

Town of Arlington Pay As You Throw



2010 Report to Town Meeting
Brian F. Sullivan
Town Manager

PAYT Study Committee

- Brian Sullivan, Town Manager
- Peter Howard, Finance Committee
- Ryan Ferrara, Finance Committee
- John Bean, Public Works Director
- Teresa DeBenedictis, Assistant Director of Public Works
- Ruth Yannetti, DPW Recycling Coordinator
- Carolyn Dann, DEP, through a technical assistance grant



Article 33 of 2009 Town Meeting

Stipulates the Town Manager submit a warrant article to the 2010 Town Meeting to implement a Pay as You Throw program (PAYT) which:

- 1) Decreases the amount of material incinerated and the associated cost.
- 2) Increases the amount of material recycled thus reducing the Town's impact on the environment.
- 3) Offsets the cost of the Town's curbside collection service in a manner that is fair to all residents.



Article 33 of 2009 Town Meeting

Features of the plan should include:

- 1) Implementing a PAYT program.
- 2) Retaining single stream recycling.
- 3) Automating collection of solid waste and recycled materials.
- 4) Using any revenue generated by this program to lower the tax levy unless otherwise approved by Town-wide referendum.



What Is Pay As You Throw (PAYT)?

A way of funding some or all of the cost of municipal solid waste disposal by charging residents for each bag or barrel of trash they discard.



Has PAYT Been Discussed Before?

Arlington's Business PAYT program has been in place since 2003.

In 2004, the Arlington Board of Selectmen formed the PAYT Study Committee which recommended the establishment of a PAYT program. At the time, the Selectmen decided not to act on the recommendation.



Arlington Survey Results on PAYT

2003 Survey: 52% of 1,750 respondents would support raising revenue through one of the two programs (\$1.5M, \$3M).

2004 Survey: 51.2% of the 2,629 respondents would either likely or definitely support a PAYT program to close the budget gap.



2010 Arlington Survey Results on PAYT*

- Of 4,657 responses tallied so far (21% households)
- 70% consider a waste reduction program (free bag allowance) desirable or acceptable.
- 66% consider a PAYT program with bag prices set to pay trash disposal costs with an estimated annual expense of \$40 per household desirable or acceptable.
- 46% consider a PAYT program with bag prices set to pay the entire cost of the solid waste program with an estimated annual expense of \$130 per household desirable or acceptable.

* *Survey results not fully tabulated.*



PAYT Adoption & Success

- Over 130 Massachusetts municipalities including Worcester, Brockton, and Natick use PAYT.
- Most PAYT communities experience a minimum reduction in solid waste of 25% and an increase in recycling.



PAYT Adoption & Success

- Per capita disposal of trash in non-PAYT Massachusetts communities is 2.56 pounds per day vs. 1.62 pounds per day in PAYT communities – a difference of nearly 37%.
- A 2006 EPA report indicates there are 7,100 PAYT programs nationally - serving 25% of the US population.



Why PAYT?

- There is no cost to the Town to process recycling material while it will cost Arlington \$66 to incinerate each ton of solid waste in FY11.
- A more logical financial system to fund the high costs of safe and proper waste disposal. The more you use, the more you pay.
- Helps minimize impact on the environment and reduces Arlington's carbon footprint.
- PAYT encourages all to reduce waste and recycle and compost more, saving tax dollars for other needs.



PAYT Variations Considered

- Automated Collection Using Special Barrels.
- Waste Reduction Program: Residents set out 1st bag/barrel free and pay thereafter.
- Simple PAYT: Residents pay per bag. Bag prices set very low to minimize costs to residents, yet encourage waste reduction.
- Simple PAYT with alternate pricing models looking at additional cost reduction to fully funding solid waste and collection costs.



Automated Trash Collection

Vehicles with mechanical arms lift the contents of municipal-issued barrels into the truck without the driver leaving the cab.



Automated Trash Collection

Pros:

- Limits solid waste to containers, improving aesthetics.
- Potential for future reduced collection costs.

Cons:

- Town needs to purchase barrels, administer storage, and distribution. \$760,000 (\$40 x 19,000 households)
- All residents would be required to use large barrel.
- Cost savings are minimal.

Conclusion: An attractive solution, but upfront costs and administration are cost-prohibited at this time. Could be something we look at in the future.



Waste Reduction Program

In a “Waste Reduction Program” (WRP) residents are allowed to set one barrel/bag of their own at the curb at no cost but any additional amounts of trash need to be in an official trash bag.



Municipal
Official Trash
Bag



Waste Reduction Program

Pros:

Would encourage some waste reduction.

Cons:

- Since the first bag/barrel is sufficient for most households, waste reduction would be minimal.
- For the same reason, cost savings to the Town would be minimal.
- Requires additional staff time to administer and enforce.



Simple PAYT

All trash must be in an official Town trash bag which residents pay per bag and purchase locally.

- No limit – use as many bags as you need.
- Bag(s) can be secured inside barrels.
- Unlimited free single stream recycling.
- No change to current yard waste, white goods, and CRT/TV collections.
- Dumpster service will no longer be provided by the Town.
- Bulk items are limited to one item per week.



Simple PAYT

Pros:

- Minimal change to existing program.
- Effective at encouraging waste reduction.
- Reduces cost and generates a small amount of revenue.
- Minimal staff time required (bag vendor handles all delivery and accounting).

Cons:

- Requires payment by residents for bags.



Town Manager's Implementation Plan

Implement a Simple PAYT curbside collection in official Town trash bags with low cost per bag.

- \$0.50 – 33 Gallon Bag
- \$0.30 – 15 Gallon Bag



Town Manager's Implementation Plan

Average Yearly Cost Per Household

| | | |
|---------------------------|-------|------|
| Financed through bag fees | \$25 | 15% |
| Financed through taxes | \$145 | 85% |
| <hr/> | | |
| Total cost of service | \$170 | 100% |



Town Manager's Implementation Plan

Plan projects a 25% reduction in trash. Below illustrates this projection +/- 10% and net savings to the Town.

- 15% reduction/net benefit = \$509K
- **25% reduction/net benefit = \$577K**
- 35% reduction/net benefit = \$644K



Town Manager's Recommendation

Potential Financial Benefits to Town

| | |
|--|--------|
| Reduced collection & disposal costs | \$417K |
| Bag revenue (net of bag & admin costs) | \$160K |
| <hr/> | |
| Total | \$577K |

Based on 25% waste disposal reduction estimated.



Benefits of Recommended Plan

- Encourages Recycling.
- Relative Ease of Implementation.
- Plan is projected to avoid disposal of 3,840 tons of trash = 2,380.8 MTCE*, the equivalent to saving 20,314 barrels of oil.
- Annual Cost Reduction to Town estimated at \$577K, yet bag cost to average household is only \$25.
- Cost Equitability – Each household controls their own cost by how much they recycle/reduce waste.

*Metric Tons of Carbon Equivalents **



Additional PAYT Options

- PAYT (\$1): Adjust price of bags to increase savings to Town, encourage more waste reduction.
- PAYT (\$2): Adjust price of bags to cover Town cost for solid waste collection.
- PAYT (\$3.30): Adjust price of bags to cover Town all collection and disposal.



Disposal Options

| Options | Cost Reduction | Net Revenue | Resident Costs |
|---|----------------|---------------|----------------|
| PAYT (\$0.30/\$0.50 per bag) | \$417K | \$160K | \$25 |
| PAYT (\$0.60/\$1 per bag) | \$417K | \$635K | \$50 |
| PAYT (\$1/\$2 per bag) | \$417K | \$1.6M | 100 |
| PAYT (\$1.65/\$3.30 per bag) | \$417K | \$2.8M | 165 |

Based on the average household using approx. one 30-33 gallon bag per week and a 25% estimated reduction in waste collection.



PAYT Observations & Conclusions

- PAYT is the right thing to do.
 - Improves recycling habits and has real environmental benefits.
 - Helps cover the Town's collection costs, which in turn can preserve other services.
 - Costs to residents is equitable. You “pay as you throw” away non-recyclable items.
- Timing of implementation is of concern.
 - Current financial climate is tough.
 - Prefer to put to PAYT option to voters as part of the override discussion.



Save Money and Reduce Trash the SMART Way – Pay As You Throw

Q: Why change the way we pay for trash collection?

A: Trash disposal has become a major cost. Trash is trucked to a distant waste-to-energy facility with high-priced pollution controls. The current system sends the wrong message. Trash collection appears “free” so there’s little incentive to reduce trash tonnage. There are better uses of your tax dollars. A PAYT program spreads this cost in a fair manner – you *pay as you throw* away.

Q: How do we know it works?

A: Studies of over 7,000 PAYT programs in the country and 130 programs in the state have documented trash reductions of 25% to 50% in the first year. Approximately one-third of Massachusetts municipalities have some type of PAYT system. Nearby towns include: Natick, Needham, Wayland, Gloucester, Boxford, Manchester, Milton, Sudbury, Malden, and Concord.

Q: How well does Arlington recycle?

A: Based on 2008 Department of Environmental Protection (DEP) data, Arlington residents discard trash at a rate of over 1,500 pounds per household per year. Towns with PAYT systems discard between 1,000 and 1,300 pounds per household or 200-500 fewer pounds per year than Arlington. With a PAYT option, the Town expects to see a 15-35% reduction in total trash tonnage similar to other towns. Increased recycling is a contributing factor in these results.

Q: How would a Pay-As-You-Throw Program work in Arlington?

A: A Pay-As-You-Throw program (PAYT) means your taxes will continue to pay for unlimited convenient, single-stream recycling collection and weekly trash collection. Each bag of trash, however, must be in “official trash bags,” which will be available locally. The cost of the bags will offset the cost of disposal at the Waste-to-Energy facility.

Q: What will change for me?

A: Very little will change. The main change is that you must use “official trash bags” for all trash. You can set out your trash bags, either inside a barrel or directly on the curb. You will be allowed to set out one bulky item per week. Unlimited free recycling and leaf collection will continue unchanged. The Town will continue to participate in the Minuteman Hazardous Waste Program in Lexington, offering 8 collection dates per year.

Q: Where can I buy the bags?

A: Bags will be available at local grocery, convenience, and hardware stores. The stores will sign a contract to sell the bags without a markup. The bags are exempt from sales taxes, according to the Department of Revenue.

Q: How will this affect businesses and multiple family dwellings?

A: Any small businesses and multiple family households that currently have curbside collection will continue to have the opportunity to participate. Properties with dumpster service will need to find an alternative service provider.

Q: Won't we find more trash in the woods and dumpsters?

A: Other towns with similar programs have found that prompt enforcement and issuing fines will deter illegal dumping. The savings from PAYT will pay for the education, outreach, and enforcement to make the program successful.



Save Money and Reduce Trash the SMART Way – Recycle

In Arlington, the Town pays one fee for trash and recycling collection but, in addition to the collection cost, the Town pays a “tip fee” for every ton of trash brought to the disposal facility and does **not** pay any such cost for recyclables. Every ton recycled, therefore, saves money.

Arlington residents can recycle more than they may realize. Recycling facilities have changed and now accept more types of materials and sort them better. In Arlington, you can recycle curbside the following items:

- Newspaper and magazines
- Office paper, staples are OK
- Junk mail, even with windows
- Cardboard unless it has food stains
- Aluminum cans
- **Exceptions - NO Styrofoam and NO plastic bags.**
- Paperback books
- Shredded paper in a closed bag
- Cereal boxes, paper towel tubes
- Steel and tin cans
- Plastic containers made of # 1 - 7 plastic

Single-Stream Convenience

With the addition of Single-Stream collection, recycling is much more convenient. Residents no longer need to keep paper separated from bottles, cans, and plastic. Residents are welcome to convert an old trash barrel into a recycling container by using a “RECYCLE” sticker, available for free from the Public Works Department. Or you can make your own Recycle sign. Be sure to label both sides of the recycling container so it is viewable to collectors. Additional recycling information, including the most recent Trash and Recycling Guide can be found online at arlingtonma.gov/recycle.

Information provided by the Arlington PAYT Study Committee.

