



TOWN OF BROOKLINE
Massachusetts

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December 30, 2016

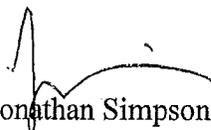
Stanley Spiegel
39 Stetson Street
Brookline, MA 02446

Re: PAYT Pricing

Dear Mr. Spiegel:

I have reviewed your letter to the Board of Selectmen regarding the Pay-As-You-Throw pricing proposed by the Department of Public Works, as well as the analysis performed by Dick Benka. Based on my research, I believe that the pricing structure, as proposed, satisfies the requisite legal requirements.

Sincerely,



Jonathan Simpson

Melvin Kleckner

From: Stanley Spiegel <sdspiegel@att.net>
Sent: Friday, December 16, 2016 11:34 AM
To: Joslin Murphy
Cc: Melvin Kleckner; Neil Wishinsky; Andrew Pappastergion; Richard Benka
Subject: Ruling on proposed refuse fees
Attachments: Fair trash cart pricing.pdf; 2018 Cart Pricing w Assumed Tonnage.pdf; 2018 Cart Pricing wActual Tonnage.pdf

Joslin:

Pursuant to our telephone conversation yesterday, in my capacity as a Town Meeting Member and as a member of the Advisory Committee, I am writing to request a ruling as to whether the DPW's proposed refuse fees, based on choices of trash cart size, satisfies the requirement that town fees be reasonable in covering the costs of services provided. The DPW fee structure is described fairly, I believe, in my attached memo to the Board of Selectmen; I am certain that you can obtain it in greater detail and perhaps greater accuracy from DPW Commissioner Andy Pappastergion. Two spreadsheets providing more information are also attached, one presenting the DPW cost analysis based on an unrealistic assumption of trash disposal tonnage, and one providing a cost analysis based on realistic trash disposal tonnage.

My contention is that the DPW fee structure is based on a fictitious amount of refuse collection (20,735 tons assumed, 9,100 tons actual), and that this has the effect of imposing greater fees than are reasonable and warranted based on actual trash discarded on residents who choose larger trash cart sizes, and lower fees than are reasonable warranted by actual trash discarded on residents who choose smaller trash cart sizes. (An obvious and on occasion stated reason for supporting such a fee structure is that it allegedly will incentivize more recycling by overcharging for larger trash cart sizes and undercharging for smaller size carts.) I am questioning the legality of such a distorted fee structure, regardless of any claimed good intentions, based as it is on an obviously inaccurate assumption that the Town discards more than double the trash than it actually does.

Thanks you for your consideration of my request.

Best regards,
Stanley Spiegel

Melvin Kleckner

From: Stanley Spiegel <sdspiegel@att.net>
Sent: Friday, December 16, 2016 10:47 AM
To: Neil Wishinsky; Nancy Daly; Ben Franco; Heller Nancy; Bernard Greene
Cc: Melvin Kleckner; Andrew Pappastergion; Joslin Murphy; Richard Benka
Subject: Fair trash cart pricing
Attachments: Fair trash cart pricing.pdf

To the Board of Selectmen:

It's one thing to charge residents for the trash that they actually discard, Pay-As-You-Throw or PAYT.

It's another thing to charge residents based on more trash than they actually discard. This is what the DPW pricing plan, in essence, proposes to do, Pay-More-Than-You-Throw or PMTYT.

The DPW pricing scheme assumes that the Town's trash carts will all be filled to capacity each week. This calculates to an annual trash output of 20,735 tons. But our actual trash output is only 9,100 tons, 43.9% as much. **So the DPW pricing is based on more trash than residents actually discard.**

A realistic, defensible approach is to assume that each trash cart is filled to only 43.9% of capacity, which will lead to the correct annual trash tonnage.

As an example, DPW assumes a 35-gal cart, fully loaded, contains 46 lbs of trash per week, when a realistic estimate is that it contains only 43.9% of this, or 20.2 lbs. Similarly, a 65-gal cart that holds 85 lbs when full will actually hold an estimated 37.3 lbs on average

The difference between the two is, on average, $37.3 - 20.2 = 17.1$ lbs more trash actually discarded per week in the 65-gal cart than in the 35-gal cart.

To get the true cost differential, multiply 17.1 lbs by 52 weeks per year (889 lbs), divide by 2000 to convert to tons (0.445 tons), and multiply by the disposal cost of \$59 per ton. The result is a cost difference of \$26.26.

Using pricing based on disposal costs for the actual amount of discarded trash, the 65-gal cart should cost only about \$26 more than the 35-gal cart.

Similar analysis shows that the 96-gal cart should be priced at about \$52 more than the 35-gal cart, and the 18-gal cart should be priced \$15 less. These results are consistent with Dick Benka's pricing analysis.

By incorrectly assuming fully loaded trash carts, the DPW plan results in much higher price differentials for different size carts, but these are based on more than twice the amounts of trash than are actually discarded.

The result is to overcharge residents using 65-gal or larger carts compared with residents using 35-gal or smaller carts. Regardless of whether there's a legal justification for doing this,

the Board of Selectmen should not approve such a disproportionately unrealistic price structure.

To obtain fair total refuse pricing, one should add to the true trash disposal costs the uniform per-household costs of trash collection, recycle and yard waste collection and disposal, and hazardous waste disposal. For these costs, there are no known connections with trash cart sizes. **Dick Benka's analysis provides such realistic pricing.** (The claim that residents who discard more trash also put out more recycle may have it exactly backwards, since it's also claimed that those who recycle a lot discard less trash, and vice versa.)

By imposing overly large price differentials between cart sizes, the Town would be acting against its own interest in minimizing the use of plastic overflow bags. Incentivizing the use of the smaller trash carts by excessively raising the prices of the larger sizes will inevitably result in more overflow bags at curbside. This will cause both collection inefficiencies and sanitation issues, both of which should be avoided to the extent possible.

Finally, please note that the realistic pricing differentials calculated above were based on full cost recovery for trash disposal. However, it has been longstanding Town policy that refuse fees do not cover the full cost of refuse operations, most recently covering about 75% of the full cost. **Consistent with this Town policy, the price differential between the 35-gal and 65-gal carts, calculated above at \$26, should be no more than \$20, with similarly reduced price differentials for the other cart sizes.**

Respectfully submitted,
Stanley Spiegel
12/16/2016