per Haul	See Exhibit D
2/1/25-1/31/26	4yd Compactor and 4 – 40 yd Containers	WM Owned	\$650	\$248.00 Per Haul	See Exhibit D
2/1/26-1/31/27	4yd Compactor and 4 – 40 yd Containers	WM Owned	\$650	\$258.00 Per Haul	See Exhibit D

The rate cap for year one of the agreement guarantees a maximum cost per ton for recyclables at \$117 per ton. With the recent volatility, we recommend the fee for commercial recycling remain at the current rate of \$124/ton.

CC: Kris Perreault, Solid Waste Foreman