

City of Newton

CASE
SUMMARY

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CITY OF NEWTON

Public Works — Landfill Division

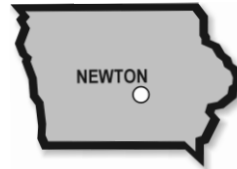
Newton, Iowa

Jasper County

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Major: Master of Public Administration

School: Drake University



The Agency

Newton has a population of 15,579 and is the county seat of Jasper County, population 37,213. The City of Newton owns, operates, and manages the Newton Sanitary Landfill (SLF) for the comprehensive planning area of Jasper County and the incorporated communities of Baxter, Colfax, Kellogg, Lambs Grove, Lynnville, Monroe, Newton, Oakland Acres, Reasnor, Sully, and Valeria. Each of the cities has executed a 28E agreement with the City of Newton that requires participating municipalities to deliver all municipal solid waste to the Newton SLF.

The Newton SLF received 55,379 tons of solid waste in 2000/01 fiscal year. The total landfilled waste was 28,188 tons. The waste diversion rate calculated for 2000/01 was 41.7% for the comprehensive planning area.

Project Background

The City of Newton desired to improve its program to encourage residents and businesses to recycle. However, the City was faced with two financial issues that would impact the solid waste program for the Solid Waste Management Planning Area defined within Jasper County. These issues needed to be resolved before public education programs, beyond the current programs, are implemented.

Incentives to Change

The City of Newton is working to reduce landfilled solid waste and meet the state diversion goal of 50%. The current diversion rate is 41% for waste taken to the Newton SLF. By reaching the goal of 50%, the City will extend the life of the landfill, increase recycling and reduce fees paid to the Iowa Department of Natural Resources (IDNR).

The first financial issue affects the Landfill Fund, which is a self-supporting (enterprise) fund for the City. Under new rules adopted by the Iowa Environmental Protection Commission and now in effect through the IDNR, municipal solid waste landfills are required to meet new specifications for their closure and post-closure accounts. The new rule affects the Newton SLF by requiring the City to place specified funds in a separate account for the estimated cost of closing the Newton SLF at anytime during the life of the facility. This means a substantial increase in budget for the landfill, that could not be funded through current income to the self-sustaining landfill fund.

The City affected a tipping fee increase of \$3/ton bringing the general tipping fee to \$37/ton. However this increase will only protect the Landfill Fund from running a deficit until 2005. The option considered for protecting the fund is to institute a special fee for other communities that use the Newton Sanitary Landfill. The other primary option is to increase the tipping fee again in subsequent years.

BUSINESS

The second financial issue regards solid waste expenses and revenue in the City's general fund. Currently trash collection for Newton residents is funded by property taxed levied for the general fund of the City. Residents are charged for recyclables collection on their water bills.



When analyzing the related expenses and revenues for solid waste for Newton residents, expenses are exceeding revenue (including funds from property taxes) by approximately \$38 per household or a total of over \$212,000 a year. This indicates that property tax funds from commercial property owners in Newton are helping to fund residential solid waste collection and the associated landfill costs. Also, since the City is currently at its \$8.10 maximum levy for the City's general fund, the budget for city services covered by the general fund cannot be increased.

These two financial quandaries present an opportunity for the City to encourage recycling. Research by the EPA has shown that the higher the cost of waste disposal, the more attractive reuse, recycling and composting become. Thus the recommendations to equalize these two City budgets also lead to the overall objective of increasing recycling.

Results

After identifying the residential waste tonnage and population of the communities within the solid waste planning area for the Newton Sanitary Landfill, it appears a per capita fee to balance the landfill budget does not have the greatest benefits. Increasing charges to the other communities would increase their residents waste management costs and does not encourage recycling. It also represents another fee for residents, even though commercial waste is a larger part of the waste stream. Higher tipping fees at the landfill would help fund the closure/post-closure fund and encourage recycling especially among businesses. Potential savings by reducing tonnage to the landfill through recycling would be \$13,266 a year.

For the City's solid waste expenses to the general fund, the recommendation is to institute a Pay-As-You-Throw program. When residents are required to pay for their garbage collection and disposal based upon the amount they "put on the curb" each week, an incentive for less garbage and more recycling is presented. The option of a Pay-As-You-Throw fee system has the opportunity to reduce 1,264 tons/year of residential waste going to the landfill. This represents a 27% reduction, based on EPA estimates, and could save the City \$46,783 directly in landfill tipping fees. Other costs could be saved in hauling and the life of the landfill is extended.

