

Borough of Carlisle
Council Workshop Minutes
September 5th, 2024
6:00 PM

Present at the meeting: Mayor Shultz, Deputy Mayor Landis, Councilors Hicks, Mellen, Perry, and Stuby. Also present were: Borough Manager Armstrong, Assistant Borough Manager and Finance Director Juday, Sustainable Community and Economic Planning Director Woolston, Borough Engineer Bergsten, Parks and Recreation Director Crouse, HR Director Berrier, Fire Chief O'Donnell, Public Information Coordinator Taylor, and Borough Secretary Blair.

Councilor Roos was absent.

I. Call to Order & Pledge of Allegiance

Mayor Shultz called the Workshop Meeting to order at 6:00 p.m. and led the Pledge of Allegiance. He then mentioned the school shooting today in GA, an expected aftermath, and a desire to find a solution.

II. Meeting Minutes

Borough Council voted 6-0 to approve the July 31, 2024, Workshop Meeting Minutes.
(Landis/Mellen)

Mayor Shultz announced there was an Executive session to discuss the acquisition of real estate on July 31st, 2024.

III. Presentation

1. Steve Deacy, Sustainable Resources Consulting, presented an overview of current costs vs. future bids for Borough waste disposal services, along with details outlining the potential for in-house service. (copy attached to these minutes)

IV. Mayor's Report

1. Borough Council voted (6-0) to appoint Safronia Perry the voting delegate and Brenda Landis the alternate delegate to the PML 2024 Resolutions Committee and Annual Business Meetings that shall be held during the Pennsylvania Municipal League's 2024 Municipal Leadership Summit from October 10 through October 13, 2024. (Hicks/Stuby)

V. Public Safety

1. Borough Council voted (6-0) to authorize the closure of W. Church Avenue between S. Pitt Street and S. Courthouse Avenue on Saturday, September 21, 2024, from 7:00 am – Midnight for a Gala celebrating the 85th anniversary of the Carlisle Theatre. The Carlisle Regional Performing Arts Center shall be responsible for 100% of the variable cost and 10% of the fixed costs for this event. (Shultz/Hicks)

VI. Sustainable Community & Economic Planning- Jared Woolston, Director

1. Land Use Reform Update

- a) E High St and N Hanover- Municipal Assistance Program Grant App submitted for small area planning.
- b) ADU's (accessory dwelling units), short term rental program changes and unintended consequences. More to come in October.
- c) Artisan industry limit of 10,000 square feet of space with 10 employees or less.
- d) Bicycle Parking recommendation for two bicycle parking spots for every ten parking spaces remains unchanged.

VII. Public Comment

Councilor Joel Hicks took a moment to thank the Borough Council and Staff, wishing them all well, due to his impending September 13, 2024 resignation. Given his upcoming opportunity to teach at the University of Oregon, this would be his last, in person meeting with the current Council. Mayor Shultz thanked him for his service on Council as well as on the Climate Action Commission.

VIII. Adjournment-There being no further business or public comment, the meeting adjourned at 7:11 p.m.

Sean M. Shultz, Mayor

Patricia Blair, Borough Secretary

Carlisle Borough Municipalization

Presented by: SRC (717-329-4133)

Presented by: Steven Deasy, SRC



Project/Presentation Objectives



WHY MUNICIPALIZATION?



CONCEPTUAL COSTS OF
BOROUGH COLLECTION



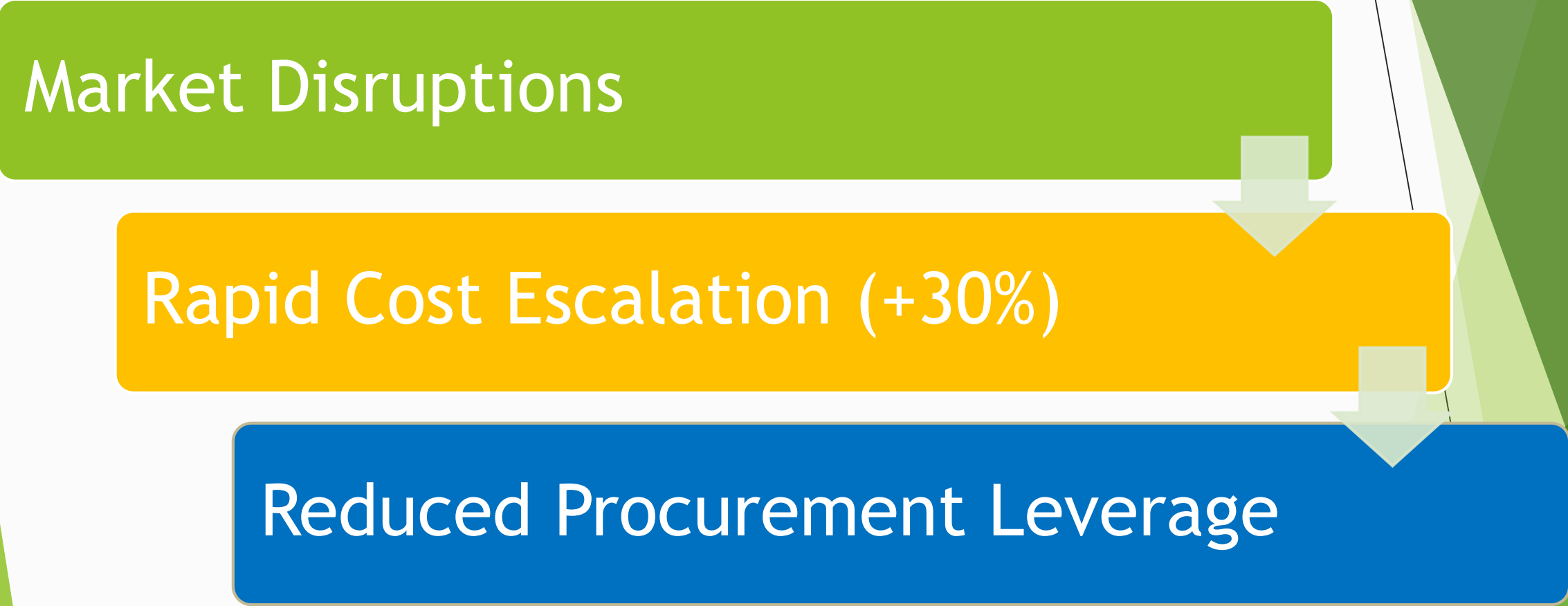
IMPLEMENTATION
CONSIDERATIONS

WHY CONSIDER
MUNICIPALIZATION?



Significant Global, Regional and Local Waste System Change

Market Disruptions



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graph TD; A[Market Disruptions] --> B[Rapid Cost Escalation (+30%)]; B --> C[Reduced Procurement Leverage];
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Rapid Cost Escalation (+30%)

Reduced Procurement Leverage

Benefits

Long-term Cost Management



Improved Customer Service



Economic/Employment Opportunity



CONCEPTUAL COSTS



Conceptual Costs

Private Hauler Costs



Capital Cost



Annual Operating Cost



Cost Details

Private Hauler (Contract) Costs

Carlisle Borough (Current)



Borough Trash Fee - \$320/yr.
(\$1.9M/yr. - includes hauler profit).



Borough Bag Fee - \$7.92

Cumb. Co. Municipalities



2024 Contract Trash Fee - \$420/yr.



Recent Contract Bag Fee - \$34

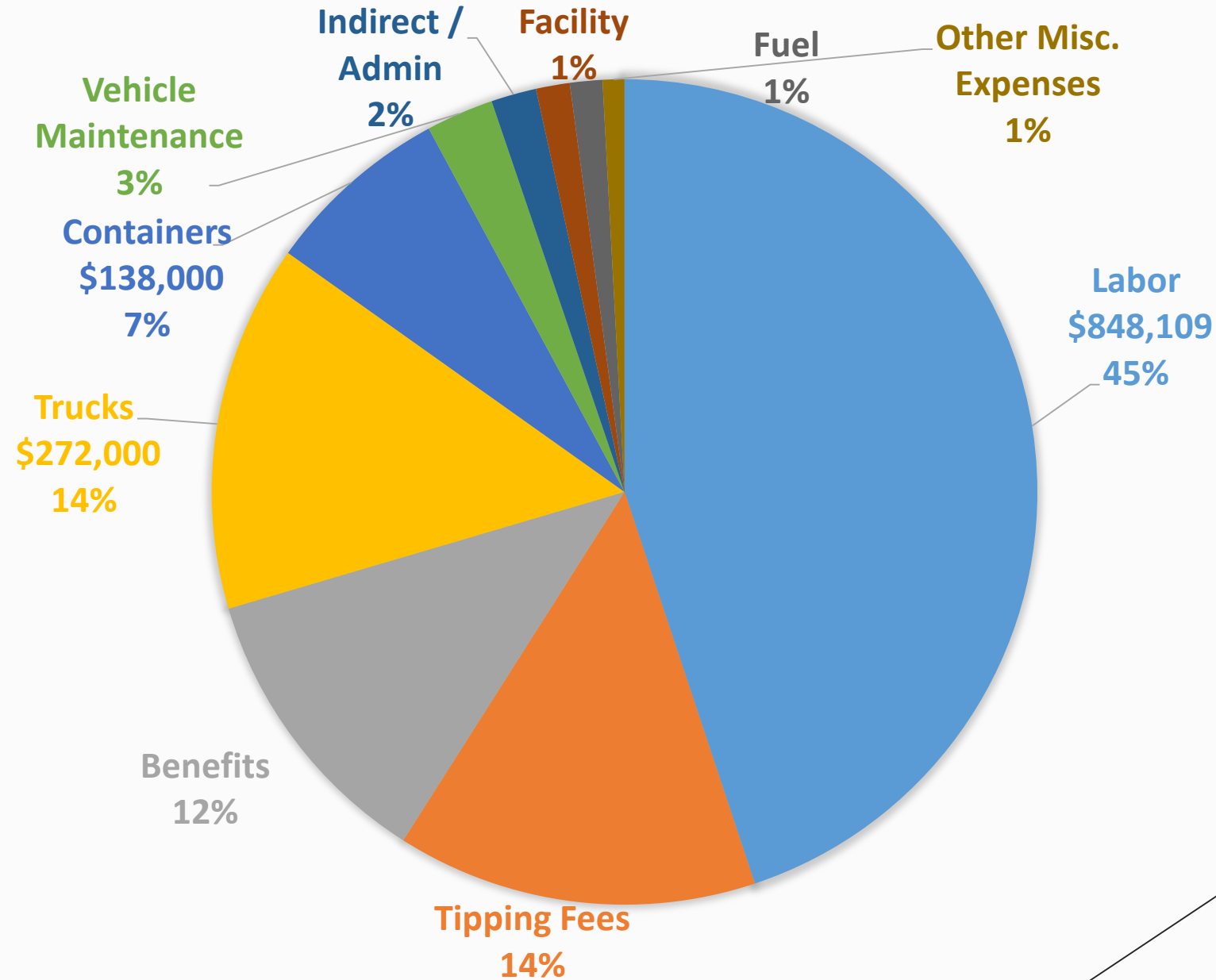
Usually with minimums like 12 bags per year.

\$1.9M

\$111k

The price to compare is the expected cost of the Borough's next contract - \$415 to \$460 per unit or \$2.5M to 2.8M annually.

Annual Borough Expense Distribution (~\$2M)



CURRENT REVENUE (Waste Conn.)

→ ~\$2M



Trash Fees - 6,000 units @ \$320

→ \$1.92m



Bags - 14,000 units @ \$7.92

→ \$111k



Recycling Grant - Act 101/904: ~40,000

→ \$40k

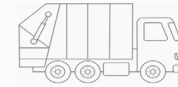
EST. BOROUGH EXPENSE → ~\$2M



Staffing - Four 2-man crews + 1 extra, 1 supervisor (10)

→

\$1.2m



Trucks - Four, 5-yr. loan payments, \$54k ea.

→

\$218K



Repairs - Outsourced, annual

→

\$50k



Borough Trash/Recycling Carts - 6,000 units

→

\$138k



Tipping Fees - 4,900 tons @ \$55 ton

→

\$270k

Building/Misc.

→

\$33k

Summary Current Revenue and Projected Expenses

	Year 1	Year 2	Year 3
1. Current Revenue	\$ 2,070,880	\$ 2,070,880	\$ 2,070,880
2. Projected Expenses	\$ 2,038,169	\$ 2,067,556	\$ 2,108,274
Net over/(under)	\$ 32,711	\$ 3,324	\$ (37,394)

1. Revenue: Trash Fee remains at \$320 per unit, bag sales volume and cost per bag unchanged
Recycling Grant awarded at \$40k each year.
2. Projected expenses reflect operating expenses (staff, fuel, bags, supplies, etc.) and amortized capital expense of 4 trucks and trash/recycling cans.

Cost Observation

Private haulers can perform collection service cheaper, but municipalities do not set fees with profit margins, have grant offsets, and actively manage costs.



Due to contract price escalations in the last 5 years, municipalities can provide collection services at a lower cost per unit than the private sector.

Operational Considerations/Recommendations

Do not collect like the private sector. Transition to safer, efficient cart collection, and two persons per truck.



Borough collection routes will be slightly smaller (less HH) than private collector.



Truck specs are critical. Dual drive, dual access, low driver entry, dual cart lift, snowplow ready, all combine to maximize safety, efficiency, and ease of maintenance.



The repetitive nature of collections allows for continuous quality improvement where benefits accumulate over time.

Important Implementation Considerations

Hiring & Onboarding & Training

Recyclables Processing & Disposal Contracts

Implementing documents: Ordinances, education, web portal

Conclusions

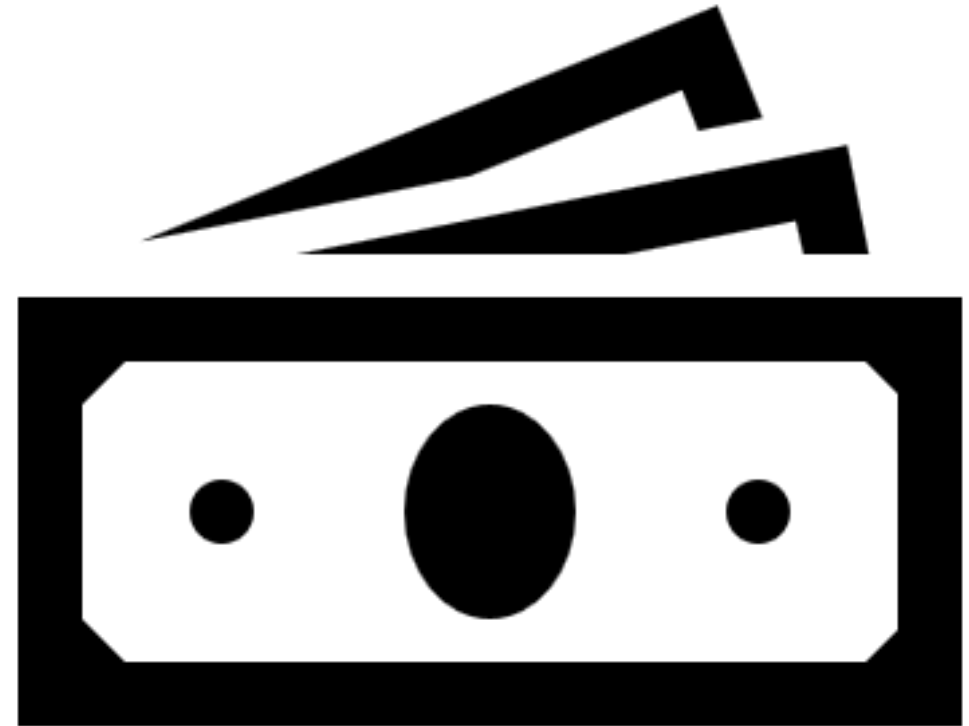
\$320 Per HH
Revenue Sufficiency

Implementation
Challenges & Hard Work

Long-term Cost Savings
for residents + collection
System Improvements

DISCUSSION/
QUESTIONS ?

COST DETAILS



Revenue Detail

Revenue	Units	Unit Price	Total
Trash & Recycling Fee	6,000	\$ 320	\$ 1,920,000
Additional Trash Bags/Carts ⁽¹⁾	14,000	\$ 7.92	\$ 110,880
Interest	\$ 576,000	0%	\$ -
Annual 904 Recycling performance grant			\$ 40,000
			\$ 2,070,880

(1) Assumes 60 high-volume households will purchase additional carts prorated to seventy percent of base rate (\$224 annually). Additional bags will not be sold.

Labor Cost Detail

Labor (2-persons per truck)	Units	Rate	Total	Year 2	Year 3
Salary - Operations Mngr.(salary)	1	\$ 80,000	\$ 80,000	\$ 82,400	\$ 84,872.00
Wages - Laborers (Pickers)	6	\$ 25.00	\$ 312,000	\$ 321,360	\$ 331,001
Wages - CDL Drivers	5	\$ 30.00	\$ 312,000	\$ 321,360	\$ 331,001
Benefits (Health, Life, & Disability Insurances	12	\$ 18,000	\$ 216,000	\$ 222,480	\$ 229,154
	\$ Base	Rate			
FICA Taxes	\$ 704,000	7.65%	\$ 53,856	\$ 55,472	\$ 57,136
Pension (employer contribution)	\$ 704,000	5.00%	\$ 35,200	\$ 36,256	\$ 37,344
Workers Comp Ins. (7.82 % of wages)	\$ 704,000	7.82%	\$ 55,053	\$ 56,704	\$ 58,406
			\$ 1,064,109	\$ 1,096,032	\$ 1,128,913

Assumptions:

one operations manager

Salaries increase 3 percent annually.

No overtime

Borough-supported insurances for employee-only @ \$1,285/ month

Capital Expense Detail

Capital Expenses		Units	Rate	Year 1	Year 2	Year 3
Trash Truck #1	5-year Loan Payment	1	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000
Trash Truck #2	5-year Loan Payment	1	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000
Recycling Truck #1	5-year Loan Payment	1	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000
Recycling Truck #2	5-year Loan Payment	1	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000
Trash Containers	5-year Loan Payment	6,000	\$ 65.00	\$ 78,000	\$ 78,000	\$ 78,000
Recycling Containers	5-year Loan Payment	6,000	\$ 50.00	\$ 60,000	\$ 60,000	\$ 60,000
Facility Improvements (PWF Borough Garage)		1	\$ 25,000	\$ 25,000	\$ 10,000	\$ 5,000
				\$ 525,100	\$ 510,100	\$ 505,100

Assumptions

Trucks are 28+yard rear-load or side-load style dual steer right side access with Borough customizations.

Each truck \$268K and financed through a five-year loan at 4% interest.

Borough issued and owned containers are financed over five-years at 4% interest.

Facility improvement are not financed.

Trash Carts Total (\$390K). Recycling Container Total (\$300K)

Tipping Fee Detail

Tipping Fees - Disposal Expense	Tons	Cost Per Ton	Total	Year 2	Year 3
1. Recyclables Processing Fee	1,200	\$ 60	\$ 72,000	\$ 74,160	\$ 76,385
2. Trash Disposal Fee @ 3,540 Tons/year	3,540	\$ 55	\$ 194,700	\$ 200,541	\$ 206,557
			\$ 266,700	\$ 274,701	\$ 282,942
1. Recyclables processing at \$100/ton minus \$40 per ton rebate. Fee assumes 3% annual escalation.					
2. 3,540 tons disposed annually at contract rate of \$55/ton. Fee assumes 3% annual escalation.					