

Garbage Haulers for Citizen Choice

PO Box 13738, Roseville, MN 55113 – (612) 930-3985 – www.HaulersForChoice.com

September 23, 2015

City of Mounds View
Mayor & City Council
2401 County Road 10
Mounds View, MN 55112

Mayor & Council,

On August 3, 2015, the council was provided information on the issue of instituting government managed trash collection for residents of the City of Mounds View. Government managed trash collection has been discussed in several cities the past few years and dismissed by most for various reasons we would like to outline for you. In every city, issues such as road wear and tear, safety, price, and consultant/attorney costs have routinely been topics of discussion.

In this letter, we hope to touch upon these issues and highlight information which can be found on our website at www.HaulersForChoice.com.

ROAD DAMAGE

Garbage trucks have become a popular scapegoat to explain away road damage complaints raised by citizens. More often than not, the blame is misplaced.

Road damage is due to factors such as weather, soil, and the *excessive* driving of vehicles that are *beyond* the weight limit rating of a particular road. But it is environmental factors, weather and soil, that are the primary factors that determine road life expectancy on local use roads in Minnesota, not vehicle use. Far too often, the freeze-thaw cycle of Minnesota weather, road construction quality, base materials, drainage, and maintenance is overlooked.

URS, Inc. working for the City of Arden Hills, stated, "Environmental factors are generally responsible for the majority of pavement wear and deterioration for Arden Hills streets."

University of Minnesota / Department of Civil Engineering, in a report dated March 2005, commenting on a study in the City of Crystal, stated, "Spring Load Restriction policy produces no benefit to the road owners in the City of Crystal, as it does not extend the life of the pavement within its normal lifetime. The roads would fail for other reasons before they would fail due to excessive loadings in the springtime."

The Roseville City Engineer, in an April 15, 2015 report to the city council, discussed accelerated deterioration of the top layer of street pavement. The technical term is called delamination. Staff stated that many other cities in the metro area and around Minnesota have been experiencing this issue. The cause, according to MnDOT researchers, is related to poor field construction methods. Nothing in their report even hinted that garbage trucks were the cause.

The City of Fridley ran their road statistics through a mathematical formula and proclaimed that a few garbage trucks traveling down city streets one day a week reduced road life by approximately 20%. A closer examination of the data though revealed that many of the city's streets were built on thin base material that is up to 8 inches less than today's industry standards. In addition, the report provided no indication that the city's data had been verified through field inspection and it could not be confirmed that any normal maintenance was factored into the calculation. Also there was no analysis as to whether the city had maintained an adequate road maintenance program throughout the lifecycle of their local road system.

The Fridley report as written also appeared to contemplate the removal of *all* garbage trucks from city streets in order to see a reduction in road damage. Unless the city plans to require all residents to personally haul their own trash, recycling, and yard waste to appropriate disposal sites, no solid waste plan would ever contemplate the removal of all trucks. As the numbers of trucks are reduced through government managed collection, the preferred scenario of multiple trucks with lighter loads is replaced with fewer trucks with heavier loads.

In the City of Lexington, in October 2014, Mayor Mark Kurth responded to citizens who claimed that garbage trucks were destroying city roads. He said, "I served on the citizens committee for whether or not the city was going to make a decision concerning (organized) solid waste. I was against it, and I still am against it. It turned out, the people say that the garbage trucks destroy the roads. I looked at how old the roads were and every single road in Lexington, all of those roads were lasting 30 years. And that was with all the garbage trucks driving on it. That was with deferred maintenance. So overall our roads are lasting as long as they need to..."

ROAD SAVINGS

Many claims have been made about there being a significant cost savings on road maintenance if a handful of garbage trucks were removed from the local roads one day a week. To date, no city has reduced or modified their road maintenance program after instituting government managed trash collection. No city has been able to demonstrate reduced road maintenance due to having a government managed trash collection program.

In a March 2011 report prepared by Moore Engineering, Inc., titled City Street Budgets – Cost Comparison Analysis, they stated that, “Generally, it appears that there is not a definitive correlation between the type of garbage collection system and the cost per mile to maintain streets.”

In a February 26, 2015 article in ABC Newspapers, Anoka County Commissioner Scott Schulte discussed his time on the Coon Rapids City Council when they studied government managed trash collection and rejected it. He said that they compared street maintenance budgets with the City of Blaine, which has government managed trash collection. They found that the City of Coon Rapids had a *lower* road-costs-per-mile than Blaine, so the premise that open hauling was causing undue damage to the streets did not hold up for him. He said, “It didn’t make sense that a single-hauler system is easier on our roads.”

In a letter to the Bloomington City Council dated July 11, 2014, Bloomington Public Works Director Karl Keel discounted all claims that government managed collection would reduce road maintenance costs. He stated, “The reduction of garbage trucks realized by organizing collection...would not likely have a noticeable impact on actual safety or result in the need for less roadway maintenance.”

SAFETY

Garbage trucks, most likely due to their size, are often targets of false claims of being safety hazards in the community, therefore necessitating government managed collection in order to reduce their numbers. Actually an open market trash collection system *improves* safety in the community.

Garbage truck drivers, unlike most motor vehicle drivers, are professional career drivers who must meet stringent state and federal licensing standards. Drivers are subjected to random drug testing, and cannot operate vehicles with DWI’s, careless driving, or reckless driving convictions on their record. In fact, on a first violation a driver’s

commercial driver license (CDL) is suspended for one year. A second violation results in a permanent suspension. Drivers are also required to be trained in first aid and fire safety. Trucks are maintained on a regular basis by professional mechanics. With new garbage trucks costing over \$300,000 each, drivers are held responsible for their proper use.

In the City of Bloomington, in response to the claim that garbage trucks are a safety hazard, Bloomington Public Works Director Karl Keel stated in a July 11, 2014 memo to the City Council that, "Historically, garbage trucks have not contributed to the accident history in Bloomington. In fact, staff is not aware of a single incident involving a garbage truck in recent history."

Garbage Haulers for Citizen Choice (GHCC) confirmed Keel's findings, failing to find any garbage truck accidents dating back to the beginning of the city's computerized records management system in November 2004. As a comparison, GHCC chose to review the accident history of *city* vehicles. During the same time period, city vehicles had been involved in accidents with bicycles three times and in accidents with motor vehicles over one-hundred times.

Bloomington city employees caused accidents due to being distracted by phones, computers, etc. and rear ended vehicles stopped at red lights or yielding to cross traffic before making turns. One employee crashed a city vehicle into their own personal vehicle, and another crashed into an overhead street light because their box was up. In one instance, a city truck drove off the road and had to be rescued by another city truck. When chaining the trucks up to tow the first vehicle out, the driver of the towing vehicle got out without setting the emergency break. That vehicle went down the hill and crashed also. At the Mall of America, a city employee decided to drive the wrong way into a restricted area, triggering a terrorism barrier which they promptly crashed into.

Why open market trash hauling actually improves safety in the community is due to the relationships that develop between drivers and customers, no different than those that develop between mail carriers and residents. Many customers select a garbage hauler because their route brings them to their residence at a certain time of the day when they are home. Many route drivers are on a first name basis with their customers and speak with them on a regular basis. An open market system provides an incentive for a company to maintain these relationships. Garbage truck drivers, like mail carriers, are often times the first people in the community to notice if there is a problem at a particular residence. Under government managed trash collection, government dictates which hauler a resident must use. There is no incentive to connect with residents in the

community, unless they sit in the city council, because the city is the customer, not the homeowner.

PRICE

There is a mistaken belief that government managed collection will provide savings for all. Savings only occur for some, and is accomplished by forcing others to pay more and by providing less service. Also there is the incorrect assumption that all residents value saving a few dollars over freedom of choice and the ability to find the best value.

In the City of Fridley, government managed collection was voted down by the city council when citizen after citizen held up their bills stating that the city's proposed price was actually higher than the price that they paid, or that the city's proposal included less services and more hidden fees. Involved citizens in the community, who pay attention to the actions of their city council, are the same citizens who pay attention to their bills and do price comparison shopping for services. In most cases, those who do price comparison shopping with trash hauling services, will receive better value than any government negotiated option.

In the trash collection industry, many costs are fixed or determined by outside forces, such as tipping fees, capital equipment, labor, and fuel. When the base rate of trash service is negotiated down through a government managed trash collection system, it is done by forcing others to pay more or by charging for extra services which typically were included in the base rate.

The City of St. Anthony and the City of Maplewood lowered their base rate for trash service by forcing hundreds if not thousands of residents to purchase trash service they did not need or want. In the City of St. Anthony a consultant informed City Manager Mark Casey on April 4, 2014 that they should expect that a "significant portion of Saint Anthony residents do not have regular trash / recycling collection service by a commercial hauler." This same consultant also said that the City of Maplewood, "found that up to 25% of their residents did not have trash service before they went organized."

The residents that did not have their own trash service primarily fell into two categories. Some hauled their residential trash to their work places. Many were senior citizens who shared a single trash container with a neighbor. In both cities, government was able to negotiate a lower base rate by guaranteeing to a contractor that all citizens would be forced to pay for service that many did not need or want, and that sharing services would be prohibited. This is how these cities were able to provide a lower base rate for some residents. In Maplewood under limited circumstances, for a fee they will allow a

resident to opt-out of their government managed trash collection plan if for example they wanted to haul their residential trash to a business which they owned.

In cities with significant senior populations, there has been an uproar when seniors learn that they must have trash service and thus pay for it individually. As mentioned above, many seniors generate little trash, so they find other ways to dispose of it, such as sharing a can or having a family member dispose of it in their own can. Since most are on a fixed income, every penny counts.

In addition to forcing all residents to have trash service as described above, another way the base rate is lowered is by charging more for extras. Under a free market trash collection system, haulers may take a certain number of extra bags in order to keep a customer's business. With government managed trash collection, fees are applied to everything unless negotiated in the government contract, which then increases the base rate as more services are added. In some cities, tax dollars artificially lower the base rate of trash service. In Maplewood, over a half-million dollars of property tax money was invested in the purchase of carts, which artificially lowered the base rate, because in an open market trash collection system, the hauler always purchases, owns, replaces, and manages the carts.

In some cities, the base rate is lowered because the cost of government employees used to manage the government managed trash collection system is billed to property taxes. In other cases, the city guarantees payment to their contractor by using government as a bill collection agency, or by simply using property tax dollars to cover uncollected trash bills. If government uses their employees to do work typically performed by the hauler in an open market trash collection system, such as customer service and debt collection, and covers all bad debt, the base rate of trash service is lowered through this government subsidy.

In some cities such as St. Louis Park, their government managed trash collection system has become a tool to raise revenue outside of property taxes. They overcharge citizens for trash collection in order to provide some funding for their parks department. In Bloomington, they plan on using government managed trash collection as a way to justify and potentially fund a new \$150,000/yr solid waste management employee.

At many public hearings held on this issue, citizens speak about how an open market trash collection system allows them to find best value for trash hauling services, not unlike finding the best value for new carpeting or a remodeling project. Under government managed trash collection, it is about government ordering citizens to use the hauler who provides the lowest base price, regardless of the quality of service, and the cost of extra services.

CONSULTANT/ATTORNEY COSTS

Communities that have studied the cost of instituting government managed collection have concluded that it may take years to break even, if ever. The adherence to council spending limits and quality of work from consultants has been questionable at times.

In Bloomington, the city has spent \$350,000 on consultants along with several thousand hours of city staff time. In addition, they are now embroiled in litigation over citizens exercising their right under the city charter for initiative and referendum on the issue.

In 2014, the City of Lexington estimated that it would conservatively take them at least seven years to recoup costs, if ever, if they chose to institute government managed trash collection. That estimate did not factor in substantial citizen objection to their plan. Consultants asked for up to \$100,000 to guide the city through the process.

The City of St. Anthony approved \$10,000 to hire an environmental consultant to simply *begin* the process of assisting staff in instituting government managed trash collection.

St. Anthony also took issue with the quality of consultant work. In an email dated June 30, 2014, from City Attorney Kurt Whitman to City Manager Mark Casey, commenting on a price comparison memo from a consultant, Whitman stated, "To be honest, I'm disappointed. Much of it seems inaccurate and misleading to me." In an email dated July 29, 2014, in response to a consultant invoice that was significantly over budget, City Manager Mark Casey stated, "To be honest this is not what I expected."

The City of Fridley chose not to hire expensive consultants, instead devoting tens of thousands of dollars of staff time for more than a year to work through the government managed collection process. In the end, the city's proposal garnered significant public opposition and was voted down by the city council.

In addition to consultants, cities that choose to move from an open market system to a government managed system must also engage their city attorney to assist in ensuring that the city complies with the state's complex and prescriptive "organized collection" statute, resulting in hundreds, if not thousands, of additional billable hours to the city.

CONCLUSION

It is our hope that by briefly touching upon these issues, we can provide the city council and residents with valuable information in order to make a fully informed decision on

this issue. Additional information and supporting documents are posted on our website at www.HaulersForChoice.com.

Feel free to contact us if you have any questions or wish to invite us to a future meeting to discuss these issues.

It would be greatly appreciated if this letter could be placed in your online city council packet for public review.

Sincerely,

John Kysylyczyn
Garbage Haulers for Citizen Choice