

Fair Pricing Strategies for Trash

PAYT Experience in Rural Areas & New Resources



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Northeast Waste Management Officials'
Association (NEWMOA)

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What is NEWMOA?

- ▶ Non-profit, non-partisan interstate association
- ▶ Solid waste, hazardous waste, waste site cleanup, & pollution prevention programs
- ▶ CT, ME, MA, NH, NJ, NY, RI, & VT
- ▶ Formally recognized by EPA in 1986
- ▶ More information at: www.newmoa.org



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Project Promoting Pay-As-You-Throw (PAYT)

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Project Promoting PAYT

Partners:

► Vermont

- Northeast Kingdom Waste Management District
- Windham Solid Waste Management District
- Department of Environmental Conservation

► New Hampshire

- Upper Valley Lake Sunapee Regional Planning Commission
- Department of Environmental Services



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Project Promoting PAYT

- ▶ Case studies of 11 communities
- ▶ “Fair Pricing Strategies” brochures
- ▶ Template Program Guide - resident handout
- ▶ Outreach fact sheet for general public
- ▶ 5 regional meetings with government officials
- ▶ Presentations to 3 regional solid waste conferences
- ▶ This webinar!
- ▶ All materials posted:
www.newmoa.org/solidwaste/projects/smart



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Webinar Outline

- ▶ PAYT Basics
- ▶ Case Studies
- ▶ Findings, Issues & Messaging
- ▶ Next Steps for Communities
- ▶ New Resources
 - case studies, informational brochures, fact sheets



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PAYT Basics

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Pay-As-You-Throw

- ▶ Residents pay according to the amount of trash they generate for disposal
 - generate less  = pay less
 - generate more  = pay more
- ▶ Pay for service like a utility (e.g. water or electricity)
- ▶ Flexible - towns can design their system
 - residents pay per bag, container, or weight
- ▶ Key - residents can recycle “for free”

Pay-As-You-Throw Is...

► A system that saves \$\$ in town budgets

- waste management typically 5th largest cost (after schools, police, fire, and public works)
- reduces amount of trash managed
 - usually 40-55%
 - reduced hauling frequency & tipping costs = \$\$\$
- per-unit fees cover most/all of costs
- NOT an added cost - just changes the way residents pay for waste services



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Removes Costs From Town Budget

- How much depends on the rates the town decides on:
 - fees can cover all costs associated with trash & recycling, including operating the transfer station or curbside system
 - Or just some of the costs, such as hauling & disposal



PAYT @ Transfer Stations

- ▶ Usual options:
 - special bags
 - stickers - affix to bag provided by resident
 - punch-cards - one space per bag/container
 - possible to implement without bag/sticker/punch-card
- ▶ Many communities have 2 or 3 sizes (for example, 15, 32 & “contractor”) & fees
- ▶ Small administrative costs for town:
 - purchase bags/stickers/punch-cards
 - sell - directly and/or to local merchants
 - keep track of inventory
 - manage \$



PAYT & Town Curbside Pickup

- ▶ Special bags (or stickers) - easiest option
 - requires convenient sale locations & some administrative costs
 - can put bags in containers if problems with animals
- ▶ Containers
 - different fees for different sizes
 - 32 gallon base size (or smaller) - 2X base fee for larger size
 - administrative costs to bill monthly/quarterly & collect
 - requires trash collectors to keep track of extra trash so additional fee can be charged
 - or require special bags/stickers for “extra” trash
- ▶ Trash collectors must leave all improper trash at the curb



Case Studies

Community Summary

- ▶ Contacted 14 small communities with PAYT
- ▶ Most have transfer stations (\$ per 32 gal bag in 2014):
 - 1990's: Concord, Dover, Piermont & Wilmington (\$2.50), Readsboro (\$1), Waterford (\$3)
 - 2000's: Unity (\$2), Orford (\$3) & Northfield (\$1.50)
 - Recent: Newark (\$3) & Canaan (\$1.70)
- ▶ Some have curbside:
 - 1990's: Plainfield & Hinsdale (\$2)
 - Recent: Vernon (\$3)



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Curbside: Vernon, VT

- ▶ Population: 2,206
- ▶ Adopted PAYT July 1, 2014
 - Added curbside recycling
- ▶ Fees cover all costs
- ▶ Require special bags
 - \$2.00 / 15 gallon
 - \$3.00 / 30 gallon
- ▶ Disposal ↓ ~195 tons 3rd Q 2013 to 86 tons 3rd Q 2014
- ▶ Recycling ↑ ~28 tons 3rd Q 2013 to 57 tons 3rd Q 2014



Transfer Station: Piermont, NH

- ▶ Population: 709
- ▶ PAYT since 2001
- ▶ Fees usually cover all costs
- ▶ Require special bags
 - \$2.50 / 33 gallon
 - sold at Town offices & local general store
- ▶ Disposal ↓ ~220 tons/yr. before to 99 tons in 2013
- ▶ Recycling ↑ ~50 tons/yr. before to 98 tons in 2013



Transfer Station: Northfield, MA

- ▶ Population 3,032
- ▶ PAYT since 2005
- ▶ Fees cover hauling/disposal
- ▶ Require special bags
 - \$1.50 / 33 gal. bag
 - \$0.75 / 15 gal. bag
- ▶ Trash cut by 40%
 - 795 tons in 2004 » 460 tons in 2006
- ▶ Hauling/disposal costs cut by 40%
 - \$30K » \$18.5K (6 month period)



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Transfer Station: Newark, VT

- ▶ Population: 581
- ▶ PAYT since 2013
- ▶ Removed all costs from Town budget
- ▶ Contractor operates - paid by fees only
 - \$2 / 15 gallon
 - \$3 / 30 gallon
 - \$4 / "contractor"
- ▶ Disposal ↓ 33.39 tons to 14.4 tons
(4th Q 2012 vs 4th Q 2013)



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Transfer Station: Canaan, VT

- ▶ Population: 972
- ▶ PAYT since 2008
- ▶ 50/50 split: fees & Town budget
- ▶ Require special bags
 - \$1.70 / 30 gallon
- ▶ Costs: \$114,000/yr. to \$57,000/yr. (of which 50% covered by bag sales & bulky waste drop-off fees)
 - Disposal ↓ 535 tons/yr. to 258 tons/yr. (households & businesses (H&B))
 - Hauling ↓ 9.5 tons/week (H&B) to 12.5 tons/month (H)



So Where is the Trash Going?

- ▶ Out-of-town trash no longer smuggled in
- ▶ Smarter purchasing
- ▶ New/increased
 - organics composting
 - recycling
 - donation for reuse
- ▶ Alternative disposal
 - commercial dumpsters
 - work, friends/relatives in other towns
 - hire private hauler (typically minimal due to higher cost)



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Findings, Issues, and Messaging

Findings: PAYT @ Transfer Stations



- ▶ Reduced amount of trash managed
 - usually 40-55%
 - reduced hauling frequency & tipping costs = \$\$\$
- ▶ Can implement without bag/sticker/punch-card
 - residents use their own bag or container & operator collects \$
 - computerized cash register with receipts - helps accounting
 - OR contract out operation: collected fees only payment
 - Orford, New Hampshire & Newark, Vermont

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PAYT Implementation Findings



- ▶ Towns vary on extent fees cover all costs to operate transfer station (e.g. staff & recycling)
 - Fee that covers most/all costs: \$3 per 32 gallons
 - If want to cover all costs - set fees to save for future capital expenses
- ▶ Try to avoid collection of cash by transfer station attendant
- ▶ Set fees similar/higher than surrounding towns
- ▶ PAYT transfer stations charge fees for bulky items

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PAYT Messaging

► Fair for Residents

- pay only for what you use
- those producing less trash aren't subsidizing those that produce more
- can choose to lower your cost by:
 - smart purchasing choices (i.e., buy products in less packaging)
 - recycling / reusing
 - composting - kitchen scraps & leaf/yard



Messaging: Addressing Issues

► Unfair For Low-Income Residents

- everyone has opportunities to reduce waste & their costs
- senior citizens tend to generate small quantities
- it might be a new cost for renters
- consider a subsidy - but not unlimited
 - 1 reduced price bag/sticker each week



Messaging: Addressing Issues



► Illegal Dumping Will Be a Problem

- NONE of the 14 towns reported increased problems
 - lots of other studies show the same thing
 - problems existed before PAYT - mostly bulky
 - if problem - quick enforcement at program start

Messaging: Addressing Issues



► It's a New Tax

- educate on current cost of waste management in tax rate
- lower tax rate by amount that PAYT will remove from budget
- or clearly explain how “freed up” tax money will be spent
 - could be eliminating/reducing the need to raise taxes to pay for something else

Other Concerns/Views Expressed...

- ▶ Some communities with a lot of second homes like trash service in their tax base so it's subsidized by "out-of-staters"
- ▶ Composting will attract bears and other animals

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Next Steps for Communities

Next Steps for Communities

- ▶ Establish Solid Waste Committee
 - understand current costs: labor, hauling, disposal, recycling & capital expenses
 - separate out costs in tax bills & town budget
 - initiate ongoing public education/input process
 - determine how much town wants fees to cover
 - all trash & recycling costs, most costs, just hauling & disposal, disposal only, capital expenses?
 - determine type of system (bags vs containers, 1 size or multiple sizes)



More Next Steps

- ▶ Determine fee structure
 - estimate post-PAYT trash & recycling quantities & costs (include PAYT administration)
 - determine PAYT rate(s) and modify if necessary
- ▶ Plan for logistics
 - where will bags/stickers be sold?
 - how will fees be collected & managed?
- ▶ Educate, educate, educate
- ▶ Obtain plan approval
- ▶ Publicize new system to residents



Determining the Fee

- ▶ Fees usually cover at least cost of hauling & disposing all the trash
- ▶ Per ton costs - example:
 - Tipping fee ≈ \$100/ton
 - Hauling ≈ \$20/ton
- ▶ 1 ton ≈ 80 bags
 - 32 gallon bag ≈ 25 pounds
- ▶ **\$1.50 per 32 gallons to pay for hauling & disposal only**
- ▶ Assumes everyone pays fee for every bag



Vermont's The Place to Watch

- ▶ Act 148 requires PAYT for all residential trash starting July 1, 2015
- ▶ Applies to municipal and private service
- ▶ Must provide recycling with no visible fee
- ▶ Trash fees must cover at least hauling & disposal
 - Except allows municipalities an “hybrid” approach
 - base level of service paid by town
 - maximum one 32 gallon bag/container per week
- ▶ Enforcement challenges



New Resources

- ▶ www.newmoa.org/solidwaste/projects/smart
 - case studies of 11 communities
 - fact sheets
 - template “Program Guide” for towns with PAYT
 - handout for the public to generate interest in PAYT
 - “Fair Pricing Strategies” brochures
 - 3 location-specific
 - 1 “generic” for use by everyone everywhere
 - SMART Toolkit for Rural Communities



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Zero Waste Connection A Professional Social Network

Mission & Goals

- ▶ Promote sustainable consumption and pollution prevention as the preferred methods of achieving zero waste
- ▶ Provide forums for zero waste professionals to share information on program development and implementation
- ▶ Foster innovation in zero waste programs through the exchange of ideas in real time
- ▶ Increase the adoption of zero waste practices among practitioners
- ▶ www.zerowasteconnection.org

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Questions?

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