



Haverhill

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Mayor Fiorentini Finalizes 2 Agreements with Covanta, Saving City \$1.8 Million Over 5 Years

Today, Mayor James J. Fiorentini announced that the city has finalized its 2 agreements with Covanta, the trash to energy facility where city sends its trash for burning. The new agreement lowers the fee (tipping fee) to dispose of trash and the city increases its host agreement (similar to a PILOT-payment in lieu of taxes). The net gain over 5 years is \$375,000 per year or \$1.8 million over five (5) years.

Mayor Fiorentini stated:

“Our new agreement saves taxpayers money on the disposal of our trash by lowering the fee for trash disposal and the increasing payment to the city for the host agreement.

“We have negotiated one of the lowest disposal (tipping fees) fees in the Commonwealth.

“The net gain to the city and our taxpayers is \$375,000 a year for 5 years for a total of a savings of \$1.8 million.”

Further Details

The city of Haverhill has two agreements with Covanta, the waste burning plant in the city. We have what is called a “host community agreement”. Basically this is a payment made by Covanta to the city in lieu of taxes. A host community agreement is generally under terms set by the State, where the trash to energy facility pays the host city a set amount in lieu of paying taxes. That amount is around \$2 million per year.



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The city has a second agreement with Covanta, called a tipping fee. In a tipping fee, we pay them to dispose of our trash. Every city that pays for trash pickup must pay some facility to dispose of the trash. Most of the communities in the area use Covanta, although some use Wheelabrator in North Andover. Under a tipping fee, we pay the trash facility, in this case Covanta, to dispose of the trash. The payment is per ton.

Currently, we pay Covanta \$59 per ton to dispose of our trash. It is already one of the lowest tipping fees in the State, perhaps the lowest. We compared our tipping fee to the fees in 40 other communities and we were the lowest.

That tipping fee, under the new agreement is going **down** to \$55 per ton, which appears to be easily the lowest in the State.

The combination of the higher host agreement fee and the lower tipping fee will be to lower our trash disposal costs from what they were under the old agreement by a total of approximately \$375,000 per year. The total savings to the taxpayers is about \$1.8 million over the five (5) years of the agreement.