Pay As You Throw Workgroup

Session 5 - Financials of PAYT

PAYT Facilitating Team

Ron Cochran
Northeast District 1

Irene Congdon
Central District

Brian Walsh
Northeast District 2

Agenda

- What is the Golden Rule?
- What is an Enterprise Fund?
- The Numbers and Calculations
- Being Transparent
- Group Discussion - What are you leaning toward?

PAYT Workgroup Mission

Pay-As-You-Throw transforms solid waste from a rising cost to a managed utility—fair, transparent, and under your control.

With Pay-As-You-Throw, you reward reduction, not overuse—ensuring your program is sustainable for both the environment and your budget.

This workgroup is designed to foster collaboration among Massachusetts municipalities as we advance Pay-As-You-Throw programs that reduce waste, promote equity, and create resilient, cost-effective local solid waste systems—working together to build a cleaner, more sustainable Commonwealth.

Framing & Intent

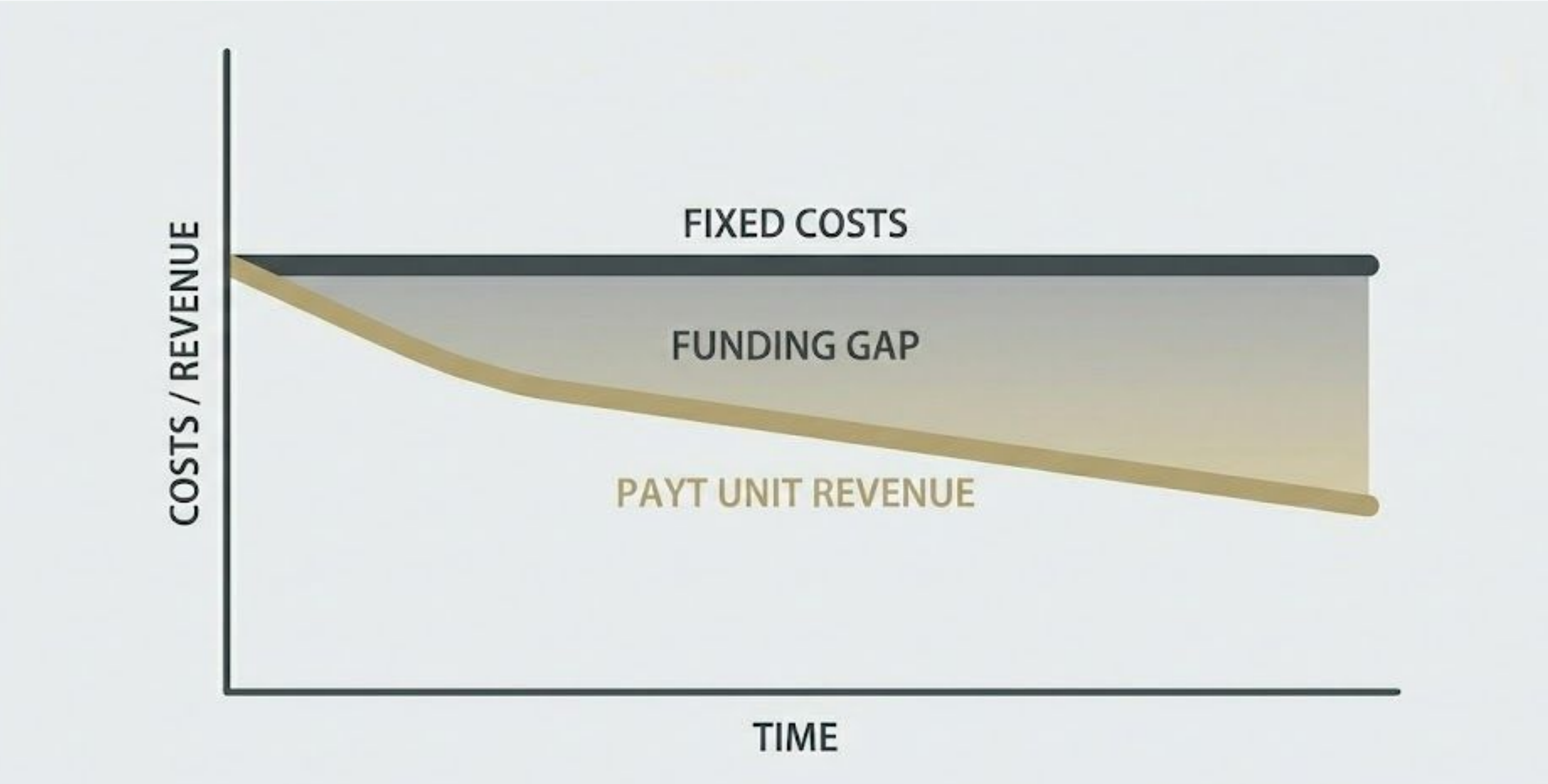
What this session is really about

The Golden Rule

The Golden Rule - Variable Costs Defined

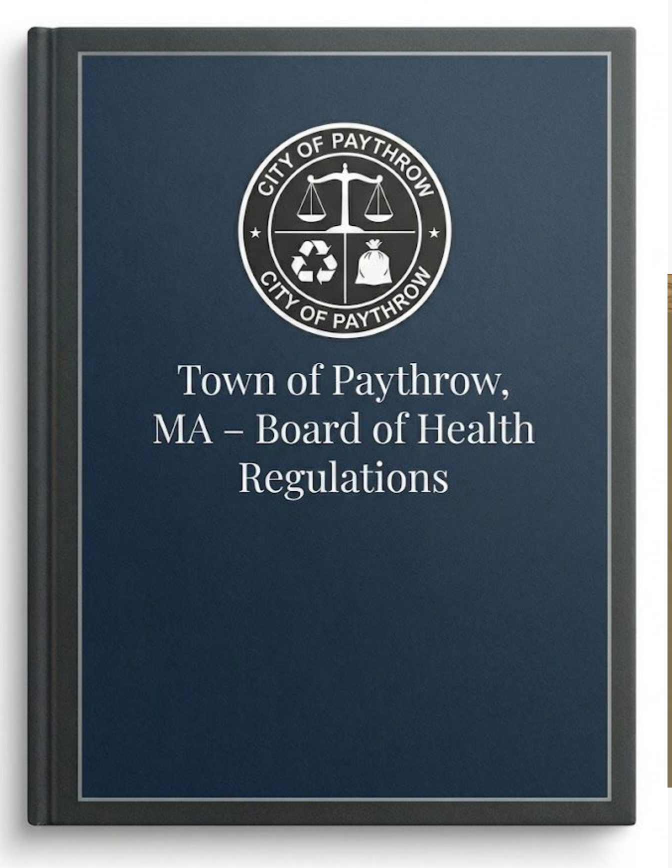
The Golden Rule - Fixed Costs Defined

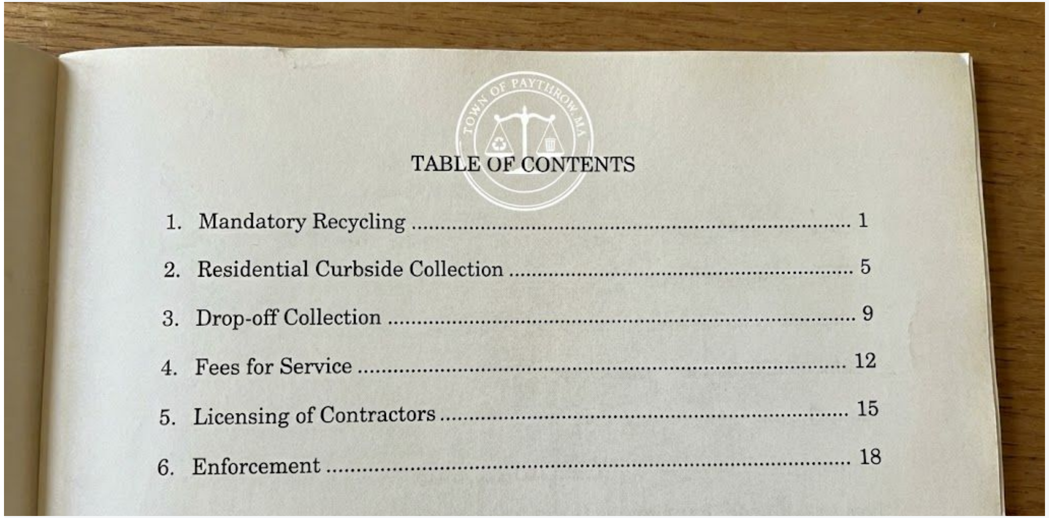
The Golden Rule - Don't mix the two



Section 3 - Locking In The Structure

The Golden rule needs to be shared regularly and embedded into policy

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Governance

Who will be managing the contract and processing invoices?

Who will do the price setting every few years?

Accounting Structure

An "Enterprise Fund",establishes a separate accounting and financial reporting mechanism for a municipal service for which a fee is charged in exchange for goods or services (M.G.L. c. 44, §53F½).

Town Meeting/City Council can vote to establish an ENTERPRISE FUND

https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter44/Section53F%201~2 §53 F ½

Knowing Your Inputs- Why Inputs Matter

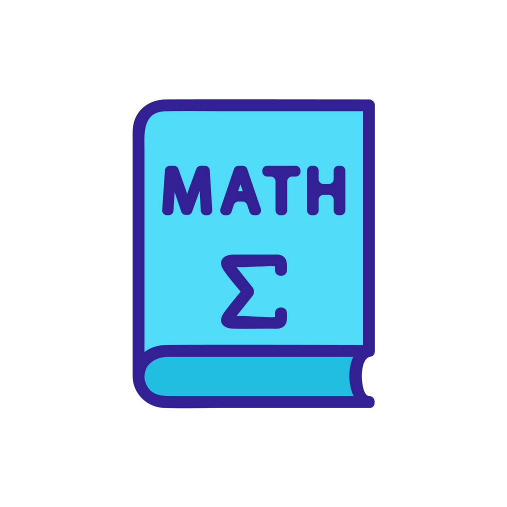
Knowing Your Inputs- Disposal Cost

- Determine your variable costs
- Support your pricing decisions with good data

Applying The Math- Fee Setting

Remember:

The goal for a sustainable program is for the bag fee covers the variable expenses



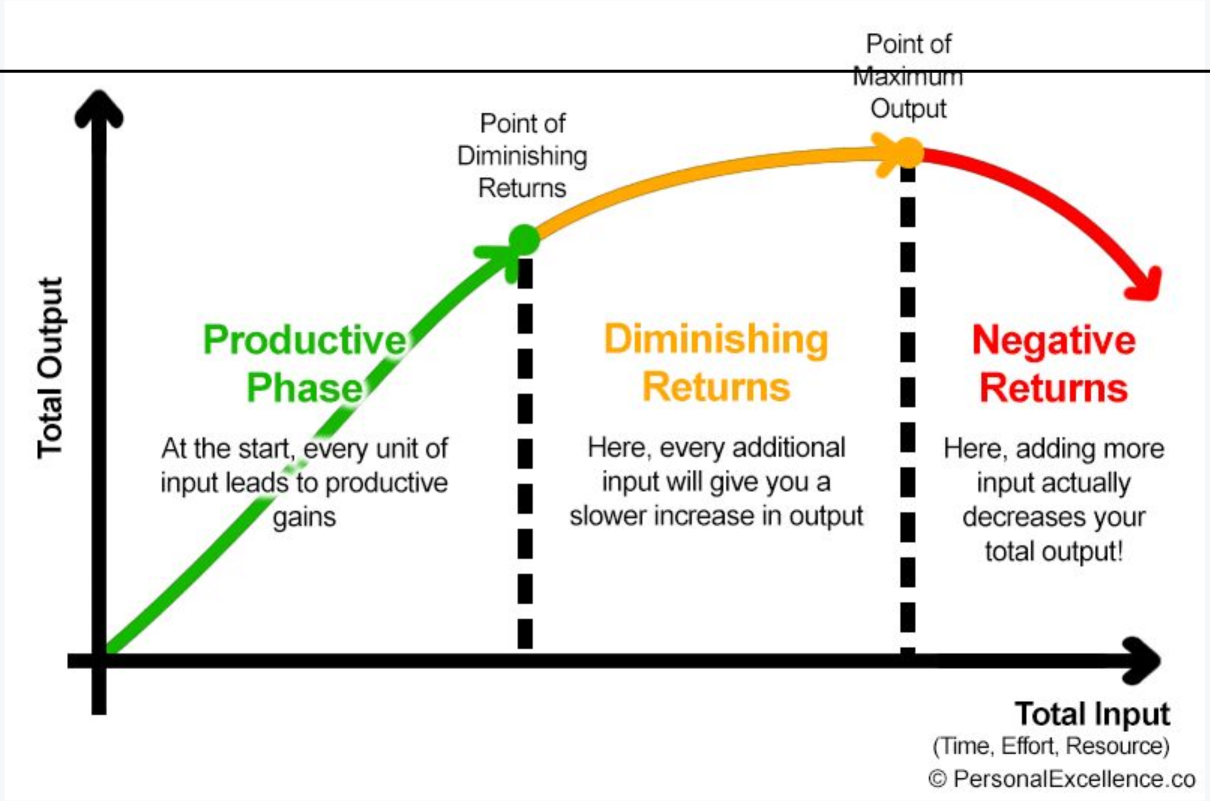
EXAMPLE		
Trash tipping fee	$ 90.00	per ton
Per Pound	$ 0.05	per pound
33G PAYT bags	**25**	**lbs**
Tipping fee for 33G bag	$ 1.13	
Add cost of the 33G PAYT bag	$ 0.40	estimate
add a little for program administration	**$ .50**	
Bag price that covers basic costs	$2.03	
15G PAYT bags	**12**	**lbs**
Tipping fee for 15G bag	$ 0.54	
Add cost of the 15G PAYT bag	$ 0.24	estimate
add a little for program administration	**$ 0.35**	
Bag price that covers basic costs	$1.13	

Why It Matters & What This Calculation Is Used For

- Allows prices to adjust as disposal costs and tonnages change
- Sets a defensible baseline for PAYT pricing
- Keeps pricing tied to math, not politics

Don’t Forget About Fixed Costs

Section 6 - Market Realities



Special Cost Drivers

- Bulky Items
- Yard waste
- Metal
- Electronics
- Staff time
- Education

Transparency & Wrap Up

TOWN OF PAYTHROW, MASSACHUSETTS

Home | Government | Departments | Residents | PAYT Transparency

Financial Transparency Center: Pay-As-You-Throw (PAYT) Program

Commitment to Accountability: This dashboard provides residents with a clear view of PAYT program revenues, corresponding disposal costs, and historical pricing structures. All PAYT revenue is enterprise-accounted and restricted solely to solid waste operations.

Historical PAYT Bag Pricing & Adjustments

Fiscal Year	33-Gal Bag Price	15-Gal Bag Price	Adjustment Rationale/Notes
FY 2024	$2.50	$1.25	Tipping fee increase at regional incinerator ($95/ton).
FY 2021	$2.00	$1.00	Program inception baseline.

Annual Tipping Fee Reconciliation (Revenue vs. Disposal Costs)

Fiscal Year	Total PAYT Revenue (Bag Sales)	Total Disposal Tipping Fees Paid	Operational Delta (Surplus/Deficit)	Solid Waste Reserve Fund Balance
FY 2023	$850,000	$840,000	+$10,000	$150,000
FY 2022	$750,000	$840,000	+$10,000	$50,000
FY 2021	$700,000	$760,000	+$5,000	$90,000
FY 2020	$600,000	$840,000	+$5,000	$40,000

Governance & Contact

Oversight Body:
Paythrow Public Works Commission (PWC)

PWC Chair:
Sarah Jenkins

Next Public Meeting:
[Date Placehal], 7:00 PM, Town Hall

508-555-0199

pwc@paythrowma.gov

This is complicated - Consider Technical Assistance

Remaining Schedule

- February 17, 2026 at 2 PM
- March 17, 2026 at 2 PM

Next Meeting: Education of PAYT

When:

- February 17, 2026 at 2 PM

Agenda:

- Education of staff and officials
- Education of the residents

Self-assessment:

Have you researched PAYT pricing and did this presentation clarify it?

Your Questions and Experience