

A Fact-Based Review of Municipal Garbage Collection in Clarence

At a recent Town Board meeting in April, several residents addressed the Board to advocate for the establishment of a municipal garbage collection district. During these remarks, it was suggested that the Board had previously rejected such a district and that cost comparisons presented by the Town were inconsistent with data from other municipalities in Erie County. Some statements also alleged that the Town had misled the public.

Unfortunately, much of the information shared in support of these claims was either incomplete or inaccurate, resulting in a mischaracterization of the facts.

Public engagement is always encouraged. However, discussions of this nature must be grounded in accurate and verifiable information. Before bringing concerns to the media or attempting to shape public perception, it is important to ensure that the facts are fully understood and correctly presented.

As previously shared in Bee columns, the Town has engaged Drescher & Malecki, a respected CPA firm, to assist in evaluating this issue. The firm represents numerous municipalities that currently operate garbage collection districts and has been tasked with conducting an objective comparison of operational structures and associated costs. Their analysis focuses on communities comparable in size to Clarence. For example, the Town of Hamburg has recently established a district, though it is not yet fully operational, while the Town of Orchard Park has just completed a lengthy and complex process to secure a new vendor. Over the coming months, Drescher & Malecki will provide a comprehensive report for the Town Board's review.

It is also important to recognize that the financial landscape surrounding the creation of a district has changed significantly. When the Town previously considered a district approximately 20 years ago, financial conditions were more favorable. Nearly 3,800 residents participated in a vote. Even with a then large windfall to our residents, the proposal was ultimately rejected by a margin of 333 votes.

Even with lower projected costs, many residents expressed concerns such as: "Why fix something that isn't broken?"; "I already manage my garbage through my business"; and "Sharing services with neighbors is more cost-effective." There was also a strong sentiment favoring limited government involvement, a perspective that continues to resonate with many Clarence residents today.

Based on preliminary findings, the cost of establishing a municipal district would be approximately \$320 per year, which is slightly less than what private haulers charge now. The municipal contracts though are for less services than what our residents have currently with a private hauler. A key cost breaker for municipal districts is the provision of bulk pickup services. It is either unavailable or there is an extra charge for bulk pickup which if used puts you over the cost of a private service.

At present, Waste Management costs \$462 a year with recycling every other week. There is an additional charge for bulk pickup. Modern Disposal costs \$544 a year and includes recycling and one bulk pickup per week. Both companies offer military and senior citizen discounts. Additionally, the suspension of service for those who spend winters in another state, though available from private vendors is not offered in most Town districts. The municipal charge for garbage collection is annually and is on your property tax bill making it impossible to adjust for those not needing the service.

There is no silver bullet when it comes to municipal districts. Vendors are not going to enter into multiyear contracts if they are not making money. In one Town, a vendor opted out of a planned extension because even though a rate was in the contract, they wanted even higher compensation for their services. Typically, contracts include a Consumer Price Index adjustment, which usually results in an annual increase in the range of 3% to 5%. There are other provisions for additional charges like fuel and tipping fees increases which allows the hauler to charge more for their service.

Of particular concern is the potential fiscal impact on the Town's budget. In the first year alone, implementing a district could increase Town expenditures by as much as four million dollars, which in our Town budget would exceed New York State's 2% tax cap. The Town would have to finance that money with a loan until they were reimbursed through your tax bill. Surpassing this cap could result in many residents possibly losing their STAR property tax credit. The Town would more than likely have to absorb due to the CPI provisions cost increases of \$250,000 every year. To stay below the tax cap after the district inception to balance the budget the extra expense may have to come from another Town service like parks or highway. As someone who has consistently maintained Town budgets below the tax cap, I have serious concerns about the long term sustainability of absorbing these ongoing cost increases and the trickle-down effect on the Town budget. Closing out existing private contracts would also create a significant financial burden for our residents.

The Town Board remains committed to conducting a thorough, fact-based evaluation of this issue and ensuring that any decision reflects both fiscal responsibility and the best interests of our residents. When Drescher & Malecki finishes their comprehensive review I look forward to bringing the information to you.