



**CITY OF BURLINGTON
DEPARTMENT OF PUBLIC WORKS**

645 Pine St. Suite A
Burlington, VT 05401
802.865.7200 VOX
802.863.0466 FAX
802.863.0450 TTY

Chapin Spencer
DIRECTOR OF PUBLIC WORKS

Lee Perry
*ASSISTANT DIRECTOR
DPW MIANTENANCE DIVISION*

MEMORANDUM

To: Transportation, Energy and Utilities Committee

From: Chapin Spencer, Director
Lee Perry, Assistant Director DPW Maintenance

Date: April 22, 2021

Re: Update on Consolidated Collection Evaluation

Background:

At the August 2020 TEUC meeting, the Committee requested DPW staff do an in-house financial analysis of a municipally run consolidated collection system. Over the next six months staff worked on preparing a conceptual budget, outlining what we think will be necessary to operate a municipally run consolidated collection model efficiently, and successfully. DPW originally created two operating budgets. One is a "0% Opt Out" scenario that is based off a collection scenario of weekly trash, recycling, and compost, with no option for residential customers to opt out of the service. The second is the "25% Opt Out" scenario, based off a weekly collection scenario, but with a 25% of residents opting out of curbside collection. During the March 23, 2021 TEUC meeting, it was requested that there be a "15% Opt Out" scenario added to match the original study cost comparison completed by GBB. Here is a summary of the total costs for each:

| Options | Municipal Model 195-201 Flynn Ave 0% Opt Out | Municipal Model 339 Pine St. 15% Opt Out | Municipal Model 339 Pine St. 25% Opt Out | Franchise Model 0% Opt Out* | Franchise Model 15% Opt Out | Franchise Model 25% Opt Out** |
|--------------------------|---|---|---|-----------------------------------|-----------------------------------|-------------------------------------|
| Households Served Weekly | 13,005 | 11,054 | 9,754 | 13,005 | 11,054 | 9,754 |
| Resident Annual Cost | \$414.38 | \$457.30 | \$494.92 | \$410.03 | \$422.98 | \$422.80** |
| Resident Monthly Cost | \$34.53 | \$38.11 | \$41.24 | \$34.17 | \$35.25 | \$35.23** |

** There was an arithmetical error in the franchised “0% Opt Out” final cost listed in the March TEUC packet. This brought the franchised cost down from \$412.83 annually to \$410.03 annually.*

*** The consultant ran the franchise model originally at 0% and 15% opt out. City staff has updated the costs based on updated tip fees and made some initial assumptions on the 25% opt out but are awaiting confirmation from our consultant. The overall cost figures for this scenario are preliminary.*

While the 15% and 25% opt out options do have lower operational costs, these savings are often overshadowed by having fewer residents to cover the projected costs than in the 0% opt out option. This results in higher per customer bills under the 15% and 25% opt out scenarios compared to the 0% opt out option.

Next Steps: DPW Staff is requesting TEUC members provide any additional questions or requests for information within a week of the April meeting. Staff will work to respond to those questions and requests for the May TEUC meeting. Staff is still doing research on communities with municipally-operated consolidated collection and communities with hybrid models. As a result, we are asking the committee to give us the time to bring this additional work forward for your consideration.

1. At the May TEUC meeting, we would request the committee put together a recommendation for City Council’s consideration on whether to advance a franchise model with private haulers, a municipally run operation or some hybrid alternative

We will also be seeking the recommendation of the DPW Commission at their May meeting with the goal of providing a presentation and the respective recommendations to the full Council in June.

Thank you for your interest in consolidated collection. We hope this briefing has been helpful. Do not hesitate to contact me at lperry@burlingtonvt.gov, or 802-316-7568.