



Memorandum

Department of Public Works

Date: December 4, 2023
December 6, 2023 – Amended Recommendation

To: Public Utilities Committee
City Council
Greg Buckley, City Manager

From: Matthew R Heckenlaible, PE – Public Works Director / City Engineer

Re Garbage / Recycling Contract Amendment

The City of Two Rivers awarded a “Solid Waste & Recycling Collection & Hauling” Contract in March 1995 to Manitowoc Disposal, Inc.. Since that time, several amendments have been extended to Manitowoc Disposal with the 2014 amendment extending the contract from 2019 to the end of March 2025 which included two percent (2%) annual increases.

Manitowoc Disposal has requested another amendment that would extend the contract to March 2030. Their request includes beginning in January 2024 a ten percent (10%) increase over the present value of their contract, and then two additional ten percent (10%) increases beginning in April 2025 and April of 2026. In April 2027 to the end of March 2030 four percent (4%) annual increases are being requested. These significant increases are to keep up with inflation (wages and benefits) and for the replacement of solid waste and recycling collection vehicles.

Year	Present \$	Annual Increase	Proposed \$	Annual Increase	Two Rivers Cost per pick-up
2022	\$382,970	\$7,659.00	-	-	\$7.56
2023	\$390,629	\$7,659.40	\$388,862 (Dec 31)	\$5,891.85	\$7.71
2024	\$398,442	\$7,812.59	\$436,939	\$48,877.44 (Jan 1-March 31, 2025)	\$8.39*
2025	-	-	\$480,633	\$43,693.92	\$9.04*
2026	-	-	\$528,696.37	\$48,063	\$9.26*
2027	-	-	\$549,844	\$21,148	\$9.39*
2028	-	-	\$571,838	\$21,994	\$9.50*





**TWO
RIVERS**
WISCONSIN

PUBLIC WORKS

Engineering Division

1717 E. Park Street

P.O. BOX 87

Two Rivers, WI 54241-0087



2029	-	-	\$594,712	\$22,874	\$9.61*
2030	-	-	Expires March 31, 2030	-	

* Presumes that collected tons or tipping fees do not change from projected 2023 year end.

In 2013 and again in 2020, Public Works sent out surveys to multiple municipalities and inquired about their solid waste and recycling programs along with associated costs. In 2023, an internet search was utilized to up-date the 2020 survey data and include additional municipalities. In total 26 municipalities around the state were looked at, most with populations similar to Two Rivers with a handful having population more than twice that of Two Rivers. Those larger municipalities all provided their own solid waste and recycling services.

Both West Bend and Little Chute appear to collect their own solid waste and contract out the collection and management of recyclable goods.

Besides a lot of small townships or villages, where property owners can either haul their own refuse and recyclables to a transfer station or contract with a private hauler, most municipalities have migrated to automated collection of both solid waste and recyclable items. Two Rivers is unique in that our recyclables and solid waste are not collected via automated means. Discussions were had with Manitowoc Disposal about making the switch to automated collection. The short response is that it could be done for an additional increase in costs. The automated collection trucks have less hauling capacity so in order to handle the same volume. Therefore, additional trucks or trips to the City would need to be scheduled to collect the same volume of waste and recyclables. Additionally, automated trucks have more moving parts which increase maintenance costs for the vehicles. Unless the City desired to switch to a vendor/contractor that is presently set up to do automated collection, this would not be a feasible option to explore with Manitowoc Disposal at this time.

Most of the comparable municipalities offer weekly garbage collection and bi-weekly (every other week) recycling collection. Two Rivers offers weekly collection for both garbage and recycling. Discussions were had with Manitowoc Disposal as to switching to bi-weekly recycling collection would be a cost-saving measure for the City of Two Rivers. Utilizing our current recyclable bin collection system, either larger bins would be necessary or twice the number of our current sized bins would be necessary per property to hold two weeks of recyclable products. Larger bins would be discouraged due to safety (lifting) concerns. Because the same volume of recyclable product would be collected over the same two-week period but physically pick-up only once, multiple trucks or trips would be required as well and as such would not result in a cost savings, but may actually result in



www.two-rivers.org



920.793.5539



920.793.5537





**TWO
RIVERS**
WISCONSIN

PUBLIC WORKS

Engineering Division

1717 E. Park Street

P.O. BOX 87

Two Rivers, WI 54241-0087



additional costs associated with covering overtime wage costs. The other reason provided by Manitowoc Disposal was that most of those other communities have the larger automated collection (64- or 96-gallon) bins which can hold the larger volume. As previously discussed, automated collection may not be a path the City wishes to explore at this time.

Monthly costs for combined solid waste and recycling collection and disposal ranged from \$7.59 (Portage) per pick-up location to \$22.48 (Grand Chute) per pick-up location. A pick-up location is primarily one- and two-family residential properties. Two Rivers is presently at \$7.71 per pick-up location.

The average monthly rate for pick-up location is \$12.41.

The average monthly rate for contracted automated solid waste and recycling collection is \$13.41 per pick-up location.

Looking at Plymouth, Port Washington, Sheboygan, Sturgeon Bay and Suamico for location the average cost of these five municipalities is \$12.52. Sheboygan and Sturgeon Bay both utilize City staff and equipment to provide solid waste and recycling collection to their residents. Plymouth, Port Washington and Suamico contract out their collection services for an average cost of \$14.39 per pick-up location.

Within the 2024 Proposed City Solid Waste Budget, it is intended to shift the cost of street sweeping over to the Storm Water Utility fund and increase the garbage sticker costs by \$0.50 (\$2.50 to \$3.00) to cover the proposed increase in costs associated with proposed contract amendment for Manitowoc Disposal.

December 6, 2023, Memo Amendment

This was presented and discussed at the Public Utilities Committee meeting held on December 4, 2023. The committee to formal action to support an amendment to the Solid Waste & Recycling Collection and Hauling contract with Manitowoc Disposal, Inc. This amendment would extend the existing contract to March 31, 2030 and include monetary compensation increases.



www.two-rivers.org



920.793.5539



920.793.5537

