



TOWN OF BOXFORD
Office of the Town Administrator
7A Spofford Road
Boxford, MA 01921

DATE: May 9, 2023
TO: Town Meeting
FROM: Town Administrator's Office
RE: **Trash/Recycling Contract Update**

Summary

There are eleventh hour changes to three of tonight's Town Meeting Warrant Articles related to the Town's trash and recycling collection program. For Fiscal Year 2024 (FY24), which begins on July 1, 2023, the Town will sign a 1-year contract extension with Waste Management (WM) with no changes to how trash and recycling is currently collected. Residents will need to continue to purchase trash stickers. There will not be automated service next year and residents can continue to use their own barrels and bins.

Impact to Town Meeting

Maintaining the status quo for trash and recycling next year results in an increase to the proposed FY24 Operating Budget (**Article 4**) of \$250,000 above what had originally been budgeted for trash and recycling. However, the Town will maintain the current trash sticker system at an increased cost of \$4/sticker (if **Article 10** is approved), which is estimated to yield \$440,000 in revenue that will offset the budget increase (as part of the Town's plan to shift to automated collection, nearly all trash sticker revenue would have been eliminated). The result is that the proposed tax increase for FY24 will be roughly 0.5% less than what was originally proposed. A copy of the revised budget is included with this memo.

Continuing with the existing trash and recycling program for FY24 also means that **Article 11** will be amended to eliminate the request of \$310,000 to purchase standardized 64-gallon trash and recycling bins for automated collection. The Town will not need to purchase these bins since the conversion to an automated trash collection system has been delayed. **Article 10** will also be amended to set the annual curbside solid waste collection fee at \$4.00 for each 32-gallon bag or container.

There will be two presentations at Town Meeting further explaining these changes. These presentations have been posted under **Article 4** and **Article 10** on the Town Meeting website, boxfordma.gov/TownMeeting2023 or town.boxford.ma.us/TownMeeting2023.

Additional Information

The Town has a current contract with WM for the provision of curbside trash and recycling collection services that runs through the end of this current fiscal year (FY23), which ends on June 30th. In June 2022, the Waste Stream Task Force (WSTF) was created to make a recommendation to the Board of Health (BOH) regarding how the Town should proceed in the long-term. The WSTF was made up of various stakeholders from multiple boards and committees in Town.

WM offered the WSTF a 5-year contract that would shift Boxford from the current manual collection system to an automated collection system. This offer would have saved the Town money when compared to the trash/recycling contracts that other municipalities were signing, due to cost increases across the trash and recycling collection and disposal industry. In December 2022, the WSTF recommended that the Town forego a competitive bidding process and enter into contract negotiations with WM for a new 5-year automated collection contract; in January, the BOH voted to accept this recommendation.

During contract negotiations, two variable costs that were not included in the Town's current contract with WM were flagged:

- The Town would have to pay \$20/household/month for the number of total participating households above 2,450 (roughly 2,700 households in Boxford are eligible to participate in the program); and
- The Town would have to pay \$850/year for every \$0.10 difference between the actual prevailing wage number for the contract and WM's \$32/hour estimate.

WM was unwilling to negotiate with the Town on either provision. Upon receiving the prevailing wage sheets from the Commonwealth on May 2nd, it became clear that these two variable costs increase the first year of the proposed 5-year contract by \$110,000. The actual prevailing wage of nearly \$38/hour was 20% higher than the estimate used by WM in their cost proposal.

As a result of these cost increases, WM's 5-year automated collection contract proposal is no longer the comparative value that it was originally made out to be. The Town's policymakers have made the decision to instead maintain the status quo of the current manual collection system by extending the Town's current contract for another year with the long-term plan of putting the contract out to bid in this coming year. An additional year also allows time for the Town to consider changes to the structure of an automated collection system, including size of barrel, usage fees, etc.

The one-year contract extension with WM results in a \$250,000 increase to the FY24 proposed budget. However, a one-year contract extension maintains the current trash sticker system at an increased cost of \$4/sticker (if approved), which is estimated to yield \$440,000 in revenue to more than offset the spending increase. This means that, while the budget for trash and recycling spending will increase above the original FY24 budget proposal, the corresponding tax increase will be roughly 0.5% less than what was originally proposed.

REVISED Proposed Operating Budget Fiscal Year 2024

Annual Town Meeting, May 9, 2023

	Actual Expended FY22	Approved Budget FY23	Draft Budget FY24	\$ Change FY23 to FY24	% Change FY23 to FY24
General Government					
Select Board & Administrator	306,794	329,663	351,284	21,621	6.56%
Legal	82,447	98,361	88,361	-10,000	-10.17%
Technology	220,421	226,576	264,616	38,040	16.79%
Town Clerk	124,275	131,213	140,748	9,535	7.27%
Land Committee	0	500	500	0	0.00%
Land Use	91,238	93,958	104,874	10,916	11.62%
Utilities & General Maintenance	361,897	332,007	356,041	24,034	7.24%
Other Insurance	395,144	421,780	432,325	10,545	2.50%
Total General Government	1,582,217	1,634,058	1,738,748	104,690	6.41%
Financial Administration					
Finance Committee	179	1,010	1,010	0	0.00%
Finance Committee Reserve	175,000	175,000	175,000	0	0.00%
Municipal Finance Departments	495,884	541,556	515,392	-26,165	-4.83%
Total Financial Administration	671,063	717,566	691,402	-26,165	-3.65%
Public Safety					
Police Salary	1,282,172	1,379,937	1,443,348	63,411	4.60%
Police Non Salary Expenses	84,208	104,020	111,045	7,025	6.75%
Fire Salary	654,579	688,530	711,760	23,230	3.37%
Fire Non Salary Expenses	96,239	107,009	112,063	5,054	4.72%
Building Inspection/Zoning Bd	164,743	169,821	178,159	8,338	4.91%
Sealer of Weights & Measures	425	431	431	0	0.00%
Animal Inspector	5,335	5,830	0	-5,830	-100.00%
Animal Control Officer	32,633	45,722	60,000	14,278	31.23%
Communications Salary	477,540	445,374	459,793	14,419	3.24%
Communications Non Salary Exp.	80,694	108,511	110,538	2,027	1.87%
Total Public Safety	2,878,569	3,055,185	3,187,137	131,952	4.32%
Education					
Elementary Schools*	13,122,122	13,505,697	14,136,413	630,716	4.67%
Essex NS Agricultural/Technical School	402,602	407,347	380,512	-26,835	-6.59%
Masconomet Operational Assessment*	10,773,426	11,131,422	11,651,259	519,837	4.67%
Total Education	24,298,150	25,044,466	26,168,184	1,123,718	4.49%

*Does not include operational override amounts

	Actual Expended FY22	Approved Budget FY23	Draft Budget FY24	\$ Change FY23 to FY24	% Change FY23 to FY24
Public Works					
Cemeteries	142	500	500	0	0.00%
Trash/Recycling Pickup & Disposal	691,800	737,382	1,028,984	291,602	39.55%
Snow & Ice Removal	403,000	133,000	133,000	0	0.00%
Fuel Depot	93,730	75,000	75,000	0	0.00%
DPW Salaries	648,533	678,357	716,124	37,767	5.57%
DPW Non Salary Expense	395,976	433,364	439,842	6,478	1.49%
Total Public Works	2,233,180	2,057,603	2,393,450	335,847	16.32%
Human Services					
Board of Health	160,929	179,817	183,329	3,512	1.95%
Council on Aging	141,763	171,910	182,932	11,022	6.41%
Veterans' Benefits	40,703	45,000	48,564	3,564	7.92%
HAWC Program	2,000	2,000	2,000	0	0.00%
Tri Town Council	31,095	31,095	31,095	0	0.00%
Total Human Services	376,490	429,822	447,921	18,099	4.21%
Culture & Recreation					
Library Salaries	356,431	374,952	385,088	10,136	2.70%
Library Non Salary Expense	126,557	134,184	135,544	1,360	1.01%
Celebrations/Events	4,425	4,425	4,425	0	0.00%
Cultural Council	3,000	3,000	3,000	0	0.00%
Historic District Commission	0	375	375	0	0.00%
Total Culture & Recreation	490,412	516,936	528,432	11,496	2.22%
Employee Benefits					
Health Insurance (non school)	657,629	815,913	884,123	68,210	8.36%
OPEB Contribution	300,000	300,000	250,000	-50,000	-16.67%
Essex Retirement Assessment	1,523,087	1,551,592	1,742,530	190,938	12.31%
Medicare/Life Ins (Town/School)	202,146	209,503	217,288	7,785	3.72%
Unemployment Insurance	13,371	15,000	15,000	0	0.00%
Salary Reserve	0	110,000	150,000	40,000	36.36%
Total Employee Benefits	2,696,233	3,002,008	3,258,942	256,934	8.56%
Debt Service					
Permanent Debt Service	875,702	1,340,118	1,179,239	-160,879	-12.00%
Masconomet Debt Assessment	105,545	0	0	0	0.00%
Total Debt Service	981,247	1,340,118	1,179,239	-160,879	-12.00%
Total Budget	36,207,561	37,797,762	39,593,454	1,795,692	4.75%