

MIDDLEFIELD BOARD OF FINANCE AND BOARD OF SELECTMEN
405 Main Street
Middlefield, Connecticut 06455

Minutes of the April 13, 2021 Special Joint Meeting via Zoom

Jim Irish called the special meeting to order at 7:00 pm.

Attendance:

Members

Others

X	Irish, Jim	X	Bailey, Ed
X	Kowal, Melissa	X	Bufithis, Carol
X	Lowry, David	X	Yamartino, Bob
A	Nick, Joel		
X	Skelps, Michael		
X	Wolak, Mary	X	Rusilowicz, Al

A=Absent

X=Present

The Pledge of Allegiance was recited.

Dom DelVecchio was also present at the meeting as were other members of DMIAAB and the public.

Approval of the Agenda

Mary Wolak made a motion, seconded by Michael Skelps, to approve the agenda, as presented. Motion carried unanimously.

Discussion with Dom DelVecchio regarding DMIAAB 2020-2021 Activities and Proposed FY22 Budget

Dom DelVecchio apologized for the confusion around the joint meeting that had been scheduled in March. He added that the meeting that he had with Durham was not terribly productive and hoped that they could continue to meet jointly in the future.

Mr. DelVecchio stated that the day after he met with Durham's Board of Finance, they made the decision that they were going to hold their contribution to the same amount as they contributed in the prior fiscal year. The problem with that is there is a \$38,000 additional expenditure associated with the MIRA MSW tip fee this year. It also includes a recycling tip fee which was never charged in the past. Last year, the MSW tip fee was \$91/ton and the combined tip fee this year is \$105/ton. MIRA based the combined number solely on the tonnage of the MSW and did not take into consideration the weight of the

recyclables. He did reach out to other facilities to see what that might cost and Country Disposal came in at \$95/ton for MSW only but did not give a disposal fee for recyclables. Willimantic Waste came back with \$88/ton for MSW and \$40/ton for recyclables. Mr. DelVecchio felt that the numbers from MIRA are in line with the fair market value and added that these costs will continue to increase over the next four or five years.

Dom DelVecchio added that he felt that Durham may not be willing to contribute any further tax dollars to the cost of operating DMIAAB. At the end of Durham's Board of Finance meeting, they went right back to asking for a \$10 increase in the sticker fee this year. He has asked to meet in September with Durham and Middlefield together to focus on how DMIAAB will be funded as well as capital equipment replacement. Mr. DelVecchio also explained that there is nothing in the by-laws or interlocal agreement that prohibits the board from charging Durham residents a higher sticker fee.

Dom DelVecchio began reviewing his budget, starting with income. He explained that all haulers are assessed a \$100 registration fee. They receive income from the sales of composting units, metal sales and electronic recycling, totaling approximately \$29,000. They also receive income from brush, demolition, appliances, tires and furniture. Sticker fees were raised last year to \$50. Contributions from Durham reflect 62.1 percent and Middlefield at 37.9 percent. Reimbursed expenses include any unanticipated costs, like the Durham Fair.

DMIAAB had a fund balance last year of \$28,384, with a significant portion due to unanticipated income from a MIRA distribution to all town members. They also decided not to purchase a container last year and that total was rolled back into this year's budget. Total income projected for this budget is \$766,324.

Moving on to expenses, the biggest increase is in the tip fee, as already explained. They have not budgeted for any new containers as they believe they can make repairs to three that are used for recycling to try to ensure they are operational and safe.

The current rate for demolition disposal is \$95/ton. There is no expense for the scale any longer, but there is a truck lease payment at \$31,924. They had proposed to purchase a truck last year but that was declined, so they would like to reevaluate that this year. He reiterated that the Town of Durham is not going to fund the \$38,000 increase in tipping fees and they also did not comment on the purchase of the truck. They did say that if DMIAAB increased the sticker fee by \$10, they would consider that line item. Mr. DelVecchio felt that the line item for \$31,924 will be deleted, depending on tonight's discussion. Going on through the line items, Mr. DelVecchio explained that they track repairs on each of the trucks separately. They do try to make some site improvements every year.

Looking at wages, there is an increase in site wages that is directly related to the minimum wage increases. All staff are generally minimum wage, with the exception of the truck drivers and the one full-time staff person. There is one person who has fringe benefits. The biggest portion of the accounting costs is for the audit. They are also required to do on-site water sampling for stormwater discharges. Expenses this year total \$766,324.

Mr. DelVecchio explained that any capital purchase requires a vote from both Boards of Finance and Boards of Selectmen from the two towns for any expenditure that lasts more than one year.

Mary Wolak asked if they were looking into leasing a vehicle rather than purchasing and Dom DelVecchio explained that it would be a lease/purchase. It would be structured as a five-year lease and, at the end of the term, they would own the vehicle. Municipal rates are typically very low and would be

2.79 percent this year. They did investigate a true lease and couldn't find anyone in the state that was willing to do that, and it was quite expensive to do that with an out-of-state entity. Mrs. Wolak asked if the other haulers do lease/purchase and Mr. DelVecchio stated that everyone does something different. He added that Guilford and Madison hire an outside entity to haul their waste at \$200/container per haul. DMIAAB has 655 trips each year which would be approximately \$131,000 just for the haul fee. Guilford and Madison have positions paid through Public Works for their internal operations. Other towns do not even accept MSW in their transfer station.

Dom DelVecchio explained that the total cost of this current budget breaks down to \$14.91 per household per month, with the towns paying \$9.04 and the individual users paying \$5.87. If they were to assess each household in Durham a fee of \$178.80, that would pay for the entire cost of operating the facility. He also added that about 77 percent of the residents in the two communities use the facility.

Jim Irish asked if Durham is saying that their contribution will be \$267,000 rather than the \$288,000 and Mr. DelVecchio confirmed that. Mr. Irish also asked if Middlefield voted for a \$10 increase in the sticker fee, would DMIAAB keep the new truck in the budget. Mr. DelVecchio stated that there was no way for them to balance the budget if they decided to purchase the truck without a sticker fee increase.

Al Rusilowicz asked what the numbers are for Durham vs. Middlefield for permit holders. Dom DelVecchio explained that the interlocal agreement states that the proportion of expenses will be shared based upon the Department of Public Health town populations and the percentage of those. The numbers of 62.1 percent for Durham and 37.9 percent for Middlefield are based solely on published population numbers. The board also has the ability to reconsider the cost sharing if those numbers do not accurately reflect how the facility is used. Mr. DelVecchio reported that sticker fees for Durham residents were \$1,964 and \$1,216 for Middlefield, resulting in 61.8 percent for Durham and 38.2 percent for Middlefield. He also reported that there were 42 commercial plates for Durham and 21 for Middlefield.

Melissa Kowal stated that MIRA had assured towns that they would receive services through June, 2027 and asked what plans DMIAAB has for after that point. She noted that a number of items in the budget are down this year and asked where the surplus budget money went last year. Dom DelVecchio explained that their fiscal year ends on June 30th and the October number shown is only for four months. He explained that Durham asks for their budget by the end of December and requested a preliminary outlook on the first quarter. Most of the volume at the site is in the summer. Mr. DelVecchio added that the State of Connecticut recognizes that there is an issue with MIRA potentially closing and the other facilities being at or near capacity. DEEP has formed a number of committees to address this issue and, as of now, they don't know what they will do. There has been talk that MIRA may truck the waste out of state. A lot of this was caused by state policy decisions made years ago which have made it impossible for them to survive. Mr. DelVecchio believes that this is a national problem as well.

Ed Bailey added that he is on the MIRA board, and the trash-to-energy plant will be closing at the end of the next fiscal year (June, 2022) unless there is a radical change in policy. MIRA is working toward creating a model to get rid of the MSW and the recyclables. It is possible that this plan may be feasible and economical. They do estimate that the tipping fee may go up next fiscal year, but then should start to drop back. They believe it will be cheaper to haul the MSW out of state.

Mary Wolak asked if it made sense to even move from MIRA and Mr. DelVecchio felt that it would not make sense to move. There are about 50 communities as members of MIRA at this point and that gives them tremendous bargaining power.

Bob Yamartino asked about the revenue from the haulers and Dom DelVecchio explained that the State implemented a statute that requires that each hauler register their vehicles within the community that they serve. They also need to file a permit with the towns indicating where the waste is being sent. DMIAAB charges a \$100 registration fee per vehicle.

Carol Bufithis asked about the 655 trips and Dom DelVecchio explained that those are total trips, including MSW, tires, recycling, etc. She asked how many of those trips were actually for solid waste and Mr. DelVecchio stated that that was in his analysis that he sent. Ms. Bufithis asked if the trips were all the same weights and Mr. DelVecchio explained that they average about 14 tons per trip for MSW.

Melissa Kowal noted that sticker fees were up \$64,425 in 2019-2020 and asked if that would impact the number of trips necessary. Mr. DelVecchio reminded her that the sticker fee was increased from \$30 to \$50 in that year. Bob Yamartino was surprised that paper was not up because of COVID. Mr. DelVecchio reviewed a graph and explained that MSW dropped significantly because they banned private haulers from using the facility about two years ago. That has flattened at about 2,700 tons. Recyclables have stayed pretty much the same. He also noted that they now make money for every ton of demolition. At this point, the facility is pretty much locked down to only Durham and Middlefield residents and shows how well the communities are doing with recycling, finishing in the top 10 to 15 percent in the state. Michael Skelps thanked him for that graph.

Bob Yamartino asked why the towns actually have the transfer station and why they charge a user fee. Dom DelVecchio explained that every community used to have a landfill and bury their waste. That became illegal in the State of Connecticut and transfer stations were created to transport waste to approved facilities. Towns are not required to have a transfer station and some towns tell their residents that they have to retain a private hauler. Their transfer stations may be open to the public only for certain items. Howard Weissberg explained that, to his knowledge, there is no legal requirement that a community has a transfer station.

Mr. Yamartino then asked what the purpose is of the user fee as it seems to have become punitive. Mr. DelVecchio agreed that it was initially just for the administrative costs of the stickers and, as costs started to increase, certain folks recognized that it was a convenient way to generate additional revenue and they asked to increase the sticker fee. There was a very lengthy discussion about increasing the sticker fee last year from \$30 to \$50 and that is why he would like to revisit that in a separate meeting. Mr. Yamartino felt that \$15/month was a reasonably low number for the service that is provided. He added that the towns don't offer a lot of services and those that are offered are done so efficiently. He reminded everyone that people pay for public education and the library whether they use those services or not and wondered why this isn't done the same way. Mrs. Kowal noted that it is a very modest fee.

Mr. Yamartino reviewed that last year all boards approved a separate higher fee for business owners and contractors. A resident paying \$50 for a sticker, who also pays 30 percent to the government for taxes, has to earn \$71.43 to actually pay for that sticker. A business or contractor paying \$50 for a sticker, who is also disposing of his personal waste as well as business waste, receives a 50 percent tax write-off and the true cost of that sticker is \$25. That means that a resident pays almost three times the amount for that same sticker. Mr. Yamartino noted that the school district pays 300 employees an average of \$70,000, or \$35/hour. That means that they are asking a resident to sacrifice two hours to get a sticker to go to the dump. Contractors make more in the area of \$100 to \$150 an hour, but even at \$75/hour, it would mean 20 minutes to pay for the sticker. In summary, Mr. Yamartino would like to see the towns charge a fee for commercial and business trucks.

Mr. Yamartino then reviewed a number of excuses for not charging businesses more. Some people don't want to use their private vehicles to take their trash to the dump. Mr. Yamartino felt that they should be looking at registrations to get the sticker and not just drivers' licenses. Dom DelVecchio explained that everyone needs to be a resident of Durham or Middlefield and the vehicle has to be registered in one of the towns. He has asked the staff about this and they insist that they check both. Mr. Yamartino asked how many people on the call have a dump sticker and six of them did. Of those six, five had never had their registration checked. Ron Capozzi stated that he did have his registration checked. Mr. DelVecchio will bring this up again to the staff. Mr. Capozzi also mentioned that pick-up trucks automatically get combination plates and Mr. Yamartino noted that DMV had changed that policy two or three years ago. Mr. DelVecchio has asked the staff to identify all vehicles with commercial plates and they counted 42 in Durham and 21 in Middlefield, but Mr. Yamartino was concerned about combination plates.

Bob Yamartino was concerned about this because he sees contractors every week and just this week he saw a truck with a Connecticut contractor's license on it as well as a Massachusetts' contractor's license and a DOT sticker. They unloaded 30 or 40 boxes into the recycling bin for things that no house or local business would have had. He looked up the business online and found that they do commercial and residential new construction and are licensed in MA, CT and RI. Mr. Yamartino also explained that the Boards of Selectmen and Boards of Finance voted last year to do this and wanted to know why DMIAAB was reluctant to do this and collect a reasonable rate from commercial entities.

Dom DelVecchio explained that they did discuss this at board meetings and a lot of folks use their truck with combination plates to bring their household waste. Bob Yamartino stated that the registration would be in the name of the resident only and not a business, therefore would be a residential sticker. Mr. DelVecchio stated that the bigger issue was how to identify the users and then enforce this. Mr. Yamartino felt that they would not be able to enter the site without a sticker and that would be enforcement. He added that they would not even have to look at the plate if they check every registration. Mr. DelVecchio agreed to discuss this again with the DMIAAB board. He did feel that there would need to be some type of appeal process in place though.

Melissa Kowal looked at the Town of Woodstock, with 7,739 residents. They have various permits available for their transfer station, including single-family households at \$190, residents of multi-unit dwelling at half price, seniors 65 and older at \$95, businesses for recyclables only at \$190, seasonal at \$95 and a one-day pass at \$25. They also offered Pomfret 50 station permits at a rate of \$240 each. Mrs. Kowal felt that it would be fair to consider running DMIAAB like a business and charging business users a rate commensurate with the service being provided.

Dom DelVecchio believed that most of the people using the facility are residents in household dwellings. Most of the commercial businesses have their own private haulers and dumpsters. He reiterated that they identified 63 users based on their plates. He felt that other communities have made the decision to have their residents pay the total costs of the facility through user fees. If Durham and Middlefield made that decision, it would be \$178 per household with no tax contribution. Mrs. Kowal felt that Mr. Yamartino's suggestion should be reconsidered. Mr. Yamartino added that there could even be a different rate for commercial vs. combination plates, but then the registration would still need to be checked.

Carol Bufithis agreed with Bob Yamartino and Melissa Kowal. She has been working with Laura Francis since last Fall about sticker fees and, in the Housatonic area, the stickers fees range from zero to \$150. Dom DelVecchio reiterated that this is exactly the reason why he would like to meet in September to focus solely on the sticker fee and funding DMIAAB. Once a policy decision is made, the board can

come up with a plan to implement that. He felt that there are many opinions on the direction to go with this. Mr. Yamartino reminded him that last year, both Boards of Selectmen and Boards of Finance unanimously agreed to raise the sticker price to \$50 on residents and impose a price on commercial trucks which he believes was \$250. Mr. DeVecchio explained that they discussed that at several meetings and felt that their best avenue was to try to get some indication as to how many commercial vehicles there were.

Jim Irish interrupted the conversation and felt that this issue has been pretty well-examined and the point of view from Middlefield is consistent with what was voted last year. They are asking Mr. DeVecchio to go back to his board with that similar consideration. Mr. DeVecchio agreed to go back to his board to reassess this.

Mary Wolak stated that she has read that a lot of waste can be recycled and they are encouraging composting, but she has also heard that Middletown is using compost as a source of revenue. Dom DeVecchio stated that Middletown is focusing on large generators of organic waste and that's how it becomes profitable. They have discussed that, but the most significant portion of users here are households. Carol Bufithis added that this is a global problem and food is a good part of the weight. She and Laura Francis have been looking at how to divert some of the waste stream and are looking to pilot a program and are exploring funding. They realize that a lot of people will not want to compost, but there are lots of other ideas.

Michael Skelps stated that he has learned how to use the transfer station mainly by getting hollered at when he does something wrong. He would love to see some improved signage with some information to describe the services that are offered as well as some instructions. Dom DeVecchio mentioned that they have a pamphlet with a map that describes just that and used to be on the website. Ed Bailey felt that they should be mailed out to everyone and Mr. DeVecchio noted that they used to be until the cost became an issue. Bob Yamartino suggested handing them out when they issue stickers.

Melissa Kowal stated that she is aware she has been pretty tough on Mr. DeVecchio and does not want to be obnoxious in any way. She does understand that everyone on DMIAAB is a volunteer and they all do a great job. She thanked them for their hard work. Mrs. Kowal is happy to have more transparency and wouldn't mind a check-in with DMIAAB mid-year to see how things are going.

Jim Irish brought the conversation back to the residential sticker fee and whether the new truck lease would remain in the budget. Dom DeVecchio reviewed that Durham wants the sticker fee to go from \$50 to \$60 this year to absorb some of the increased costs.

Dave Lowry made a motion, seconded by Carol Bufithis, to recommend raising the DMIAAB sticker fee from \$50 to \$60.

Mary Wolak asked if the current truck would still be usable for the year and Dom DeVecchio confirmed that it would. He noted that they made the last payment on the grinder this year and would want to substitute this additional cost in for that, but even with that Durham decided not to entertain a vote on that capital expenditure. Mr. DeVecchio would like to discuss that item separately at the September meeting.

Bob Yamartino would not support any further increase in the residential sticker price without a commercial sticker price. Dave Lowry and Melissa Kowal agreed with Mr. Yamartino. Mary Wolak would also not be in agreement with raising the sticker price and Michael Skelps also agreed that the

commercial issue needs to be addressed first. Jim Irish explained that he wanted this to be a vote as part of the budget process, but can be addressed in September.

Carol Bufithis felt that the sticker fee should be increased, contingent on having commercial handled as well. She explained that it would be around \$300 a year to have a private hauler and felt that \$60 a year is not a big deal at all. Jim Irish asked if they would like to add an amendment to add a commercial fee to the motion. Dave Lowry felt that they should wait another year for the new truck until they know what will happen in June of 2022 with MIRA. Dom DelVecchio didn't have an issue with that. Dave Lowry also offered to attend a DMIAAB meeting to explain their feelings about the commercial sticker fee and Mr. DelVecchio noted that there were four of their members present on the meeting tonight.

Jim Irish called for a vote on the motion at this point. The motion was defeated 7-1.

Dom DelVecchio appreciated the input and again hoped that they could reach some consensus on this in September. Jim Irish agreed to work to make that September meeting happen.

Mary Wolak asked if the Board of Finance is saying they are willing to fund the percentage, minus the new truck lease. Jim Irish explained that they will take that into consideration in a separate meeting when they work on the budget. Dom DelVecchio will submit a revised budget, minus the truck, and distribute the cost amongst the two towns.

Bob Yamartino also wanted to let Mr. DelVecchio know that he too appreciates what they do as did the other members of the boards.

Public Comment

Ron Capozzi stated that he would be in favor of getting a new truck because this is the last year that current truck would have any residual value. The value will probably go down by about \$50,000. He added that he would be in favor of having Bob Yamartino come to a DMIAAB meeting to explain his reasoning for the commercial fee. Mr. Capozzi also added that the transfer station gives the compost to the Giving Garden and to the citizens of the town as well. They also provide free wood chips for personal use and businesses as well. He felt that these wood chips would cost about \$26/cubic yard commercially. Another way to get additional fees would be to open up the demolition to nearby towns and he also mentioned that the current grinder could destroy the emerald ash borer. The grinder could be used on-site or brought to other locations to grind up those ash trees. Mr. Capozzi added that he felt that the sticker fees are just cost shifting from the tax structure to end-user fees. More people use the transfer station than send their children through the school system. If Middlefield chooses to fund the additional costs through taxes, Middlefield residents' fees do not need to go up.

Howard Weissberg added that his biggest takeaway is that the DMIAAB board does what the towns direct them to do for solid waste and will not make political decisions. Going pay-as-you-throw would be a town decision, not a DMIAAB decision. Ed Bailey noted that the towns felt that that would have to come from the state and the state does not want to make that decision.

Anne Olszewski would like to see the list of commercial haulers who use the dump more than a residential person. She would bet that some of those people are not paying their taxes.

Melissa Kowal added that you can go to the Town Clerk's office or bring a check to the dump in Woodstock to get the permit, but they are encouraged to go to the Town Hall.

Jim Irish once again thanked Dom DelVecchio for coming to the meeting tonight and looks forward to the meeting in September.

Melissa Kowal asked if they could move Thursday's meeting and Jim Irish suggested moving that to Thursday, April 22nd. Everyone agreed.

Adjournment

Ed Bailey made a motion, seconded by Mary Wolak, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 9:12 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First