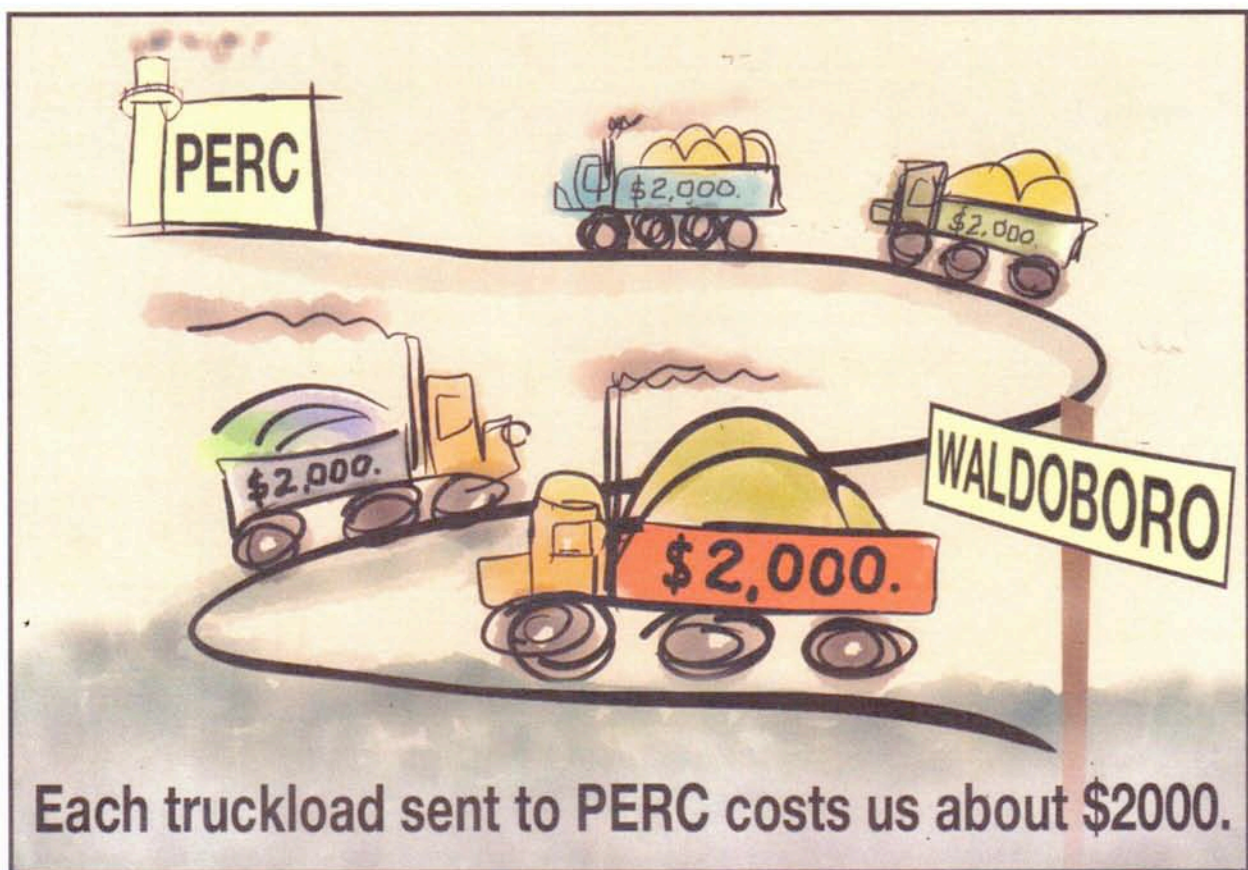


PAY-AS-YOU-THROW (PAYT)
A UNIT-BASED PRICING SYSTEM
TO REDUCE TRASH AND SAVE MONEY



Prepared for: The Select Boards of Cushing, Friendship, and Waldoboro
Prepared by: Waldoboro Transfer Station Committee
March 23, 2016, Updated July 26, 2016

EXECUTIVE SUMMARY

The Waldoboro Transfer Station Committee prepared this report for the Waldoboro Select Board. It recommends a unit based pricing system, Pay-As-You-Throw (PAYT), for solid waste disposal.

Article 2.3.5.1 of the *Waldoboro Solid Waste and Required Recycling Ordinance* says that a majority of Waldoboro voters casting their ballots at Open Town Meeting or by Referendum Vote determines all disposal methods.

This report urges the Waldoboro Select Board to place Pay-As-You-Throw (PAYT) on Waldoboro's November 2016 warrant.

Two themes underlie this report:

1. We're spending too much tax payer money on trucking and burning garbage. Transport costs and tipping fees comprise more than 50% of our total Transfer Station budget. We need to shift our priorities.
2. While many residents do recycle, *an economic incentive is missing to help get everyone to recycle or to recycle more.*

A PAYT program would cut costs substantially by allowing households and businesses to choose how much to pay for throwing away their trash.

PAYT program revenues are intended to cover transport services and tipping fees. During the first three years, PAYT's total Transfer Station budget impact could approach one million dollars.

PAYT will provide a fair way to finance the cost of trash disposal. People will pay only for what they throw away; they will not pay for what their friends and neighbors throw away.

PAYT will bring the three Transfer Station partners, Cushing, Friendship, and Waldoboro, closer to achieving their shared goal of significantly reducing the Transfer Station Budget.

This report recommends specific steps for implementing Pay-As-You-Throw if Waldoboro's voters approve it. It also presents a set of FAQs, which promote a better understanding of what PAYT is and how it works. It recommends establishing a PAYT Assistance Account to purchase PAYT garbage bags for those in need.

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The Problem

We continue to waste our tax money by sending solid waste, which includes many recyclables, to the Penobscot Energy Recovery Corporation (PERC) for incineration. To our credit, we have reduced the tonnage of solid waste we've transported to PERC, but our recycling rate remains very low. Of the 3,081 tons of trash the Transfer Station handled in 2015, only 625 tons were recycled, a recycling rate of about 20%. During the past six years Cushing, Friendship, and Waldoboro have spent about \$1.8 million to transport and tip 18,000 tons of garbage. If we choose to, we can cut those numbers in half.

The Problem as a Parable

Imagine a town-wide heating system where everyone pays collectively for the heat. Now imagine driving by a house with all of its windows open on the coldest day of the year. You know that everyone in town would be upset that they were paying for the wasted heat pouring out of those open windows.

The same holds true for people who do not recycle. With our taxes we pay collectively for all those "open windows" – the tons of materials that are transported and incinerated when they could have been recycled.

Achievements to Date: What have we done to increase recycling and reduce solid waste?

We have:

- tightened the ordinance better to describe its purpose and to control who uses the Transfer Station,
- established the Transfer Station committee so the three Transfer Station partners have a voice in the operation of the Transfer Station and waste disposal issues,
- improved administration of the ordinance and clarified the roles of Transfer Station staff in implementing the ordinance,
- Improved traffic flow at the Transfer Station,
- Built day pads for bulky waste disposal to reduce the costly risks of contamination and to increase safety, and

- Installed scales accurately to track inflows and outflows and more fairly to assess usage fees by weight.

As a result of all the steps we've taken, the Transfer Station has reduced the tonnages it transports to and tips at PERC from 3,300 tons in FY 2013 to an estimated 2,555 tons in FY 2016. However, our recycling rate, at 20%, is far below the State's goal of 50% and far lower than other Maine towns.

The Problem Persists: We Could Do A Lot Better.

Other towns and cities have recycling rates of 40%, 50% and even 60%. They've reduced what they spend to transport and tip solid waste. Why are they doing so much better than we are?

They adopted a unit-based pricing alternative, PAYT.

The PAYT Alternative:

- PAYT could substantially reduce our Transfer Station budgets. Our projections show a reduction of about 36% from the last budget before PAYT to the first budget after PAYT.
- With PAYT everyone pays for what they throw away on a per-bag basis. It's just like buying bread by the loaf, heating oil by the gallon, or paying utility rates.
- PAYT bag sales cover PERC-related transport and tipping fees. *The fees people pay their waste haulers are only for pick-up and transport to the Transfer Station; they do not cover Transfer Station operating expenses or PERC-related transport and tipping fees.*
- PAYT gives the individual choices. The choices are to recycle, compost, and reuse, or to buy more PAYT garbage bags.
- Paying for PAYT bags gives everyone immediate and accurate feedback about how much they pay to toss their trash.
- PAYT helps everyone change their habits, and it's a *change of habits* that's needed to reduce trash and increase recycling.

Transfer Station Budget Information Before and After PAYT

(FY 17 amounts assume only six months with PAYT from January 2017 through June 2017)

1. Budgeted Transfer Station Expenses

	Before PAYT			After PAYT
FY 13	\$ 495,922		FY 17	\$ 391,865
FY 14	\$ 498,441		FY 18	\$ 403,618
FY 15	\$ 533,319		FY 19	\$ 414,890
FY 16	\$ 555,535			

2. Transport Fees for Solid Waste Shipped to PERC

	Before PAYT			After PAYT
FY 13	\$ 59,008		FY 17	\$ 27,900
FY 14	\$ 59,181		FY 18	\$ 27,900
FY 15	\$ 66,657		FY 19	\$ 27,900
FY 16	\$ 66,117			

3. Tip Fees Paid to PERC

	Before PAYT			After PAYT
FY 13	\$ 245,169		FY 17	\$ 120,720
FY 14	\$ 246,640		FY 18	\$ 125,175
FY 15	\$ 255,852		FY 19	\$ 128,930
FY 16	\$ 253,261			

4. Cumulative Budget Impact, FY 2017 – FY 2019

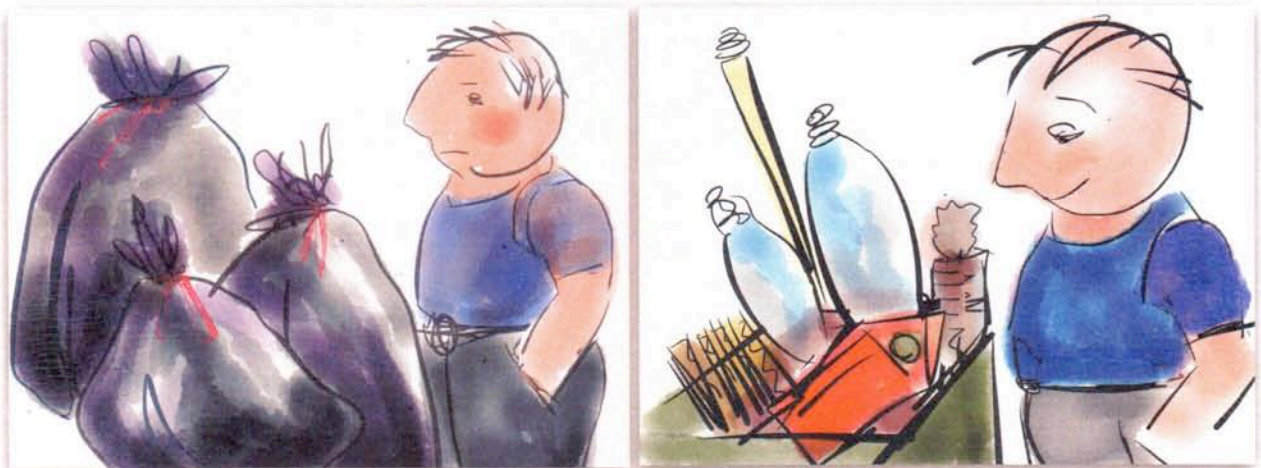
Fiscal Year	Decrease in Tip Fees	Decrease in Transport Costs	Net Revenue from Bag Sales	Total Budget Impact
FY 2017	\$ 135,132	\$ 38,757	\$ 94,310	\$ 268,199
FY 2018	\$ 130,677	\$ 38,757	\$ 194,279	\$ 363,713
FY 2019	\$ 126,922	\$ 38,757	\$ 200,108	\$ 365,786
Cumulative Budget Impact, FY2017 – FY2019				\$ 997,699

5. Breakdown of Transfer Station Tax Support

	Pct of Budget	FY2016	FY2017	FY2018	FY2019
Cushing	19.77%	\$93,721	\$47,912	\$30,145	\$30,886
Friendship	14.84%	\$70,350	\$35,964	\$22,628	\$23,184
Waldoboro	65.39%	\$309,985	\$158,469	\$99,706	\$102,155
Budget Support from Taxes		\$474,055	\$242,345	\$152,479	\$156,224

TO SUMMARIZE the above Tables:

1. **Transfer Station Expenses** will decline from \$555,535 in FY 2016 to \$414,890 in FY 2019.
2. **Transport Fees for Solid Waste:** Fees the Transfer Station pays to transport solid waste from Waldoboro to PERC will decrease. Using FY 2016 (\$66,117) as a baseline, savings from reduced transport fees during the three-year period after FY 2016 will aggregate \$114,651.
3. **Tip Fees:** Tip fees that the Transfer Station pays to PERC will decline from \$253,261 in FY 2016 to \$128,930 in FY 2019. Savings in tip fees during the three-year period will aggregate \$384,958.
4. **Cumulative Budget Impact:** During the first three years of PAYT the cumulative impact on the Transfer Station budget after implementing PAYT could potentially yield an aggregate reduction of close to \$1 million.
5. **Tax support**, in aggregate, from Each of Cushing, Friendship and Waldoboro will decrease from \$474,055 in FY2016 to \$156,224 in FY2019.



Other Towns' Experiences with PAYT

A University of Maine Study says that it is not uncommon for municipalities to observe an approximate 40% reduction in their waste tonnage after implementing PAYT. (cf. Maine Policy Review, Volume 23/Issue 2, *Impacts of Pay-as-You-Throw and Other Residential Solid Waste Options Southern Maine 2007-2013*).

It's not a matter of *if* the citizens of Waldoboro embrace PAYT. It's a matter of *when*. The sooner Waldoboro adopts a rational policy for disposing of waste the sooner Cushing, Friendship, and Waldoboro will shift their priorities and stop throwing money away.

Consider the experiences of the following Maine towns:

Sanford, Maine (Pop. 20,000): Sanford instituted PAYT in July 2010. Trash dropped by half immediately. Four months later, the town repealed PAYT. The amount of trash shot up, almost back to where it was before PAYT started. After three years operating without PAYT, Sanford reinstated it in September 2013. It cut its municipal waste by 42%, saved more than \$28,000 in tipping fees, and saw a drop in annual pounds of trash *per capita* to 313 pounds. (The national average is 900 pounds.)

Eliot, Maine (Pop. 6,000): In 2013 Eliot implemented a PAYT program. Trash tonnage dropped from 268 tons to 116 tons and the town saved \$8,589 on incineration costs.

Waterville, Maine (Pop. 16,000): After implementing PAYT and a curbside pick-up program, annual pounds of trash per capita dropped to 325 pounds. The town diverted 1,720 tons of trash, realizing a 53% decrease in solid waste tonnage and savings of \$78,000 in disposal costs.

The Bath Public Works Director (population 8,500) reported that recycling increased by 60 percent after the city began charging by the bag. A Portland paper reported that Bath residents grumbled about the additional fee, calling it an extra tax, but said "if waste disposal costs increased on the city, homeowners would have paid for it through property tax increases anyway".

Brewer, Maine (population 9,000) was sending almost 3,000 tons of trash to PERC in 2009 and 2010. When the town adopted PAYT in 2011, tonnage was cut in half, to 1,449 tons. Brewer reduced annual PERC tip fees from \$131,343 in 2010 to \$65,214 in 2011. Since implementing PAYT, the town saved \$281,462 in PERC tip fees through 2014.

The Woolwich, ME Experience: Woolwich (Population 3,072) initiated curbside recycling several years ago, but did not achieve a significant reduction of trash and hoped-for savings. In fact, after plateauing, recycling rates went down.

At its May 2015 town meeting, Woolwich voters, after rejecting PAYT several years earlier, approved a PAYT program by a 52% to 48% margin (114-105). Woolwich implemented PAYT on August 17, 2015.

According to the Woolwich Solid Waste and Recycling Committee minutes dated December 16, 2015, after implementing PAYT *annualized* tons of trash generated decreased from 900 to 500. Recycling tonnage increased from 200 to 300 tons.

In November 2015 Woolwich voters went to the polls and voted to eliminate PAYT. The program terminated on January 27, 2016.

What happened? Why did Woolwich voters reject PAYT?

David King, Sr, Woolwich Select Board Chairman, said that the public did not understand PAYT. He said the town had not done a good enough job explaining how the program worked. Anecdotally, he recalled a conversation with one citizen who didn't understand why, when the bags cost \$0.28, the town was selling them for \$2.00. When asked where she thought the money to transport and tip the trash she was throwing away came from, she finally understood. After three months of reduced tip fees and increased recycling rates, several people regretted voting to repeal PAYT. The repeal had required the Select Board to figure out how to handle the resulting \$120,000 budget shortfall. Woolwich continues to debate the issue of PAYT.



Transfer Station Committee Recommendations

- Place a PAYT article on the November 2016 warrant. The warrant article would authorize the Waldoboro Transfer Station Committee to work with the Waldoboro Select Board and the Waldoboro Town Manager to take all steps necessary to implement a PAYT program by January 1, 2017. The implementation of PAYT would not exceed the FY 2017 Transfer Station Budget.
- Put out an RFP to private firms to administer the town's PAYT program.
- Set aside 2% of PAYT trash bag revenues to establish a PAYT Assistance Fund to help the deserving poor purchase PAYT trash bags. Unused PAYT Assistance Fund Balances would be added to the Transfer Station's General Fund.
- Continue to recycle with Lincoln County Recycling (LCR) while looking carefully into single stream recycling options, including EcoMaine and Fiberight once the Fiberight facility is operating.
- As of June 30 of each year following implementation of PAYT, require a report from the Waldoboro Director of Public Works comparing annual tons of garbage and recycling generated during FY2017, the Baseline Year, with annual tons of garbage and recycling generated thereafter. The report must also contain comparisons of each succeeding year's tip fees, transport service fees, and revenues generated from net sales of PAYT trash bags.



Conclusion

PAYT takes away from your friends and neighbors the burden of paying for the trash you throw away. PAYT gives everyone the option of throwing away as much as they like or of reducing what they throw away by reusing, recycling, and composting more.

Without PAYT the people in Friendship, Cushing, and Waldoboro throw away an average of 639 pounds per person per year. In towns that have PAYT, annual per person disposal is as low as 300 pounds.

PERC has announced tipping fee increases to as high as \$86.71 per ton through April 2018. If we do nothing, we will face continued increases in taxes to cover transport and tip fees. We will continue to give trash disposal a budgetary priority that it does not deserve.

If we continue as we are, we're going to spend close to \$1,000,000 during the next three years just to transport and tip our garbage.

If we don't act, the State of Maine will legislate to take our freedom of action away from us. (The State of Vermont made PAYT mandatory in 2015.)

Our Director of Public Works has been proposing a switch to PAYT for years. It's time to listen and to take action.

ATTACHMENTS

ATTACHMENT I: BUDGETS WITHOUT PAYT

Source: Walldoboro Finance Director Reports

Account Ref	TRANSFER STATION BUDGETS: FY 2013 TO FY 2016					PROJECTED BUDGETS WITHOUT PAYT (3% Annual Increase)			
	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY 2016 Final		FY2017 Projected	FY2018 Projected	FY2019 Projected	
Incoming Fees and Transfers									
3216 WasteHauler Licenses	- \$300.00	\$350.00	\$175.00	\$125.00		\$250.00	\$300.00	\$300.00	
3351 Town of Friendship	\$61,411.00	\$69,157.00	\$73,432.00	\$76,719.00		\$70,750.00	\$72,872.50	\$75,058.68	
3352 Town of Cushing	\$81,817.96	\$92,089.00	\$97,827.00	\$102,159.00		\$94,210.00	\$97,036.30	\$99,947.39	
3434 Charges for Services - Disposal Fee Revenues	\$57,656.62	\$76,684.09	\$63,360.00	\$53,360.00		\$55,360.00	\$57,020.80	\$58,731.42	
3641 Performance Credits - PERC	\$54,729.52	\$49,968.85	\$57,336.00	\$42,800.00		\$30,272.00			
3911 Transfer In - General Fund	\$210,679.00	\$247,328.00	\$266,232.00	\$295,177.00		\$306,406.00	\$454,490.63	\$475,883.52	
3999 Utilization of Fund Balance	\$0.00		\$20,000.00	\$40,000.00					
Income Fees and Transfers	\$466,594.10	\$535,576.94	\$578,362.00	\$610,340.00		\$557,248.00	\$681,720.23	\$709,921.01	
Operating Expenses									
10 Payroll Comp	\$88,673.36	\$100,738.93	\$106,416.00	\$117,235.00		\$125,745.00	\$129,517.35	\$133,402.87	
15 Employee Benefits	\$40,833.90	\$36,860.85	\$6,626.00	\$6,626.00		\$59,765.00	\$61,557.95	\$63,404.69	
20 Operating Expenses	\$6,242.11	\$9,412.18	\$5,964.00	\$11,992.00		\$11,992.00	\$12,351.76	\$12,722.31	
30 Insurance	\$4,917.20	\$4,951.10	\$5,503.00	\$5,503.00		\$5,297.00	\$5,455.91	\$5,619.59	
40 Professional Fees	\$14,616.66	\$12,081.04	\$8,132.00	\$12,147.00		\$8,507.00	\$8,762.21	\$9,025.08	
50 Utilities	\$2,574.69	\$4,084.68	\$5,873.00	\$6,960.00		\$3,385.00	\$3,486.55	\$3,591.15	
60 Equipment R & M	\$3,763.74	\$1,978.08	\$15,059.00	\$17,483.00		\$14,965.00	\$15,413.95	\$15,876.37	
63 Building & Grounds Maint	\$15,259.16	\$15,287.36	\$12,883.00	\$13,855.00		\$15,155.00	\$15,609.65	\$16,077.94	
85 Other Expense									
15 Health Services							\$0.00	\$0.00	
50 Tipping Fees PERC	\$245,168.60	\$246,640.60	\$255,852.00	\$253,261.00 *		\$214,009.00	\$335,053.40	\$355,458.15	
52 Household Waste	\$1,724.00	\$989.00	\$1,004.00	\$1,004.00		\$999.00			
54 Other Bulky Waste, Tires	\$13,211.25	\$6,236.25	\$43,350.00	\$43,350.00		\$39,850.00	\$41,045.50	\$42,276.87	
60 Transport Services to PERC	\$59,007.50	\$59,181.46	\$66,657.00	\$66,117.00 *		\$57,400.00	\$53,466.00	\$52,466.00	
Total Expenses	\$495,992.17	\$498,441.53	\$533,319.00	\$555,533.00 *		\$557,069.00	\$681,720.23	\$709,921.01	
Annual Surplus/(Deficit)	\$29,398.07	\$37,135.41	\$45,043.00	\$54,807.00		\$179.00	\$0.00	\$0.00	
Trips to PERC	172	153	142	128		132	136	140	
Tonnage Shipped to Perc	3,338.84	3,262.50	2,851.05	2555		2,631.65	2,710.60	2,791.92	
Average Tons Per Load	19.41	21.32	20.08	20		20	20	20	
Avg Cost/ton(Tip fee + Transport)	\$91.10	\$93.74	\$113.12	\$116.51		\$120.01	\$123.61	\$127.32	

ATTACHMENT II: PROJECTED PAYT BUDGETS

TRANSFER STATION BUDGETS: FY 2013 TO FY 2016

Source for FY2013 thru FY2015: Reports from Waldoboro Finance Director

Incoming Fees and Transfers

Budget Line	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY 2016 Final
3216 WasteHauler Licenses	\$300.00	\$350.00	\$175.00	\$125.00
Town Contributions				
3351 Town of Friendship Contribution	\$61,411.00	\$69,157.00	\$73,432.00	\$76,719.00
3352 Town of Cushing Contribution	\$81,817.96	\$92,089.00	\$97,827.00	\$102,155.00
3911 Transfer in - Transfer Station General Fund				
3999 Utilization of Fund Balance	\$210,679.00	\$247,328.00	\$266,232.00	\$295,177.00
Total Incoming	\$466,594.10	\$535,576.94	\$578,362.00	\$610,340.00

Operating Expenses

10 Payroll Comp	\$88,673.36	\$100,728.93	\$106,416.00	\$117,235.00
15 Employee Benefits	\$40,833.90	\$46,860.85	\$66,626.00	\$66,626.00
20 Operating Expenses	\$6,342.11	\$9,412.18	\$5,964.00	\$11,998.00
30 Insurance	\$4,917.20	\$4,951.10	\$5,503.00	\$5,503.00
40 Professional Fees	\$14,016.66	\$12,081.04	\$8,132.00	\$12,147.00
50 Utilities	\$2,574.69	\$4,084.68	\$5,873.00	\$6,960.00
60 Equipment R & M	\$3,763.74	\$1,978.08	\$15,059.00	\$17,483.00
63 Building & Grounds Maint	\$15,259.16	\$15,287.36	\$12,883.00	\$13,855.00
85 Other Expenses	\$1,724.00	\$989.00	\$1,004.00	\$1,004.00
52 Household Waste	\$12,111.25	\$6,236.25	\$43,350.00	\$43,350.00
54 Other Bulky Waste, Tires	\$191,816.07	\$192,619.47	\$210,810.00	\$238,161.00
Total Operating Exp	\$745,168.60	\$746,640.60	\$755,852.00	\$753,261.00 *
60 Transport Services to PERC	\$59,007.50	\$59,181.46	\$66,657.00	\$66,117.00 *
Sub-Total PERC Transport and Tipping Fees	\$304,176.10	\$305,822.06	\$322,509.00	\$319,378.00

Total Operating Expenses

\$495,992.17 \$498,441.53 \$533,319.00 \$555,539.00 *

Annual Surplus/(Deficit)

\$29,398 \$37,135 \$45,043 \$54,801

Trip to PERC
Tonnage Shipped to PERC
Average Tons Per Load
Avg Cost/Ton (Tip Fee + Transport)
Tip Fee/Ton
Transport/Ton

172	153	142	182
3,339	3,263	2,851	2,555
19.41	21.32	20.08	20.08
\$91.10	\$93.74	\$113.12	\$116.51
73.43	75.60	89.74	99.12
\$18.60	\$18.60	\$18.60	\$18.60

PROJECTED PAYT BUDGETS

Source for FY2017 thru FY2019: Reports from Waldoboro Finance Director

Incoming Fees and Transfers - Projected

Budget Line	FY2017 Projected	FY2018 Projected	FY2019 Projected
3216 WasteHauler License	\$250.00	\$250.00	\$250.00
Town Contributions			
Estimated Cushing	\$22,786	\$46,939	\$48,347
Estimated PAVT Friendship	\$18,525	\$38,162	\$39,306
Estimated PAVT Waldoboro	\$69,643	\$143,464	\$147,768
Sub-Total Revenue	\$110,953	\$228,564	\$235,421
Less: 15% Admin Fee	\$16,643	\$34,285	\$35,313
Net PAVT Revenues	\$94,310	\$194,279	\$200,108
3911 Transfer in - General Fund			
3999 Utilization of Fund Balance	\$242,345	\$152,479	\$156,724
Total Incoming	\$391,866	\$403,618	\$414,890

Operating Expenses - Projected

10 Payroll Comp	\$120,752	\$124,375	\$128,106
15 Employee Benefits	\$6,825	\$7,030	\$7,240
20 Operating Expenses	\$12,358	\$12,729	\$13,111
30 Insurance	\$5,668	\$5,838	\$6,013
40 Professional Fees	\$12,311	\$12,887	\$13,273
50 Utilities	\$7,169	\$7,384	\$7,605
60 Equipment R & M	\$18,007	\$18,548	\$19,104
63 Bldg & Grounds Maint	\$14,271	\$14,699	\$15,140
85 Other Expenses	\$1,034	\$1,065	\$1,097
52 Household Waste	\$44,651	\$45,990	\$47,320
54 Other Bulky Waste, Tires	\$243,246	\$250,543	\$258,060
Total Operating Exp	\$120,720	\$125,175	\$128,930
60 Transport Services to PERC	\$27,900	\$27,900	\$27,900
Sub-Total PERC Transport and Tipping Fees	\$148,620	\$153,075	\$156,830

Total Operating Expenses

\$391,866 \$403,618 \$414,890

Annual Surplus/(Deficit)

\$75,000 \$75,000 \$75,000

Trip to PERC
Tonnage Shipped to PERC
Average Tons Per Load
Avg Cost/Ton (Tip Fee + Transport)
Tip Fee/Ton
Transport/Ton

75	75	75
1,500	1,500	1,500
20	20	20
\$116.51	\$120.01	\$104.55
\$80.48	\$83.45	\$85.95
\$18.60	\$18.60	\$18.60

Key Projected Transfer Station Budget Indicators
Showing Impact of Reduction in PERC Tonnage
to 1500 tons Per Year as a Result of Implementing Unit-Based Pricing

Fiscal Year	Decrease in Tip Fees	Decrease in Transport Costs	Net Revenues from Bag Sales	Total Budget Impact
2017	\$135,132	\$38,757	\$94,310	\$268,199
2018	\$130,677	\$38,757	\$194,279	\$363,713
2019	\$126,922	\$38,757	\$200,108	\$365,786
Cumulative Impact, FY 2017 - FY 2019				\$997,699

General Fund Savings

#####

Tipping Fee Savings
Transport Fee Savings
Total PAVT Savings#####

#####

Attachment II-A
Transfer Station Funding Sources

		Before PAYT	WITH PAYT BUDGETS			
		FY2016	FY2017	FY2018	FY2019	
Hauler License Fees		\$125	\$250	\$250	\$250	
Taxes		\$474,055	\$242,345	\$152,479	\$156,224	
Bulky Waste Fees		\$53,360	\$54,961	\$56,610	\$58,308	
PERC Performance Credits		\$42,800	\$0			
Fund Balance Utilized		\$40,000	\$0			
PAYT Bag Sales - Cushing			\$22,786	\$46,939	\$48,347	
PAYT Bag Sales - Friendship			\$18,525	\$38,162	\$39,306	
PAYT Bag Sales - Waldoboro			\$69,643	\$143,464	\$147,768	
Less: Admin Fee - PAYT Bag Sales			\$16,643	\$34,285	\$35,313	
Total Budget Support		\$610,340	\$391,866	\$403,618	\$414,890	
Break-Down of Transfer Station Tax Support						
	Pct of Budget	FY2016	FY2017	FY2018	FY2019	
Cushing	19.77%	\$47,912	\$47,912	\$30,145	\$30,886	
Friendship	14.84%	\$35,964	\$35,964	\$22,628	\$23,184	
Waldoboro	65.39%	\$158,469	\$158,469	\$99,706	\$102,155	
Budget Support from Taxes		\$242,345	\$242,345	\$152,479	\$156,224	

**CALCULATION OF ANNUAL PAY-AS-YOU-THROW REVENUES
BY TOWN
ASSUMING A 40% REDUCTION IN SOLID WASTE DISPOSAL**

Bag Weight (lbs)
 Price per 15- 15 \$1.25
 Price per 30- 30 \$2.00

Cushing

Type of Household	Number of Households	Total persons	15-Pound Bags used per Household per week	30-pound Bags used per Household per week	Total Weekly Revenue from 15-Pound Bags	Total Weekly Revenue from 30-Pound Bags	Total Weekly Revenue from all Households	Total Annual Revenue	Annual Tonnage Calculation
1 person	166	166	0.5	0	\$103.75	\$0.00	\$103.75	\$5,395	32
2 person	316	632	0.75	0	\$296.25	\$0.00	\$296.25	\$15,405	92
3 person	94	282	0	0.75	\$0.00	\$141.00	\$141.00	\$7,332	55
4 person	94	376	0.25	0.75	\$29.38	\$141.00	\$170.38	\$8,860	64
5 person	55	275	0	1.5	\$0.00	\$165.00	\$165.00	\$8,580	64
Totals	725	1731			\$429.38	\$447.00	\$876.38	\$45,571.50	308

Check Total \$45,571.50

Friendship

Type of Household	Number of Households	Total persons	15-Pound Bags used per Household per week	30-pound Bags used per Household per week	Total Weekly Revenue from 15-Pound Bags	Total Weekly Revenue from 30-Pound Bags	Total Weekly Revenue from all Households	Total Annual Revenue	Annual Tonnage Calculation
1 person	123	123	0.5	0	\$76.88	\$0.00	\$76.88	\$3,997.50	24
2 person	317	634	0.75	0	\$297.19	\$0.00	\$297.19	\$15,453.75	93
3 person	75	225	0	0.75	\$0.00	\$112.50	\$112.50	\$5,850.00	44
4 person	75	300	0.25	0.75	\$23.44	\$112.50	\$135.94	\$7,068.75	51
5 person	30	150	0	1.5	\$0.00	\$90.00	\$90.00	\$4,680.00	35
Totals	620	1432					\$712.50	\$37,050.00	247

Check Total \$37,050.00

Waldoboro

Type of Household	Number of Households	Total persons	15-Pound Bags used per Household per week	30-pound Bags used per Household per week	Total Weekly Revenue from 15-Pound Bags	Total Weekly Revenue from 30-Pound Bags	Total Weekly Revenue from all Households	Total Annual Revenue	Annual Tonnage Calculation
1 person	644	644	0.5	0	\$402.50	\$0.00	\$402.50	\$20,930.00	126
2 person	863	1,726	0.75	0	\$809.06	\$0.00	\$809.06	\$42,071.25	252
3 person	313	939	0	0.75	\$0.00	\$469.50	\$469.50	\$24,414.00	183
4 person	264	1,056	0.25	0.75	\$82.50	\$396.00	\$478.50	\$24,882.00	180
5 person	173	865	0	1.5	\$0.00	\$519.00	\$519.00	\$26,988.00	202
Totals	2257	5230					\$2,678.56	\$139,285.25	944

Check Total \$139,285.25

Total Annual PAYT Tonnage with 47.4% Reductio **1,499**
 Total Estimated PAYT Income \$221,906.75
 Less Administrative Fee @ 15% \$33,286.01

Net Revenue to the Transfer Station \$188,620.74

Savings from reduction in Tipping & Transport
 @ \$100 per ton Current Tonnage 2,555
 PAYT Tonnage 1,499
 Difference 1,056
 Savings **\$105,613**

Total PAYT Revenue and Savings \$294,234

FY2016 Transfer Statio Operating Budget \$533,319

Revised TS Budget Supported by Taxes \$239,085

Attachment IV

STEPS TO IMPLEMENT PAYT

1. Solicit proposals from companies ("bag vendors") to supply the bags, stock the bags in local stores, manage the inventory of bags to ensure there is no shortage, collect the revenues from the sales of the bags, and make monthly payments of net bag revenues to the Town of Waldoboro.
2. Explain to the public how PAYT works.
3. Establish clear prices for the bags:
 - 1.1. 15-gallon color-coded bags are sold for \$1.25. \$0.1875 from the sale of each bag goes to the bag vendor. \$1.0625 per bag goes to the Town of Waldoboro and is credited to the Transfer Station General Fund. 15-gallon bags are sold in rolls of 5; the cost of one roll is \$6.25.
 - 1.2. 30-gallon color-coded bags are sold for \$2.00. \$0.30 from the sale of each bag goes to the bag vendor; \$1.70 goes to the Town of Waldoboro and is credited to the Transfer Station General Fund. One roll of 5 bags costs \$10.00.
 - 1.3. 45-gallon color-coded bags are sold for \$3.00. \$0.45 from the sale of each bag goes to the bag vendor; \$2.55 goes to the Town of Waldoboro. The 45-gallon bag offers flexibility to local businesses to participate in the PAYT program.
4. The Transfer Station shall not allow entry of non-PAYT bags. The Transfer Station has the right to refuse loads with non-PAYT bags or to charge a penalty for allowing them into the Transfer Station.
5. Enforce the town's litter laws.
6. Maintain mandatory recycling and establish a recycling goal of 50% to be achieved by June 30, 2020.
7. Continue to charge for depositing CDD and Bulky Waste at the Transfer Station.
8. Establish a PAYT Assistance Fund, set at 2% of annual bag sales, and adjust the fund amount annually based upon experience. The fund is for deserving residents of Cushing, Friendship, and Waldoboro who apply and qualify for financial assistance. The Waldoboro Assessor would receive applications. If the Assessor approved the application he would withdraw money from the PAYT Assistance Fund and would use the proceeds to purchase bags for the applicants.

Attachment V

Can we Adopt Single Stream Recycling?

Single Stream or “single sort” recycling is an efficient and proven method of increasing recycling. It’s much easier than “home sort”, which is what we’re doing now. With single-stream, residents don’t sort their recyclables at home. They simply place all recyclables (plastics, mixed paper, cardboard, cans, glass, and newspapers) into one container and then deposit their recyclables into a single bin at the Transfer Station.

Most, if not all, Transfer Station Committee members would recommend single stream recycling if it would not cost Cushing, Friendship, and Waldoboro more tax dollars.

There are issues that stand in the way of adopting single stream in the three communities:

1. Lincoln County Recycling (LCR), which picks up recycled materials at the Transfer Station at no charge, does not use a single stream recycling program. LCR collects pre-sorted recyclables and sells them on the open market to recover the costs of its operation. Pre-sorted recyclables command a higher market price than single stream recyclables, which are often contaminated.
2. If we adopted single stream there would be costs:
 - 1.1. We would have to pay to transport the single stream materials to EcoMaine in Portland or to the new Fiberight facility in Hampden. The transport cost to either location is about \$20 per ton. In addition, Fiberight would charge a \$35 per ton tip fee. EcoMaine does not charge a tip fee, however it does charge a penalty of up to \$70 per ton for contaminated recyclables. Contamination of single stream recyclables is difficult to eliminate. Also, EcoMaine would be only a temporary recycling solution for our Transfer Station because it is currently offering contracts of five years to new customers. EcoMaine gives priority to its charter members.
 - 1.2. Single Stream directs attention away from what one is actually recycling. Pre-sorting recyclables makes one more conscious of what one is throwing away and reduces or eliminates contamination.
 - 1.3. The Transfer Station would have to purchase at least one compactor to reduce the volume of single stream recyclables for transport. The compactors cost in

the range of \$25,000 excluding operating costs, insurance, and maintenance. In all likelihood, to ensure safety and efficiency, the Transfer Station would have to employ another person. We summarize estimated first year single stream recycling costs below:

- \$25,000 new compactor
- \$ 4,000 two new roll on/off bins
- \$20,000 annual transport assuming 1000 tons of recyclables
- \$35,000 tip fee at Fiberight
- \$84,000 total

Note that the foregoing itemization does not include insurance, maintenance, another employee or opportunity costs related to leaving LCR.

3. The Transfer Station Committee will review single stream recycling after the Fiberight plant in Hampden is built and in operation. At that time there could be regional economies of scale that cooperating communities could realize from transporting garbage and recyclables by rail to Hampden. Moreover, the cash revenues PAYT generates could be used, in part, to cover the costs of switching to single stream.

Attachment VI

A Discussion of Fiberight and PERC

At the end of March 2018 Waldoboro's contract with Penobscot Energy Recovery Corporation (PERC) will expire. Recently, Cushing, Friendship, and Waldoboro voted to accept the Municipal Review Committee's (MRC) recommendation to join in a different approach to solid waste disposal. Fiberight has developed a set of technologies that convert garbage to methane gas, cellulose, plastic chips, and/or organic compost. The process does not require incineration and Fiberight maintains that it will generate less residue for the landfill.

MRC compared the PERC/Fiberight Options as follows:

	FIBERIGHT PLAN	PERC PLAN
Tipping Fees	\$70/ton	\$84.36/ton
Fee Adjustments	Annually	4 times/year
Rate Guarantee	Yes-in Writing	NO
Rebates/Rev Share	Yes-in Writing	NO
Landfill Destination	20%	35%
Organics Program Cost	Yes – Included	No –Billed Extra
Out of State Trash	Not Allowed	Allowed
MRC Oversight	Yes	No
MRRA Endorsed	Yes	No

In deciding to join with MRC/Fiberight, we have provisionally committed to deliver about 2,600 tons to Fiberight in 2018 and beyond. Now, our challenge is to reduce that provisional commitment. Our goal is to deliver no more than 1500 tons. With a PAYT program we can achieve that goal and reduce our annual Transfer Station tip fee costs by \$77,000.

Attachment VII
Pay As You Throw (PAYT)
Frequently Asked Questions (FAQ)

1. What is Pay As You Throw?

Under a Pay As You Throw (PAYT) trash program, households pay for the amount of trash they throw away. PAYT provides a direct economic incentive for residents to reduce waste and to recycle more.

2. How does PAYT work?

You buy approved bags at stores where you usually shop.

3. Where can we buy PAYT bags?

We are working to have PAYT bags sold at the following businesses:

Hannaford's in Waldoboro

Bear Hill Hardware

RZR Hardware

Wallace's in Friendship

Community Pharmacy, Waldoboro

Broad Cove Market, Cushing

4. Are there different sizes? How much do the PAYT bags cost?

Yes, three bag sizes are available:

15-gallon bags cost \$1.25 each (\$6.25* for a roll of 5)

33-gallon bags cost \$2.00 each (\$10.00* for a roll of 5)

45-gallon bags cost \$3.00 each (\$15.00* for a roll of 5)

**Not subject to sales tax. Waldoboro pays the sales tax on behalf of residents.*

5. What color are the bags?

Waldoboro's official yellow PAYT bags are imprinted with the Transfer Station logo.

6. Do I have to pay for recycling, too?

No

7. How do I get my PAYT bags to the Transfer Station?

You may take them yourself or you may hire—or continue to use—the services of a licensed trash hauler. There is a list of licensed trash haulers on the Town of Waldoboro website: www.waldoboromaine.org

8. Can I put my PAYT bags in a trashcan or other container in front of my place?

Yes, you can place one or more PAYT bags in containers at the roadside for your trash hauler or you can take them to the Transfer Station yourself.

9. Can I put other bags into my PAYT bags?

Yes. Many residents may use smaller plastic or paper bags for garbage in their house then periodically place them in their PAYT bag stored in the garage, shed, or basement, until the PAYT bag is full.

10. Does everyone have to purchase bags?

Everyone who elects to throw—or to have their trash hauler throw—their trash away at the Waldoboro Transfer Station has to purchase bags.

11. Is there a senior discount?

No. Everyone pays the same price for the same size bags. However, those who produce less trash and/or recycle more need fewer bags and have lower costs.

12. What if I don't have the proper bag?

The Transfer Station or your trash hauler will not accept your garbage.

13. How does Waldoboro deal with people who litter?

The Waldoboro DPW regularly monitors areas that have historically had dumping issues. It takes steps to identify offenders. Repeat offenders, if any, are cited in accordance with local and state law.

14. How many PAYT bags can we dispose of each week?

There is no limit on how many PAYT bags you may use. The PAYT program is designed to offset the cost of trash transport to PERC and tip fees at PERC. Each resident controls how much he or she spends for his or her own trash disposal.

15. Do I have to throw a PAYT bag away each week?

No. Some households find they can go one, two, or even more weeks before filling a PAYT bag and throwing it away.

16. What if my trash item does not fit into the PAYT bag?

If you have non-recyclable items or bulky items that do not fit into the PAYT bag, you may be able to dispose of them for a fee at the Waldoboro Transfer Station. Hours of operation and a list of items the Transfer Station will accept are listed on the Town of Waldoboro website or are available at the Waldoboro Town Office.

17. How can I lower my trash cost?

Recycling is an easy and free way to lower your trash costs. Upwards of 70% of household trash can be recycled. Composting yard waste and kitchen scraps and buying items with less packaging are also effective ways to lower your disposal costs even further.

18. Why should I pay for special bags? Isn't this what my taxes are supposed to cover?

With this PAYT proposal, the revenues generated from the sale of bags and decreases in trash transported and tipped will decrease your Transfer Station budget. Moreover, not all taxpayers use the Transfer Station. Businesses and commercial properties, including some multi-unit residences and trailer parks, pay substantial taxes yet must contract for waste collection.

With PAYT, it becomes more equitable for residents with smaller amounts of garbage to pay for what they throw away, and those who reduce and recycle are rewarded with a lower trash bill. Citizens, who choose not to recycle, and therefore produce more garbage, will pay more.

19. Doesn't PAYT increase illegal dumping?

That has not been the case in most towns adopting PAYT. Nationwide studies have shown that most communities that start a PAYT system see little to no increase in roadside dumping. Illegal dumping exists in almost all communities, but *the majority of dumped materials are not residential in origin—they are usually bulky items (e.g. furniture, construction debris, etc.) that are not affected with a PAYT system.* The Waldoboro Department of Public Works cooperates closely with the Waldoboro Code Enforcement Officer and Police Department to identify and pursue illegal dumpers, many of whom are *not* from Cushing, Friendship, or Waldoboro.

20. Why Does Waldoboro Transfer Station want to implement PAYT?

Waldoboro Transfer Station wants to implement PAYT to offset the increasing costs of trash disposal. PAYT allows each household to control their volume of trash disposal and the costs associated with excess disposal. PAYT also encourages recycling, which benefits everyone.

21. What are the goals of PAYT?

- Provide alternative revenue support for the Transfer Station to help offset some of the towns' solid waste costs;
- Establish an entirely fair way of meeting solid waste costs instead of increasing the overall tax burden. You pay for your own trash, not your neighbor's. We don't penalize people who recycle by making them pay for people who do not;
- Lower the amount the Waldoboro Transfer Station pays to PERC for disposal of residential trash. This is an important point. Taking steps to reduce transport and tip fees proactively addresses the impending 2018 expiration of the 30-year contract with PERC and higher PERC tip fees; and
- Move closer to, if not exceed, the State of Maine recycling goal of 50%.

22. Is PAYT a new idea in Maine?

No. More than 140 communities in Maine currently utilize a PAYT program. PAYT is prevalent in southern Maine and across the USA and is becoming more common in central and northern Maine. Holden and Ellsworth have had PAYT in place for many years.

23. Why did you choose PAYT bags over PAYT tags or stickers?

While it is true that PAYT tags would be less expensive to produce and easier to store,

experience from hundreds of communities has shown multiple advantages of using bags. Tags are easy to counterfeit; bags are not. Tags can fall off or be torn off. Believe it or not, some who are short a tag on trash day try to tape cash to their bag—easily misappropriated, as you can imagine. Bags are easy for the hauler and the Transfer Station attendants to see and distinguish; tags much less so. Bags are more equitable because everyone is paying the same price for the same volume. Tags can be placed on varying sizes of bags. As a result, trash tonnages tend to remain higher under a tag program than a bag program. Numerous communities that started their PAYT programs with tags have since switched to bags. When Gloucester, MA switched from tags to bags, it experienced a 37% reduction in trash volume after just two weeks.

24. How much profit do the stores make off the bags?

The stores selling the Waldoboro Transfer Station PAYT bags are prohibited from marking up, or making a profit on, the bags. The Waldoboro Select Board, upon recommendation of the Waldoboro Transfer Station Committee sets the prices of the bags.

25. Will my taxes go down as a result of PAYT?

PAYT is expected to provide about \$332,000 in net benefit to the Transfer Station budget each year. This is comprised of approximately \$194,000 in bag revenue and a \$170,000 reduction in PERC disposal costs. This PAYT proposal recommends a reduction in the mil rate based upon a report the Public Works Director is to complete after the first full year of PAYT.

26. How much do the three towns pay for trash removal at the Waldoboro Transfer Station?

The 2015/16 Waldoboro Transfer Station budget was about \$610,340, of which \$514,180 was supported with tax revenues. (\$53,000 was received from Other Bulky Waste Fees and PERC provided \$42,800 in performance credits.) The PAYT bag fee does not cover all of the Waldoboro Transfer Station's disposal costs. It is intended to cover the costs of transporting garbage to PERC and tipping it at PERC, which totaled \$319,378 in FY 2015/16. Tax revenues will continue to cover personnel and related costs.

27. Who can I contact to get more information?

Please call the Waldoboro Town Office 207-832-5369 or the Department of Public Works.