

City of New Hope
4401 Xylon Avenue North
New Hope, Minnesota 55428

Meeting Notes

November 14, 2017
City Hall, 9 a.m.

City Staff Present: Kathi Hemken, Mayor
Kirk McDonald, City Manager
Jeff Alger, Community Development Assistant
Valerie Leone, City Clerk
Jeff Sargent, Community Development Director
Steve Sondrall, City Attorney
Stacy Woods, Assistant City Attorney

Refuse Hauling Companies Present: ACE Solid Waste
Randy's Environmental Services
Republic Services
Waste Management

Following introductions, Mr. Kirk McDonald, city manager, thanked those in attendance for accepting the city's invitation to discuss organized garbage collection. He provided a brief background of the steps taken to date and stated the objective of the meeting is to gather information, exchange ideas, and assist the city council with its determination whether or not to implement the statutory organized collection procedure by allowing the haulers the opportunity to respond to several questions.

Mr. Jeff Alger, community development assistant, posed several questions to the haulers regarding street damage, yard waste and organics collection, service costs, impacts on environment and quality of life, and the handling of complaints and billing.

Street Damage

Staff noted that there is a perception and there are studies that indicate that garbage trucks have a significant impact on the condition and longevity of streets. It was stated that if garbage truck traffic were reduced, it would lessen the impact on roads and costs associated with maintaining those roads. The following comments were made by representatives of the garbage hauler companies in attendance:

- Half of engineers will say that heavy trucks impact streets, half will say that they do not.
- Environment/weather is the biggest factor on deterioration of streets.
- Garbage haulers make an effort to run partial loads and ensure that trucks meet maximum weight requirements.
- Stopping and starting/accelerating causes the most damage to streets. A truck must stop and start at each house, regardless of the number of haulers or type of system.

- Trucks will be heavier due to increased weight associated with fewer partial loads, magnifying impact of damage from stopping and starting.
- No cities that have moved to organized collection have documented realized savings in street maintenance costs.
- Many garbage trucks now have several axles (three to four) to distribute the weight of the truck more evenly.
- Garbage trucks have moved to using a side arm for garbage pickup, preventing the front axle from getting heavier with additional pickups. Loading from the center disperses the weight more evenly.
- Many of the city's streets are nearing the end of their service life.
- Recommend reducing number of trucks traveling throughout neighborhoods by reducing number of licenses available through attrition.
- Garbage trucks are just one of many types of trucks traveling throughout the city.
- Marginal benefit to reducing truck traffic with a public policy tradeoff.

Yard Waste & Organics

Some residents have indicated a desire for yard waste services, whereas others do not want to pay for yard waste services. Staff asked if haulers provide the services in other cities that have adopted an organized collection system. Staff also asked how haulers intend to achieve organics recycling in the future. The following comments were presented by the individuals at the meeting:

- Each contract is different. If the city requests that residents have the option of yard waste services, it could be incorporated into a potential contract at a cost.
- The city has the option of requiring the collection of organics by license.
- Hennepin County is not prepared to accept organics at certain locations at this time. Haulers are working on solutions. Funding for recycling will be decreasing if the city does not offer this service.

Cost

Staff explained that it would seem that costs would decrease for haulers if they were able to maintain their existing market share and would not need to use as much gas and time driving around the entire city. Limiting haulers to certain neighborhoods would theoretically decrease cost and improve efficiency, so staff questioned why haulers (seemingly) prefer an open system. The following comments were presented by the individuals at the meeting:

- Cannot be innovative if revenue stream associated with margins does not allow for funding.
- Businesses are not allowed to grow and increase their market share.
- If one garbage company buys out another garbage company in an area, it may take 15 years to pay off that loan. If the hauler is only guaranteed three to seven years through the contract, there is a great deal of risk associated with the purchase. The same can be said for purchasing new equipment and hiring new staff. This can result in companies going out of businesses.

- Agreed that costs would decrease some with improved route efficiency and increased density.

Environment & Quality of Life

Staff asked haulers to comment on residents' concerns related to noise, pollution, traffic, and safety under the current system as opposed to an organized system. The following comments were presented by the individuals at the meeting:

- Most haulers are now using trucks that are powered by natural gas. They are much quieter and environmentally friendly as compared to those with diesel engines.
- Those driving garbage trucks receive safety training, drive slowly, and utilize sensors and cameras to improve safety. Incentives for being safe relate to cost of insurance, customer relations, and licensing.
- The trucks tend to arrive at a predictable, consistent time each week.
- Some residents would prefer having a choice over limiting the number of trucks that drive down their street. Their quality of life is improved by having that choice.

Complaints & Billing

Staff asked the haulers to discuss how resident complaints and billing would be addressed with an organized system as opposed to the current open system. The terms of a contract would specifically dictate how these issues would be addressed, however, the following comments were presented by the individuals at the meeting:

- The city would have the option of requesting that the specific hauler that services a property address complaints.
- The city would have the option of billing or having haulers bill.
- Unpaid bills would need to be paid by the city and are generally assessed to property taxes.

At the conclusion of the meeting, the mayor requested that the haulers in attendance explain the benefits and drawbacks of adopting an organized system. The following comments were presented by the individuals at the meeting:

Benefits

- More efficient routing.
- Would not lose customers.
- Bills will decrease for some residents.

Drawbacks

- Unable to grow business.
- If one business were to buyout another business in order to increase their market share, they are only guaranteed three to seven years of revenue due to the contract. The same risk exists for purchasing new equipment and hiring new staff members.
- Securing financing for equipment is more difficult if the risk of a city moving to a single hauler exists.

- Residents lose their freedom of choice.
- Very large time commitment for staff and haulers to develop contract and implement an organized system.
- Bills will increase for some residents.
- Many customers will be reassigned and will not be familiar with their hauler. Residents will often call the city, instead of their hauler, with complaints.
- The relationship between a hauler and customer will not be as strong. Haulers will not be able to “go above and beyond” and provide additional services requested by certain residents, unless specified within the contract.

Those in attendance were informed that the results of the meeting with the haulers would be shared with the City Council at the December 18, 2017, work session. They were also informed that if the City Council opts to proceed with pursuing an organized collection system, staff would be presenting the following proposed schedule:

- January 8, 2018: City Council may direct staff to provide licensed haulers with notice of the city’s intent to begin the statutory process toward organized garbage collection in New Hope.
- February 12, 2018: City Council may direct staff to commence “60 day” negotiation period with licensed haulers beginning in March.

Mr. McDonald thanked everyone for the informative feedback.

Mayor Hemken commented regarding past direct mailings from haulers to residents and noted she believes it has resulted in more confusion than value.

Meeting notes prepared by:
Jeff Alger, community development assistant