

The Monthly UnEconomist

Garbometric Model 4 - Garbage Rate Comparisons for Commercial Drop Box and Compactor Customers

Garbometric Model 4 is a Microsoft Excel spreadsheet for comparing your community's haul rates for commercial drop box and compactor customers with rates in five other communities. Drop boxes and 10-yard or larger compactors are individually hauled to the transfer/disposal site from a customer's location. Disposal fees are charged directly to each customer based on the weight of garbage in their drop box or compactor. For this reason, Garbometric Model 4 only compares hauling charges and excludes any comparison of disposal charges.

The model's formulas for average monthly haul charges are indicated by bold-shading of cells in line 47 of the spreadsheet. The model user typically should not need to change these formulas provided in the spreadsheet.

The user can change non-bold-shaded numeric cells and shaded or unshaded text cells as necessary to conform to the user's needs. For this particular rate comparison model, the user should also note that the entries in lines 26 through 37 require that the user add state and local taxes and fees to the basic haul charges given in lines 9 through 20.

To use the model the user enters:

- Garbage drop box and compactor haul fees for each container size available in each community in the comparison year.
- Drop box and compactor container counts for each container size available in your community in the comparison year.
- Drop box container rental fees for cities that do not include container rental fees in their basic haul charges.

As indicated, the user also needs to know each community's garbage bill tax rates, state refuse tax rates, and county fees to use in computing after tax haul fees.

Based on these input data, the model computes the average monthly hauling bill, assuming

2.9 hauls per month. This computation adjusts for differences among the cities in taxes/fees that are included in the basic garbage rate versus those that are added on as separate line items to the customer's monthly garbage bill.

The model does not, however, attempt to add in the cost of recycling in cities that do not include recycling as part of their basic commercial rolloff container hauling service. The user could attempt to include this comparison, but would need to gather data on typical fees for commercial recycling services comparable to those provided by cities that bundle recycling into their garbage fees.

There are three cities shown in the model example provided at ZeroWaste.com that offer "no additional charge" recycling service bundled with drop box and compactor hauling fees - two of these towns, OurTown and TownB bundle recycling with rolloff hauling fees only for multifamily customers. For rolloff container hauling customers with bundled recycling services, the customer can obtain a cart or detachable container of sufficient size to recycle all their mixed paper. Carts for recycling glass, metal and plastic beverage containers may also be obtained. There is no additional rental or collection charge for this service, other than the implicit charge that is included in all garbage collection rates regardless of whether the commercial customer recycles or not.

The model computes the average monthly hauling bill based on your town's service level counts. This allows the user to see differences between average fees/bills that are due strictly just to differences in hauling fees versus those due to a combination of different rates and customer service level choices in each town in response to their town's garbage rolloff container hauling rates. Commercial customer rolloff container rental and haul counts typically are not available for other communities, so the model does not provide formulas for computing the average haul bill based on the other cities' service level counts.

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About The Monthly UnEconomist

This monthly online newsletter available at www.ZeroWaste.com (or www.SoundResource.com) intends to provide insight and analysis on the everyday economics of recycling and the un-priced or underpriced environmental benefits of reducing waste disposal and replacing virgin-content products with products manufactured from recycled materials. In addition to *The Monthly UnEconomist*, Sound Resource Management's website ZeroWaste.com also offers recycling markets price history graphs, reports on a variety of topics including the economic and environmental benefits of recycling, and GarboMetrics - elegant, yet not mysterious tools and spreadsheet models for solid waste and recycling.

These materials are all available for no charge at www.ZeroWaste.com. User feedback is encouraged via info@ZeroWaste.com, and substantive comments will be published in our newsletter whenever they add to our understanding of recycling.

As an example of newsletter content, some issues of the *UnEconomist* analyze northwestern and northeastern U.S recycling market prices for nine recycled materials (mixed paper, ONP, OCC, glass containers, tin cans, UBC, PET bottles, HDPE natural bottles, and HDPE colored bottles). These prices are tracked by online graphs updated quarterly.

In addition, some issues of the *UnEconomist* are devoted to GarboMetrics, economic models for managing and analyzing solid waste and recycling. These newsletter issues explain the structure and use of GarboMetric models provided at ZeroWaste.com for such purposes as designing garbage customer rate structures and correctly comparing garbage rates in different communities. GarboMetric models and corresponding issues of *The Monthly UnEconomist* can be downloaded at no charge from www.ZeroWaste.com.