

MEETING NOTICE

Board/Committee: *Solid Waste Advisory Committee*

Date: *Wednesday, December 15th 2021*

Time: *4:30 PM*

Place: *General Services Department, Cafeteria/Conference Room
311 North State Street*

AGENDA

1. Approval of 11/18/20 Minutes
2. NH Disposal Capacity and Markets – Representatives from Casella Waste
3. Non-Public Meeting with Legal Counsel to Review Contract Options in Accordance with RSA 91-A:3, II (I)
4. Adjournment

All City of Concord public meetings are accessible for persons with disabilities. Any person who feels that he or she may be unable to participate in a City of Concord public meeting due to a disability should, to the extent possible, call (603) 225-8570 at least 48 hours prior to the meeting so that a reasonable accommodation can be arranged.

Solid Waste Advisory Committee

November 18, 2020

Draft Minutes

Prepared by Adam Clark, November 19, 2020

In attendance;

Members:

| | |
|-------------------------------|-------------------------------------|
| Chair: Councilor Keith Nyhan | <input checked="" type="checkbox"/> |
| Councilor Meredith Hatfield | <input checked="" type="checkbox"/> |
| Councilor Gail Matson | <input checked="" type="checkbox"/> |
| Councilor Amanda Grady-Sexton | <input checked="" type="checkbox"/> |
| Councilor Robert Werner | <input checked="" type="checkbox"/> |
| Councilor Zandra Rice Hawkins | <input checked="" type="checkbox"/> |
| Arthur Aznev | <input type="checkbox"/> |
| Matt Cashman | <input type="checkbox"/> |
| Mike Russell | <input checked="" type="checkbox"/> |
| Eric Steinhauser | <input checked="" type="checkbox"/> |
| Michael Nork | <input type="checkbox"/> |

The meeting was called to order at 5:05 with Chairman Nyhan noting that a quorum was present. The chairman called the roll call, and moved into approval of the SWAC 10/8/19 Meeting minutes. Councilors Nyhan, Sexton, Werner, Rice Hawkins, and Mr. Steinhauser and Mr. Russell voting to approve with Councilors Hatfield and Mason abstaining as they were not present at that meeting.

Chairman Nyhan then asked staff for an overview of the Agenda. Adam Clark said the agenda tonight had two main items; first the City was made aware of an online petition to dissolve the PAYT system and following that would be a review of the Solid Waste Fund pro forma status. Mr. Clark suggested he would read each of 9 items the petition addresses and staff and SWAC membership could discuss each item.

Chairman Nyhan first provided a brief overview of the history of the PAYT program. Detailing the philosophy behind the user fee system and sharing with new SWAC membership the history of its implementation in Concord. He discussed that it puts residents in direct control of the amount they pay for solid waste services in the City by allowing for the free pickup of recyclables. Residents who do not recycle and produce more trash pay more in the system.

Mr. Clark then read aloud 9 items included in the petition.

1. Created an extra financial burden to the citizens of Concord NH.

2. Has created local trash dumps within the Citizens homes/porches due to extra cost of bags. Making the whole of Concord look like a dump.
3. Has people turning to local dumpsters/park trash cans to get rid of home trash due to the cost of using purple bags.
4. Quality of bags do not hold up for their price
5. When the purple bags were added the yearly one day "throw anything out at the curb" such as a mattress, or other large items have been removed. This increases the "in house dumps" around concord making the whole of concord look worst.
6. The elderly people (or anyone) on a limited income are also getting hit with the cost of these purple bags.
7. The purple bags have not limited the amount of trash that citizens create it has only kept that trash in their homes.
8. The recycling program with the limits it has does not lower the weekly cost for the bags.
9. With the fallout of the pandemic, it will take months if not years for some to be financially stable once again

General Services Director, Chip Chesley detailed the overall reduction in the aggregate costs for solid waste services in the City that is the result of the PAYT program, discussing the 40% decline in trash tonnage that the program has caused. Staff went on to discuss the petition points. The Department is not aware of trash "dumps" that is suggested to exist within homes due to a PAYT system. Discussion was had that residents who may need financial assistance should reach out to the City's Human Services Department for assistance with PAYT bags. Discussion on the quality of the bags centered on that the City can replace any bags to be found defective and there is a way to track it down to a lot number using a serial number on the bag itself to make sure there is not a large manufacturing issue. Chairman Nyhan discussed that there is a weight limit on bags and that in some ways they are designed to fail if they were to be overstuffed. Any issues with seams or bag ties should be reported to Mr. Clark. The conversation turned to early fears about illegal dumping, with Chairman Nyhan noting that initial fears about widespread dumping didn't materialize in practice with limited cases being seen. Mr. Russell did note he has seen some instances however.

Discussion was had that there is no institutional knowledge of a one day "throw anything out at the curb" collection. The conversation then returned to the PAYT system as a concept is one that the City has affirmed as a way to limit the impact to the General Fund and allow resident's direct control over their costs.

Councilor Rice Hawkins asked if residents can't afford the PAYT bags, what do they do. Chairman Nyhan said they should reach out to Human Services who will work with them. Councilor Rice Hawkins then

reiterated that residents who may need to purchase bags have options despite the challenges of the current Covid pandemic.

Councilor Hatfield spoke about the premise of waste reduction, pointing out the City does promote backyard composting and directed residents to reach out to Mr. Clark for more information.

Discussion then turned to Agenda Item #2. Director Chesley began by sharing the current Solid Waste Fund pro forma that was included in the 2021 Budget. The current budget calls for a 25% PAYT price increase in FY2022. A second budget pro forma was then shared that includes updated FY2020 actual numbers instead of the estimates that were included in the budget documents at the time they were put together. Director Chesley pointed to a 20% PAYT price increase for next fiscal year, instead of 25%, due to higher actual revenues and lower actual expenses incurred during the eight-week period PAYT was suspended during the onset of the Covid pandemic. He drew attention to the end of the pro forma horizon and shared the final pro forma shared that evening would "work" in the short term noting that it did not meet FPAC goals in the latter years of the proforma due to estimated upcoming contract price increases expected to begin in years FY25 and FY26 due to the expiration of the current contract. The City currently has what is likely the best solid waste contract in New England but there will be a big adjustment coming when the contract expires on both landfill tip fees and recycling costs.

Mr. Steinhauser pointed to his work in the solid waste field, sharing with the committee that he concurs with what Director Chesley has shared, noting it is appropriate to recognize those costs.

Director Chesley then shared a pro forma with no PAYT increase in FY22, drawing attention to the fund would not meet FPAC goals and become completely insolvent placing financial burdens on the general fund.

Finally, Director Chesley showed a pro forma that "works"; that is, meeting FPAC goals for the Solid Waste Fund through its full planning period. It includes a 20% PAYT price increase in FY22, as well as, a 16.67% PAYT price increase in FY26 as the City moves into year 2 of the new solid waste contract. The price of bags would increase to \$3.00 for the large bag and \$1.50 for the small bag in FY22 and \$3.50/\$1.75 in FY26. This is provided the contract adjustments are in the range of what is currently estimated. If not, the price adjustment in the out years may change.

This final pro forma wrapped up the presentation.

Discussion among the group then centered on protocol and where to go from here. Chairman Nyhan suggested that the committee having seen the pro formas, could decide to take a roll call vote to recommend the 20% price increase in PAYT prices for FY22 to FPAC. This would then be considered by FPAC and then the full Council as part of the normal budget process.

Chairman Nyhan asked if there was a motion. Councilor Warner moved to recommend to FPAC a 20 % across the board PAYT increase. The motion was seconded by Councilor Matson, and a roll call vote was made. The motion passed unanimously.

Chairman Nyhan requested staff if they could assess the impact to the pro forma should the proposed 20% PAYT increase for next fiscal year be delayed for one year. Staff made that adjustment to the pro forma, copy attached, and shared it with the committee during the meeting. This pro forma does not meet FPAC goals. Chairman Nyhan advised it would be good to share that information with FPAC.

Other business was next and Councilor Hatfield asked the roll of the committee in the contract renegotiation. Chairman Nyhan shared there would be a roll for the group as things proceeded.

The meeting was adjourned at 6:20pm.

Solid Waste Fund Pro Forma FY2020 - FY2026

| Revenues | FY20 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Budget | Estimate | Request | Projected | Projected | Projected | Projected | Projected |
| PAYT | 1,657,440 | 1,544,846 | 1,656,840 | 2,071,050 | 2,091,761 | 2,112,678 | 2,133,805 | 2,155,143 |
| Recycling | 100,116 | 101,476 | 97,216 | 98,188 | 99,170 | 100,162 | 101,163 | 102,175 |
| Other Services | 1,638,137 | 1,390,660 | 1,599,508 | 1,647,493 | 1,696,918 | 1,747,826 | 1,800,260 | 1,854,268 |
| Other | 1,300 | 3,500 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Transfer In - General | 1,061,588 | 1,061,588 | 1,061,588 | 1,093,436 | 1,126,239 | 1,160,026 | 1,194,827 | 1,230,671 |
| PAYT Price Adjustment % | | | | 25% | | | | |
| AYT Price Adjustment Additional Revenue | | | | 414,210 | | | | |
| Total Revenues | 4,458,581 | 4,102,070 | 4,416,452 | 4,911,467 | 5,015,387 | 5,121,991 | 5,231,355 | 5,343,558 |

| | | | | | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Expenses | | | | | | | | |
| PAYT | 1,644,225 | 1,820,158 | 1,687,864 | 1,738,500 | 1,790,655 | 1,844,375 | 1,899,706 | 1,956,697 |
| PAYT Contract Adjustments | | | | | | | 100,000 | 103,000 |
| Recycling | 1,133,982 | 1,123,268 | 1,176,120 | 1,211,404 | 1,247,746 | 1,285,178 | 1,323,733 | 1,363,445 |
| Recycling Contract Adjustments | | | | | | | 500,000 | 515,000 |
| Other Services | 1,646,167 | 1,402,870 | 1,613,884 | 1,662,301 | 1,712,170 | 1,763,535 | 1,816,441 | 1,870,934 |
| Landfill | 87,545 | 90,900 | 81,104 | 83,537 | 86,043 | 88,625 | 91,283 | 94,022 |

| | | | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Capital Program | | | | | | | | |
| Capital Transfer | | | | - | - | - | - | - |
| Bonded CIP | | | | - | - | - | - | - |
| Debt Service | | | | | | | | |
| Future Debt Service Estimate | | | | - | - | - | - | - |
| Existing Debt Service Schedule | 27,420 | 27,420 | 23,690 | 21,042 | 20,532 | 20,122 | 18,642 | 18,302 |
| Total Expenditures | 4,539,339 | 4,464,616 | 4,582,662 | 4,695,741 | 4,836,613 | 4,981,712 | 5,731,163 | 5,903,098 |

| | | | | | | | | |
|----------------------|-----------------|------------------|------------------|----------------|----------------|----------------|------------------|------------------|
| Projected Net | (80,758) | (362,546) | (166,210) | 215,726 | 178,774 | 140,279 | (499,808) | (559,541) |
|----------------------|-----------------|------------------|------------------|----------------|----------------|----------------|------------------|------------------|

FUND POSITION:

| | | | | | | | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Beginning Working Capital | 1,670,519 | 1,670,519 | 1,307,973 | 1,141,763 | 1,357,489 | 1,536,263 | 1,676,542 | 1,176,734 |
| Ending Working Capital | 1,589,761 | 1,307,973 | 1,141,763 | 1,357,489 | 1,536,263 | 1,676,542 | 1,176,734 | 617,194 |
| 10% of expenses | 453,930 | 446,460 | 458,270 | 469,570 | 483,660 | 498,170 | 573,120 | 590,310 |

Solid Waste Fund Pro Forma FY2020 - FY2026

| Revenues | FY20 | FY20 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Budget | Estimate | Actual | Request | Projected | Projected | Projected | Projected | Projected | Projected |
| PAYT | 1,657,440 | 1,544,846 | | 1,656,840 | 1,988,208 | 2,008,090 | 2,028,171 | 2,048,453 | 2,068,937 | 2,089,627 |
| Recycling | 100,116 | 101,476 | | 97,216 | 98,188 | 99,170 | 100,162 | 101,163 | 102,175 | 103,197 |
| Other Services | 1,638,137 | 1,390,660 | | 1,599,508 | 1,647,493 | 1,696,918 | 1,747,826 | 1,800,260 | 1,854,268 | 1,909,896 |
| Other | 1,300 | 3,500 | | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Transfer In - General | 1,061,588 | 1,061,588 | | 1,061,588 | 1,093,436 | 1,126,239 | 1,160,026 | 1,194,827 | 1,230,671 | 1,267,592 |
| PAYT Price Adjustment % | | | | | | | | | | |
| PAYT Price Adjustment | | | | | 20% | | | | | |
| Additional Revenue | | | | | 331,368 | | | | | |
| Total Revenues | 4,458,581 | 4,102,070 | 4,359,133 | 4,416,452 | 4,828,625 | 4,931,717 | 5,037,484 | 5,146,003 | 5,257,352 | 5,371,611 |
| Expenses | | | | | | | | | | |
| PAYT | 1,644,225 | 1,820,158 | | 1,687,864 | 1,738,500 | 1,790,655 | 1,844,375 | 1,899,706 | 1,956,697 | 2,015,398 |
| PAYT Contract Adjustments | | | | | | | | 100,000 | 103,000 | 106,090 |
| Recycling | 1,133,982 | 1,123,268 | | 1,176,120 | 1,211,404 | 1,247,746 | 1,285,178 | 1,323,733 | 1,363,445 | 1,404,349 |
| Recycling Contract Adjustments | | | | | | | | 500,000 | 515,000 | 530,450 |
| Other Services | 1,646,167 | 1,402,870 | | 1,613,884 | 1,662,301 | 1,712,170 | 1,763,535 | 1,816,441 | 1,870,934 | 1,927,062 |
| Landfill | 87,545 | 90,900 | | 81,104 | 83,537 | 86,043 | 88,625 | 91,283 | 94,022 | 96,842 |
| Capital Program | | | | | | | | | | |
| Capital Transfer | | | | | | | | | | |
| Bonded CIP | | | | | | | | | | |
| Debt Service | | | | | | | | | | |
| Future Debt Service Estimate | | | | | | | | | | |
| Existing Debt Service Schedule | 27,420 | 27,420 | | 23,690 | 21,042 | 20,532 | 20,122 | 18,642 | 18,302 | 17,897 |
| Total Expenditures | 4,539,339 | 4,464,616 | 4,178,653 | 4,582,662 | 4,695,741 | 4,836,613 | 4,981,712 | 5,731,163 | 5,903,098 | 6,080,191 |
| Projected Net | (80,758) | (362,546) | 180,480 | (166,210) | 132,884 | 95,103 | 55,772 | (585,160) | (645,746) | (708,580) |
| FUND POSITION: | | | | | | | | | | |
| Beginning Working Capital | 1,670,519 | 1,670,519 | | 1,850,999 | 1,684,789 | 1,817,673 | 1,912,776 | 1,968,549 | 1,383,389 | 737,642 |
| Ending Working Capital | 1,589,761 | 1,850,999 | | 1,684,789 | 1,817,673 | 1,912,776 | 1,968,549 | 1,383,389 | 737,642 | 29,063 |
| 10% of expenses | 453,930 | 446,460 | | 458,270 | 469,570 | 483,660 | 498,170 | 573,120 | 590,310 | 608,020 |

Solid Waste Fund Pro Forma FY2020 - FY2026

| Revenues | FY20 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Budget | Estimate | Request | Projected | Projected | Projected | Projected | Projected |
| PAYT | 1,657,440 | 1,544,846 | 1,656,840 | 1,656,840 | 1,673,408 | 1,690,142 | 1,707,044 | 1,724,114 |
| Recycling | 100,116 | 101,476 | 97,216 | 98,188 | 99,170 | 100,162 | 101,163 | 102,175 |
| Other Services | 1,638,137 | 1,390,660 | 1,599,508 | 1,647,493 | 1,696,918 | 1,747,826 | 1,800,260 | 1,854,268 |
| Other | 1,300 | 3,500 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Transfer In - General | 1,061,588 | 1,061,588 | 1,061,588 | 1,093,436 | 1,126,239 | 1,160,026 | 1,194,827 | 1,230,671 |
| PAYT Price Adjustment % | | | | | | | | |
| AYT Price Adjustment Additional Revenue | | | | | | | | |
| Total Revenues | 4,458,581 | 4,102,070 | 4,416,452 | 4,497,257 | 4,597,035 | 4,699,456 | 4,804,594 | 4,912,529 |

| | | | | | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Expenses | | | | | | | | |
| PAYT | 1,644,225 | 1,820,158 | 1,687,864 | 1,738,500 | 1,790,655 | 1,844,375 | 1,899,706 | 1,956,697 |
| PAYT Contract Adjustments | | | | | | | 100,000 | 103,000 |
| Recycling | 1,133,982 | 1,123,268 | 1,176,120 | 1,211,404 | 1,247,746 | 1,285,178 | 1,323,733 | 1,363,445 |
| Recycling Contract Adjustments | | | | | | | 500,000 | 515,000 |
| Other Services | 1,646,167 | 1,402,870 | 1,613,884 | 1,662,301 | 1,712,170 | 1,763,535 | 1,816,441 | 1,870,934 |
| Landfill | 87,545 | 90,900 | 81,104 | 83,537 | 86,043 | 88,625 | 91,283 | 94,022 |

| | | | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Capital Program | | | | | | | | |
| Capital Transfer | | | | | | | | |
| Bonded CIP | | | | | | | | |
| Debt Service | | | | | | | | |
| Future Debt Service Estimate | | | | | | | | |
| Existing Debt Service Schedule | 27,420 | 27,420 | 23,690 | 21,042 | 20,532 | 20,122 | 18,642 | 18,302 |
| Total Expenditures | 4,539,339 | 4,464,616 | 4,582,662 | 4,695,741 | 4,836,613 | 4,981,712 | 5,731,163 | 5,903,098 |

Projected Net (80,758) (362,546) (166,210) (198,484) (239,578) (282,256) (926,569) (990,569)

FUND POSITION:

| | | | | | | | | |
|-------------------------------|------------------|------------------|------------------|----------------|----------------|----------------|------------------|--------------------|
| Beginning Working Capital | 1,670,519 | 1,670,519 | 1,307,973 | 1,141,763 | 943,279 | 703,701 | 421,445 | (505,124) |
| Ending Working Capital | 1,589,761 | 1,307,973 | 1,141,763 | 943,279 | 703,701 | 421,445 | (505,124) | (1,495,693) |
| 10% of expenses | 453,930 | 446,460 | 458,270 | 469,570 | 483,660 | 498,170 | 573,120 | 590,310 |

Solid Waste Fund Pro Forma FY2020 - FY2027

| Revenues | FY20 | FY20 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Budget | Estimate | Actual | Request | Projected | Projected | Projected | Projected | Projected | Projected |
| PAYT | 1,657,440 | 1,544,846 | | 1,656,840 | 1,988,208 | 2,008,090 | 2,028,171 | 2,048,453 | 2,389,862 | 2,413,761 |
| Recycling | 100,116 | 101,476 | | 97,216 | 98,188 | 99,170 | 100,162 | 101,163 | 102,175 | 103,197 |
| Other Services | 1,638,137 | 1,390,660 | | 1,599,508 | 1,647,493 | 1,696,918 | 1,747,826 | 1,800,260 | 1,854,268 | 1,909,896 |
| Other | 1,300 | 3,500 | | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Transfer In - General | 1,061,588 | 1,061,588 | | 1,061,588 | 1,093,436 | 1,126,239 | 1,160,026 | 1,194,827 | 1,230,671 | 1,267,592 |
| PAYT Price Adjustment % | | | | | 20% | | | | 16.67% | |
| PAYT Price Adjustment Additional Revenue | | | | | 331,368 | | | | 341,409 | |
| Total Revenues | 4,458,581 | 4,102,070 | 4,359,133 | 4,416,452 | 4,828,625 | 4,931,717 | 5,037,484 | 5,146,003 | 5,578,277 | 5,695,745 |
| Expenses | | | | | | | | | | |
| PAYT | 1,644,225 | 1,820,158 | | 1,687,864 | 1,738,500 | 1,790,655 | 1,844,375 | 1,899,706 | 1,956,697 | 2,015,398 |
| PAYT Contract Adjustments | | | | | | | | 100,000 | 103,000 | 106,090 |
| Recycling | 1,133,982 | 1,123,268 | | 1,176,120 | 1,211,404 | 1,247,746 | 1,285,178 | 1,323,733 | 1,363,445 | 1,404,349 |
| Recycling Contract Adjustments | | | | | | | | 500,000 | 515,000 | 530,450 |
| Other Services | 1,646,167 | 1,402,870 | | 1,613,884 | 1,662,301 | 1,712,170 | 1,763,535 | 1,816,441 | 1,870,934 | 1,927,062 |
| Landfill | 87,545 | 90,900 | | 81,104 | 83,537 | 86,043 | 88,625 | 91,283 | 94,022 | 96,842 |
| Capital Program | | | | | | | | | | |
| Capital Transfer | | | | | | | | | | |
| Bonded CIP | | | | | | | | | | |
| Debt Service | | | | | | | | | | |
| Future Debt Service Estimate | | | | | | | | | | |
| Existing Debt Service Schedule | 27,420 | 27,420 | | 23,690 | 21,042 | 20,532 | 20,122 | 18,642 | 18,302 | 17,897 |
| Total Expenditures | 4,539,339 | 4,464,616 | 4,178,653 | 4,582,662 | 4,695,741 | 4,836,613 | 4,981,712 | 5,131,163 | 5,303,098 | 5,480,191 |
| Projected Net | (80,758) | (362,546) | 180,480 | (166,210) | 132,884 | 95,103 | 55,772 | (585,160) | (324,821) | (384,446) |
| FUND POSITION: | | | | | | | | | | |
| Beginning Working Capital | 1,670,519 | 1,670,519 | | 1,850,999 | 1,684,789 | 1,817,673 | 1,912,776 | 1,968,549 | 1,383,389 | 1,058,567 |
| Ending Working Capital | 1,589,761 | 1,850,999 | | 1,684,789 | 1,817,673 | 1,912,776 | 1,968,549 | 1,383,389 | 1,058,567 | 674,122 |
| 10% of expenses | 453,930 | 446,460 | | 458,270 | 469,570 | 483,660 | 498,170 | 573,120 | 590,310 | 608,020 |

Solid Waste Fund Pro Forma FY2020 - FY2027

| Revenues | FY20 Budget | FY20 Estimate | FY20 Actual | FY21 Request | FY22 Projected | FY23 Projected | FY24 Projected | FY25 Projected | FY26 Projected | FY27 Projected |
|--|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| PAYT | 1,657,440 | 1,544,846 | | 1,656,840 | 1,656,840 | 1,988,208 | 2,008,090 | 2,028,171 | 2,366,200 | 2,389,862 |
| Recycling | 100,116 | 101,476 | | 97,216 | 98,188 | 99,170 | 100,162 | 101,163 | 102,175 | 103,197 |
| Other Services | 1,638,137 | 1,390,660 | | 1,599,508 | 1,647,493 | 1,696,918 | 1,747,826 | 1,800,260 | 1,854,268 | 1,909,896 |
| Other | 1,300 | 3,500 | | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Transfer In - General | 1,061,588 | 1,061,588 | | 1,061,588 | 1,093,436 | 1,126,239 | 1,160,026 | 1,194,827 | 1,230,671 | 1,267,592 |
| PAYT Price Adjustment % | | | | | | 20% | | | 16.67% | |
| PAYT Price Adjustment Additional Revenue | | | | | 331,368.00 | | | | 338,029 | |
| Total Revenues | 4,458,581 | 4,102,070 | 4,359,133 | 4,416,452 | 4,497,257 | 4,911,835 | 5,017,403 | 5,125,721 | 5,554,615 | 5,671,847 |
| Expenses | | | | | | | | | | |
| PAYT | 1,644,225 | 1,820,158 | | 1,687,864 | 1,738,500 | 1,790,655 | 1,844,375 | 1,899,706 | 1,956,697 | 2,015,398 |
| PAYT Contract Adjustments | | | | | | | | 100,000 | 103,000 | 106,090 |
| Recycling | 1,133,982 | 1,123,268 | | 1,176,120 | 1,211,404 | 1,247,746 | 1,285,178 | 1,323,733 | 1,363,445 | 1,404,349 |
| Recycling Contract Adjustments | | | | | | | | 500,000 | 515,000 | 530,450 |
| Other Services | 1,646,167 | 1,402,870 | | 1,613,884 | 1,662,301 | 1,712,170 | 1,763,535 | 1,816,441 | 1,870,934 | 1,927,062 |
| Landfill | 87,545 | 90,900 | | 81,104 | 83,537 | 86,043 | 88,625 | 91,283 | 94,022 | 96,842 |
| Capital Program | | | | | | | | | | |
| Capital Transfer | | | | | | | | | | |
| Bonded CIP | | | | | | | | | | |
| Debt Service | | | | | | | | | | |
| Future Debt Service Estimate | | | | | | | | | | |
| Existing Debt Service Schedule | 27,420 | 27,420 | | 23,690 | 21,042 | 20,532 | 20,122 | 18,642 | 18,302 | 17,897 |
| Total Expenditures | 4,539,339 | 4,464,616 | 4,178,653 | 4,582,662 | 4,695,741 | 4,836,613 | 4,981,712 | 5,731,163 | 5,903,098 | 6,080,191 |
| Projected Net | (80,758) | (362,546) | 180,480 | (166,210) | (198,484) | 75,221 | 35,691 | (605,442) | (348,483) | (408,344) |
| FUND POSITION: | | | | | | | | | | |
| Beginning Working Capital | 1,670,519 | 1,670,519 | | 1,850,999 | 1,684,789 | 1,486,305 | 1,561,526 | 1,597,218 | 991,776 | 643,293 |
| Ending Working Capital | 1,589,761 | 1,850,999 | | 1,684,789 | 1,486,305 | 1,561,526 | 1,597,218 | 991,776 | 643,293 | 234,949 |
| 10% of expenses | 453,930 | 446,460 | | 458,270 | 469,570 | 483,660 | 498,170 | 573,120 | 590,310 | 608,020 |



CITY OF CONCORD

New Hampshire's Main Street™

DATE: December 4, 2020

TO: Financial Policy Advisory Committee

FROM: Solid Waste Advisory Committee

RE: Pay-As-You-Throw Pricing

Recommendation

The Solid Waste Advisory Committee recommends a 20% across the board price increase effective with the adoption of the FY 22 budget and advises a subsequent rate increase of 16.67% rate increase may be necessary in FY 26 due to increased costs associated with the next term of the City's Solid Waste contract. The 20% rate increase would increase the price of the small bag from \$1.25 to \$1.50, and the price of the large bag from \$2.50 to \$3.00. PAYT rates for multi-family trash dumpsters would raise the per yard rate to \$5.25 from \$4.375.

Background

The adopted Fiscal Year 2021 City Budget includes a Solid Waste Fund Pro-Forma that anticipated a twenty-five per cent across the board price increase in Fiscal Year 2022. At that time, City Council had authorized the temporary suspension of the PAYT bag program for a period of time due to the onset of the COVID 19 pandemic.

Discussion

At their meeting of April 13th 2020, City Council authorized the temporary suspension of the Pay-As-You-Throw bag program effective April 20th 2020 due to the onset of the COVID pandemic in the community. Subsequently, at their meeting of June 15th 2020, City Council reinstated the Pay-As-You-Throw bag program effective June 22nd 2020.. These actions led to a reduction of revenue due to drop in bag sales, and increased costs due to higher solid waste volumes and their attendant disposal costs.

After the reinstatement of the program, General Services' staff reviewed the financial impact to the Solid Waste Fund and reviewed the matter with the Solid Waste Advisory Committee at our meeting of November 18th, 2020. The meeting minutes reflecting the discussion of the meeting, including the information presented, are attached.

There are two financial challenges facing the Solid Waste Fund to remain solvent and meet FPAC goals:

1. In the immediate short term, the need to adjust pricing upwards due to current negotiated price increases that have been exacerbated by the suspension of PAYT due to COVID, and
2. In the longer term, anticipated price increases that will begin to manifest in FY 25 due to the expiration of the current favorable ten-year term due to increases for both recycling and solid waste disposal costs.

The adopted FY 21 budget includes a pro-forma indicating a 25% increase in FY 22 as shown on the first attached pro-forma. This pro-forma meets FPAC goals through the planning horizon of FY 26.

Having the benefit of reviewing the fund performance after PAYT was reinstated, the proposed 25% might be able to be reduced to 20% in FY 22 due to higher revenues and lower costs being realized during the eight-week period PAYT was suspended. This is shown on the second pro-forma. It is noted this second pro-forma does not meet FPAC goals in FY 27, principally due to anticipated increased recycling and disposal costs that will occur after the termination of the current contract term.

The third pro-forma shows the impact to the Solid Waste Fund should City Council elect not to proceed with a price adjustment in FY 22. In this instance, the Solid Waste Fund does not meet FPAC goals in FY 24.

The fourth pro-forma shows a proposed 20 % increase in FY 22 and a 16.67 % increase in FY 26, one year after the beginning of the anticipated next five-year term of the City's solid waste contract. This pro-forma meets FPAC goals. The cost for a small bag, presently \$1.25 would increase to \$1.50 in FY 22, and then increase to \$1.75 in FY 26. The cost for a large bag, presently \$2.50 would increase to \$ 3.00 in FY 22, and then increase to \$3.50 in FY 26.

The fifth pro-forma shows the impact of delaying the proposed increase in FY 22 to FY 23 and retains a 16.67% increase in FY 26. In this instance, the pro-forma does not meet FPAC goals in FY 27.

It is important to understand all of the pro-formas are predicated on certain assumptions for anticipated increased costs in the recycling and solid waste markets as they are presently understood. Both recycling and solid waste disposal markets are continuing to face increased financial pressures driving costs upward.



City of Concord

Fiscal Policy Advisory Committee

Meeting Minutes - Draft

Monday, December 21, 2020

4:30 PM

Virtual Meeting -
<https://us02web.zoom.us/j/8367911722>

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1. Call to Order

The meeting was called to order at 4:30 PM and the roll was called.

2. Roll Call

Present: City Councilors - Keith Nyhan (Chairman), Mayor Jim Bouley, Byron Champlin, Gail Matson, Candace White Bouchard, and Amanda Grady Sexton. City Staff - Thomas Aspell, Jr., City Manager; Brian LeBrun, Deputy City Manager - Finance; Katie Graff, Assistant Finance Director; Audrey Desbiens, Senior Accountant; Melissa Trainor, Accountant; Chip Chesley, General Services Director; Jeff Hoadley, Deputy General Services Director; Adam Clark, General Services Administration Division Manager; Bob McManus, Director of OMB; Rebekah Dougherty, Budget Analyst; and Sue Stevens, Executive Assistant. Other - Scott McIntire and Alan Goodwin of Melanson.

Excused: City Councilor Fred Keach.

3. Approval of Meeting Minutes

A motion was made and seconded to approve the minutes of the October 19, 2020 meeting. The minutes were unanimously approved with a roll call vote. Councilor Matson abstained from the vote as she was absent from the October 19 meeting.

4. FY 2020 Comprehensive Annual Financial Report (CAFR) Presentation

Scott McIntire presented the City's FY 2020 Comprehensive Annual Financial Report (CAFR). He noted that the audit went very well, the City's books are in good working order, and no audit entries were necessary to correct the City's books.

Mr. McIntire noted that the City's unassigned fund balance was \$12.5 million (p. 31 of CAFR). He indicated that this represents 20.1% of expenditures, which is a

little higher than what the City has had in past years. He also indicated that this does not reflect the \$1.5 million that the City Council used as part of the FY 2021 budget adoption, since that was subsequent to FY 2020. Deputy City Manager Brian LeBrun indicated that if the \$1.5 million is reduced from the \$12.5 million of unassigned fund balance, the percentage drops to 17.7%.

In reviewing the Management Letter, Mr. McIntire noted that, although not a material weakness, it is suggested that the City work with its financial institution to expand on its MS-9 and MS-10 reporting.

5. Solid Waste Advisory Committee Recommendation for Solid Waste

General Services Director Chip Chesley indicated that the Solid Waste Fund is facing two financial challenges in order to remain solvent and meet FPAC goals. In the short-term, there is a need to increase prices due to current negotiated price increases that have been exacerbated by the suspension of Pay-As-You-Throw (PAYT) due to COVID. In the longer term, price increases will need to occur due to the expiration of the current contract in FY 2025.

Director Chesley presented five different proformas for consideration by the committee, each of which would have different effects on the Solid Waste fund.

A motion was made and seconded to accept the option which delays the proposed increase from FY 2022 to FY 2023 and retains a 16.67% increase in FY 2026. The motion was approved unanimously with a roll call vote.

6. Review of Summary Financial Statements FYTD November 30, 2020

Deputy City Manager LeBrun provided an overview of the November Fiscal Year to Date FY 2021 Financial Statements. Of note, the property tax collection rate for the October 1st tax collection is at 96.3% as of December 8, 2020 (last year at this time we were at 95.3%). Motor vehicle registration revenue is up, as is Golf Course revenue. Highway Block Grant funding is down by about \$50,000 this year, and Parking and Arena revenue is down, mainly as a result of COVID. Most other revenues and expenses are on target.

7. FY 2020 Surplus Report and Recommendation

Deputy City Manager Brian LeBrun shared and asked for the committee's acceptance of the City Administration's report and recommendations to Council pertaining to the use of FY 2020 surplus funds. A motion was made and seconded to accept the report and recommendations. The motion was unanimously

approved with a roll call vote.

8. Other

City Manager Tom Aspell asked for feedback on a draft letter he prepared to be sent to the Public Utilities Commission (PUC), in which the City asks the PUC to support Liberty Utilities in utilizing rate payer funded resources, which would otherwise be allocated to demolish the Gas Holder House, to instead repair and stabilize it. After a brief discussion, and a few minor edits to the letter, the committee agreed on the wording of the letter.

9. Adjournment

A motion was made and seconded to adjourn. The motion was approved with a unanimous roll call vote and the meeting adjourned at 5:55 PM.