

Solid Waste Advisory Committee Meeting

2/4/25

4:30 PM

Members:

Chair: Councilor Brent Todd	<input checked="" type="checkbox"/>
Councilor Jeff Foote	<input checked="" type="checkbox"/>
Councilor Judith Kurtz	<input checked="" type="checkbox"/>
Councilor Jim Schlosser	<input checked="" type="checkbox"/>
Councilor Karen McNamara	<input checked="" type="checkbox"/>
Councilor Kris Schultz	<input type="checkbox"/>
Eric Steinhauser	<input type="checkbox"/>
Reagan Bissonnette	<input checked="" type="checkbox"/>
Carol Foss	<input type="checkbox"/>
Linda Zollo	<input checked="" type="checkbox"/>

Guests:

Michael Paine – Belmont Region Manager – Casella (Not scheduled to speak, intends on joining us as we move forward)

Staff:

Chip Chesley – General Services Director
Jeff Hoadley – General Services Deputy Director
Adam Clark – General Services Administration Division Manager
Angelina Zulkic – General Services Communications Coordinator

Calling the meeting to order at 4:30, Chairman Todd welcomed the committee. The first order of business was to approve the previous meeting minutes from the December meeting with a motion made by Councilor Schlosser, seconded by Councilor McNamara, and unanimously passed.

Chairman Todd then wished Staff Member Adam Clark well wishes on an upcoming extended absence. Mr. Clark expressed appreciation for all of the support he has received.

With that, Staff began to present on the primary subject of the evening, PAYT economics.

PAYT began in Concord in 2009 when Council voted the policy in. It was done in response to rapidly rising solid waste costs. Upon establishment of the program, trash volume in the City declined by over 40% and recycling tonnage doubled.

In practice residents are required to purchase official Concord-issued PAYT bags for curbside collection. The revenues generated from the sale of these bags helps pay for the collection and disposal/processing of solid waste and recycling.

In executing the program, Concord contracts the manufacturing, billing, and administration of the PAYT program out. Previous analysis showed that this was cheaper than hiring staff to support the program in-house.

It should be noted that this evening's conversation will be about the curbside PAYT involving the use of bags. Sometimes the City will refer to its dumpster service as PAYT but that will not be what we're discussing this evening but it is noted that a price adjustment on that program will be forthcoming to match the contract pricing in the budget process.

When looking at PAYT economics there are what have been referred to as "two levers" to pay for solid waste services; PAYT revenues or the General Fund transfer. There are no other sources. If one is lowered, the other must increase to cover the costs. This was considered by the committee and Council at the last price adjustment in 2023.

Analyzing what the impact would be if PAYT were to be discontinued involves looking at 3 components; the annual bag revenue which is approximately \$1.5 million, downtown solid waste management district costs that the General Fund would need to pick up, and lastly, increased volume that can be expected if the mechanism to limit volumes were to be removed. One would also need to consider the previously mentioned containers but that is not included.

In estimating what the increased volume would look like, the Department estimated that the 40% that had previously "went away" would come back. At today's tip fees that would represent approximately \$360,000 annually. All told, the "swing" would be estimated at \$2.26 in lost revenue and increased costs that the General Fund would need to pick up.

The Department then reached out to the Finance Department which provided the potential property tax rate impact of that would be \$0.43 or 4.4%. On a \$350,000 home this would represent \$150.50.

Staff then noted some considerations. The figures used to estimate the impact were simply that, estimates. Actuals could be more or less. Staff also noted that the impact on a \$350,000 may appear modest because what is happening is that the increased costs/lost revenue are now being borne in part by the commercial base in the City whereas now, aside from the General Fund transfer, they are not carrying those costs.

It was also noted that low volume users lose the mechanism by which they can lower their costs. Restated, this means there would be winners and losers in a discontinuation of the program.

There are also considerations to this with regard to the impending transitions to automated collection. The City continues to pursue a compliance enforcement program which will carry costs. There will also be diminished recycling efforts expected if PAYT were to be repealed.

With that, Staff opened the meeting to questions. Chairman Todd thanked Staff.

Councilor Kurtz noted and sought to restate that for a family that used one bag per week, the costs would be roughly the same if they were in a \$350k home.

Councilor Foote stressed that cost avoidance here is the biggest thing. Deputy Director Jeff Hoadley agreed and noted that volumes that could be seen represent the biggest risk.

Councilor Foote asked Staff to look at what the cost of the bag would be if there was no General Fund transfer and the costs were borne entirely by the bag; the “true cost”. Councilor Schlosser agreed this number is important.

Chairman Todd recalled that there have been efforts to temper inevitable increases in the General Fund transfer and sort of “ramp up” over time as opposed to increasing that number all at once. Previous committees have looked at this.

Councilors then discussed the perceived hassles that come with the program. It is noted that the community largely understands the program but opposition can be vocal. Chairman Todd noted that there are people on both sides of the issue and some have preferences for fees over taxes and others perceives fees as ridiculous and that it should be in taxes.

Councilor Schlosser noted that people can and do have the ability to control their use here through composting and various other diversion opportunities including textile recycling the committee is working on.

Councilor Kurtz noted that the purple bags do evoke an emotional response understandably because they see the costs show up in their grocery bills which have been steadily increasing.

Chairman Todd restated that with PAYT, solid waste become more like the water and sewer utilities where residents can control costs. If it were to be all on the General Fund, low volume users would subsidize high volume users.

Committee Member Linda Zollo added that she is interested in this issue from an environmental perspective and would like to know what could be done to use less plastics, perhaps using bags made from other materials given the ultimate incineration.

Committee Member Reagan Bissonnette noted that PAYT is effective at reducing volume which is important in the City’s broad efforts. It is also noted that incineration does allow for the capture of metals.

Councilor Foote noted he believes composting to be a key in reducing volumes. The City is in the middle of a permit modification on the heels of which the City hopes to establish a drop-off of food waste at the Transfer Station in partnership with Casella.

With that, Chairman Todd noted no further questions and the next agenda item of a referral from Council on PFAS concerns on City-owned fields off Birch St. was brought up. Director Chesley noted that in his research he found;

- PFAS, a synthetic compound is found throughout the environment due its historic presence in products society has commonly used and consequently it will be found in wastewater sludges,

- Due to its prevalent odor, Concord wastewater sludge has not been applied to fields in Concord for twenty-five years, possibly longer,
- At the state level, land application of waste water residuals is regulated by the NH Department of Environmental Services which generally classifies processed wastewater sludges as either Class A or Class B biosolids,
- The risk of exposure to pathogens for Class A biosolids is significantly less than for Class B biosolids; hence, the NHDES regulations are focused on the distribution and land application of Class B biosolids.
- Residents may contact the Residual Management Section of the NH Department of Environmental Services to request a file review of particular sites
- The Residual Management Section leader did not have any specific knowledge about the monitor well located near the gardens.

Director Chesley then confirmed he would summarize his findings and send a memorandum back to City Council on the committee's behalf. The committee concurred with that action.

With that, the final item of Staff Updates was brought up. Director Chesley shared that he intends to retire at the end of April. He always found working with the group to be enjoyable and together they accomplished some remarkable things. Committee members thanked him for his service and wished him luck in his retirement. Staff Member Adam Clark tried to convince him to stay through August.

Chairman Todd then took a motion to adjourn from Councilor Schlosser, seconded by Councilor Foote, and unanimously passed.



SWAC Meeting

2/4/2025

PAYT Economics

- ▶ Pay-As-You-Throw established in Concord in 2009
- ▶ Driven by rapidly increasing solid waste and recycling costs (~\$2.9 million) at the time
- ▶ Near immediate decline of over 40% in MSW(trash) volumes
- ▶ Near immediate increase of nearly 100% in recycling volumes

PAYT Economics

- ▶ Residents are required to place trash in so called "purple bags" for curbside collection while recycling is collected for free
- ▶ PAYT Bag Costs
 - ▶ \$3.20 for a large (30 gallon) bag
 - ▶ \$1.60 for a small (15 gallon) bag
- ▶ Weight Limits (Not actively enforced)
 - ▶ 20 lbs. for a large (30 gallon) bag
 - ▶ 10 lbs. for a small (15 gallon) bag

PAYT Economics

- ▶ Concord contracts out the manufacturing, inventory management, billing and accounting of the PAYT bags.
- ▶ Concord does offer a PAYT program for multi-family properties in the City however this is akin to a traditional dumpster service and distinct from the curbside “purple bag” program. This is not what we are discussing today, but we do anticipate a price adjustment on this to coincide with contract pricing.

PAYT Economics

- ▶ PAYT Bag Annual Revenue = \$1.5 million
- ▶ Last price increase was July 1, 2023
- ▶ At the time, we discussed the concept of having “Two Levers” to pay for solid waste services
- ▶ Two Levers
 - ▶ General Fund
 - ▶ Increasing over time
 - ▶ PAYT Bag Revenue (Bag Price)
 - ▶ Ceiling

PAYT Economics

- ▶ Financial Considerations when evaluating PAYT
 - ▶ Annual PAYT Bag Revenue = \$1.5 million
 - ▶ Downtown Solid Waste District Costs \$400,000
 - ▶ Avoided Disposal Costs = ???

PAYT Economics

- ▶ Avoided Disposal Costs (Data Points)
 - ▶ Historical 40% Trash Reduction
 - ▶ Covid PAYT Suspension (8 weeks)
- ▶ We estimate that if curbside PAYT were to be discontinued, the City would see an ESTIMATED 3,600 ton increase in solid waste disposal
- ▶ At present disposal rates, this would cost the City ~ \$360,000 more annually

PAYT Economics

- ▶ Financial Considerations when evaluating PAYT
 - ▶ Annual PAYT Bag Revenue = \$1.5 million
 - ▶ Downtown Solid Waste District Costs = \$400,000
 - ▶ Avoided Disposal Costs = \$360,000
 - ▶ Total ESTIMATED Swing = \$2.26 million
- ▶ With these figures, one can make a rough estimation of a potential property tax rate impact if PAYT were to be abandoned.

PAYT Economics

- ▶ Total ESTIMATED Swing = \$2.26 million (in addition to already anticipated increased General Fund transfers)
- ▶ Potential Property Tax Rate Impact if PAYT were to be abandoned = \$0.43 = 4.4%
- ▶ Tax Rate Impact on \$350,000 Property = \$150.50

PAYT Economics

- ▶ Considerations
 - ▶ These impacts are ESTIMATED
 - ▶ Would wrap commercial base into solid waste collection and disposal costs
 - ▶ Equity considerations
 - ▶ Automated Collection Transition

PAYT Economics

- ▶ Equity Considerations
 - ▶ A return to non-unit based pricing model for solid waste services means there will be winners and losers
 - ▶ Costs are included in property tax assessments, resulting in a loss of the means by which the City encourages "metering" of solid waste service use through a financial incentive
 - ▶ Low volume users
 - ▶ Commercial properties

PAYT Economics

- ▶ Automated Collection Transition
 - ▶ The reasons articulated are why the City is investigating a PAYT compliance program in order to try and preserve PAYT post-transition
- ▶ Cart sizes are fixed, so in theory there is some limiting means though concerns exist
- ▶ Diminished recycling efforts/volume

PAYT Economics

- ▶ Questions?