

Garbage Haulers for Citizen Choice

New Hope City Council Meeting September 18, 2017

Present: Mayor Kathi Hemken (2009-2020)
Council Member John Elder (2009-2018)
Council Member Andy Hoffe (2005-2020)
Council Member Eric Lammale (2009-2020)
Council Member Jonathan London (2015-2018)
Community Development Assistant, Jeff Alger

Mayor

. . . going back to the point, #1, discussing results for organized garbage collection survey and listening session and next steps.

Community Development Assistant Jeff Alger

Thanks again, Madam Mayor. I'm Council — Jeff Alger, Community Development Assistant.

So everyone's aware that in 2015, the City conducted a professional survey that indicated that residents favored changing from the current open collection system to an organized collection system, by a 52 to 35 percent margin, with 13 percent undecided. Again, that's the Morris Leatherman professional survey that was done in 2015. After that, a council member requested that the City Council revisit this topic, which we have been doing the last several months here.

The advantages and disadvantages associated with each of the two systems were discussed and presented to the City Council at the April 17th Open Session Meeting, at which time the Council agreed to take feedback on the topic in the form of a survey and a listening session. The Talkin' Trash Listening Session was held on August 7, 2017, and a garbage collection survey was available on the City's website and at City Hall starting on June 1, 2017. That same survey was mailed out to residents throughout the City in early August, and on the survey, it requested that it be returned by August 31 of 2017. There were 18 surveys that were received through September 8th, which are included with these results.

[Brief inaudible exchange between unidentified participant and Community Development Assistant Jeff Alger]

. . . which is when the staff report was finalized. So those have been included in the results.

A total of 1,284 surveys were submitted, 481 of which were from the City's website and 803 were paper versions.

So it's important to note that the survey was not scientific, and it is certainly possible that respondents submitted more than one survey. It's probably pretty likely that people who received the mailer may have also completed the survey online, so, again, it's not a scientific survey. It's just important to keep that in mind.

Diving into the results, there were six total questions. The first question asked if the respondent would favor or oppose changing from the current system, which is an open system, to an organized collection system. Combined results indicated that 48.9 percent of respondents strongly opposed or opposed moving to an organized garbage collection system; 42.68 [percent] strongly favored or favored moving — excuse me, 42.68 [percent] strongly favored or favored an organized collection system; and 8.33 percent were undecided. The paper survey results tended to be more opposed to an organized collection system as compared to those who completed the survey online. So here you'll see the results in graphic form. Again, there was 1,284 total responses.

Unidentified Staff Member?

And they were counted twice?

Community Development Assistant Jeff Alger

They were counted twice to ensure accuracy, but, of course, there is the possibility — you know, a small margin for error with the human element involved.

The second question asked respondents to list the reason for their decisions. On the survey, there were five options listed — lower cost, fewer trucks on the streets, less damage to streets, like current hauler, and want choice. The responses for these were pretty evenly dispersed within those five options, ranging between 15 percent to about 19 percent, and then about 12 percent listed other reasons, many of which still correlated with one of those five reasons, but some were not — were unique to those five, and we'll talk about those as we get to the comments section here.

Those who answered opposed or strongly opposed were asked if they would still be opposed to an organized system if it would reduce truck traffic in the neighborhoods and potentially save the City money and residents on street repairs and maintenance. Of those who responded, 64.52 percent said, yes, they would still be opposed, and 35.48 [percent] said, no, they would no longer be opposed if that was the case.

As for comments, as I mentioned, the City received several — you know, 1,200 surveys, so there were hundreds and hundreds of comments that came in on this matter, so it wasn't practical to include every one of these within the report. Staff reviewed all of the comments, many of which expounded on the reasons listed for the respondent's decision, which was question number two. Comments that appeared and were not related to that rationale — there was a few common patterns that I just wanted to list a few of that appeared pretty frequently throughout the surveys.

So those opposed to an open — excuse me, those opposed to the organized garbage collection system often stated that they preferred free enterprise, open market, and competition and limiting the possibility of a monopoly. They're concerned about poor customer service. They're concerned about setup and administrative costs, did not want government involved or do not trust government. They felt that weather and/or traffic did more damage than garbage trucks. They argued that not all seven haulers go down every street. They simply wanted better roads constructed. They did not believe the studies that were produced. They were concerned about the families and local businesses. They didn't like one or two specific haulers, and they were not opposed to paying higher taxes in order to have the right to choose their hauler.

Some of the reasons for those in favor of an organized garbage collection system that were not one of those five listed included less fuel usage and emissions, improved safety, reduction in noise and odors. They did not like door-to-door sales, and they called for limiting multiple trips by the same hauler up and down a single street.

One other item I wanted to point out is that many, many respondents expressed that if the City were to move to an organized collection system, they would want yard waste services provided. A lot of people really found that to be important.

As for Question #5, 99 percent of the people who responded said they are residents of New Hope, and Question #6 asked respondents what they pay for garbage services and yard waste services. So these responses really varied. Some were \$7.50, some were \$117.00, so it quickly became clear to staff that many respondents did not list their actual monthly charge. Some were probably noting bimonthly, quarterly, or annual charges and did not specify which of those they were noting on the surveys. So for that reason, staff chose not to include a summary of the results of that question, simply because there was such a wide variety of responses, and it was clear that they weren't accurate.

The Council also asked that staff provide an estimate on the amount of staff time and costs that would be involved in setting up an organized garbage collection system. Obviously, formulating this type of estimate is not easy. It depends on several factors, many of which are not foreseeable. Staff did contact the City of Saint Anthony which moved to an organized garbage collection system in 2015 to get feedback on the request. St. Anthony estimated that they put about 200 hours' worth of staff time towards the transition, which included 11 meetings.

So New Hope, a little larger city than St. Anthony — we took it — we did an estimate involving the various staff members that would be involved in such a transition. On the low end, about 220 hours would cost the City about \$16,000 in setup costs, and bumping that up about 30 percent, 286 hours would be about \$21,000 in costs. So somewhere in between \$16,000 and \$21,000 is what staff came up with for that estimate.

After a system were to be implemented, a city like St. Anthony has opted to have trash haulers bill the customers each month, so they do not have staff involved at all. They estimate little to no staff time involved once the transition takes place. A city like Robbinsdale has a dedicated

staff member who spends about 20 hours a week with trash billing, so they include it within their monthly utility bill. They're much more heavily involved. So those are kind of the two extremes that could be options if it were to be put in place.

So with that, staff is requesting that the City Council determine if this issue should move forward to the next City Council meeting or if it should be discontinued.

Council Member John Elder

Just a quick question on what you said. Who handles these complaints about service that the City...

Community Development Assistant Jeff Alger

The City of Robbinsdale, they have a dedicated person who does the billing and will take those calls.

Council Member John Elder

Okay.

Community Development Assistant Jeff Alger

St. Anthony, they reported that they've received little to no — few to no complaints on the matter. They do have a staff member that — I think it's the City Clerk that handles that.

Council Member Lammle

I just have a question. If, for example, under an organized system, we have multiple haulers, if the City's not happy with one of them, like receiving multiple complaints, at what point can the City say they're going to exclude that hauler from the arrangement? And this is under the organized, not the single hauler.

Community Development Assistant Jeff Alger

Sure. So with an organized system, one of the common misconceptions is that it would be one hauler. That's not necessarily the case. If New Hope were to move to an organized collection system, it would allow the seven haulers in place the opportunity to negotiate with the City. That was one of the things we saw a lot on with the surveys, is that people thought it was a one-hauler system. No, that's not necessarily the case. We would give all seven the opportunity to continue operating in New Hope.

Should one of those seven — say those seven continued to operate and split up the City, and one of those seven had — the City had issues with them, we would obviously work to try to mitigate those directly with the owners of the hauling companies, but as far as getting out of that contract, I guess I would have to defer to the City Attorney as to how that contract would be written and what the next steps would be.

Council Member Lammler

And then did I understand it correctly, in Bloomington, when they began negotiations, basically the large hauler bought all the smaller haulers, so that less — basically less companies came to the table?

Community Development Assistant Jeff Alger

Yeah, that is certainly an option [inaudible].

Mayor

Any other comments?

Council Member London

Madam, Mayor, if I could — so I just wanted to give a good rundown, and it may take a minute or two to really explain what brought me to this recommendation. If you go back to 2013, 2014, the pavement condition index in the City was very poor to fair, and that was an engineering grade that many residents were aware of in the fact that their streets didn't look very good, and they had potholes; it was in bad shape. And so I sat and I thought about, all right, we need to do something about this. Why — especially since I believe it was 2001 when we decided to start putting money away into a street fund to start to move away from annual — to assessments to an annual levy, okay? So it's been estimated now that about 15 percent of City taxes are to go into the road — the street fund for maintenance.

I also realized that the City is about 50 years old, and much of the infrastructure in the City needs replacement, and it comes at an enormous cost. And so we — you know, we as a Council, decided that we need to move forward with maintaining and improving our infrastructure, and that costs, as we've referenced, tens of millions of dollars, and so the tax levels, if we look out over, and I think it was 17 percent — someone had asked how many of the streets have been redone to a 10-ton standard, right, because if we did — if we redid all the streets to a much higher standard, then what exists on the older sections, you're right, we could potentially have 50-plus trucks running through the City and not as much degradation. But that costs money in itself.

And so right now we have seven haulers, we get \$2,660 in 2017 for the licenses. The problem I have is there's something called a negative externality, and that's the cost of the degradation in the roads that's not being picked up by the parties that are engaging in business, that being the waste hauler and the customer, okay? We don't pass on our road charges to the waste haulers, and the residents, they're not paying the waste hauler, because it would generally be a passthrough, that if we did charge the waste hauler based on the pounds that they carried, or whatever, they would just pass it on to their customers. But the clients — the City residents are still paying this in higher taxes in that we have to spend tens of millions of dollars to maintain our streets.

Now, this is where the great debate happens, and either you can decide to look at the Minnesota Department of Transportation Research Services and Library and their 2014 study, and you can

say, “I believe what the engineers are telling me and physics that heavier trucks put a greater force on the roads,” which is what the Xcel spreadsheet and the engineers that did the study found, or you can say, “You know what, those guys don’t know what they’re doing, and I just want to have my free choice.” But at the end of the day, what I’m trying to do is minimize the amount of taxes for the level of service that the City is providing. I feel that that’s my job, right? I don’t think anyone wants me to maximize the taxes and provide the least amount of service, so I feel my role is to try and maximize happiness for people while minimizing the cost.

Now, people have tried to politicize this and say, you know, “Oh, we want free choice,” but there’s — much of what we have discussed, we still don’t even know the facts. We don’t know what the system is going to look like. We don’t know what the accountability is going to be. We don’t know what the prices will be. Granted, all these waste haulers pay the same tipping charge. We can — I’m pretty sure, with a cost accountant, we can back in to a cost and find much greater efficiencies and cost savings than some people.

Now, that being said, I also realize there’s games that have been played. Some of the carriers have gone out and just thrown low-ball offers to people in the last three, four months to try and grab business, and — because they know possibly what may come is that we may say, “How — what percentage of the City do you have?” Well, I think in order to be fair, you have to go back before we even made this announcement, and I don’t know how easy that is, but I know that there’s a lot of gamesmanship that’s going to be played once the information started to come out. We don’t know how the contracts will be set, we have — the other thing I want to remind people is that this waste is mandated — or is registered — I’m sorry, regulated by the State of Minnesota, okay? It’s not — we’re not stealing anyone’s, you know, constitutional rights, we’re not taking away your freedom to choose. The State Legislature says you have — the cities have the ability to regulate their waste removal, and so that’s what we do. Many cities across the United States have an organized system, many cities in Minnesota have changed to an organized system, and so when I look and I say, “All right, what are other cities doing?” I mean, I think that if you look forward five years from now and if we build the city hall/police station pool, our tax rate, according to the long-term plan, is expected to become one of the higher tax rates for value in the Metro area, higher than Brooklyn Center, about 75 percent, okay? And that’s one of the things we addressed at the last council meeting. I was mentioning the tax rates, given the value of the property in the City.

So I find that concerning and find that it may cause — it may constrain the City’s ability to attract and retain residents and business owners in the future. There’s people now that think the tax level is high, but that being said, it’s about 50/50 in terms of what has been reported, and the thing that I want to always remind people is that when you’re — there’s something called loss-aversion bias, and loss-aversion bias is that when you take something away from someone, they know exactly what they’re losing. The residents that may receive a new carrier know exactly what they’re going to lose. They’re going to lose their carrier that they may have had 35, 40 years, 50 years, whatever. They know that they’re going to — you know, they’re going to lose that. They know that. What they don’t know is what they’re going to get, and so you have an unequal situation, where it’s very clear what they’re going to lose, and most people that are in

favor say, “Well, yeah, I just want less trucks,” or whatever, and the people that say, “No, I want my choice,” just say, “I want to be able to choose.”

And so, again, the question is what is our goal in the City? Is it — we can’t make everyone happy. I look at, again, what are the other cities doing? Are there other problems? I really look at the fact that the recycling is organized, and the recycling has — I don’t hear any complaints on recycling. I hear complaints now that we’re discussing this. Suddenly they pop up. Now you hear people complaining, because that’s a reason to say, “Hey, you know, we’ve got an organized system that picks up our recycling. Oh, no, it’s terrible. Let me tell you how bad my recycling is,” but they never — no one ever registered that as a complaint before, and that’s why you have to look at the timing, because information suddenly becomes — you know, it’s very hard to ascertain who’s being honest and who isn’t.

So that being said, the last thing is yard waste container sizes, some people even said full year versus partial year for the snowbirds that go away — say, “Hey, maybe I — can I possibly pay only half a year?” I don’t know, because we don’t know what it’s going to look like, and that’s the unfortunate thing, is that so many people made assumptions, but it does say that — if you can quickly go back to the slide — what was it, 35 percent of those that opposed, so roughly the 50 percent, 35 — yeah, this one. If you could get lower costs and less trucks, would you then be in favor? And so now you’re at — 35 percent of the 50 percent say, “Oh, well, if there’s benefits to me, then I think I might be more willing.” As I just said, it’s hard for us to spell out the exact benefits until you go through the negotiations, but that’s where I say I look to other cities around the state and around the country for advice and to say, “How is it going?” So I just — that’s all I wanted to share. Thank you.

Mayor

Thank you. Andy, anything?

Council Member Hoffe

Yeah. In regard to the survey, one of the things that I don’t see there is the phone calls we got. I got 100 calls from people, and 80 percent were against doing this. And it takes a higher degree of involvement to take your time to call somebody and say how you feel than to just fill out a survey. In fact, you probably feel very strongly about the issue if you’re going to pick up the phone and call one of us.

Secondly, we’ve got the administration costs here — could go as high as \$20,000, but I think Councilman Elder was very wise in asking the question what happens when you have a problem? Who does the mediating for the problem? That is an issue that will come up. Whether we want to admit it or not, it’s an issue that will come up.

And there is some debate, actually, to the damages that are caused by the trucks themselves versus weather, and we know — some people brought this up at the meeting — weather does have an effect on our streets. Some of the streets were in bad shape a long time ago, and they’re still in bad shape. We’ve improved them tremendously since we’ve been working on this.

We've made great, I think, changes in the streets, and going to the larger streets, 10-ton streets, is going to have an effect.

We have no actual data on how much is really saved by each of the people if we go to an organized thing. We've got some guesses; we don't know in regard to this situation. We have put a limit of seven haulers on New Hope right now. We did do that recently, so why would we want to make over half the residents unhappy when you can leave it as it is now?

Mayor

Jonathan?

Council Member Elder

In 2007, when I became a councilman, I met with Guy Johnson, who was our Public Works Director extraordinaire at the time, and Guy sat down with me and went over the pavement rating index and the funding for street repair and replacement through the year 2017. It was a 10-year forecast. And in the — right in the middle of it, when we looked at the money we were bringing in and the money we were expected to be bringing out, there was an indication that there was going to be a deterioration of the roads, and at that point, '11, '12, '13, that those were really going to be when they were at their lowest point, but still far better than most.

In 2007, I brought up and asked for the department to — for the City to look at unified collection, and I was almost run out of town on the rails by residents. In 2011, I asked for the same thing and, again, received very negative feedback from residents, so both of those times it was dropped.

I was a Commercial Vehicle Officer for the New Hope Police Department, and as a commercial vehicle officer, I would work maybe, I don't know, 15 hours a month out weighing trucks. That was my job, was to go out and enforce commercial vehicle ordinances under the 249 Commercial Vehicle Statutes or Regulations, excuse me. Of all the garbage trucks that I weighed, and I weighed hundreds, I had two that were overweight. Both of those were weighed late afternoon when they were making a trip back into New Hope because of something that had been forgotten. One of the best questions I had from one of the callers to me, was, "So if we save whatever amount of money that we're projected to save on our roads, is the City going to send us a rebate on our taxes?" I didn't have an answer to that.

I had over 300 people call, email, stop by my house, stop me on my walks with my dog and my wife, people show up at my house, people stop me in Frankie's, stop me in Hy-Vee, stop me in Pub 42 and register their thoughts with me. I carried my phone with me so I could take notes and keep track of the numbers. It was over 4 to 1 people against this. Everybody had the opportunity to contact me.

There are options that I would also think the City should look at. If we do stay the way we are, one of the options is what if we put all the garbage on one side of the street? That cuts down the truck traffic by half. Older people, there's no provision in any of the other cities that allows

people to do partial years, from the phone calls to the cities that I contacted, so the people that winter away are paying for services they may not be using. I had a 100-year-old man write me a letter. I made contact with him, and he said, “Do you know how much garbage I generate every week?” I said, “No.” He said, “One bag, and I sneak over to my neighbor’s house late at night

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[Laughter]

— and throw it in their trash can.” I talked to the neighbor; the neighbor was well aware of it., being that he probably went to bed at 8:00.

Other options that need to — that should be looked at, if people want to cut down on the traffic, people have been able to work amongst themselves with their own blocks, with their own areas, to get one hauler for their neighborhood, and I don’t know of anybody who has tried that, and I could be wrong. I obviously don’t know everybody. And one of the hidden costs that we aren’t looking at or we’re not privy to is what the City of Bloomington is facing, and there is a very, very active group in that town called Keep Your Hands Off My Cans that has filed nine lawsuits against the City of Bloomington. They’re in their ninth litigation at this time. The City’s prevailed on eight, and I’m sure they’ll prevail on number nine, but there’s a lot of money being spent on this, into the hundreds of thousands of dollars. I’m a fan of unified collection, but I’m also a voice of the people. Thank you.

Mayor

Any other comments? Eric?

Council Member Lammle

It’s been — one of the things that I’ve enjoyed about working with this Council is that we’re not afraid to take on difficult subjects and discuss them, hear from people about them. I’ve heard from lots of people, but the thing is we have the discussion, we voice our opinions, we respect each other’s opinions, and then we go with the majority and move on. I think it’s a big thing that we do — is we agree without being disagreeable.

This started as a conversation as a conversation in a work session, which was then — we attempted to put our best foot forward and to have a listening session. Before we could have a listening session, a large scale [unintelligible] disinformation scale — disinformation campaign took place by the haulers. Fair notice, I live in an organized collection community. I live in an association. I pay for the road in front in my taxes, I pay for the road in back via my association dues. We began with one hauler. We switched to a second one who upgraded us [inaudible] lowered our price, and we’ve now switched back. Very interesting that this disinformation campaign skipped us. None of their flyers reached our front doors, and none of their folks reached our front doors. So I will keep that in my — but, you know, understand, we have our choice as an association. Frankly, I’m a three-fifths vote of our Board from going to a disorganized system. So I looked at that, you know, I looked at both the argument that I was receiving, and what also amazes me is the folks that in receiving these postcards — drove them

to say, “I support an organized system.” Many folks that I received that didn’t support it — I understand the free choice. I completely understand that, having free choice, being able to negotiate, being able to say, “I’m mad, and I’m not paying you. I’m paying the other guy,” I completely get that, but, at the end of the day, you know, we’re the ones paying for the road. The thought was, well, it’s a 10-ton road. I can support it if they plan on paying us back for the 10-ton road that we’re all paying for, and then I think of the road that I pay for in back that is not a 10-ton road and that I’m going to pay back. We’re already budgeting for paying it back. Would I want another hauler going on our — what is literally our parking lot, you know, to be able to pay for that?

Folks, who’ve been keeping up with this conversation know that I was opposed to this twice, but then I addressed, you know, looked at some of the issues. The science that we get, yeah, I read what the haulers had to say, and then I read what our engineers, some of these same engineers that we contract to build roads — and I read what MnDOT had to say. And if their reports were correct, if the folks that say the trucks do cause wear and tear on our roads were correct, well, these are the same folks that authorize our road projects, so they’re kind of arguing against their own interests by telling us that, so I tend to believe them.

You know, we addressed the safety issue, or that was brought up as a concern. I don’t see too many crashes with garbage trucks. They don’t drive that fast. I’m not too convinced by that. The road wear, yeah, I believe that, and then the other thing, the noise, especially in our residential neighborhoods, I believe that as well.

I believe I’m probably on the losing end of this argument. I have not counted, but I do support an organized system and learning more about that. Were that to fail, I would hope that somebody would have this conversation again, given some time, and that in the meantime, we’d look at measures to make things a little calmer and reduce traffic on our roads by considering the one-sided [unintelligible] collection. I think it was made, and I know I weekly wouldn’t do this, but if we were to say, you know, “Effective next month, the number of haulers is going to be reduced to six,” I would guarantee that these supporters of free market would be scrambling all over each other for the big guy to buy the little guy, and I’m firmly convinced that that’s what we would see if we were to go to an organized system, even among the seven, that five or six would be the ones that come to the table after the larger ones ate up the smaller ones.

Again, I really did not appreciate the way the haulers began this conversation. We wanted to have an open and fair conversation. They wanted to present disinformation, and as far as the postcards that were being sent out, this was going to be the meeting where we were going to go to one hauler as opposed to this is the meeting where we listened or — well, where we discussed what we heard after we listened, and we didn’t — we had no action plan other than this discussion, so I was — as I said, I’ve been opposed twice. I would say their disinformation campaign is one of the things that led to my support of this issue. As I said, I don’t believe the votes are there, but, again, I am a supporter.

Mayor

My personal feeling is I think having organized garbage collection is a good thing for the City, but with that said, I had 482 calls, 333 of them did not want to change from the system we have to a new system. I was elected to support and vote by the majority of people that live in my City. The majority of those people, 49 percent, said to leave it alone. Even though I personally think it's a good thing to do this, to change, I have to vote with the way my citizens want me to vote.

So with that, I would like, actually, instead of taking — I really want this vote to be at a Council meeting where we're all there. I want it to be as public as it can be, so, with your approval, I'd like to move the actual vote to the Council meeting on the 25th.

Council Member London

That's fine. One of the things I would say is —

Mayor

Oh, before you say that, I've forgotten to say that — just wait a sec — so, Kirk [phonetic], we're going to move it to the 25th at our Council meeting? Okay, thank you. Go ahead Jonathan.

Council Member London

So if I was to go out and just start knocking on people's doors to have them call you in favor and we got 600, you know, would we — and, Council Member Elder, if I just started canvassing the entire city and just saying, "You've got to call John Elder. You've got to call —" Because, like I said, there's the loss of urgent bias. I knew it was going to be 4 to 1, because, again, you're taking things away from people, and you have to — before it was even discussed —

Mayor

I think he meant the whole [inaudible].

Council Member Lammler

Oh, yeah, yeah, [inaudible].

Council Member London

Before it was even discussed, if you were to take out the mailer and the heated rhetoric to a Morris Leatherman survey, where they're just asking you on the phone, "Hey," I think that's kind of what you have to do. The minute you start to incite people and enrage them and start a whole campaign — and it says, "Call" — it gave all of our phone numbers. I mean, I can do the same thing, and so it's unfortunate that you don't realize that and you just say, "Well, if ten people show up at the meeting, it's — you know, for the pool, and nine people show up in favor and one is against, well, then it's in favor. I just don't — I think that's not the way to go about it, especially when it's unscientific, right? There's people that called me. I don't know if they're residents. There's people — they never gave their name half the time. They didn't say — who knows how to verify any of them, right? So at least with the Morris Leatherman, you'd know that they were calling people in the City, these were residents, and, you'd know, it was scientifically done.

Council Member Elder

Well, and, if I may, Your Honor, everybody had the opportunity to pick up the phone and call me or email me, and I had a lot of people that said, “Absolutely, we’ve got to do this.” Everybody had that right, and I will tell you I returned every single email, I returned every single phone call. I talked to as many of those people as possible, and it was — again, it — people, yes, are more likely to pick up the phone or author an email if they’re upset. I get it. Thank you.

Mayor

So we’re going to move this to the 25th and we’re not going to take a vote on it tonight, but we will take a vote on the 25th. Okay.

[END OF MEETING]