

WORK SESSION – Thursday, January 19, 2023

Minutes of the Huntsville Town Council work session held at the Maintenance Building Office at 165 South 7500 East, 6 p.m.

The work session was scheduled prior to the regular meeting address raising the garbage rates for residents.

Attending: TC Members Sandy Hunter, Bruce Ahlstrom, Artie Powell, Mayor Sorensen, Beckki Endicott – Clerk, Jackie & Val Sanders – Econo Waste

Mayor Sorensen called the meeting to order. The last Town Council Meeting the TC reviewed a letter from Econo Waste explaining they would be adding a fuel surcharge to the billing. The Town Council Members discussed raising the rates to the residents because the margin for services billed and paid for was very narrow. The Town Council members asked Sheree Evans, treasurer to put together a spreadsheet to show a financial analysis on the garbage rates. Sheree sent the analysis to the TC **Members (See Attachment #1)**. In addition, Val, owner at Econo Waste sent additional history and explanation for the changing of the fuel charge. **(See Attachment #2)**.

Val from Econo Waste presented his letter. He stated that he has not asked for very many increases in the 29 years that Huntsville has been contracted with him. The letter delineates the increases over time. Fuel costs have increased 90%. He feels that the increases he is asking for are fair. He is suggesting that a fixed cost for residents on the fuel charge is best although he is charging the Town a flexible rate based on the price of fuel.

Sheree Evans addressed several questions from TCM Powell regarding the spreadsheet analysis. Currently, Huntsville Town is collecting \$500 above what they are paying to Econo Waste. The increases from Econo Waste have not been implemented in the billing to Huntsville Town. Econo Waste will start billing the increases in February.

Huntsville is currently charging \$12.50 for the first can and \$12.00 for the second can. Recycling is \$4.00 a can. Mayor Sorensen is proposing \$15.00 a can for the first can and \$12.00 for the second can. He suggested increasing the recycling to \$5.00 a can. This would allow Huntsville to collect \$1100 additional fees. The Econo Waste charges will increase to \$670.00 plus the fuel. This still leaves a margin of just \$400.00.

TCM Anderson pointed out that this is not covering the soft costs of labor and mailing.

TCM Sandy Hunter ran some numbers on the suggested changes. There would be an \$2.50 increase on the first garbage can and there are 318 of them. There would be an increase of \$2.00 on the recycling cans and there are 254 currently being used. That is an extra \$1300, but Econo Waste is going to charge us an addition \$1100.00 which leaves the Town a very narrow margin, maybe not covering the postage and labor.

TCM Anderson suggested adding an additional dollar to the first can charge, bringing it to \$16.00 a can. This would bring the margin of expense to revenue to what it is currently. The average is \$588.00 a month for revenue over expenses.

The commercial cans are being charged at \$15.00 a can currently. Mayor Sorensen suggested charging the same amount as the residential can at \$16.00.

TCM Kevin Anderson motioned to adjourn the meeting. TCM Bruce Ahlstrom seconded the motion. All votes Aye. Motion passed.

Meeting adjourned at 6:43 p.m.

A handwritten signature in cursive script that reads "Beckki Endicott". The signature is written in black ink and is positioned above a horizontal line.

Beckki Endicott, Huntsville Town Clerk

Econo Waste

Date	Description	Amount Paid	# of 1st Cans	Environmental Fee	# of extra cans	# of recycling cans	# of Commerical	Total	Town Billed	Diff	Town Cost				
											3 yard containers	Total Paid			
02/01/2022	Trash / Recycling services Jan 2022	4,305.29	308	2778.16	308	169.40	22	88.88	249	908.85	24	360.00	4305.29	634.93	4305.29
03/01/2022	Trash / Recycling services Feb 2022	4,305.29	308	2778.16	308	169.40	22	88.88	249	908.85	24	360.00	4305.29	626.79	4305.29
03/31/2022	Trash / Recycling services March 2022	4,305.29	308	2778.16	308	169.40	22	88.88	249	908.85	24	360.00	4305.29	634.64	4305.29
05/01/2022	Trash / Recycling Services Apr 2022	4,744.29	308	2778.16	308	169.40	22	88.88	249	908.85	25	375.00	4320.29	653.16	4744.29
06/01/2022	Trash / Recycling Services May 2022	4,744.29	308	2778.16	308	169.40	22	88.88	249	908.85	25	375.00	4320.29	716.85	4744.29
07/01/2022	Trash / Recycling Service - June 22	4,758.29	308	2778.16	308	169.40	22	88.88	249	908.85	33	495.00	4440.29	601.21	4758.29
08/01/2022	Trash / Recycling Services - July 2022	4,816.09	318	2868.36	325	178.75	22	88.88	254	927.10	29	435.00	4498.12	555.38	4816.12
09/01/2022	Trash / Recycling Services - Aug 2022	4,922.09	318	2868.36	325	178.75	22	88.88	254	927.10	29	435.00	4498.09	533.20	4922.09
10/01/2022	Trash / Recycling Services - Sept 2022	4,816.09	318	2868.36	325	178.75	22	88.88	254	927.10	29	435.00	4498.09	510.41	4816.09
11/01/2022	Trash / Recycling Services - Oct 2022	4,816.09	318	2868.36	325	178.75	22	88.88	254	927.10	29	435.00	4498.09	524.44	4816.09
12/01/2022	Trash / Recycling Services - Nov 2022	4,826.49	318	2868.36	333	183.15	22	88.88	254	927.10	29	435.00	4502.49	535.51	4826.49
01/05/2023	Trash / Recycling Services - Dec 2022	4,627.59	318	2868.36	335	184.25	22	88.88	254	927.10	29	435.00	4503.59	534.21	4627.59

Cost Per Service 9.02 0.55 4.04 3.65 15.00

Cost to Residents 12.50 131% 297% 110% 100%

Review of trash / recycling services for the year of 2022

On the average the town is collecting \$588 each month more than we are paying to Econo Waste. This does not include any of the admin costs.

Econo Waste is increasing rates to cover their fuel costs. This price could possibly change monthly.

We have not increased costs to town residents in many years.

The cost to residents on the 1st can is about 30% more than our cost
The cost to residents for recycling is about 10% more than our cost
The cost to residents for a 2nd can is about 300% more than our cost
The cost to residents for a commerial can is exactly what our cost is

Avg Diff 588.39

ECONO WASTE, INC.

P.O. BOX 106

ROY, UT 84067

PHONE: (801)627-2680 EMAIL: econowaste@hotmail.com



January 9, 2023

Huntsville Township

P O Box 267

Huntsville, UT 84317-0267

Dear Mayor and Council Members,

I would like to just summarize the history of the contract we have with Huntsville Town, so everyone understands what has transpired.

Original contract 1994 - when fuel was \$1.10 per gallon

COST: 1st can - \$5.29 each month 2nd cans - \$3.00 per month

Original contract has been extended (renewed) for the last 29 years and allows for landfill increases and also 1.5% CPI increases for each year.

Beginning cost of 1st can was \$5.29 @ 1.5% CPI each year = .08 cents timed by 29 years = \$2.32 cpi increase. **This is an additional \$2.32 per month per resident for the CPI increases.**

The Landfill costs for the trash in 1994 Landfill was \$16.00 per ton that equals \$2.00 per resident for 1st can. The Landfill costs for the trash in 2022 Landfill is \$44.14 per ton which equals \$5.52 per resident for 1st can. **This is an additional added cost of \$3.52 per month per resident.**

The Recycling program was added to the Contract and the landfill costs at that time was \$0.00 per ton (free to dump). In 2019 they started charging up to \$84.14 per ton but has since gone down but the cost is still \$50.79 per ton. I'm not asking for any additional costs at this time.

PRICING CHART (Showing 1½% per contract + the additional landfill costs)

\$5.29 initial price in 1994
+ \$2.32 CPI yearly increases
+ \$3.52 Increased landfill cost
= \$11.13 per month per resident

This is what the city should be paying per resident for 1st can = \$11.13 according per contract

ECONO WASTE, INC.

P.O. BOX 106

ROY, UT 84067

PHONE: (801)627-2680 EMAIL: econowaste@hotmail.com



FUEL COSTS

2020 Fuel average \$2.55 per gallon

2022 Fuel went up to \$6.00 per gallon, this was double the cost (100% increase)

AUTOMATED CONTAINERS cost was \$54.00 per can, now they are \$150.00 per can.

CPI COST went up in 2022 alone to 8.2%

I am asking for a \$2.11 increase per resident per trash container plus the corresponding amount on the fuel chart below. Please note the city already pays me .55 cents for the fuel surcharge, so we would only charge the amount below and will not charge the .55 cents no more.

The fuel chart below covers me if fuel goes up and also protects the city if it drops back down.

FUEL COST AVERAGE PER MONTH	INCREASE PER RESIDENT - PER CONTAINER
\$2.50 - \$3.50 per gallon	.33 Cents Increase
\$3.51 - \$4.50 per gallon	.66 Cents Increase
\$4.51 - \$5.50 per gallon	.99 Cents Increase
\$5.51 - 6.50 per gallon	\$1.32 Increase

FYI: In the surrounding areas Residents are paying well above what you pay to Econo Waste.

Let me know if you have any questions or if you want to set up a meeting to discuss this.

Sincerely,

Val Sanders
Econo Waste, Inc.

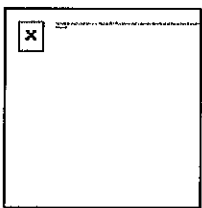
Beckki Endicott

From: Richard Sorensen
Sent: Wednesday, January 18, 2023 11:36 AM
To: Shannon Smith
Cc: Planning Commission; Sheree Evans; ECONO WASTE INC; Town Council; Kevin Anderson
Subject: Re: Trash & recycling information

Thanks Shannon. That is very helpful.

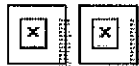
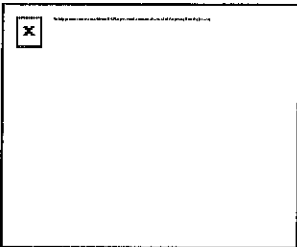
I copied the TC as well.

Best Regards,



Richard L. Sorensen
Mayor
The Town of Huntsville

 mayor@HuntsvilleTown.com
 801-745-3420
 801-791-7004
 PO Box 267 Huntsville, Utah 84317
7381 E 200 S Huntsville, Utah 84317
 HuntsvilleTown.com



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On Jan 18, 2023, at 11:32 AM, Shannon Smith <ssmith@huntsvilletown.com> wrote:

Hello PC,

I have CC'd Val from Econo Waste here as well. We had a conversation this morning to compare numbers and prices as far as the rate increase. I have made a table to show what we are paying Econo Waste now and what the rate increase and fuel charge will bring us up to. The fuel charge, as you know is a tiered system based on fuel cost, so I have just laid out the high and low end of that here in the last column.

Current Rate	with \$2.11 rate increase	with fuel charge increase
Trash 1 st can: \$9.57	\$11.68	\$12.01-13.00
2 nd can: \$4.04	\$4.04 (no change)	\$4.37-5.36
Recycle: \$3.65	\$3.65 (no change)	\$3.98-4.97

As you can see, they are not raising rates on the base price for the 2nd trash can or the recycling can, just applying the fuel surcharge. Val reminded me that they do not charge us for the pickup of the Town park dumpsters that are out in the summer months. And currently they are not charging us for replacement cans even though his cost on those have gone up substantially.

If you are interested in a cost comparison for Waste Management, that the rest of the valley has. In Eden, I pay about \$20 per month for trash. Waste management does not offer recycling out here in the Valley, Ace is the company you need to have for that and they just raised their rates to \$19 per month for every other week pick up.

I hope this helps!

Thank You,
Shannon Smith



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Current Rate	with \$2.11 rate increase	with fuel charge increase
Trash 1 st can: \$9.02	\$11.13	\$11.46-12.45
2 nd can: \$4.04	\$4.04 (no change)	\$4.37-5.36
Recycle: \$3.65	\$3.65 (no change)	\$3.98-4.97

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Thank You,
Shannon Smith