

# City of Derby Trash Franchising Fast Facts #1



## Derby City Council

### Mayor

Dion Avello

### Ward I

Jim Craig  
Jim Meidinger

### Ward II

Heath Horyna  
Vaughn Nun

### Ward III

Cheryl Bannon  
Chuck Warren

### Ward IV

Mark Staats  
George Arnold



## City Manager

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Created February 2009

## What is Franchising?

- ⇒ Franchising is the licensing of one or more companies to collect waste in a specific geographic area.

## Advantages of Franchising:

- ⇒ Reduced service costs due to increased efficiency
  - one hauler collects from all houses on a block
- ⇒ Reduced wear and tear on streets
  - one trash truck = 5,000 passenger vehicles
- ⇒ Increase in waste collection service levels
  - could add curbside recycling
  - could add volume-based trash collection (consumer pays less for smaller cart)
  - could add periodic bulky waste collection
- ⇒ Uniform levels of services and fees
  - all residents would have recycling
  - eliminates variation in rates in different neighborhoods
  - An August 2008 survey of Derby Homeowners Associations (HOA) revealed quarterly prices in various neighborhoods ranging from \$36 to \$58.
  - Residents not living in a neighborhood with an HOA reported quarterly prices from \$57 to \$82.

## Disadvantages of Franchising

- ⇒ Reduced market share for some haulers would require changes in business strategy
- ⇒ Perceived by public as loss in freedom of choice

## Community Franchising Results

- ⇒ Most U.S. communities (54%) have franchised or private trash collection, and many (46%) have public collection (city-owned trucks and city staff). Very few have private collection without a franchise.
- ⇒ Park City contracted with Stutzman Refuse Disposal for curbside recycling (CSR). Stutzman offers residents a discounted rate on trash service. Customers who switched from Waste Connections to Stutzman for trash service saw their bills drop from \$28 to \$11.30 per month.
- ⇒ The City of Cheney contracted with Lies Trash Service for trash and CSR collection beginning Jan. 1, 2008. Residents pay \$16 per month for both services. Before the franchise, Lies was charging \$20 per month for these services. The Cheney City Clerk reported that Waste Management was charging \$28 per month for trash service without CSR.

