



MEMORANDUM

To: Mayor & Council
From: Benjamin Reeves, City Manager
Date: April 20, 2021
Subject: Solid Waste Discussion – Republic Services vs. Payson City

Actions-To-Date:

On March 30, 2021, the Santaquin City Council held a special meeting to discuss a proposal by Republic Services which would save the city an estimated \$28,000 annually, or \$140,000 over the five-year term of the proposed agreement (See Memo dated March 30, 2020 regarding the initial offer). However, a few minutes before the meeting, the Payson City Manager graciously submitted an informal offer to match the Republic Services offer while submitting an offer to waive its deadline for providing a cancellation notification so that Santaquin City would have additional time to compare the merits of each proposal.

As a result of this new information, the Santaquin City Council elected to table the proposal from Republic Services while approving a Notice of Termination with Payson (to meet contractual obligations), while prefacing the notification to state that it would be rescinded if Santaquin City elected to accept the Payson City proposal and modify its agreement accordingly.

Update:

On April 7, 2021, the Payson City Council met and discussed the terms offered. Ultimately, the Payson City Council decided it was in their best interest to retract the offer made by City Manager Tuckett.

Note: It was unfortunate, but City Manager Tuckett was not in attendance at the Payson City Council Meeting wherein inaccurate information was shared with their governing body. Those inaccuracies included the estimation that Santaquin residents made 13,000 trips to the Payson Landfill over the past year and that 60% of the waste deposited in their facilities came from Santaquin Residents.

For historical purposes, it is important to note that on March 25th I asked Mr. Tuckett if Payson City kept track of the number of loads coming from Santaquin residents in an effort to understand and mitigate negative impacts, and he indicated that he did not believe this type of information

was tracked. During a follow-up meeting with Mr. Tuckett on March 31st, Mr. Tuckett affirmed this statement after discussing this matter with his Landfill Director. He clearly stated that this information was not collected nor available.

Nevertheless, assertions were made by Payson Council Member Provstgaard which were inaccurate according to the information provided by Mr. Tuckett.

When I asked Mr. Tuckett on April 15th where the 13,000-number stated by Payson Council Member Provstgaard, came from, Mr. Tuckett indicated that he had no idea and that he would contact both Mr. Provstgaard and Mayor Wright regarding its origin. Again Mr. Tuckett affirmed that he believed this information was inaccurate.

Mathematically speaking, Santaquin City residents would have had to made 41-42 trips per day every day of the entire year in order to generate 13,000 loads. Or, in other words, every home in the city, all 4000, would have had to have taken more than 3 loads per year to the landfill over the past year. Furthermore, the population of Santaquin is significantly smaller than the population of Payson. As such, the 60% estimation makes no logical sense.

However, in an effort to confirm the accuracy or inaccuracy of the numbers shared publicly by Payson City, Santaquin City has formally issued a GRAMA request to determine where and how this number was generated. That GRAMA Request has not yet been fulfilled, though an expedited processing was requested.

Irrespective of the accuracy of the numbers, Mr. Tuckett apologized for any confusion or delay that may have been caused, yet indicated that the Payson City Council decision stands.

Santaquin City respects the position of the Payson City Council.

On April 9, 2021, I confirmed with Mr. Reece DeMille from Republic Services that their organization's offer remained valid and that his organization would be willing to hold that offer until the Santaquin City Council's next regularly scheduled meeting on April 20, 2021 (rather than hold a special meeting on April 13th as discussed during the March 30th Santaquin City Council Meeting).

Analysis:

Republic Services Offer:

- A reduced tipping fee of \$33.00/ton vs. \$36.21/ton, an estimated annual savings of \$16,000+
- Waiver of the 3% annual price increase for 2021, an estimated annual savings of \$11,700

Combined, this would generate an estimated \$28,000 savings per year or \$140,000 savings over the life of their five-year service agreement. However, the aforementioned numbers do not account for the increase in solid waste tonnage generated by the new homes and residents that will come to Santaquin over the next five years. As such, the aforementioned savings are likely to be significantly higher due to the growth wave that has reached the Santaquin City limits.

- In addition to the savings, Santaquin City's solid waste and biosolid waste would go to an environmentally sound lined landfill. While the long-term environmental and financial impacts and liabilities of contributing to an unlined landfill are unknown, there are potential risks of

future federal regulations that may be implemented by the EPA.

Benefits:

In short, the benefits to Santaquin City are both financial (\$140,000+) and through the reduction of potential liability.

Drawbacks:

The drawback to Santaquin City is the increased cost per load for Santaquin City residents who used the Payson City facility at the resident rate of \$3/load to the non-resident rate of \$10/load.

Mitigation Efforts, *if approved*:

- **Fall Week Cleanup** – Similar to Santaquin City's Spring Cleanup Week, Santaquin City is planning to hold a Fall Cleanup Week which will conveniently bring in dumpsters directly into the community wherein Santaquin City personnel is on-hand to assist our patrons.
- **Reimbursement Program** – If approved, Santaquin City residents who utilize the Payson City Landfill could bring their receipt to Santaquin City for a \$7.00 reimbursement credit on their utility billing account. (Exact parameters of the program should be considered and discussed by the Santaquin City Council e.g. number of loads allowed per year per residence, number of total reimbursements per fiscal year, etc.)
- Other Ideas?

Recommendations:

From a financial and liability mitigation perspective, moving forward with the Republic Services proposal would be the recommended course of action. However, other factors, such as convenient use of the Payson Landfill should be considered. Relationships and political considerations should also be evaluated.

Closing Thoughts...

When an offer of financial saving and a reduction of potential liability is made to the Santaquin City Staff, I believe it is our duty to bring as much information as possible regarding the matter before the elected leaders for their consideration. I believe I would have been derelict in my duties had I not taken these steps. However, in my opinion, I believe that Santaquin City acted professionally, respectfully and as a good neighbor throughout this evaluation as evidenced by the following:

- Santaquin City reached out to Payson City in advance of taking any formal action or placing the matter on a public agenda.
- Santaquin City did not actively work to use the offer of one provider as leverage towards another yet remained open and willing to discuss the matter with Payson in an open and transparent manner.

- When a matching offer was made by Payson City, Santaquin City immediately tabled the matter to respectfully consider the offer.
- Santaquin City actively negotiated with Payson City in good faith.
- Santaquin City has not put forth any inaccurate or misleading information.
- When the matching offer was rescinded by Payson City, Santaquin City respected the wishes of the Payson Council.
- Throughout every step of this analysis, Santaquin City has been the initiating party of every communication effort in a respectful and transparent manner with Payson City.