

Pay-As-You-Throw: Benefits & Challenges



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Northeast Waste Management Officials'
Association (NEWMOA)

June 25, 2015
NH DES Workshop

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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)

▶ 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
- ▶ 4 regional meetings with government officials
- ▶ Presentations to 3 regional solid waste conferences
- ▶ This workshop!
- ▶ All materials posted:
www.newmoa.org/solidwaste/projects/smart



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Workshop Outline

- ▶ Part 1: PAYT Basics & Case Studies
- ▶ Part 2: Canterbury's Experience
- ▶ Refreshment Break
- ▶ Part 3: Next Steps & Logistics
 - Findings, Issues & Messaging
 - Getting Started & Pricing Strategies
 - New Resources
 - case studies, informational brochures, fact sheets
- ▶ Part 4: Group Discussion





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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

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 40-50%
 - 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



- ▶ Special bags (or stickers or punch-cards)
 - many communities have 2 or 3 sizes (for example, 15, 32 & “contractor”) & fees
 - financial control issues
 - requires convenient sale locations
 - some administrative costs to manage
 - can apply to private haulers too
 - possible to implement without using them

PAYT & Curbside Pickup

- ▶ Special bags (or stickers)
OR
- ▶ Containers



KEY: Trash collectors must leave all improper trash at the curb (or have a way to bill for it)

PAYT & Curbside Pickup

- ▶ Special bags (or stickers) - easiest option
 - many communities have 2 or 3 sizes (for example, 15, 32 & “contractor”) & fees
 - financial control issues
 - requires convenient sale locations
 - some administrative costs to manage
 - can put bags in containers if problems with animals



PAYT & Curbside Pickup



► 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

What is NOT Pay-As-You-Throw?

- Transfer station sticker on vehicle
- Punch-card that is canceled per-trip
- Fixed monthly fee for any amount of trash pickup



Bottom line: the amount paid must vary with the amount thrown away

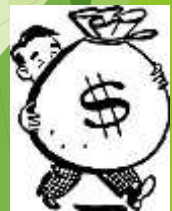
Case Studies

Community Summary

- ▶ Contacted 14 small communities with PAYT
- ▶ Most have transfer stations:
 - 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



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Curbside: Vernon, VT

PAYT Results:

- ▶ Disposal ↓
 - ~195 tons 3rd Q 2013 to 86 tons 3rd Q 2014
- ▶ Recycling ↑
 - ~28 tons 3rd Q 2013 to 57 tons 3rd Q 2014



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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



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Transfer Station: Piermont, NH

PAYT Results:

- ▶ Disposal ↓
 - ~220 tons/yr. before to 99 tons in 2013
- ▶ Recycling ↑
 - ~50 tons/yr. before to 98 tons in 2013



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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



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Transfer Station: Northfield, MA

PAYT Results:

- ▶ 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
- ▶ Do not require special bags
- ▶ Contractor operates - paid by fees only
 - \$2 / 15 gallon
 - \$3 / 30 gallon
 - \$4 / “contractor”



Transfer Station: Newark, VT

PAYT Results:

- ▶ Removed all costs from Town budget
- ▶ Disposal ↓
33.39 tons to 14.4 tons
(4th Q 2012 vs 4th Q 2013)





Transfer Station: Canaan, VT

- ▶ Population: 972
- ▶ PAYT since 2008
- ▶ 50/50 split: fees & Town budget
- ▶ Require special bags
 - \$1.70 / 30 gallon
 - sold in packs of 10 at town offices & local stores



Transfer Station: Canaan, VT

PAYT Results:

- ▶ Costs ↓
 - \$114,000/yr. to \$57,000/yr.
 - (of which 40% covered by bag sales & bulky waste 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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Canterbury's Experience

Adrienne Hutchinson
Canterbury Transfer Station Manager

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

► 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 NOT 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 NOT 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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Getting Started and Pricing Strategies

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)



Logistic Considerations

- ▶ Usual options:
 - special bags
 - stickers - affix to bag provided by resident
 - punch-cards - one space per bag/container
- ▶ Requires convenient sale locations
- ▶ Small administrative costs for town:
 - purchase bags/stickers/punch-cards
 - sell - directly and/or to local merchants
 - keep track of inventory
 - manage \$



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



How About Allowing Free Bags?

- ▶ Limited free service or reduced fees appropriate for those in need
- ▶ But... offering free service or reduced fees to a lot of households means others need to pay a higher fee in order for collected fees to cover the desired costs



Cover More Than Haul & Dispose

- ▶ Decide what to add & convert to per ton trash
 - labor costs?
 - town's administrative costs?
 - capital expenses?
- ▶ **Calculate based on 1/2 current trash tonnage**
- ▶ Convert to per volume: 1 ton \approx 80 bags (32 gal)
- ▶ Many communities have 2 or 3 sizes
 - (15 gallons, 32 gallons & "contractor")
- ▶ Typical fee for all costs \approx \$3 per 32 gallons
 - if everyone pays for all their trash!



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



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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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Questions?

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Group Discussion

- **Towns that already have PAYT:**
 - How did it come about?
 - What are the logistics?
 - How's it working?
 - Any advice for others?
- **Towns without PAYT:**
 - Was PAYT proposed in the past and turned down?
 - If yes - why did it not succeed? Could it be proposed again? What might help get it through?
 - If no - are you interested in pursuing PAYT now? What do you think the barriers might be? What might help overcome them?