



# Talking Trash

by Alan Aronow

But if the State of Connecticut has its way, this annual ritual will be our transfer station's last hurrah. Without a last minute pardon from the state's Department of Environmental Protection (DEP), the transfer station will be forced to close by July 31, 2010.

The Bulletin has frequently reported on the ultimate demise of the transfer station. Over the years Haddam's elected leaders researched and discussed possible solutions but ultimately decided to kick the 'trash' can issue up the road for someone else to solve.

Regrettably we've come to the end of the road. The town and its newly elected Board of Selectmen must act now to resolve what will otherwise become a trash crisis in our community.

## **Trash 101—Introduction to Municipal Solid Waste Management**

In the old days trash disposal was simple. Anything people wanted to get rid of was brought to the town dump where it was bulldozed into a landfill area. Today solid waste has become far more complex and expensive. To fully understand Haddam's future municipal trash options one must first understand what trash is, what it costs, and how other towns deal with this issue.

### **What Is Trash?**

Residents in a community generate three types of trash. Collectively these three categories of trash are termed 'Municipal Solid Waste'. Each category is collected differently, has a different disposal cost structure and ultimately, finds a different 'end of life' resting place. Trying to maintain the lowest cost, most environmentally friendly mix of these three categories is the goal of those involved in the field of Municipal Solid Waste Management.

**Household Trash:** is garbage and rubbish originating in a residential setting. Think of garbage bags and the stuff that fill them like wet and dry food waste and packaging material, vacuum cleaner filters, etc.

**Recyclables:** common household items containing recoverable materials such as cardboard, newspapers, phone books, magazines, paper, plastic, metal and glass containers. There are other special types of recyclables such as scrap metal, motor oil, anti-freeze, tires, propane tanks, and even leaves.

**Bulky Waste:** includes demolition and construction debris and oversized items like furniture, carpeting, and mattresses.

In addition to these three major categories there are other types of trash including: household hazardous waste, electronic devices, industrial waste, pharmaceutical waste, road wastes, treated wood, septic and sewage waste, land clearing debris, contaminated soils, etc. Each type requires special collection and disposal techniques not performed at local transfer stations.

### **What Is the "Real-Cost" of Trash?**

Ask most people what trash costs and they'll answer either \$30 a year for a transfer station permit or \$27 a month to hire a private contractor for home trash pickup.

But is that the Real-Cost of collecting and getting rid of Haddam's garbage? Sorry to say, the answer is NO. As you'll soon discover, the Real-Cost of collecting and disposing Haddam's trash totaled, on average, \$430 \* per household last year!

Your first reaction might be that's impossible! So to avoid any confusion let's review what trash really costs.

(Note: For detailed analysis of data used in this article go on-line at *HaddamBulletin.com*)

The Real-Cost of trash has four primary variables:

## Talking Trash—cont'd

- **Collection Costs**— getting trash to the transfer station
- **User Fees**— what residents pay to use the transfer station
- **Private Home Pickup Expense**— what residents pay for home trash pickup
- **Town 'Waste Disposal' Tax**— taxes paid to run the transfer station and dispose of trash

**Collection Costs:** Few people will argue that driving to the transfer station takes time and costs money. Approximately  $\frac{2}{3}$  of Haddam's 3,053 households use the transfer station on a regular basis. Estimates are that the average family goes to the transfer station once every 10 days, spending  $\frac{1}{2}$  hour to drive eight miles roundtrip and dump their trash. These trips collectively add up to 591,264 miles of travel and 36,954 hours of time with an annual imputed cost to residents of \$401,690 or \$196 for each family using the transfer station.

**User Fees:** The town charges \$30 per year to use the transfer station. In fiscal year 2009 the town sold 2,247 transfer station sticker permits costing residents \$67,410.

**Private Home Pickup Expense:** Approximately 1,000 Haddam households hire a contractor to pick up their household trash and recyclables on a weekly basis. The cost of this service is about \$27 per month or \$324 a year

for those families willing to pay for the convenience of private home pickup. In fiscal year 2009 this totaled \$324,000.

**Town 'Waste Disposal' Tax:** This is the net cost of operating the transfer station, transporting and disposing of solid waste. In fiscal year 2009 this cost represented 7.5% of the town's non-school spending totaling \$518,969 or \$170 per household. It should be noted that approximately \$82,000 of this total was for disposal costs of household trash collected by private home pickup contractors.

Together, these four Real-Cost variables totaled \$1,312,069, an average of \$430\* for each of Haddam's 3,053 households in fiscal year 2009. This is a truly staggering amount of money and raises the question: "*Are there cheaper ways to get rid of our trash?*" (\* Note: \$430 per household is before federal income taxes. The next section explores the impact of tax deductibility of these real cost variables.)

### How Do Other Towns Deal with Trash?

Connecticut has one of the nation's most sophisticated solid waste programs. In 1973, the Connecticut Resource Recovery Authority (CRRRA) was created, an event that led to the regionalization of trash collection and disposal in the state. In 1991, the state legislated mandatory recycling regulations. Today, 110 of the state's 169 towns and cities participate in the CRRRA program. For most Connecticut River Valley communities, household trash and recyclables are routed to CRRRA's Hartford processing facilities to either be recycled or burned in waste-to-energy incinerators generating electricity that is sold to utility companies. When towns dispose household trash at CRRRA they pay a fee (aka: tipping fee), currently costing \$63 per ton. At present there is no tipping fee charged for the disposal of common recyclables.

According to Dennis Schain, Communications Director for the DEP, each town is responsible for setting up their own municipal solid waste management program. Some towns have no public solid waste program—making residents solely responsible for hiring, from a list of approved and registered companies, private contractors to pick up and dispose of trash—while other towns provide a comprehensive array of solid waste services.

Local solid waste programs fall into three major formats or models:

#### FULL-SERVICE:

Transfer Station + Town-Wide Municipal Trash Pickup  
*Old Lyme*

#### TRADITIONAL:

Transfer Station + Optional Private Home Trash Pickup  
*Haddam, Deep River, Essex, Killingworth, East Haddam*

#### LIMITED-SERVICE:

No or Limited or Shared Transfer Station + Mandatory Private Home Trash Pickup  
*Chester*

The way each town operates, whether or not it provides any solid waste facilities, how strictly it supervises these facilities and what type of user fees, if any, are charged makes a huge difference in the solid waste disposal cost to residents. The variations in local programs, even within the same major format or model, are dramatic (see Table #1, next page).

While it is impossible in this short article to provide a cost comparison of every town, we can take a closer look at three towns, Old Lyme, Haddam and Chester. Since each of these towns uses

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**Solid Waste Management Programs in Local Towns**

	Does Town Have Transfer Station		HOUSEHOLD TRASH		RECYCLABLES		BULKY WASTE	
			How* Household Trash Collected	Trash Charge at Trans. Sta.	How Recyclables Collected	Recyclable Charge for Some at Trans. Sta.	How Bulky Waste Collected at Trans. Sta.	Charge for Bulky Waste at Trans. Sta.
Haddam	Yes	Yes/\$30 Annual	Resident or PHP	None	Resident or PHP	None	Resident	None
Chester	No	Yes/Bulky Waste	PHP Only	N/A	PHP Only	N/A	Resident	None
Deep River	Yes	Yes/Free	Resident or PHP	None	Resident or PHP	Yes	Resident	Yes
East Haddam	Yes	Yes/Free	Resident or PHP	None	Resident or PHP	Yes	Resident	Yes
Essex	Yes	Yes/Free	Resident or PHP	\$3 per bag	Resident or PHP	Yes	Resident	Yes
Killingworth	Yes	Yes/Free	Resident or PHP	None	Resident or PHP	None	Resident	None
Old Lyme	Yes	Yes/Free	Town-wide Pickup	Not Allowed	Res. or Town Pick-up	Yes	Resident	Yes

\*PHP stands for Private Home Pick-up (hired contractor to pick up trash at home)

TABLE 1

a different operating format, their experience might shed light on Haddam’s future trash collection and disposal alternatives.

One might expect that a ‘full-service’ town like Old Lyme would have a much higher Real-Cost of trash than a privatized ‘limited-service’ town like Chester. While counterintuitive, this does not seem to be the case. One reason for Old Lyme’s lower cost results from efficiencies of having one company providing trash pickup service to each home on the same street and/or section of town. Another reason is simplified billing to only one (the town), rather than thousands of residential customers. These efficiencies make it possible for trash contractors to offer towns significantly lower rates than private homeowners.

Another reason for the lower cost results from the deductibility of certain Real-Costs variables from resident’s federal income tax returns. While expenses such as user fees, imputed collection costs and private home pickup

contractor expenses are not deductible, a town’s ‘waste disposal’ tax (included in your property tax bill)—is deductible. Table #2 shows the before and after tax effect of deductibility (using a 20% effective federal income rate) on the Real-Cost of trash.

**What Happens If Haddam’s Transfer Station Closes?**

Haddam’s solid waste program is now threatened by the closure of the town’s transfer station. At the time this article went to press, First Selectman Paul DeStefano was actively working with the DEP, legislators and state government officials to allow the town to continue to use the existing transfer station.

If the DEP does not grant another extension and our transfer station is forced to close by the end of July 2010, what practical short-term solid waste solutions are available to the town?

One option that no longer exists in the short-term is to build a new transfer station. Not only hasn’t the town found

a suitable location (this assumes that the state will not allow the use of the town-owned former dump site aka: the Baumgartner property, located adjacent to the current transfer station), but also it would take at least two-years to engineer, obtain necessary permits/licenses and construct a new facility. In addition, the Board of Finance has made no provision in its budget process for land acquisition and construction costs for a new transfer station. These financing costs might run between \$175,000 to \$250,000 per year.

*With a new transfer station off the table, what other short-term options are left?*

**Option #1: Do Nothing—100% Privatized Home Pickup**

Make each family responsible for hiring and paying their own private contractor to pickup and dispose of household trash/recyclables and bulky waste. Contractors would be responsible for payment of all transportation and disposal fees.

**Impact of Federal Income Tax Deduction ( at 20% rate)**

computed based on approved FY2009 budgets

	OLD LYME Full-Service Model	HADDAM Traditional Model	CHESTER Limited-Service Model
Real-Cost per Household BEFORE TAX	\$334	\$430	\$441
Real-Cost per Household AFTER TAX	\$277	\$396	\$424

**Before and After: Real-Cost of Solid Waste Disposal**

TABLE 2

**Another problematic issue ....is the economic impact of privatizing trash on Haddam's residents, especially senior citizens.**

**Option #2: Do Everything—100% Town-Wide Municipal Pickup**

Have the town of Haddam hire and pay one or more private contractors to provide curbside pickup of household trash/recyclables and bulky waste for each household.

**Option #3: Limited-Service**

Make each family responsible for hiring and paying their own private contractor to pickup and dispose of household trash/recyclables but have the town provide a bulky waste-only disposal facility.

**Option #4: Regionalize**

Share a transfer station with other town or towns.

**Option 5: Hybrid Solution**

A solution based on elements from the other options.

There are advantages and disadvantages of each of the first four options.

*Option #1:* would be environmentally friendly—eliminating hundreds of thousands of miles Haddam residents now drive back and forth from the transfer station. It would get the town out of the trash business entirely and reduce town taxes by \$525,000. It would, however, undoubtedly raise the cost of trash collection and likely have the highest 'Real-Cost' per household of the four options.

*Option #2:* would also be environmentally friendly and most likely result in the lowest bidding cost from contractors. The major drawback of Option #2 is that it would increase town taxes by at least \$500,000. Some have warned that town-wide pickup performed by private contractors can lead to costly abuses and problems managing bulky waste. While taxes would definitely increase, the Real-Cost per household might be the lowest of all options.

*Option #3:* would be a similar but less costly version of Option #1. If the bulky waste facility is a temporary setup on town owned or leased land, financing costs might not be an issue. However finding a site satisfactory to the DEP might not be doable by July 31, 2010. If a permanent limited-service style transfer station were built, financing costs would raise taxes substantially.

*Option #4:* It is unlikely that another town, conveniently located, would allow Haddam to share its facilities completely. Deep River or East Haddam might allow Haddam temporary use of their bulky waste facilities but this option will probably not come cheaply (last year Chester, with only half the number of households as Haddam paid Deep River \$129,667 [\$82/household] for bulky waste disposal). In addition, the mileage and time Haddam residents now spend driving would increase substantially if we shared a regional transfer station.

**Where Do We Go From Here?**

In a recent interview, newly elected First Selectman Paul DeStefano stated that the town's waste disposal situation has been his top priority since taking office. Recognizing that building a new transfer station is not a short-term solution, DeStefano said he would like to keep the transfer station where it is

by extending the July 31, 2010 closing date.

"I have implemented an action plan that calls for a coordinated blitz on the Department of Environmental Protection to secure an extension of the present consent order," said DeStefano.

But if the state will not extend the closing date the town's options are limited.

"My backup plan," added DeStefano, "would be to have the town solicit RFQ's (Requests for Quotations) from several haulers who can service Haddam and adhere to our CRRA obligations."

Once having obtained a list of acceptable contractors, DeStefano said he would then leave it up to individual homeowners to "negotiate the best deal available for their own curbside trash pickup needs with those contractors." At the same time, he would try to set up a local bulky waste facility, or if that's not possible, work with other towns in the area to share their existing bulky waste facilities.

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"This last one hopefully will only be a temporary step," said DeStefano, "but can be the beginning of a more intensive plan to join forces."

During the interview DeStefano made it clear that his new administration was actively working on long-term solu-

tions. The first step would be to secure land to construct a new town transfer station. He has resumed discussions with property owners where negotiations broke down in the past.

“I am also seeking out new landowners whose economic needs may have changed over this past disastrous year,” DeStefano added. In addition, he is talking with the state about swapping land parcels, possibly even the site of the current transfer station.

### Conclusion

Not everyone agrees with the First Selectman’s range of options. Some also feel that the public is being left out of the long term decision process. The last major town hearing on solid waste disposal took place in 2003. Since that hearing, the previous town administration kept the public locked out of the deliberation process and, in the end, produced no viable long-term solutions. Some now feel that unless the new administration embraces public participation, perhaps in the form of a special ‘solid waste committee’ comprised of residents, town officials and hired experts, that future efforts will also be doomed to failure.

Another problematic issue to many with the First Selectman’s backup plan is the economic impact of privatizing trash on Haddam’s residents, especially senior

citizens and those financially stressed by the current economic recession.

Haddam now operates a solid waste program based on families using the transfer station or hiring private pickup contractors. Because of this duality, we actually have two different cost structures. While the overall town average is now \$396, the actual after tax Real-Cost for transfer station users is \$362 per household vs. \$460 for families choosing the convenience of home pickup. (Note: For detailed analysis of data used in this article check on line at *HaddamBulletin.com*).

The problem is that the privatized plan offers no choice—everyone will likely pay the same projected after tax Real-Cost of \$491 per household. For current transfer station users this represents a 36% increase vs. 7% for those now using private home pickup contractors.

One might ask ‘why are costs going up instead of down?’ and ‘if costs are going to increase, shouldn’t the increase be equitable for all residents?’ Until these two questions are satisfactorily answered, any proposed solution to Haddam’s ‘trash problem’ will not have been fully explored.

Residents are encouraged to share their ideas and opinion on this issue. Email us at [SpeakOut@HaddamBulletin.com](mailto:SpeakOut@HaddamBulletin.com).

**Your name and a valid e-mail address required.** We will post your comments online and forward them to the First Selectman’s office for his review and consideration.