

WHY PAYT?

Q: Why are we talking about changes to the trash program in Lexington? Why don't we just keep doing what we've done in the past?

A: Several factors are converging to make changes necessary:

- Trash disposal was cheap at one time. But now costs are soaring. The fees we pay for trash incineration are expected to increase by about 70% by the year 2005. And the amount of trash we generate is increasing each year (Last year the tonnage leapt upward by 5.4%). We need an alternative to just raising taxes every time disposal costs increase.
- Lexington's incineration contract with the North East Solid Waste Committee (NESWC) is coming to an end in 2005 and the search for new disposal options must begin in a year or two. Lexington needs to verify its ability to reduce its trash volume in order to negotiate a more cost effective follow-on contract.
- Health researchers have uncovered widespread new risks from the toxic pollutants produced from trash disposal - and it is reasonable to expect new risks to be identified as research continues. Traditional ways of disposing of trash are no longer acceptable from a public health perspective.
- State and Federal regulators are increasing pressures on towns to reduce waste and clean up the waste stream. We need to find cost effective ways to meet future requirements.

Q: How can we address these problems?

A: Because we are charged by the ton for trash that we incinerate (paying a "tipping fee" for each ton), we can save money by sending less trash to the incinerator. This requires recycling more and avoiding unnecessary waste. Reducing trash also reduces pollution.

Q: Why can't we find a better place to dispose of our trash?

A: We are locked into the NESWC contract, with its mandatory minimum payments, until the contract ends in 2005. And the closing of all unlined landfills in Massachusetts means that we have limited options after 2005. We will still be paying some of the highest tipping fees in the country.

The Core Idea of Pay-as-You-Throw:
When you discard less, you pay less.

Q: What is pay-as-you-throw (PAYT)?

A: Currently the entire cost of solid waste management is paid for by local taxes. Residents can throw away as much as they like and the tax levy will pay the entire cost. Under the proposed PAYT program, the fixed collection costs, the recycling and yard waste collection, and the first 26 bags of trash continue to receive full subsidy. But for trash in excess of 26 bags per year, the generator of the trash reimburses the taxpayer for the increased expense imposed by disposal. In effect, about 1/3 of the total waste management costs are moved from the tax levy to a per-bag payment. Because there is no charge for recycling, an economic reward is provided to residents who reduce waste and recycle more. Households can - and usually will - make individual decisions to generate less trash and save money (see Figure 1).

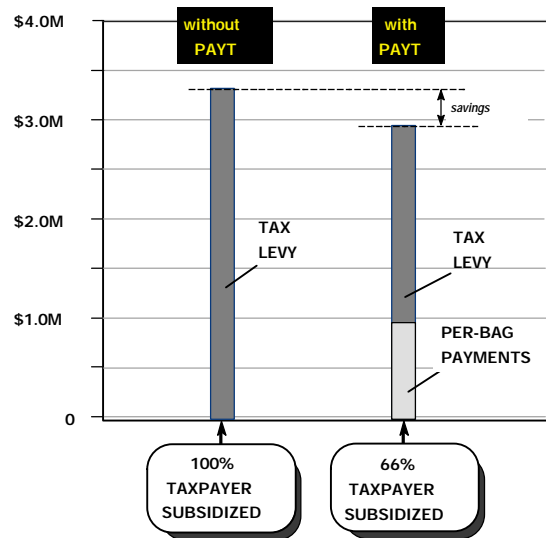


Figure 1 Waste management costs with and without PAYT (for typical PAYT program).

Q: Why is PAYT better than the tax-levy system we now have?

A: The advantages fall into three categories:

ECONOMIC: Because PAYT rewards waste reduction and recycling, it reduces the tonnage on which tipping fees must be paid. This produces a savings in waste management costs. In addition, there are other dollar benefits resulting from items such as health care savings, reduced environmental remediation, and creation of jobs in recycling industries.

ENVIRONMENTAL/HEALTH: By decreasing the total solid waste incinerated and by diverting more materials into recycling, PAYT reduces the toxic pollutants released by waste disposal and manufacturing. Trash incinerators are the largest sources in Massachusetts of dioxin (the prime toxin in "Agent Orange") and mercury

(the cause of statewide advisories against fish consumption). Dozens of other pollutants are also released by incineration.

EQUITY: PAYT is a fairer way of paying for trash since households producing lower volumes of waste (like senior citizens, single-person households, and careful recyclers) come closer to paying only for what they themselves produce and do not have to subsidize disposal from households that generate more trash. Nor do they subsidize commercial trash placed in the municipal system.

Q: What is Lexington doing about PAYT?

A: For the past two years the SWAT has been studying various solutions to our solid waste problems. After considering all the options, the SWAT concluded that PAYT is the single most effective step Lexington could take to reduce waste and save money on disposal costs. In May, they recommended to the Board of Selectmen that Lexington pursue implementation of a PAYT program. The Selectmen wanted to give the idea further scrutiny by a new panel composed mostly of people uncommitted or skeptical of the concept. So they appointed a special PAYT Advisory Committee (PAYTAC). The PAYT Committee provided a report to the Selectmen in December in which they concluded that PAYT was both desirable and feasible. The Selectmen then reviewed the question and concluded that PAYT should be included in the FY2002 budget that will be presented to Town Meeting.

Q: Is this a new idea for Massachusetts?

A: No. Over 95 towns in Massachusetts have already adopted some form of a PAYT system, and the Massachusetts Department of Environmental Protection is striving to make PAYT the standard for the state. Over 6000 communities nationwide have adopted PAYT programs.

Q: How would PAYT work in Lexington?

A: All details of a plan for Lexington have not yet been settled. But based on planning done to date (February 2001) the following is probably a fairly close approximation to the program the will be proposed:

- About one-third of the total cost of waste management will be removed from the yearly tax levy and funded by sale of bag tags, barrel labels, and dumpster permits.
- Tags and labels will be sold in supermarkets and convenience stores for \$2.00 each. Barrel labels will be sold through the same vendors for \$65 each (good for 6 months).
- The current limit on barrel weight (50 pounds) will not be changed. But a new weight limit of 30 pounds will apply to bags. (Note: This limit is about twice the weight of a typical filled trash bag.)
- There will be no charge for recycled materials or yard waste put out on yard waste collection days.

Q: Is PAYT the same idea as the “trash fee” the Town considered a few years ago?

A: No. The “trash fee” was a proposal to move 100% of waste management costs from the tax levy to an enterprise fund. Each household would have paid a fixed yearly trash service assessment into this fund. This violates the basic principle of PAYT which is that you should pay less when you discard less. It would not have achieved the cost savings or environmental benefits that can be achieved with PAYT. The SWAT, the PAYTAC, the Massachusetts DEP, and the U.S. Environmental Protection Agency (EPA) recommend PAYT as the best way to manage trash. None of these organizations recommends a "trash fee" as described above.

Q: Do we need PAYT because Lexington residents aren’t doing a good job of recycling?

A: Lexington is doing about as good a job as could be expected for a town with our current type of waste collection program. We are considering PAYT because it represents an opportunity to do better by improving the design of our program. Other towns with PAYT are generating 38% less trash per capita than Lexington - so there is room for improvement.

Q: Do people like PAYT?

A: In every community where PAYT is proposed, there are residents who are certain that they won't like the idea. But once residents see the program in action, it receives support from a solid majority of people. This seems to be largely because of its inherent fairness and the cost savings. The degree of public support is evident in the fact that only one or two Massachusetts communities have ever established a PAYT system and then decided to go back to a tax-levy system.