

Mayor

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Business Administrator

Daniel Hornickel



Council

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To: Township Residents

From: Daniel Hornickel, Business Administrator (DH)

Date: January 25, 2024

Re: Trash Collection Status Update

Greetings Township Residents,

Many of you are aware that the Township approved a three year contract (4/1/24 – 3/31/27) with Seaside Waste to continue collecting and hauling garbage from Township homes. The decision was hardly an easy one and the Township explored other options prior to entering a new contract with Seaside Waste. Additionally, the Township will need to raise trash collection rates later this year to cover the increased contract costs.

Over the past few years, the Township has observed the award of garbage collection contracts within our region. Simply stated, garbage collectors are not bidding on towns and when they do, they're increasing prices exorbitantly. In 2022, Springfield Township teamed up with Southampton Township for a joint trash collection bid. The bid was published on two different occasions. Not one garbage company submitted a bid. In 2021, Delran Township solicited bids, twice, with no responses. Delran ended up accepting an offer from their current garbage company with a 75% price increase. Pemberton Borough, similarly, received no responses to their last bid solicitation in 2022 and eventually accepted a proposal from their current hauler.

The experience in Burlington County isn't unique. Trash haulers are either not bidding on municipal contracts or submitting bids with enormous price increases. We have even spoken with representatives from the larger haulers who have told us they are not interested in bidding our town. The primary reasons for the dramatic cost increases are identifiable. The last time in late 2018 when the Township went out to bid, diesel fuel prices were under \$3 per gallon, dipping under \$2.50 per gallon in mid-2020. However, starting in early 2021, diesel prices steadily increased peaking at about \$6/gallon in the summer of 2022 and remain around \$4 per gallon today.

In addition to dramatic fuel price increases, the cost of hiring CDL drivers dramatically increased over the past three years. First, a federal rule went into effect in early 2022 that required all new CDL holders to attend formal training in order to obtain the license, when previously companies could train drivers in-house. This added a new expense of roughly \$5,000 per pupil. Additionally, waste haulers began losing drivers to other industries, particularly warehouse shipping, and began offering new hires \$5,000 - \$10,000 bonuses and higher wages. On top of that, federal inflation and the response to the COVID pandemic drove up the costs of replacement parts for dump bodies and vehicles while the supply chain seized, resulting in an 18 – 24 month lag time for new trash trucks when previously they could be purchased in 6 – 9 months.

With respect to Seaside Waste, the Township has been monitoring and recording complaint calls for locations where garbage wasn't timely collected. The company is obligated to collect trash at roughly 8,500 homes. Often times, in the majority of calls, the garbage was collected the next day; in some locations, it wasn't. We received a total of 327 resident complaints and most, but not all of those, were addressed the next day or the next collection day. Seaside continues to have challenges in certain locations due to weather, terrain and equipment failures.

As previously reported by the Mayor and Public Works Director, Seaside Waste accepted delivery of 13 new garbage trucks in November of 2023. When questioned as to why the company continued to send older, failing trucks to Pemberton, the company responded that it would reassign new garbage trucks to Pemberton if the Township renewed the contract. In further speaking with the President of Seaside Waste, new trash trucks should be showing up in Pemberton by mid to late February.

The cost of the new contract is both much higher and for less service than the previous contract. When the Township published the bid, it provided prospective haulers with the option to haul twice per week; once per week with twice between Memorial Day and Labor Day; or once per week. The price difference to continue twice per week collection was **\$7.05 per household, per month higher**. To place it into context, the expiring rate for trash collection, per household per month is \$11.09. The new rate for once per week collection is \$14.11. The proposed new rate for twice per week collection is \$21.16 – a **91%** increase.

As previously stated, the Township explored other options. We spoke with other towns about the possibility of a shared services agreement. Most of our neighboring towns that collect trash, plainly, don't have the capacity to collect the volume of trash, number of service locations and distances in between. The larger constraint, however, was and is the unavailability of procuring new garbage trucks that are needed to service the town. With a new three year contract in place, Township officials, with the help of a Township Council subcommittee on Leaf and Garbage collection, will meet to explore all viable options moving forward and plan a timetable to implement same.

The information above was explained during the public meeting held on January 17, 2024 at the municipal building. Council meeting audio recordings can be found on the Township website (www.pemberton-twp.com) or at <https://audiomack.com/pembertontwp1>.

DH.