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**USER FEES FOR RESIDENTIAL WASTE DISPOSAL:
ISSUES, FEASIBILITY AND A CASE STUDY OF DECISION-MAKING**

By

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1985

THESIS
Submitted to the Department/Faculty of Geography
in partial fulfilment of the requirements
for the Master of Arts degree
Wilfrid Laurier University
1993

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ABSTRACT

Canadian society generates huge quantities of solid waste, for which disposal is becoming more difficult. Landfill space is becoming scarcer and municipal jurisdictions are having to allocate greater and greater financial resources to this problem. The ultimate solution to the waste problem lies in reducing waste generation. In this area, there is considerable disagreement on how to achieve this goal. One school of thought advocates economic instruments such as user fees to induce people and societies to become more sustainable. This thesis examines the user-pay concept as a waste management tool.

This thesis consists of a detailed examination of the theoretical and practical aspects of user-pay, the impact of existing user-pay systems on residential waste generation, and a case study analysis of a political and decision-making process associated with the issue.

The main focus is a case study analysis of Peterborough Ontario's experience with user-pay garbage collection. This community attempted to implement user-pay in 1991. The proposal was eventually put to a referendum and subsequently rejected by city residents. This case study reconstructs the events and process connected with the user-pay proposal, examines the issues which came out in the debate, and determines the reasons for the defeat of the proposal. Research for the case study involved interviewing the actors involved in the decision-making and political process, analysis of city reports and documents, and an analysis of the print media.

The results of this research confirm that user-pay is extremely controversial. The controversy stems from the fact that user pay is a political/philosophical issue as people perceive it as discriminatory and as an unfair tax. Overall, user-pay appears feasible from an operational and administrative point of view, but is restricted by political considerations. The greatest obstacle for user-pay appears to be political resistance and political considerations will probably determine its future as a waste management tool in Ontario.

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CHAPTER I

INTRODUCTION

A. Introduction to the Study

Canadians are among the most prolific waste generators in the world. The average daily per capita generation rate has been estimated at 1.7 kilograms. The United States and Australia follow closely at 1.6 kilograms per day. In comparison, Sweden produces .8 kilograms/person/day.¹

In Ontario, it is estimated that 7.6 million tonnes of waste will have gone to disposal in 1992. This represents about 2.06 kilograms a day per capita.² This represents a decline from a total of 8.8 million tonnes of garbage going to disposal in 1987.³ About one half of non-hazardous waste generated is residential.⁴ To visualize the quantity of waste produced by Ontarians, one must imagine that 10 million tonnes would fill Toronto's Skydome to a height twice that of the CN Tower.⁵

Increasingly, municipal waste management systems in the province are having difficulties meeting the demand for disposal. Therefore, new approaches are needed to solve waste problems.

¹Ontario Ministry of the Environment, "Towards a Sustainable Waste Management System", Queen's Printer, 1990, p.7.

²Estimate based on total tonnage generated divided by the 1991 Provincial Population of 10,084,885. Population figure obtained from Statistics Canada Catalogue 93-304.

³Gorrie, Peter, "Waste Goal in Sight, Ontario Says", Toronto Star, October 9, 1992, Reported from a speech by Ontario Environment Minister Ruth Grier at Recycling Council of Ontario Convention.

⁴Ontario Ministry of the Environment, op.cit., p.4.

⁵Metro Toronto Works Department, Waste Matters, Nov.-Dec. 1991, P.11.

This thesis will examine the user fee as a waste management tool. Specific problems and issues confronting decision-makers considering user fees and the decision-making process associated with the implementation of user-pay will be the focus of research.

The main component of this thesis is a case study analysis of the decision making and political process associated with Peterborough Ontario's unsuccessful attempt to implement a user-pay system. This city was chosen as the subject for study because the case represented one of only a few contemporary user-pay experiences in Ontario. User-pay garbage is uncommon in the Canadian context so there are few examples where a wide-ranging study of any aspect of user pay can be undertaken. Furthermore, the unique experience of Peterborough provides valuable insight and lessons on the difficulties associated with implementing user-pay. Also, Peterborough was geographically accessible for conducting field research, and there was ample documentation available in the form of city reports and newspaper accounts.

The case study method is used because it is the only suitable research method for reconstructing and understanding a contemporary set of events. In this thesis, the decision making and political process associated with Peterborough's attempt to implement user pay will be reconstructed and examined. Other conventional research methods such as surveys are not suitable for this task. Justification for the case study method is developed in greater detail in Chapter II

This introductory chapter will set the stage for the study. The first section examines problems municipalities are now experiencing with waste management. The critical factor is that landfills, the traditional method of disposal, are not being developed at a rate sufficient to replace those reaching capacity. Furthermore, the increasing costs of disposal and municipal waste management programs are creating fiscal problems for municipalities. The second section examines the role of user charges in creating more sustainable societies. The last section outlines the scope of the study. A number of research objectives are listed as well as an outline of the

content of the thesis.

B. The Physical and Economic Dimensions of the Waste Crisis

1) The Landfill Problem

Landfill has been the traditional, most cost effective and extensive method of dealing with solid waste.

It should be emphasized that landfilling does not actually dispose of waste. Current "disposal" redistributes waste and residuals from households, industries, etc. to the landfill site. Waste is not eliminated or converted to other useable forms, but sequestered in the Earth.⁶

Comprehensive data is lacking and existing data is sketchy, however, the current trend in Canada and the United States is that landfill closures are exceeding new permits. In Canada, there are roughly one-third fewer operating landfills than in 1983.⁷ While absolute numbers of landfills operating or closing do not necessarily relate to capacity. "the waste volumes that these landfills receive will necessitate the siting of new landfills or accelerate the decline of remaining capacity".⁸

In Ontario the approval and opening of new landfills has virtually stopped and operating landfills are gradually reaching capacity.⁹ The latest study by the Ministry of the Environment

⁶Gueron, Judith M., "Economics of Solid Waste Handling and Government Intervention", in: "Public Prices for Public Products", S.J. Mushkin, Ed., The Urban Institute, Washington, 1972, pp.178-9.

⁷Repa, Edward W. and Sheets, Susan K., "Landfill Capacity in North America", Waste Age, Vol.23(5), May 1992, p.22.

⁸Ibid., p.28.

⁹Ontario Ministry of the Environment, "The Physical and Economic Dimensions of Municipal Solid Waste Management In Ontario", November 1991, p.4-7.

(November 1991) estimates that by 1994, 50 percent of landfills operating in 1983 will have reached their approved capacity.¹⁰ In many areas of Ontario, it is uncertain whether new capacity will be approved in time to replace sites reaching capacity.

Creating a new landfill today is a difficult exercise. The mandatory landfill application and approval process is a lengthy, bureaucratic and expensive process. The difficulty arises from both the increasingly stringent environmental controls required by the Ministry of the Environment (MOE), and public concerns about landfills and the site selection process. Landfill applications must include detailed plans of environmental controls for leachate, noise, and dust.¹¹ The applicant must then conduct the obligatory Environmental Impact Assessment and also face opposition from a public which is today more informed on waste management and environmental concerns, and therefore less willing to have a landfill in their vicinity. When a landfill is eventually approved, more expense and time is required to prepare the landfill site and implement the necessary environmental controls.

The nature and severity of the landfill problem is best illustrated in the Greater Toronto Area (GTA). The GTA consists of York, Peel, Durham and Halton Regions (Map 1) and accounts for 44 percent of Ontario's population.¹² Three landfill sites within the GTA (Britannia Road, Brock West, and Keele Valley) account for approximately 42 percent of the province's landfill capacity.¹³ The two Metro Toronto-owned sites of Brock West and Keele Valley are projected

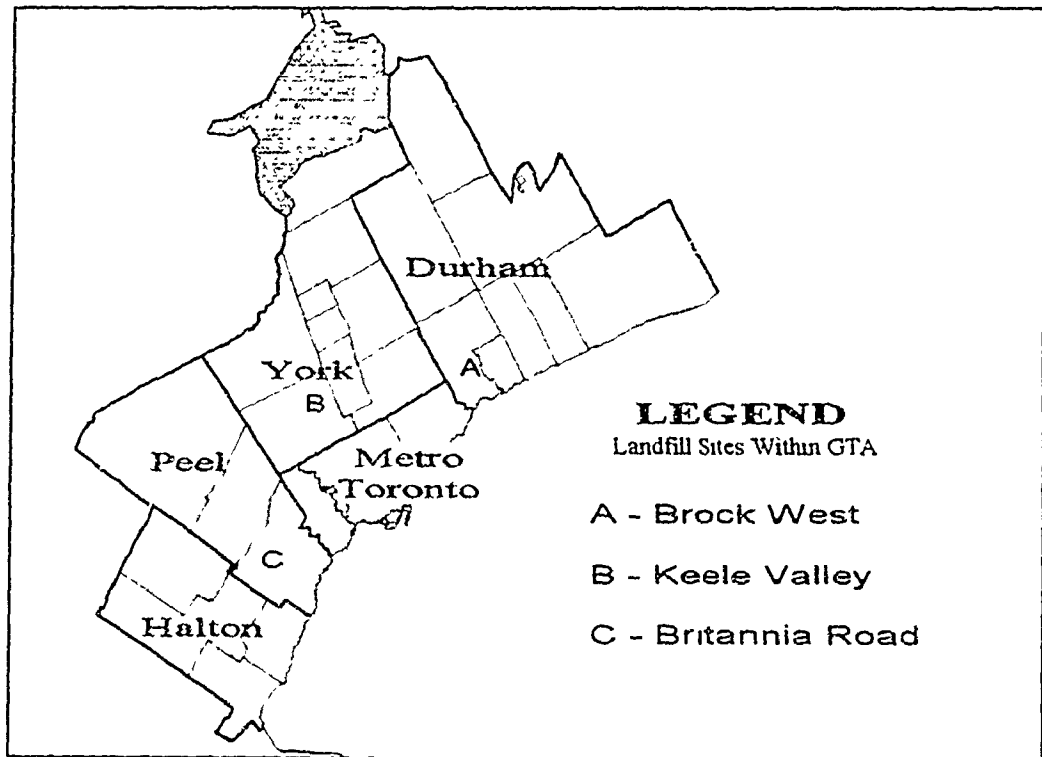
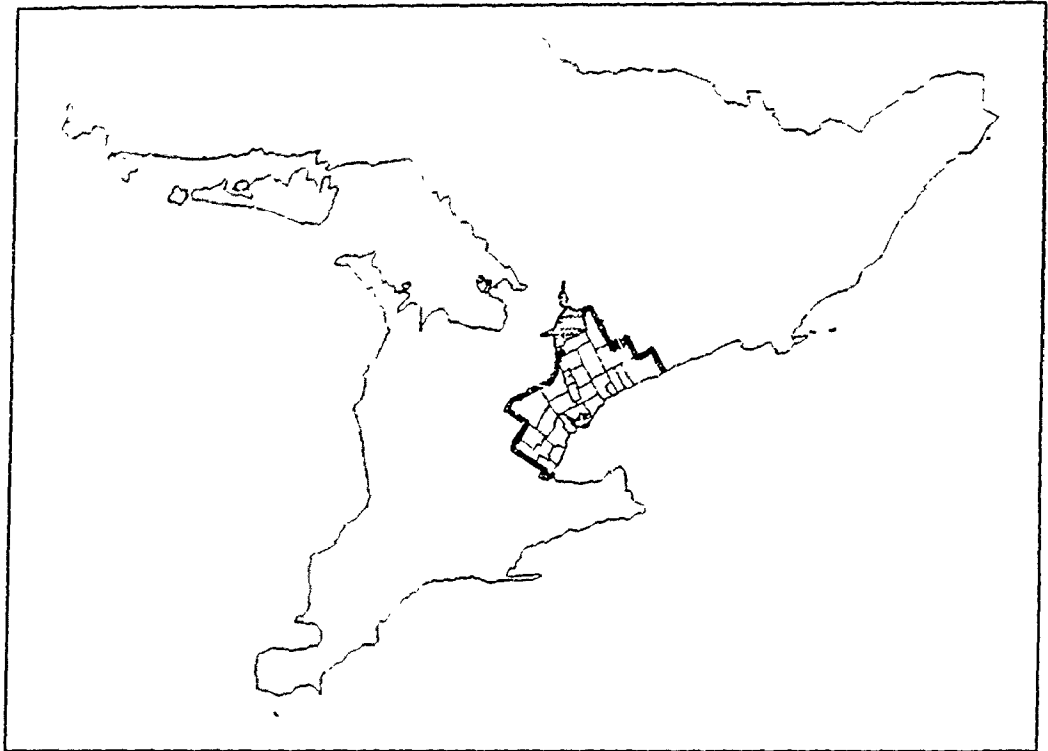
¹⁰Ibid., p.4-18.

¹¹Ibid., pp.4-18.

¹²Ontario Ministry of the Environment, "Waste Crisis in the Greater Toronto Area", Information Bulletin, Winter 1992, p.1.

¹³Ontario Ministry of the Environment, op.cit., 1991, p.4-7.

MAP 1:
Greater Toronto Area (GTA)



to reach capacity somewhere between 1995 and 1997, and 1997 and 1999 respectively.¹⁴ The Region of Peel's Britannia Road landfill has been ordered expanded by the Ministry of the Environment (as of October 29, 1992).

According to 1991 Provincial Government estimates, Britannia Road and Brock West were to have been at capacity at the end of 1991, and Keele Valley by 1993-1994 with no other sites available to replace them.¹⁵ Therefore, what looked like an impending emergency several few years ago has been temporarily averted.

The single most important factor extending capacity at Metro-owned landfills is the shipping of industrial-commercial-institutional (ICI) sector waste to U.S. landfills whose tipping fees are substantially lower than Metro's \$152.25 per tonne. Metro expects only 108,000 tonnes of garbage from the ICI sector to go to landfill in 1992, compared to 1.6 million tonnes in 1990.¹⁶ This situation, however, can only be viewed as temporary as the province is working on a policy to restrict waste exports and the New York State government is on record as being opposed to waste imports but is without legal authority to restrict imports.¹⁷

Currently, the Provincial Government is undertaking a search for three long term sites within the GTA. Not surprisingly, the site selection process is marred by opposition from residents close to candidate sites. There were vocal protests when the short list of 16 candidate sites was recently unveiled by the Provincial Government. Environmental assessment hearings are now being undertaken to select the final three sites.

¹⁴Griffin, Lois, Metro Councillor: Rexdale-Thistletown, Newsletter to Constituents, No 6, September 1992.

¹⁵Ontario Ministry of the Environment, op.cit., 1991, p.4-7.

¹⁶Duffy, Andrew, "Metro Loses \$225 Million to U.S. Dumps", Toronto Star, October 21, 1992.

¹⁷Gorrie, Peter, "Province to Curb Waste Exports to U.S.", Toronto Star, July 25, 1992.

2) Waste Management Economics

The costs associated with operating recycling and reduction programs and the increasing costs of landfilling itself represent perhaps a greater challenge to municipal waste management.

In 1981, the first Blue Box recycling program was started in Kitchener, Ontario. The gradual phase in of recycling in municipal waste management became permanent with a 1987 agreement between the Provincial Government and Ontario Multi-Material Recycling Incorporated (OMMRI). OMMRI was formed by the soft drink industry and its packaging suppliers to achieve the recycling goals required as a result of soft drink regulations passed by the Province in 1985.¹⁸ The 1987 agreement basically required OMMRI, the Provincial Government and Municipalities to each pay one-third of the capital costs to establish municipal Blue Box programs throughout Ontario.¹⁹ By the end of 1991, 78 percent of Provincial households were served by the Blue Box Program.²⁰

The advent of widespread municipal recycling was followed by a Provincial waste reduction plan announced by the NDP government on February 21, 1991. The goal was to reduce waste going to disposal by 25 percent (of 1987 waste quantities) by the year 1992, and 50 percent by the year 2000.²¹ In order to achieve reduction goals, the new Waste Management Act (also known as Bill 143, given Royal Assent on April 27, 1992) requires municipalities to submit waste

¹⁸Recycling Development Corporation, "Deposits as a Waste Management Tool: A Review of Literature and Experiences", Prepared for the Waste Reduction Advisory Committee, June 1991, pp. 4,6.

¹⁹Ontario Ministry of the Environment, op.cit., 1991, p.5-3.

²⁰OMMRI, "Recycling in Ontario", Information Brochure, Toronto, February 1992.

²¹Ontario Ministry of the Environment, "Road to a Conserver Society", Information Brochure, Adopted from a Speech by the Hon. Ruth Grier to the 38th Annual Waste Management Conference, June 17, 1991, p.7.

management plans to the MOE which must include mandatory waste reduction. Larger municipalities must implement recycling and leaf and yard materials composting programs.²² As a result of waste reduction initiatives, the Minister of the Environment reported the amount of garbage going to landfills has decreased by 21 percent from 1987 levels.²³

However, it must be emphasized that waste reduction and recycling programs are heavily subsidized.

With recycling, the revenue from recovered materials does not come close to covering total capital and operating costs. In 1987, the costs (capital and operating) of recycling programs in Ontario were estimated at 10 million dollars. Meanwhile, the estimated revenues from recovered materials were 4,348,777. In 1989, the costs of recycling programs were 42,500,000, while revenues were 7,913,560 (Table 1). One problem is that prices for recovered materials do not provide sufficient revenues and have actually shown a decline from 1988 to 1990.²⁴

Municipalities have been left to bear the financial burden of operating recycling programs as the agreement between OMMRI and the Province was only intended to help pay the capital costs of establishing the blue box. The 1987 agreement committed only \$40 million over a 4 year period while the deficit in 1989 alone was over \$34.5 million.²⁵ In response to pressure by municipal governments, OMMRI pledged another 45 million dollars over five years effective January 1991.²⁶ However, this sum is minuscule when compared to estimated total waste

²²Ontario Ministry of the Environment, "Bill 143, Waste Management Act, 1991", Information Bulletin, Fall 1991, p.5.

²³Gorrie, op.cit.

²⁴Ontario Ministry of the Environment, op.cit., 1991, pp.5-21, 5-25.

²⁵Recycling Development Corporation, op.cit., 1991, p.6.

²⁶Scanlon, Larry, "Propping Up The Blue Box", Harrowsmith, May/June 1991, p.48.

TABLE 1

Estimated Costs and Revenues of Recycling Programs in Ontario
(1987 and 1989)

Material	1987 Revenue (\$)	1987 Cost	1989 Revenue (\$)	1989 Cost
News	\$3,481,302		\$3,157,056	
Glass	\$551,350		\$1,478,624	
Steel	\$305,325		\$1,191,680	
Aluminum	-----		\$1,935,600	
PET	\$10,800		\$159,600	
Total Revenue	\$4,348,777		\$7,913,560	
Total Cost		\$10,000,000 (a)		\$42,500,000 (b)
Net Cost		\$5,651,223		\$34,586,440

(a) Capital and operating costs combined, no breakdown available

(b) \$16,803,380 capital cost, \$25,764,792 operating cost

Source. Ontario Ministry of the Environment, "The Physical and Economic Dimensions of Municipal Solid Waste Management In Ontario", 1991, p.5-23.

management costs of up to \$5 billion facing Ontario municipalities over the same period.²⁷

Another financial burden for municipalities are landfill and disposal costs. The generic cost of opening, operating and closing a 20 million tonne landfill with leachate controls has been estimated at around \$122.5 million 1991 dollars.²⁸

Thus the fundamental issue facing many municipalities in the coming years is how to pay the increasing costs of waste reduction, recycling and landfilling.

Municipal governments will have three basic options: Increase property taxes, charge higher tipping fees for the Industrial/Commercial/Institutional (ICI) sector to use municipal landfills, or implement user fees for residential waste collection. Each option is controversial and two are likely to have significant political repercussions. At any time, raising taxes is an unpopular action for politicians. Furthermore, implementing user fees could also be viewed as "unfair" or a "tax grab" by ratepayers. The last option represents a "catch 22" because while tipping fees are a powerful vehicle to raise revenue, excessively high fees in many jurisdictions have actually had the effect of decreasing revenue over the long term. High tipping fees in both Metro Toronto (\$152/tonne) and Peterborough (\$150/tonne), for example, have encouraged waste reduction and export of waste by the ICI sector to lower cost landfills in the United States, leading to drastic revenue reductions.

²⁷Ben Bennet, Ed., "What We Can Expect Down the Road", For "R" Information, Association of Municipal Recycling Co-ordinators, Shoreline Publications, Spring 1991.

²⁸Ontario Ministry of the Environment, op.cit., 1991, p.4-17.

C. User Charges and Sustainable Waste Management Systems

Reducing garbage has become a practical and economic necessity for most Ontario municipalities given acute disposal problems. Reducing waste also creates a more sustainable society. The principle of a sustainable society or "sustainability" is that humans adopt lifestyles and development patterns that respect nature's ability to replenish itself.²⁹ The excessive production of garbage is neither environmentally nor economically sustainable. The resources we discard as garbage are becoming increasingly scarce. There are finite limits to where and how we can dispose of waste safely. Finally, there are limits to the financial and economic resources that can be allocated for disposal of society's wastes.

The challenge associated with implementing more sustainable practices exists in the context of trying to get individuals to change their behaviour, when individual incentives currently oppose this goal.³⁰ At present there are no incentives to reduce the amount of solid waste produced and the consumer driven economy encourages only more consumption and its garbage by-products. Thus, the trick is to create incentives which ensure: "the outcome of all the individual actions to be in accordance with society's ends".³¹

Lindeneq identifies regulation, economic instruments and public relations as possible instruments to achieve environmental policies.³² Regulation has been the traditional method of advancing environmental protection and management.

However, economic instruments such as environmental taxes, fees, charges and

²⁹IUCN, UNEP, WWF, "Caring for the Earth: A Strategy for Sustainable Living", Gland Switzerland, 1991, p.9.

³⁰Lindeneq, Klaus, "Instruments in Environmental Policy - Different Approaches", Waste Management and Research, Vol.10(3), 1992, p.281.

³¹Ibid., p.281.

³²Ibid., pp.281-284.

deposit/refund schemes are being increasingly advocated as part of a strategy for achieving more sustainable societies. It is argued that regulatory mechanisms, while playing an important role in some areas, will not be able to transform society and the economy quickly enough to sustainability. This view maintains that, given the current state of the global environment, regulation has proven a failure.³³ The principal advantage of economic instruments is that market forces are used to move both producers and consumers toward environmentally and financially sustainable practices.³⁴ Furthermore, the inherent efficiency of the market is preserved.³⁵ Also, it has been pointed out that: "it is easier to change people's economic behaviour than it is to change their attitudes."³⁶

Solid waste management is an area where economic instruments have been in use for some time. Deposit systems for containers are common and have been in practice for some time. In Ontario, user charges are the norm for ICI sector waste. In the United States, many communities have successfully implemented user-pay systems for residential waste disposal.

In the realm of public services, a user charge is the amount of money per unit of goods or service provided by the government which is collected from the recipient.³⁷ In urban waste management, a user charge is a payment for disposal usually based on the weight or volume of the waste involved.

³³Brown, Lester R. and the Worldwatch Institute, "State of the World", W.W. Norton and Company, New York, 1993, p.21.

³⁴IUCN, UNEP, WWF, op.cit., p.72.

³⁵Brown, op.cit., p.21.

³⁶Alderden, Jim, "Volume-Based Rates, Dream or Nightmare?", Recycling Today, November 1990, p.51.

³⁷Bird, R.M., "Charging For Public Services: A New Look at an Old Idea", Canadian Tax Foundation, Toronto, 1976, p.3.

The chief benefits of a user-pay system for waste collection are that:

- waste collection and disposal is financed by those who use the service,
- there is a built-in incentive to users of the service to economize and reduce their waste because they are directly paying for the service.³⁸

Another advantage is that the true costs of disposal can be factored into the charge levied to collect and dispose of waste. In the Ontario context, for example, user charges could be designed to cover actual collection and disposal costs as well as the costs of recycling, waste reduction, composting, and landfill planning and siting expenses.

Perhaps the single most important reason for considering user charges as a waste management tool is that they have generally proven successful in reducing waste generation. This will be further discussed in the literature review.

Overall, while user charges are not a new concept, their use in Ontario is limited. In 1978, user charges represented only 5 percent of total municipal revenue in Ontario. Traditional user-pay services are water, sewer, public transit and parking.³⁹ Residential waste collection and disposal has traditionally been financed by municipal property taxes. User-pay systems for residential waste exist only in a handful of small communities. The user fee, especially in the realm of public services, is a controversial issue in the Canadian context. Implementing a user-pay system can be difficult politically. The principle of having to pay for waste collection was never established, therefore the public expects the service in return for tax dollars.⁴⁰ Any move

³⁸Organization for Economic Cooperation and Development, "Economic Instruments in Solid Waste Management", Paris, 1981, p.12.

³⁹Bureau of Municipal Research, "Municipal Services: Who Should Pay?", Toronto, February 1980, pp.4, 23.

⁴⁰Ibid., p.24.

to change the system, despite potential merits, will be opposed by the beneficiaries of the present system.⁴¹

D. Scope of the Study

User charges represent a potential opportunity toward more sustainable societies. This opportunity has been grasped by many communities in the United States which have successfully implemented user charges for residential waste disposal. However, Canadian political and economic traditions, and philosophies differ somewhat from those of the United States. Therefore it may be incorrect to assume that user fees are equally applicable in the Canadian Context. Nevertheless, given the success of user fees in reducing the waste stream and in the context of solid waste problems facing many Ontario municipalities, user fees deserve careful examination and consideration.

This research will focus on a number of specific objectives. They are:

- 1) to examine the theoretical and economic principles behind user fees and the general pros and cons of user pay systems,
- 2) to examine the impact volume-based fees have on solid waste generation and the behaviour of urban residents,
- 3) to determine what conditions are needed to create viable waste collection user pay systems,
- 4) to examine, using a case study analysis, the political debates and issues associated with user pay and their effect on decision-making/political processes,
- 5) to determine the general applicability of user fees in the Ontario context and the relevance of the case study for municipalities considering a user-pay system.

Succeeding chapters contain the methodology, literature review, the case study and analysis, and a concluding section summarizing the findings of this thesis. The methodology

⁴¹Bird, *op.cit.*, p.35.

chapter outlines the research method which consists of a review of literature and a case study analysis. The literature review will examine the theoretical and practical components of user-pay as well as the user-pay context in Ontario. The case study will focus on Peterborough, Ontario which attempted to implement a user-pay system in 1991. The concluding section will summarize the important findings of this research and comment on the general feasibility of user-pay in Ontario.

CHAPTER II

METHODOLOGY

The methods used to meet the research objectives of this thesis are a review of relevant literature, investigation of current user-pay experiences, and a case study analysis. This chapter outlines the components of the literature review and case study analysis.

A. Literature Review

The literature review will encompass both theoretical and practical aspects of user pay. The theory/concept of user-pay as an economic instrument influencing consumptive behaviour is examined first. Particular attention is given to the impact user fees have on the consumption of public utilities and garbage generation.

The purpose of this section, aside from detailing the theoretical economic concept of the user fee, is to establish the relationship and relevance of user fees to sustainability and their applicability to waste management.

The second part examines existing applications of the volume-based user fee for residential waste collection. The literature deals almost exclusively with U.S. examples as there are only a handful of Canadian user-pay systems in existence.

The purpose of this is to determine:

- specific waste reductions achieved by employing user-pay systems,
- the characteristics of user-pay systems in existence, the conditions necessary for establishing user pay systems, and,
- the obstacles and negative responses (eg. political, operational) encountered with user pay systems.

B. The Case Study Analysis

1) Purpose and Background

The purpose of the case study analysis is to examine the political and decision-making process associated with the implementation of user-pay in a specific instance.

Traditionalists may question the geographer's role in an issue which appears to be more economic and political than environmental. However, this issue ties in with one traditional aspect of geography which examines the interaction between humans and the environment. This means the adaptation of humans to the environment and their impacts.¹ Human impacts on the environment are becoming greater and more severe. The waste problem is just one aspect of the human impact question and is related to both resources and the environment.

Examining the political and decision-making aspects of waste issues, such as user-pay, is extremely relevant because political factors play a large role in human interrelationships with the environment. Humans and societies are inherently political and this factor looms large in the quest for more sustainable societies. Measures to maintain environmental integrity are inevitably challenged by those who do not perceive the need for change or who have a vested interest in the status quo. This case study examines political decision-making within the context of an environmental problem and a response to it (user-pay).

The case study is a common research strategy in the social sciences. The need for the case study arises from: "the desire to understand complex social phenomena...The case study allows an investigation to retain the holistic and meaningful characteristics of real-life events -

¹For a more detailed description, see:

Peter Hagget, "Geography. A Modern Synthesis", Third Ed., Harper and Row, New York, 1979.

such as...organizational and managerial processes.²

The use of the case study as the method of inquiry for this thesis arises from the need to understand why a political decision (referendum) was made and how the user pay issue influenced the decision. Yin states that the case study is an attractive research strategy when, "a how or why question is being asked about a contemporary set of events, over which the investigator has little or no control".³ "How and why questions are more explanatory and likely to lead to the use of case studies...because such questions deal with operational links needing to be traced over time, rather than mere frequency or incidence".⁴

Yin also states that a fundamental goal of a case study analysis is to relate information or data to a theoretical proposition(s) or general theory.⁵ Therefore, this case study will relate the decision-making process in Peterborough to a number of decision making models. In order to fulfil this goal, the case study and analysis consists of the following elements:

- a. Description of the relevant political models that account for how decisions are made at the municipal level in Ontario,
- b. Field research in the study location to gather city reports and documents, review print media accounts and to interview the actors involved in the decision-making process,
- c. Development of a chronology of events accompanying the user-pay proposal,
- d. Qualitative analysis and interpretation of the multiple sources of data,
- e. Identification of the political model most applicable to the case study and discussion of other model elements evident in the case study.
- f. Summary of the most important revelations arising from the case study.

²Yin, Robert K., "Case Study Research. Design and Methods", Sage Publications, Beverly Hills, London, 1984, p.14.

³Ibid., p.20.

⁴Ibid., p.18.

⁵Ibid., p.21,33.

2) Description of Case Study Elements

a. Review of Political Models

The first step in the case study involves a review and description of some models that can be applied to explain political decision making at the local municipal level. Also, the criteria or elements distinct to the most relevant models will be noted in some type of framework. Once the distinctive elements of each model have been outlined, it will be possible to determine which model best mirrors the actual process.

The Community Power and Pluralist Model of Decision-Making

The "Community Power Model" is a theory commonly used to explain both the structure of community political and decision making as well as the decision-making process associated with one political issue. For this case study we will be concerned with the characteristics as they apply to the study of one issue. In order to explain decisions, this model focuses upon "who" makes the decisions or who controls decision-making within a municipal structure.⁶ The assumption of this model is that power does not reside in the government sector alone, but is spread out among different political actors in the community.⁷

There are two competing perspectives of "Community Power". The Elitist perspective maintains that the economic elite are also the political elite.⁸ The elite control the strings of power through their direct participation in decision-making (as politicians), through their economic power, and through their ability to influence and organize issues out of politics. The last factor

⁶Goldsmith, Michael, "Politics, Planning and the City", Hutchison, London, 1980, P.31.

⁷Lineberry, Robert and Sharkansky, Ira, "Urban Politics and Public Policy," Harper and Row, New York, 1971, pp.140-1.

⁸Crenson, Matthew A., "the Un-politics of Air Pollution. A Study of Non-Decisionmaking in Cities", Johns Hopkins Press, Baltimore, 1971, p.18.

is known as a non-decision and occurs when decision-makers do not adopt certain policies for fear of offending an important or powerful group.⁹

Competing against the Elitist perspective is Pluralism. This perspective maintains that the political process is not concentrated within a political elite or social class, but is dispersed across the community.

The basic thrust of Pluralism is that decisions on local issues and community service provision reflect the preferences of the local constituency. The preferences and interests of voters are communicated to decision-makers through periodic elections and especially through the activities of pressure and interest groups. Pluralists maintain that while they recognize the average voter has little influence in decision-making, different groups and individuals representing blocks of voters will try to exert influence on decision makers when particular problems or issues arise

Pluralists assert that the political system does not favour one segment of society because power and influence is exerted in the context of key political issues, not purposely by one group trying to discriminate against another segment of society. Periodic elections also ensure an opportunity to remove politicians who are perceived to favour elite groups of society and who favour policies that are discriminatory.¹⁰

The main criticism of Pluralism is that it ignores class, wealth, and ideological divisions within societies. Pluralism assumes that political conflicts in municipal politics are not class based and that all groups are equally able to influence local government. This assumption, however, ignores the reality that more affluent and educated groups are better able to fund and organize

⁹Lineberry, *op.cit.*, p.140.

¹⁰Pinch, Steven, "Cities and Services: The Geography of Collective Consumption", Routledge and Kegan Paul, London, 1985, p.34.

pressure to get their demands met.¹¹ Second, as Pluralism does not recognize political power until it has been exercised, it does not recognize the ability or power of a group to subvert policy or decisions that will harm their interests.¹²

Elements of Pluralism:

The main gauge of whether decision-making is pluralistic is that there is some type of public input or impact into the formal decision regarding an issue. This can range from formal public input into policy making or the use of an election to obtain consent for a particular policy(s) or to gauge public preferences regarding policy directions.¹³

The "voice" form of political influence should be evident in decision-making related to an issue. This type of influence is the effect elements such as petition gathering, lobbying, letter writing, protests and demonstrations, etc., have on decision-makers. Pluralism recognizes "voice" as the only real option individuals have to directly influence leaders.¹⁴

If we were to properly assess whether decision-making related to a particular policy or issue followed the Pluralist model, we would look for the following elements:

1. Elected councillors are the formal decision makers and bureaucratic influence is not a factor on the eventual decision,
2. Power is fragmented within the community. In addition to the government sector:
 - individual citizens can have indirect influence on decisions,
 - interest and pressure groups can directly influence decisions,

¹¹Ibid., pp.94-5.

¹²Crenson, op.cit., p.20.

¹³Dahl, Robert, "Who Governs", Yale University Press, New Haven, 1962, p.163.

¹⁴Pinch, op.cit., p.35, 94.

-political activists can influence issue outcomes.¹⁵

3. A competitive political environment exists without a dominant political party or class.¹⁶
4. The "voice" element is a factor in the eventual political decision.¹⁷
5. There is formal consultation between political leaders, the electorate and other groups wielding power before a final decision.¹⁸
6. The political process is characterized by bargaining and consensus searching rather than hierarchical decision making.¹⁹

Institutional or Bureaucratic Model

The Bureaucratic or Institutional model of decision-making suggests that decision making is more an "internally determined event" with the bureaucracy playing an influential role in decision making. Under this model, problem solving is a continuous activity and the politician is part of the bureaucratic process.²⁰

Bureaucratic power and influence is felt at two levels.

At the lowest level of government, policy-making is "intra-governmental" and is undertaken by the bureaucracy and elected officials.²¹ In the literature, Metropolitan Toronto of the late 1960's

¹⁵As cited by: Nelson W. Polsby, "Community Power and Political Theory", Second Ed., Yale University Press, New Haven, 1980, pp.115, 117 and, Crenson, op.cit., p.20.

¹⁶Op.cit., Crenson p.179, Pinch p.64 and Polsby pp.115,117.

¹⁷Pinch, op.cit., p.35.

¹⁸Polsby, op.cit., pp.117, 154.

¹⁹Ibid., p.154.

²⁰Manitoba Department of Urban Affairs, Research Report, "Urban Decision-Making: An Analysis of the Political Decision-Making Process in the Government of the City of Winnipeg", Summary by Robert H. Kent, July 1973, p.17.

²¹Newton, K., "City Politics in Britain and the U.S.", Political Studies, Vol.17(2), 1969, p.11.

- early 1970's is often cited as an example of this type of decision-making. In this example, councillors depend heavily on the knowledge and expertise of professional civil servants to handle the operation of city services and policy-making.²² Most issues are handled within the governmental sector. Citizen participation and community activist input have been institutionalized where representatives of citizen groups serve on various boards and commissions throughout the city. Because staff recommendations passed through the institutionalized participatory mechanisms, there was no need for displays of opposition.²³

At the inter-governmental level, it is acknowledged that what local governments can and can't do is set out by higher levels of government. In Ontario, the Municipal Act dictates the generic powers and functions of municipal governments. Therefore: "The formal and informal interaction between different levels of government...are important determinants of what happens in the city".²⁴

The Bureaucratic model differs from the Pluralist model in a number of ways. Usually, issues are first initiated or considered in the governmental sector while the pluralist perspective, dominant in American politics, emphasizes "broker leadership". From studies of American cities, issues are raised and defined by non-governmental groups and political ratification will occur when interest groups have reached accord on issues.²⁵ With the bureaucratic form there is little pressure exerted by interest groups and there is little attempt by council to gain the support of

²²Fish, Susan A., "Winning the Battle and Losing the War in the Fight to Improve Municipal Policy Making", in. *Politics and Government of Urban Canada*, Lionel D. Feldman, Editor, Forth Ed., Methuen Publications, Toronto, 1981, p.97.

²³*Ibid.*, p.100-1.

²⁴Goldsmith, *op.cit.*, p.29.

²⁵Kaplan, Harold, "The Policy-Making Process In Metro Toronto", In: *Politics and Government of Urban Canada*, Lionel D. Feldman and Michael D. Goldrick, editors, Second Ed., Methuen, Toronto, 1972, p.221.

community leaders or interest groups.²⁶

To characterize decision making as bureaucratic in form, we would look for these elements:

1. Decision-making is internal with politicians being part of the bureaucratic process.
2. The city bureaucracy often initiates problem solving as it is expected to find innovative solutions to problems and is normally looked upon to provide guidance to councillors in decision making.²⁷
3. The proposal and eventual decision should reflect constraints placed by a higher level of government.
4. Interest groups are institutionalized in the decision-making process.
5. Outside interest and pressure groups do not influence the eventual decision by politicians

The Systems Mode. of Decision-Making

A Systems approach is another way to examine political decision-making at the local level. A Systems approach to politics sees the decision-making or political structure as a type of filter through which inputs (environmental conditions) are converted into outputs (policies or actions).²⁸ A simplified model of a political system is depicted in Figure 1.

This approach was first adopted by political scientists when empirical studies by urban economists were unable to determine the influence of environmental variables on service provision.²⁹ The Systems approach was essentially a way of including more variables into an analysis of decision-making and municipal politics. Traditional models looked at either political

²⁶Ibid., p.223.

²⁷Manitoba Department of Urban Affairs, op.cit., pp.17,27.

²⁸Easton, David, "A Systems Analysis of Political Life", In: "Systems Behaviour", Edited by: The Open Systems Group, The Open University, London, 1981, p.246.

²⁹Pinch, op.cit., p.61.

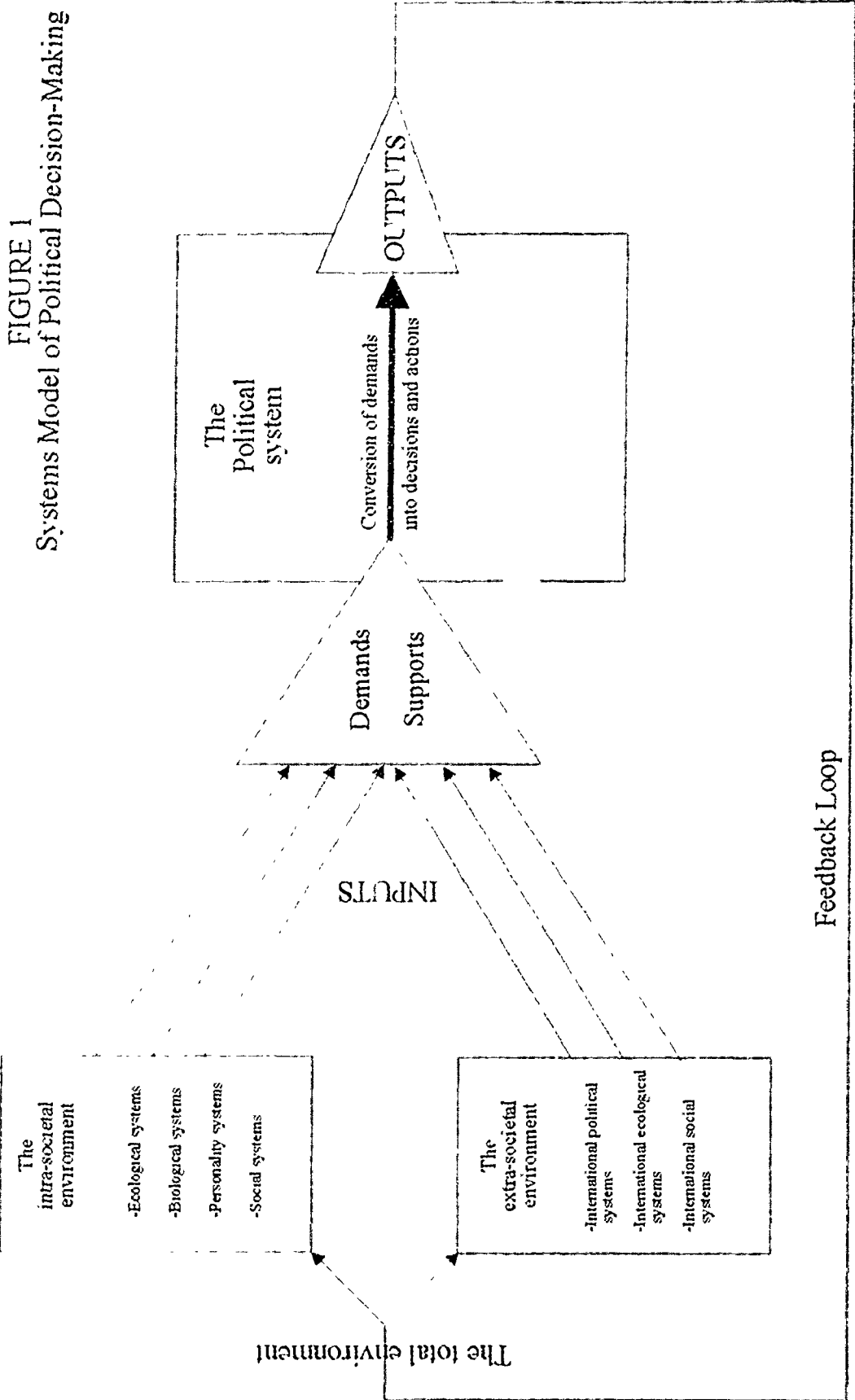


FIGURE 1
Systems Model of Political Decision-Making

Source: Easton, p.253

variables or environmental variables as determinants of public policy or service allocation. The systems approach was seen as a method to incorporate both these aspects.

Under a Systems approach, the political infrastructure (or political system) is considered as part of the "total environment". The environment comprises both human and natural environment ecosystems. The political system is: "like a vast and perpetual conversion process. It takes in demands and supports as they are shaped in the environment and produces something out of them called outputs".³⁰

The framework of a Systems approach is the process depicted by the graphic representation of the model. As changes in the ecological and social components of the environment occur, they are picked up by the political system. These changes flow through the political system which in turn produces policies or actions addressing environmental changes. The political system exists as part of the environment and comprises the formal political decision-making structure and administration. Found within the political system are such organizations as local political parties, interest and pressure groups, and the local media. The element of Feedback ensures that decision-makers receive information about the consequences of their actions which can result in policy adjustments.

The Systems approach, while commonly applied to local politics, has severe limitations as a method of political analysis. First of all, while systems thinking is useful to reveal how environmental changes shape political decisions, it does not explain why city politics act in the way it does. Second, it emphasizes environmental determinism in city politics while removing political factors as explanations for outcomes or outputs. The black box described as "the political system" conveniently lumps the political variables together ignoring the fact that political variables

³⁰Easton, op.cit., p.251.

shape outcomes as much as environmental demands.³¹

Political Dispositions Model

This line of thinking suggests that service allocation or local policy decisions are determined or can be explained by the ideology, values and perceptions of the actors involved. Decision-making can be influenced by the dominance of either larger political parties or social classes on local councils, or by the attitudes and perceptions of local councillors regarding specific issues.

According to this model, the "political ideology" of councillors will influence policy-making. If a particular council is dominated by members of a political party or dominant social class, public policy will correspond with the ideology of this group. Furthermore, the effectiveness of local pressure/interest groups depends on whether their interests correspond with the dominant ideology of the local council.³²

Along with their ideological outlook, decision-makers' perception of their environment will determine the types of policies they will implement.³³ The local politician will act or propose measures which correspond to their perception of a problem, its causes, and what they feel is the appropriate action.³⁴

b. Field Research

Field research for the case study was conducted during the month of February 1993. This

³¹Goldsmith, op.cit., pp.39-40.

³²Pinch, op.cit., p.64.

³³Goldsmith, op.cit., p.42.

³⁴Ibid., p.41.

consisted of a search for City staff reports and documents on the user-pay proposal, examination of city council minutes, review of letters to city hall from individuals, reviewing the coverage of the process by the city's only major newspaper, the *Peterborough Examiner*, and a series of interviews with observers and actors involved in the decision-making and political process. A series of open-ended questions (interview protocol) was designed to make the actors recollect the events, debates and process leading up to the referendum, and solicit their perceptions of the issues, events and process that occurred.(see Appendix 1)

Data collection in the form of an open-ended interview is justified in this case because primary written evidence or documentation is limited to a few staff reports and newspaper accounts. The interview technique is: "usually best confined to those areas where primary written evidence is either unavailable...or non-existent."³⁵ Furthermore, with direct interaction with his subjects, the researcher is better able to understand the perceptions and point of view of the respondents (in this case the actors making political decisions).³⁶ This point is crucial to remember because we are concerned with the perceptions and motivations of the key actors who ultimately combined to create the political process.

Interviews were conducted with:

- the 10 aldermen and mayor on Peterborough city council at the time of the proposal,
- city staff involved with the user-pay proposal, including. the city Administrator, the city Waste Management Coordinator and the Deputy City Treasurer,
- observers of the political process including: the city councillors elected during the 1991

³⁵Pappworth, Joanna and Seldon, Anthony, "By Word of Mouth", Methuen, New York, 1983, p.57.

³⁶Ibid., p.57.

municipal election, the city Solicitor, and a reporter from the Peterborough Examiner,³⁷

-two activists who opposed the user-pay proposal (this was discovered in the course of field inquiry).

Twenty one persons were interviewed in total.

c. Chronology

From written materials collected during field work, a chronology of events will be compiled. The purpose of the chronology is to record the formal sequence of events and decision-making process associated with the user-pay proposal. The organization of events into a chronology will help develop an explanation for the process and events and to test the hypothesis. Furthermore, this will be the first formal written record of the user-pay debate in Peterborough.

d. Data Analysis

The information gleaned from the interviews will be used to reveal the "how" and "why" behind the entire process. Specifically, we want to determine:

- why a referendum was called to approve the proposal,
- the nature of the debate on the proposal and the issues which came out in the debate on user-pay,
- how the user-pay proposal affected the usual political process, and
- why the proposal was defeated.

³⁷These observers were interviewed because they were close to the entire process. The newly elected city councillors were indirectly part of the user-pay debate as it was a major issue during the election campaign. The Examiner reporter sat in council meetings, and the Peterborough Examiner took an active role in the user-pay debate. The city Solicitor often sits in council meetings and is involved with the city's application to extend the current landfill, and in the search for a new landfill.

To analyze the data regarding the political process, a qualitative content analysis will be undertaken. A content analysis has been generally defined as: "any technique for making inferences by objectively and systematically identifying specified characteristics of messages"³⁸ Content analysis is the process of systematically and objectively converting communications (between researchers and their subjects) into scientific data.³⁹ Carney states that: "Content Analysis always involves relating or comparing findings to some standard, norm or theory"⁴⁰ Thus content analysis is used because it is an acknowledged scientific method, or analytical tool for objectively and systematically making sense of (and in some cases quantifying) communication, or in this case, a number of open-ended questions.⁴¹

The interviews will be analyzed by looking for common or dominant patterns, themes and perceptions in the responses and recollections of the political process. For key questions, the frequency of common responses and perceptions expressed by the actors and observers will be noted. Key comments and recollections will help to account for the political process and determine the impact the user-pay proposal had on the political process.

e. Political Model Analysis

Once the political process has been reconstructed, the process in the case study will be compared to the various political models. On first examination, the political process appears to approximate the Pluralist model because a referendum accompanied the process. Therefore the

³⁸Berelson, B.R., cited in "Content Analysis", by T.F. Carney, University of Manitoba Press, Winnipeg, 1972, p.5.

³⁹Brenner, Micheal, et.al. editors, "The Research Interview: Uses and Approaches", Academic Press Inc., London, 1985, p.116.

⁴⁰Carney, op.cit., p.5.

⁴¹See Berelson pp.13-18 and Brenner p.117.

evidence of Pluralism in the case will be given greater emphasis. However, elements from other models evident in the case study will also be noted. In Chapter V, the implications of decision-making characteristic to the case study will be discussed.

CHAPTER III

LITERATURE REVIEW

A. Economic Rationale Behind User-Pay

The economic rationale for implementing user fees for waste disposal is rooted in efficiency and equity. From an economic perspective, regulatory instruments and performance standards are more inefficient than charges and economic instruments.¹

Economic and resource efficiency is a worthy goal because it ensures that society avoids unnecessary expenditures and receives the greatest possible benefits from its scarce environmental and economic resources.²

The market is the primary resource allocation mechanism in the world today. Pricing, in theory: "allows bidding for scarce goods and services and factors of production, thereby ensuring that goods and services are allocated to the highest valued uses, and that factors of production are allocated to that use where they bring the largest return".³ From the supply side of public services, people's response to a particular level of service at a given price gives planners an indication of whether more or less resources should be allocated to that service.⁴

However, it is on the demand side of public service allocation that pricing performs its most useful function. Pricing is a tool which allows public service managers to manage demand.

¹Lindeneg, op.cit., p.283.

²Fortin, M. and Mitchell, B., "Water and Wastewater Charges for Ontario. The User Pay Principle", Ecologistics Ltd., Waterloo, Ontario, October, 1990, p.27.

³Millerd, Frank W., "The Role of Pricing in Managing the Demand For Water", Canadian Water Resources Journal, Vol.9(3), 1984, p.8.

⁴Ibid., p.34.

Managing demand in the public sector is a necessity because the scarcity of economic resources prevents the satisfaction of all needs and the provision of unlimited service.⁵ By following the economic rule for optimal allocation of resources - price equals all the costs of providing the service - the constant pressure to increase expenditures and expand public services can be alleviated when the real costs are made apparent to consumers.⁶ User charges or pricing for public services promotes efficiency because they provide direct incentives for users to change their behaviour and economise on the consumption of scarce resources.⁷ In the realm of waste collection and disposal. "residents having to pay higher costs for disposing of waste will attempt to reduce the amount of garbage they generate."⁸ This principle is based on the assumption that there is elasticity of demand. That is, a price increase will result in the decrease in the demand for the service.⁹

Theoretically, charging fees for waste disposal results in a more equitable response to waste management problems. In the case of user charges for waste and pollution taxes/levies in general, the cost of pollution is directly imposed on those who cause it.¹⁰ With waste disposal charges, the total cost of disposal is allocated fairly as each household pays for collection and disposal of its own waste. The equity principle is established when people who consume less, and

⁵Millerd, op.cit., 1984, p.8.

⁶Bird, op.cit., pp. 33,34,35.

⁷Kemper, Peter and Quigley, John M., "The Economics of Refuse Collection", Ballinger, Cambridge Massachusetts, 1976, p.96.

⁸Blume, Daniel, "Under What Conditions Should Cities Adopt Volume-Based Pricing for Residential Solid Waste Collection", Duke University Institute of Policy Sciences and Public Affairs, May 1991, p.3.

⁹Millerd, op.cit., p.13.

¹⁰Gueron, op.cit., p.195.

therefore generate less garbage, also pay less for disposal.¹¹

However, there are compelling arguments used to repudiate the equity theory of user charges. The chief argument is that user charges penalize large families and those with the least ability to pay by charging them for a basic and essential public service. Furthermore, regressivity is argued on the basis that everyone pays the same rate regardless of income. Kemper argues that user charges for garbage collection are: "likely to be mildly regressive relative to income". However, his research suggests that refuse generation rises by 50 percent with a doubling of family income.¹² Furthermore, a University of Chicago study showed that waste generation is positively related to income. An income elasticity of .53 was determined whereby a 10 percent increase in real income results in a 5 percent increase in garbage put out for disposal.¹³ The City of Seattle's own analysis revealed a positive relationship between income and waste tonnage disposed. An income elasticity of .59 was calculated meaning that a 10 percent increase in income would indicate a 5.9 percent increase in tonnage disposed.¹⁴ Therefore while user fees appear to be slightly regressive, the current financing system is also flawed because the amount each household pays for disposal is dictated by the value of one's property, not income or the quantity of waste produced.¹⁵ Bird goes on to conclude that: "the poverty problem is in no sense alleviated by failing to charge for refuse collection...(and)...it seems quite probable that any

¹¹Alderden, op.cit., p.51.

¹²Kemper, op.cit., p.111.

¹³Albrecht, Oscar W., "An Evaluation of User Charges For Solid Waste Collection and Disposal", Resource Recovery and Conservation, N.2, 1976-77, p.356.

¹⁴Skumatz, Lisa A. and Breckinridge, Cabell, "Variable Rates in Solid Waste. Handbook for Solid Waste Officials", Volume II - Detailed Manual, City of Seattle and the United States Environmental Protection Agency, Region 10, June 1990, p.V.16.

¹⁵Kemper, op.cit., p.111.

minor gains from foregoing a charge...are offset by the economic inefficiency of non-price rationing".¹⁶ Furthermore, the social inequities of the system can be handled with money transfers or subsidies to those having difficulty with fees.

The third economic advantage of implementing user charges is quite simply that governments have an efficient means of covering the costs of the utility or public service. The costs of financing a system are imposed on the users or beneficiaries. Any additional costs imposed by either excessive demand or extraneous factors are covered by the users. In these cases, governments do not have to rely on raising property taxes - although some would argue that user fees are a form of hidden tax - or using other public revenues which ultimately reduces funds available for other services.¹⁷ This is important in the face of continually rising waste management costs which consume greater proportions of public revenues.

B The Impact of User Charges on Waste Generation and Utilities Consumption

The economic rationale for implementing user-pay is substantiated on evidence that suggests user fees significantly reduce the amount of waste generated by households. This section will review the literature dealing with the effects of user fees on consumption. While the review will concentrate primarily on waste collection, other utilities are also examined.

The provision of water servicing and metering is examined along with user fees for residential waste disposal. There are close similarities between water services and waste disposal. First of all, they can both be considered as public utilities. Also water, like a landfill site or the atmosphere when absorbing waste gases from incineration, is considered an environmental commodity which until recently was considered "free" in an economic sense. Consequently,

¹⁶Bird, op.cit., p.118.

¹⁷Bird and Gueron, op.cit., pp.35 and 195.

water, sewer and waste disposal costs are usually based solely on infrastructural, operational and administrative costs of providing the service. Another similarity is that both services have been traditionally managed from the supply side, where supply was adjusted according to demand for the service. Lastly, and perhaps most importantly, there is considerably more experience with user fees for household water service than with waste disposal in the Canadian context. Because of the small number of user-pay waste disposal systems in Canada, there is little literature available on waste reduction. Consequently, the Canadian user-pay experience with water serves a useful purpose in the overall assessment of user-pay.

1) Residential Solid Waste Disposal

With solid waste disposal, the bulk of experience and literature reflects the American experience. Some of the earliest studies evaluating user charges for waste disposal are from California. Albrecht reports a number of positive experiences with waste disposal user charges. In 1970, household solid waste collections in San Francisco amounted to 318 kg/person/year, compared to 426 kg in other California communities where no user charges existed.¹⁸ Similarly, San Leandro California residents generated 60 percent less waste than residents in communities without user charges.¹⁹ The relationship between price and quantity of waste generation was empirically examined by researchers at the University of California. Their study discovered: "a price elasticity of demand of .44, suggesting that a 10 percent increase in price would reduce

¹⁸Albrecht, op.cit., p.359, citing: Wertz, K.L., "Economic Factors Influencing Household Production of Refuse", Journal of Environmental Economics and Management, Vol 2(4), April 1976, pp.263-272.

¹⁹Ibid., p.359, citing: U.S. Environmental Protection Agency, MIS/Residential Collection System Studies, Washington D.C., February 1974.

waste quantity by about 4.4 percent".²⁰

Probably the most noted and successful user-pay program is operating in Seattle, Washington. Since the Introduction of a user-pay system in 1980, the amount of garbage landfilled per capita declined about 20 percent and the number of pounds generated per household declined by 25 percent.²¹ Also, Seattle's statistical analysis revealed that holding all other things constant, as average rates increased 10 percent, waste disposed tended to decrease by 1.4 percent (elasticity of -.14).²²

The most exhaustive and comprehensive survey on user fees was conducted by Blume.²³ Blume was able to locate 13 user-pay cities with data on waste generation before and after the implementation of a user-pay system. Blume concluded that: "residents significantly change their waste disposal behaviour in response to the adoption of volume-based pricing programs".²⁴ Of the 13 U.S. communities studied, the tonnage of residential waste disposed of in landfills dropped an average of 46 percent per city (See Table 2).²⁵ About one-half of the waste reduction could be accounted for by recycling and yard waste diversion. The remaining reduction was not statistically accounted for, but was probably due to unknown factors such as burning, dumping, stock-piling of junk, using commercial disposal, and more conscientious buying habits.²⁶

Blume noted some major limitations in his study and study of this field in general. There

²⁰Ibid., p.356.

²¹Skumatz and Breckinridge, op.cit., p.V.42.

²²Ibid., p.V.16.

²³Blume, op.cit., 1991.

²⁴Ibid., p.1, executive summary.

²⁵Ibid., p.25.

²⁶Ibid., pp.27-28.

TABLE 2

The Effects of Volume-Based Pricing on Landfill Disposal

City (Population)	Price Per Unit	Average Monthly Tonnage to Landfill		% Change
		Before	After	
Rock Falls-Sterling Il. (29,500)	\$9.59/5 units \$1.40 each add'l	1,016	356	-65%
Perkasie, Pa. (6,564)	\$1.50	210	97	-54%
Lisle, Il. (19,512)	\$1.30/sticker	confidential		-53%
Downers Grove, Il (46,000)	\$1.25	confidential		-53%
Ilion, N.Y. (8,800)	\$1.15	365	178	-51%
Antigo, Wi. (8,500)	\$1	185	92	-50%
Plains, Pa. (11,230)	\$1	316	160	-49%
Mt. Pleasant, Mi. (30,000)	\$0.60 ('89) \$0.95 ('90)	363	203	-44%
Charlemont, Ma. (1,200)	\$1	60	38	-37%
Harvard, Il. (5,600)	\$1.17 ('89) \$1.25 ('90)	3 to 4 bags/week	1.6 bags	-34%
Ithaca, N.Y. (35,000 to 40,000)	\$0.833 ('90)	608	417	-31%
Woodstock, N.Y. (15,000)	\$1.12 ('88) \$1.22 ('89)	Not Available		-31%
High Bridge, N.J. (3,600)	\$35/qr., 13 stickers \$1.25 each add'l	134	110	-18%

Confidential refers to cities with private haulers who declined to release tonnage figures.

Source: Blume, 1991.

is an overall lack of comprehensive data on waste volumes. Of over 110 jurisdictions located as having waste collection fees in the U.S. and surveyed, only 14 had quantitative data on tonnage disposed of before and after the implementation of a fee system. Of these 14 cases, Blume noted that some of the larger reductions may be suspect because in some cases the data was "rough" and "based on estimates" or "extrapolations" of sample studies.²⁷ Also, the cities examined were small with the largest having a population of 46,000. Furthermore, his data does not provide much indication of the behaviour changes of residents.²⁸

One of Blume's most important observations is that after residents have responded to the initial imposition of a fee, "the demand for garbage disposal is relatively inelastic". This means that further price increases will not reduce garbage generation.²⁹

The Canadian context is almost totally devoid of empirical data. One of the factors is that user-pay is not common in Canada. The most well-known user-pay system was introduced in the greater Victoria area on January 13, 1992. In Ontario, the Town of Gananoque has had a user-pay system since July 1991. In addition, there are some municipalities in British Columbia with limits on the number of garbage bags/cans collected without a fee.³⁰ Table 3 Identifies the user-pay context in Ontario.

²⁷Ibid., pp.24-25.

²⁸Ibid., p.29.

²⁹Ibid., p.29.

³⁰Vancouver Province, "Carrot and Stick Approach Works with Recycling", January 10, 1992.

TABLE 3

User-Pay Context in Ontario

Full User Pay

Gananoque (effective June 1991),	\$1 per bag
Westmeath Township (effective Sept. 1991),	\$3 per bag

Partial User Pay

McNab Township,	4 bags per week collected without a fee
Mono Township,	2 bags per week collected without a fee
Shelburne,	2 bags per week collected without a fee

Source: Proctor and Redfern, op.cit., 1992, Association of Municipal Recycling Coordinators Meeting, September 14, 1992, and own investigation.

In Gananoque, Ontario, A town of 4988 people on the St. Lawrence River, the user pay program started in July 1991 has seen a waste reduction of approximately 45 percent. Waste generation went from an average of 32 tonnes per week to 17.86 tonnes per week.³¹ The first six months of Victoria, British Columbia's user-pay system has seen a 10 percent increase in waste diverted from the landfill.³² However, the short life of both these systems makes it difficult to draw conclusions and make assessments on the long term effectiveness of user pay.

³¹Town of Gananoque, "Gananoque Bag Tag Program", Unpublished report on waste volumes, September 1992, p.2.

³²Mele, Lorenzo, Residential Recycling Coordinator, Capital Regional District, Victoria, British, Columbia, Interview, November 12, 1992.

This 10 percent figure was arrived at by subtracting the diversion rate prior to January 1992 (13 percent) from the total diversion rate since 1989 (23 percent).

2) Metering and Consumption of Public Utilities

The relationship between consumption of public utilities and pricing is well established for other public utilities. With electricity, all homes and properties are metered because electricity is an economic good. However, the differences in consumption are evident between single metered dwelling and master metered dwellings such as those found in multi-unit rental buildings. McCann and Craig cite studies of master-metered and single-metered residential units which determined that individuals in master-metered dwellings used 35 percent more electricity than individuals in similar single-metered units.³³ For master-metered or rented units, there is no direct incentive to conserve energy because it is included in rent, and individuals have no idea how much energy they consume through their activities and habits.³⁴

Similarly, Hanke examined water consumption and the behaviour of consumers in Boulder, Colorado before and after the installation of a metering system (from a flat rate charge to a volume-based charge). He determined that domestic consumption decreased sharply after meters were installed and a commodity charge introduced. Domestic demand decreased by 36 percent and remained at these lower levels.³⁵ Water demand was curbed by ceasing to water lawns watering less, watching sprinklers more carefully, and repairing leaks. Of a sample of city residents, 68 percent responded that they became more concerned with water use and made

³³Craig C.S. and McCann J.M., "Consumers Without a Direct Economic Incentive To Conserve Energy," Journal of Environmental Systems, Vol.10(2), 1980-81, p.158, citing: Midwest Research Institute, "Energy Conservation Implications of Master-Metering", Vol.1, National Technical Information Service, Washington, D.C., 1975, pp.254-322.

³⁴Ibid., p.158.

³⁵Hanke, Steve, "Demand for Water Under Dynamic Conditions", Water Resources Research, Vol.6(1), October 1970, p.1258.

substitutions.³⁶

In the Canadian context, Tate cites a study by Kellow which found that: "water use in the unmetered, flat rate areas of Calgary was substantially higher than in the metered areas where prices were based on volumes of water usage".³⁷ Tate also cites the Edmonton Journal (1981) which reported that metered water consumers in Calgary used 31 percent less water than unmetered customers.³⁸ The Regional Municipality of Durham, in Southern Ontario, restructured its water charging system to user-pay with its formation in 1974. The region phased in a metering program, a sewer surcharge and higher water rates. The result has been a 23 percent decrease in average water usage per customer from 1973 levels.³⁹ In the City of Oshawa, the average water use per customer has declined by 21 percent since the implementation of a sewer charge in 1974.⁴⁰

From the evidence presented, the relationship between price and public utilities is clear. Pricing delivers a direct economic incentive to cut back on consumption.

C. Characteristics of User-Pay Systems in Operation

A review of the literature concerning existing user-pay systems reveals that all user-pay

³⁶Hanke, Steve, "Some Behavioral Characteristics Associated With Residential Water Price Changes", Water Resources Research, Vol.6(5), October 1970, p.1383.

³⁷Tate Donald M., "Municipal Water Rates in Canada, 1986: Current Practices and Prices", Inland Waters Directorate, Report #21, Ottawa, 1989, citing: Kellow R.L., "A Study of Water Use in Single Dwelling Residences in the City of Calgary, Alberta", Edmonton, University of Alberta, Department of Economics and Rural Sociology, Unpublished Master's Thesis, 1970.

³⁸Tate, Donald M., "Canadian Water Management: A One-Armed Giant", Canadian Water Resources Journal, Vol.9(3), 1984, p.3.

³⁹Loudon R.M., "Region of Durham Experiences in Pricing and Water Conservation", Canadian Water Resources Journal, Vol.9(4), 1984, p.23.

⁴⁰Ibid., p.21.

systems are not alike or equal. This section will identify and briefly describe the most common types of systems in operation.

Basically, there are two methods for pricing waste collection and disposal: by weight or volume. Weight-based systems are currently only in the testing stage. Weight-based systems are being considered because weight is a more accurate measure of how much waste is produced per household and landfill disposal costs are always based on weight.⁴¹ With volume-based systems, householders often attempt to compact more waste into bags or containers. However, it is much more difficult to administer a weight-based system because the weight has to be recorded and then each household billed accordingly. Weight-based systems are also capital intensive because of the special weighting systems required for trucks.⁴²

A volume-based system can be a charge for each bag of waste collected each week or a subscription service where residents can purchase a certain level of service each week for a set fee. For example, Seattle, Washington employs a subscription can service where residents have special containers or "toters" which are sized according to the subscription level paid for.⁴³ Many subscription services allow residents to purchase bags or tags in order to dispose of excess garbage.⁴⁴ The system in the Victoria, British Columbia area resembles a subscription service. The basic fee of \$120 per year covers the cost of collecting the equivalent of one can of garbage per week. This amount is collected when property taxes are paid and is shown as a separate amount on the property tax bill. For any cans or bags above this amount, a sticker must be

⁴¹Blume, op.cit., p.10.

⁴²Bracken, Robert, "North Carolina County Institutes Sticker System", Biocycle, Vol.33(2), February 1992, p.35.

⁴³Skumatz, Lisa, "The Buck is Mightier Than the Can", Biocycle, Vol.31(1), 1990, p.40.

⁴⁴Blume, op.cit., p.6.

purchased for \$1.50 and placed on the container. There is a limit of only two extra cans.⁴⁵

A bag or bag-tag system involves residents purchasing specially marked bags or tags to be placed on bags going to disposal. This is by far the simplest billing method.⁴⁶ Gananoque, Ontario employs a bag-tag system. Residents are required to purchase special tags at two local grocery stores or the town's recycling depot (\$1 per tag) and place them on their garbage bags put out for collection.⁴⁷

There are two types of pricing schemes employed for user-pay systems. average cost and two part pricing. Average cost pricing is: "a per container rate based upon the average cost of disposal per container".⁴⁸ Most bag and tag systems employ average cost pricing where each bag of garbage costs the same regardless of the number placed at curbside.⁴⁹ Two-part pricing usually involves the customer or household paying or being charged a fixed price for a basic service level and additional fees for service above the minimum.⁵⁰ With two part pricing, the base fee is intended to cover the fixed costs of waste management that exist regardless of the amount of waste disposed of. With a base charge, financial solvency of the service is assured.⁵¹

⁴⁵Windrim, Kleyn and Lim Communications Ltd., "Municipal Solid Waste User-Pay Pilot Program Public Awareness Campaign. For the Record, A Collection of Campaign Components", Victoria, British Columbia, February 1992, General Questions on the System, p.1.

Available from the Capital Regional District offices, Victoria, B.C.

⁴⁶Harder, Greg and Knox, Linda, "Implementing Variable Trash Collection Rates", Biocycle, Vol.33(4), April, 1992.

⁴⁷Town of Gananoque, op.cit.

⁴⁸Blume, op.cit., p.4.

⁴⁹Ibid., p.7.

⁵⁰Tate, op.cit., 1984, p.10.

⁵¹Skumatz, op.cit., 1990, p.41.

The additional charges are intended to cover the marginal costs of disposing the additional units of waste.⁵²

Thus, user-pay systems combine a method for placing waste on the curb along with a pricing scheme. There are advantages and disadvantages to each system. Bag and tag systems appear to be the easiest to implement and administer while creating less confusion for residents. They also provide the greatest waste reduction incentive because a resident doesn't pay unless a bag is put out while with a subscription service there is no incentive to reduce waste below the level paid for.⁵³ The major disadvantage is that revenue sources are unstable. The average disposal costs calculated at the initiation of a program may have to be raised if a revenue shortfall is created by significant waste reductions.⁵⁴ The principle advantage of a subscription service is stability and efficiency of revenue sources. Municipalities are assured of stable revenues to cover fixed and operating costs while extra or unexpected costs are covered by additional bag or container fees.⁵⁵ However, subscription services require a complicated billing system and in many cases the distribution of special containers according to the service level purchased.

D. Negative Responses and Problems Associated With User-Pay

There are numerous problems and constraints associated with the implementation and operation of user-pay systems.

In Ontario, the first obstacle is legislative. Currently, lower tier municipalities do not have

⁵²Blume, op.cit., p.6.

⁵³Skumatz, op.cit., 1990, p.41.

⁵⁴Blume, op.cit., p.4.

⁵⁵Skumatz, op.cit., 1990, p.41.

the legal authority to institute a user-pay system for residential waste collection.⁵⁶ Regional municipalities and counties can charge for waste disposal by weight or volume. The Municipal Act allows local municipalities to levy a monthly fee for waste collection or impose taxes based on property tax assessments.⁵⁷ This arrangement, however, is subject to legal interpretation because the Municipal Act does not explicitly prohibit user fees.⁵⁸ In Gananoque, Ontario, user pay was not challenged because the dollar cost per bag is used to defray disposal costs, while collection continues to be paid through property taxes.⁵⁹

The implementation and operation of a user-pay program is considerably more challenging than maintaining current collection systems. Significant changes are necessary to implement user pay:

"When a solid waste agency changes the role it plays in its community by adopting variable rates, it must also change the way it operates. The extra burden of providing service that has been paid for, and not providing service that has not been paid for, results in new responsibilities for collectors and customer service representatives, the garbage billing system, and solid waste planners.⁶⁰

Table 4 outlines an ideal implementation schedule based on the city of Seattle's experience.⁶¹ In addition to extra responsibilities facing a municipality, advance planning is required. The larger

⁵⁶A lower tier municipality exists within a regional or metropolitan administrative structure. For example, the City of Waterloo is a lower tier municipality, while Waterloo Region is considered an upper tier municipality.

⁵⁷Ontario Ministry of Municipal Affairs, "Municipal Waste Management Powers in Ontario", A Discussion Paper, 1992, p.36.

⁵⁸Resource Integration Systems Ltd., "Generator Pay Systems for Households. A Discussion Paper", April, 1990, Toronto, pp.26-27.

⁵⁹Thivierge, Marc, Recycling Co-ordinator, Town of Gananoque, Interview, January 7, 1993.

⁶⁰Skumatz and Breckinridge, op.cit., p IV.2.

⁶¹Table taken from Skumatz and Breckinridge, p.IV 23.

TABLE 4
Recommended Implementation Timeline for User Pay
(Times Relative to Date of System Change)

2+ Years Before	2 Years Before	6 Months Before	3 Months Before	3 Months Before - 6 Months After	6 Months After	18 Months After
<ul style="list-style-type: none"> *Begin informing political leaders and community groups about potential change *Make "threshold" decisions: <ul style="list-style-type: none"> -bag/tag vs. Can system -enforcement strategies -billing details -accompanying recycling programs *Bring in accountants and other experts to study feasibility *Develop a "comprehensive work plan": <ul style="list-style-type: none"> -analyze changes in collection and customer service -analyze new staff needs -prepare for new data processing needs -plan publicity *Bring on key staff: <ul style="list-style-type: none"> -Rates Analyst -P.R. Person -Contract Management specialist -Customer Service specialist 	<ul style="list-style-type: none"> *Develop "Critical Path": that is, inform project managers of others who are dependent on their work <ul style="list-style-type: none"> *Specific Planning: <ul style="list-style-type: none"> -rate structure: sample rate levels -recycling, yard waste and other diversion programs -public relations programs *Propose necessary ordinance changes *Operate pilot programs <ul style="list-style-type: none"> -select and plan carefully to reduce expense -evaluate honestly -be prepared to make changes 	<ul style="list-style-type: none"> *Start phasing in CSR staff. Layered approach: hire longer term, higher responsibility positions first. *P.R. efforts should be in full swing *Billing system tested and working *Bag/Tag distribution system in place 	<p><u>CHIAOS</u></p> <ul style="list-style-type: none"> *Collect garbage first, resolve disagreements later *Take care of customers - extra complaints will spill into the political arena. *Expect large overtime, temporary and intermittent employee costs 	<ul style="list-style-type: none"> *internal and external reviews: <ul style="list-style-type: none"> -customer survey -internal studies and service evaluation -CSR workload evaluation *Start to phase out temporary and intermittent workers and overtime hours 	<ul style="list-style-type: none"> *Employment should return to long term levels 	

the jurisdiction, the more time and planning required.⁶²

Other factors which conspire against user-pay are political opposition and resistance, non compliance by residents and problems associated with multiple residential units (apartments) and high density areas.

Political opposition can be fatal to user-pay. Most of the literature on user-pay experiences warns of potential political problems when attempting to implement a user pay system. User-pay cannot be implemented without political approval. Elected officials may hesitate to approve user-pay because an unpopular user-pay program may place their re-election in subsequent elections at risk.⁶³

However, even if user-pay is approved, there is the potential for resistance by local residents. Political resistance may depend on the circumstances of individual municipalities. In some cases such as Gananoque, there was almost no resistance.⁶⁴ Blume reports that a number of U.S. cities have considered user-pay systems but decided against, in part for political reasons. The greatest resistance is apparently in cities where garbage collection is paid through property taxes.⁶⁵

A user-pay system can be unpopular with city residents for a number of reasons. A user-pay system will likely be perceived as a "tax grab" by residents, especially if there is no corresponding decrease in property taxes. Ratepayers could perceive this as paying twice for the same service.⁶⁶ As was previously noted, people resent having to pay directly for something

⁶²Ibid., pp. IV.23 and IV.24

⁶³Windrim, Kleyn and Lim Communications Ltd., op.cit., p.2.

⁶⁴Thivierge, op.cit., interview.

⁶⁵Blume, op.cit., p.22.

⁶⁶Windrim, Kleyn and Lim Communications Ltd., op.cit., 1993, p.3.

which has usually been paid for with taxes. Furthermore, residents express concern that user-pay systems will be more expensive to administer than conventional systems and this increased cost will be reflected in the per bag charge.⁶⁷

Other opposition stems from the perceived discrimination of the system. User-pay is initially perceived to place a greater burden on lower income residents, large families, tenants, the elderly and the disabled.⁶⁸

Other objections arise from the fear of illegal dumping and burning of waste. The initial "knee-jerk" reaction to user-pay is to assume that people will try to avoid disposal charges by dumping their garbage in ravines, vacant lots, and in commercial and apartment dumpsters. In a survey of Cobourg, Ontario's resident attitudes on user-pay, the residents were asked to write in additional comments and concerns. The most frequent concern was whether taxes would be decreased should a user-pay system be implemented (214 comments). The second most frequent comment was: "How are you going to ensure that people do not dump illegally?" (157 comments).⁶⁹

Initial resistance to user-pay is common and is manifested in a number of ways. In McHenry County, Illinois, the initial opposition to the operation of a user-pay system saw angry residents bringing their garbage to the steps of city hall.⁷⁰ The implementation of a user-pay system in a North Carolina County in November 1991 saw considerable opposition despite a public information campaign. Residents argued that the program should have been approved by

⁶⁷Proctor and Redfern Ltd., "Town of Cobourg's Curbside User Pay Feasibility Study: An Evaluation of an Approach to Modify Household Behaviour and Recover Waste Management Costs", Draft Final Report, Don Mills, Ontario, August 12, 1992, p.6-8.

⁶⁸Cited in Blume, p.22 and Windrim, Kleyn and Lim Ltd. p.1.

⁶⁹Proctor and Redfern, op.cit., p.6-7.

⁷⁰Alderden, op.cit., p.51.

a public vote. After program initiation, there was a public demonstration in the county seat and a lawsuit was launched by a "local activist".⁷¹

Other resistance can be manifested in the form of non-compliance such as dumping. In Blume's analysis of user-pay, he reports that most cities and communities report some cases of illegal dumping, especially in the initial stages of the program, but that it is not a great problem. However, determining the extent of a dumping problem, or the likelihood of a problem is difficult because there is no single factor or condition that will clearly signal a dumping problem.⁷²

In a survey of 10 Illinois communities with user-pay, illegal dumping was not found to be a major problem nor a major impediment to a volume-based user-pay system.⁷³ In Gananoque, Ontario, some cases of illegal dumping have occurred, but strict enforcement and fines have made the problem of little significance. Often, the source of the garbage was evident from identification in the garbage.⁷⁴

Overall, non-compliance can be minimized by enforcement and penalties, ensuring convenient opportunities for recycling and disposal of bulk and problem wastes, and a reasonable rate structure.⁷⁵

Other questions exist in implementing user-pay in high density areas and apartment residences.

Currently, the only large city employing a true user-pay system, and for which there is

⁷¹Bracken, op.cit., p.37.

⁷²Blume, op.cit., p.13.

⁷³Becker, Jeanne and Browning, Marilyn, "Volume-Based Garbage Collection Fees: An Analysis of 10 Illinois Programs", Resource Recycling, Vol.10(3), March 1991, p.102.

⁷⁴Thivierge, op.cit., interview.

⁷⁵Skumatz, op.cit., 1990, p.40.

accessible documentation is Seattle, Washington (1988 population 495,900). The Seattle program is generally considered a success by the city. The remaining well-documented cases of true user-pay are smaller towns, cities and rural areas in the United States. Blume concludes that user-pay appears to be successful in smaller jurisdictions, but stops short of endorsing user-pay for large cities because of limited user-pay experiences and documentation.⁷⁶

Larger population concentrations exacerbate political, operational and logistical problems. The larger the city, the more time and planning is needed to implement user-pay.⁷⁷ Large cities have greater lower income populations which creates a potential for greater controversy over the questions of fairness and potential for illegal dumping by those unable to pay for disposal.⁷⁸ Compliance is more difficult to enforce because of greater opportunities to dump illegally and greater anonymity of city residents. The large number of multi-family and rental units also poses logistical problems and impediments to user-pay.

Proposing user-pay for multi-family rental units will in all likelihood raise the issue of discrimination against tenants. The argument here is that landlords will benefit by not having to face higher waste disposal costs while tenants bear the additional burden. This will be even more controversial if landlords were to receive a property tax rebate from the municipality without providing tenants with a corresponding decrease in rent.⁷⁹

Large apartments and high rises already use private contractors to remove waste so they may not necessarily be part of a user-pay system. This will partially defeat the purpose of a user-pay system as a large segment of the population is removed from waste reduction efforts and

⁷⁶Blume, op.cit., p.33.

⁷⁷Skumatz and Breckinridge, op.cit., p.IV.23.

⁷⁸Ibid., p.33.

⁷⁹Windrim, Kleyn and Lim Communications Ltd., op.cit., p.3.

incentives. This will also produce an inequitable situation as garbage disposal costs are not evenly shared between home owners and tenants.⁸⁰

"Metering" garbage collection in apartments is complex and generally not practical⁸¹
In proposing any method of "metering" in apartments, there are drawbacks.

In a system where residents would have to purchase special bags or tags to dispose of waste on the curb or in dumpsters, there can be non-compliance and enforcement problems. It would be difficult to control the dumping of untagged bags into apartment dumpsters. In large buildings, more anonymous residents may feel that their use of untagged bags is less traceable. Property owners would be responsible for enforcement and disposal of untagged garbage.⁸²

With a variable can system, landlords would be asked to select a subscription level service for the entire building based on either weight or volume per household (or unit) and garbage is collected and billed accordingly. Seattle uses this type of system for non-dumpster multi-family units. However, there are drawbacks. One is that a complicated billing system is needed. Secondly, there is no incentive to the tenant to reduce waste because the cost is paid by the owner. If tenants are billed by the owner, the cost will likely be divided evenly among the tenants, and not according to waste generation. Thirdly, some tenants may produce more garbage than others while paying the same proportion of the subscription service (also known as the free-rider problem).⁸³ Offering more subscription levels within buildings is complicated and difficult to enforce.⁸⁴

⁸⁰Skumatz and Breckinridge, op.cit., pp.II.69 and II.70 and Skumatz, op.cit., 1990, p.42

⁸¹Skumatz and Breckinridge, op.cit., p.II.69.

⁸²Ibid., p.II.71.

⁸³Ibid., p.II.72.

⁸⁴Skumatz, op.cit., 1990, p.42.

Therefore, applying user-pay to multi-unit residences remains a major challenge.

E. Under What Conditions Should User-Pay Be Adopted?

This literature review has attempted to present both the pros and cons of user-pay. While there are compelling arguments supporting user-pay, it is not universally applicable to all municipal jurisdictions. Its application depends on individual circumstances and conditions. The consensus from the literature is that certain conditions should be present before municipalities assess the feasibility of a user-pay system.

The first condition is that there is a landfill problem. The waste reduction effects of user-pay are desirable when landfill space is depleting and there is difficulty in siting a new landfill.⁸⁵

High landfill disposal costs facing communities would be another condition for user-pay systems. First of all, communities with low landfill disposal costs will not prioritize waste reduction and will not have the political incentive to implement such a system. Secondly, with low landfill costs, user fees may create inefficiencies as the increased costs of administering the system will increase disposal costs.⁸⁶

User-pay is also more likely to be considered and successfully implemented when a budget or fiscal crisis related to waste management is confronting a municipality.⁸⁷ When waste disposal is financed out of general tax revenues and there is a budget crisis, the user fee can be considered as an alternative to raising property taxes or cutting the budget of other services.⁸⁸ In the case of both landfill and budget crises, user-pay is more likely to be politically appealing

⁸⁵Skumatz and Breckinridge, op.cit., p.I.57.

⁸⁶Blume, op.cit., pp.31-32.

⁸⁷Skumatz, op.cit., 1990, p.40.

⁸⁸Skumatz and Breckinridge, op.cit., p.I.57.

to decision-makers.⁸⁹

Another requirement for user-pay is that the decision-makers and residents have a strong interest in waste reduction and a strong "environmental ethic". This will aid the acceptance of user pay within the community.⁹⁰

A successful user pay-system also requires that recycling programs and waste reduction alternatives such as composting and yard waste collection be in place to assist people with waste reduction. If residents are given disposal and waste reduction options, they are more likely to accept a user-pay system. Furthermore, an existing recycling program will have helped to create greater environmental awareness and begin to change resident's behaviours by encouraging waste reduction.⁹¹

In conclusion, each community must assess its own problems and circumstances before seriously considering user-pay. However, without these conditions, it is unlikely that such a system will be proposed by politicians and accepted by city residents. Furthermore, as the examples of Peterborough and Cobourg will demonstrate, while having these conditions is necessary, they are not necessarily sufficient to guarantee acceptance and successful implementation of user-pay.

⁸⁹Skumatz, op.cit., 1990, p.40.

⁹⁰Blume, op.cit., p.32-33.

⁹¹Goldberg, Dan, "The Magic of Volume Reduction", Waste Age, Vol.21(2), February 1990, p.100, and Skumatz op.cit., 1990, p.40.

CHAPTER IV

CASE STUDY ANALYSIS

A. Introduction

This chapter undertakes the detailed analysis of the political and decision-making process accompanying the Peterborough user-pay proposal. In Chapter II, the case study method was justified on the basis that it is the most appropriate method to re-construct a process that occurred and determine the "how" and "why" when there is little formal record of events.

Again, it is of interest to examine the political process associated with user-pay because user pay systems are initially unpopular with local residents and are usually met with resistance. Consequently, implementing a user-pay system can be very difficult politically. In a larger context, the major problem with implementing more environmentally sustainable practices is the difficulty of changing individuals' behaviour and political beliefs, and the larger political and economic institutions.

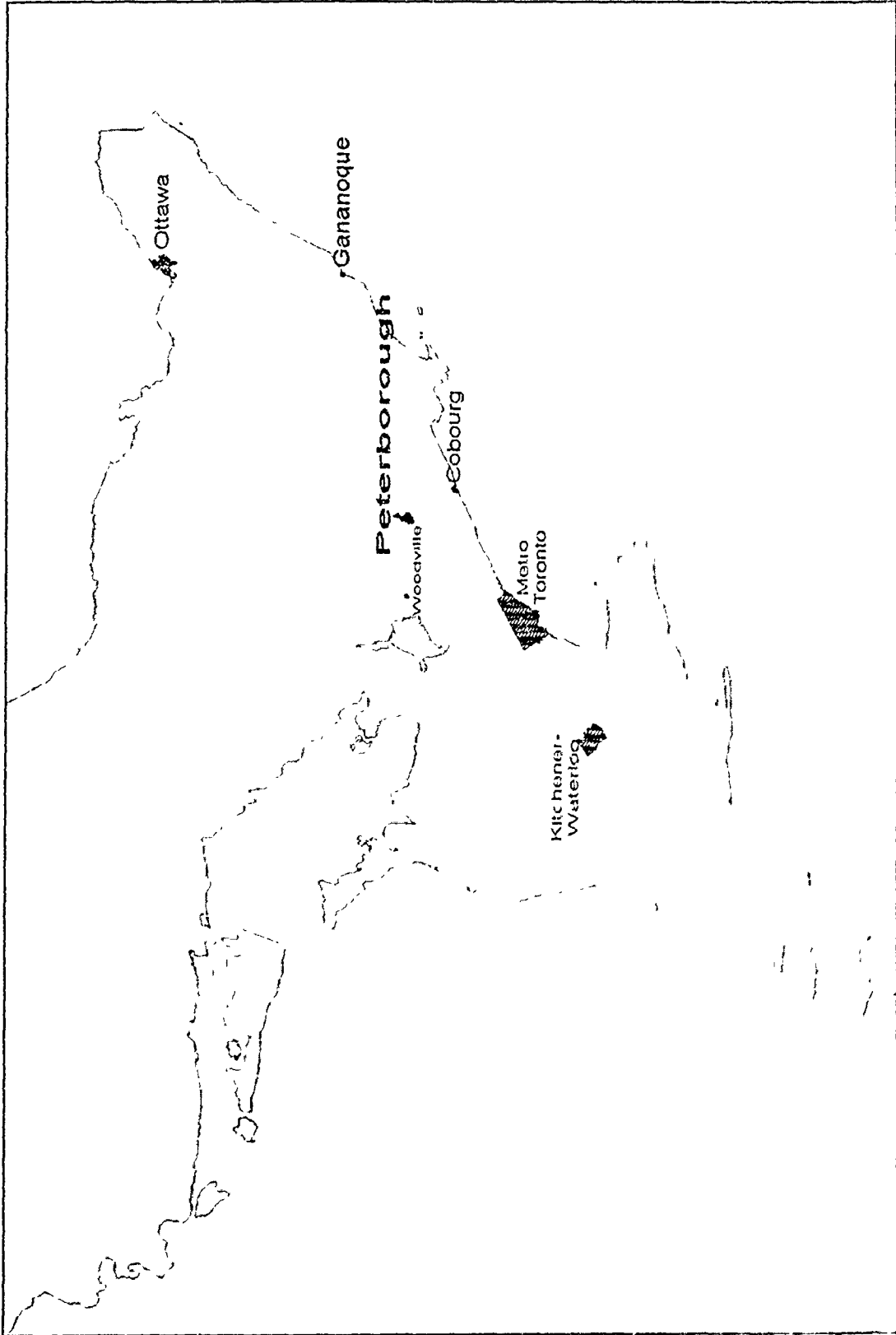
In addition to Peterborough, two other recent instances are testament to the difficulty of implementing user-pay. The two cases are Ottawa and Cobourg, Ontario. (Map 2)

In late 1986, Ottawa city council considered a partial user-pay system for residential waste as proposed by the Public Works Department. The proposal was seen as a cost-saving measure. However, there was considerable negative media and public reaction. People perceived the proposal as a new tax. Consequently, the proposal was rejected by city council on January 27, 1987 because it was "unworkable".¹

The town of Cobourg (1991 population of 14,460) is located in south-central Ontario, on

¹Resource Integration Systems (RIS) Ltd., op.cit., p.28.

MAP 2: Case Study Location



the shore of Lake Ontario, in the County of Northumberland. Cobourg's landfill reached capacity in April 1990 and the town immediately faced higher waste management costs because the town's solid waste had to be shipped to the county landfill site over an hour's distance away. An attempt to expand the landfill was rejected by the Ministry of the Environment.²

Consequently, Cobourg town council retained the services of a consultant to investigate the feasibility of a user-pay system for residential waste and help prepare a proposal for a pilot user-pay waste collection program. The town requested and received funding for the feasibility project from the Ministry of the Environment (75 percent of the cost).³

The Cobourg project was intended to have two phases: the feasibility study and design of an experimental pilot project, and the implementation of a test pilot project. However, in late summer 1992, Cobourg town council stopped the project after the feasibility study was completed. The project was terminated by council after a petition was circulated by a person opposing the demonstration project.⁴

Peterborough, Ontario is a small city of about 68,371⁵ people located in south-central Ontario in the centre of the Kawartha Lakes Region. Peterborough is a manufacturing and regional service centre.

On January 28, 1991, Peterborough city council approved in principle the implementation of a user-pay system for residential garbage collection. This decision arose from the severe landfill crisis and fiscal problems related to waste management facing the city.

²Proctor and Redfern Ltd., op.cit., pp.1-1, 1-2.

³Ibid., p.1-4.

⁴McDonald, Ted, Staff Engineer, Town of Cobourg, Interview, September 30, 1992.

⁵Statistics Canada, 1991 Census of Canada, Cat. 93-304, "Census Divisions and Census Subdivisions: Population and Dwelling Counts", p.72.

A public outcry followed the approval in principle of a user-pay system. Furthermore, due to existing Provincial legislation, the city could not legally implement user charges for waste collection.

On May 13, 1991, Peterborough council deferred the implementation of a user pay system to the next municipal council and decided to put the issue on the ballot for the upcoming November 12th municipal election.⁶ The question put to voters was:

"Are you in favour of having garbage collection and disposal costs charged on a per container basis rather than having all such costs added to property taxes?"

On election day, the user-pay system was rejected by 63 percent of voters who voted no.⁷

Therefore, one of the most important objectives of the case study is to determine the motivation for deferring the user-pay decision and why a referendum was called for the proposal.

The case study analysis is divided into three distinct parts. The first part uses multiple sources of written evidence to develop a chronology of events accompanying the user pay proposal. The second part is a detailed analysis of the political process and issues using the interviews and documentation. The final part compares the decision-making and political process with the political models described in Chapter II.

B. Chronology of Events Accompanying the User-Pay Proposal

This section depicts the chronology of events and process accompanying the City of Peterborough's user-pay proposal. This record has been compiled from city reports and documents, correspondence between the city and Provincial ministries, city council minutes, and media coverage by the city's newspaper of record, the Peterborough Examiner. The time frame

⁶City of Peterborough City Council Minutes, Vol.1, January 28, 1991, p.1.

⁷City of Peterborough, Clerks Office.

of the case study/chronology spans from when the proposal became public to the election on November 12.

January 15, 1991

In a report to the **Committee of the Whole - General**,⁸ Peterborough city staff recommends:

"That City Council approve in principle the implementation of a user-pay system for the collection and disposal of residential waste and associated costs, and that staff be directed to:

- a) Develop a system for implementation no later than July 1st, 1991, and
- b) Petition the Provincial Government to change the Municipal Act to allow for the implementation of such a system".⁹

Peterborough city staff recommended the consideration of a user-pay system because of the escalating costs of waste management and the problems associated with raising revenues from traditional sources.

At this time, Peterborough was facing an acute landfill crisis. Currently, the landfill is operating under an emergency certificate granted by the Ministry of the Environment. Waste management costs had risen dramatically because of waste diversion projects, (needed to both extend the life of the landfill and to meet the Ministry of the Environment's waste reduction guidelines) and the escalating costs of operating the city's current landfill site. In 1989, city council endorsed the construction of a \$1.8 million recycling facility and directed staff to consider

⁸The **Committee of the Whole - General** consists of city council (including the Mayor) who meet to discuss and debate non-planning issues and staff recommendations before formal ratification. These meetings occur in three week cycles and are open to the public.

⁹Hall, David, Peterborough City Administrator, "Re. Waste Management Issues", Report to the Committee of the Whole - General, January 15, 1991, p.1.

the construction of a central composting facility (projected cost of between \$3 and \$5 million which eventually was placed in the 1992 capital budget). In 1990, Peterborough spent \$4,679,500 for waste management purposes. This sum covered waste diversion efforts and projects, implementation of provincially mandated environmental controls at the current landfill site, preparing a hearing for the expansion of the current site, and to pay for the ongoing search of a new landfill. Of the total money spent for waste management, only \$561,500 was generated from property taxes. The remainder was generated from tipping fees paid by the ICI sector to dump waste at the city's landfill. In 1990, the tipping fee was \$95 per tonne. Remarkably, there was no tipping fee in 1988. The waste management reserve fund showed a deficit of \$615,000 at the end of 1990.

For city staff, the projected balance sheet for waste management caused considerable alarm. For 1991, the projected costs were:

\$615,000	-deficit carried over from 1990
\$2,732,000	-allocated for various capital works
\$3,418,000	-for operating expenses (landfill, recycling, waste collection)

\$6,765,000	

Total revenue was projected at \$5,327,000 from the landfill tipping fee (which was to be raised to \$150/tonne on February 1, 1991) and property taxes. Overall, this meant a projected deficit of \$832,000 for waste management at the end of 1991.

In order to raise the additional revenue required, staff was of the opinion that a user pay system was the most appropriate method.¹⁰

Prior to making its decision, city staff had to consider three revenue alternatives:

¹⁰Ibid., pp.1-7.

- increasing property taxes or instituting a special tax levy
- increasing tipping fees paid by the ICI sector
- introducing residential user charges

Further increases to landfill tipping fees were ruled out for several reasons. First of all, even with revenues from the new \$150 tipping fee, the waste management account would show a huge deficit. Second, the ICI sector was already contributing 95 percent of the revenues for waste management while generating only 65 percent of the waste stream. Third, tipping fees set higher than neighbouring communities would result in waste being shipped to lower cost landfills and a subsequent loss of revenue for the city.¹¹

City staff viewed the property tax option as inequitable because there is no relationship between the assessed value of a home and the costs of its waste disposal.¹² Under the current system, there is no motivation to reduce garbage or divert materials to recycling.¹³ Furthermore, Staff recognized that substantially raising taxes to cover the projected deficit would be difficult in light of the 1991 budget guidelines set by council (overall increase not to exceed 4.5 percent) and general public "unrest" concerning property tax increases.¹⁴

The user fee was seen as the most equitable solution because: "since the waste generator pays in relation to the amount of waste removed, there is an incentive to reduce the amount

¹¹Peterborough Utilities Services Department, Bateman, I.L., Hall, D.L., and Poulton, B.J., "Re. Funding Alternatives for Residential Waste Management", Report to the Chairman and Members of the Committee of the Whole, September 9, 1991, pp.1-10.

¹²The portion of the property tax going toward garbage collection and disposal was and is still based on the assessed value of a residential property. In 1991, an average Peterborough home, assessed at \$5000, contributed only \$36 dollars toward garbage collection and disposal. Source: Hall, op.cit., May 3, 1991, p.9.

¹³Peterborough Utilities Services Department, op.cit., p.4.

¹⁴ Hall, op.cit., January 15, 1991, p.4.

generated. Thus all generators are encouraged to reduce, re-use and recycle. Those who succeed are rewarded by lower costs".¹⁵ A user-pay system was also seen as a more flexible alternative to deal with rapidly changing and difficult to project waste management needs and expenditures compared to the current system.¹⁶

January 28, 1991

Peterborough city council approves in principle, by a 7 to 4 margin, the implementation of a user-pay system for residential waste collection. Council also formally directs staff to develop a system for implementation no later than July 1, 1991 and to petition the Provincial Government to change the Municipal Act to permit user-pay.¹⁷

January 29, 1991

Peterborough mayor Sylvia Sutherland sends a letter to the Provincial Ministry of Municipal Affairs (MMA) and the Ministry of the Environment (MOE) requesting the Province amend legislation to permit the implementation of user-pay.

January 31, 1991

The Peterborough Examiner publishes a front page article on the user pay proposal. The newspaper also publishes an editorial denouncing the proposal.¹⁸

¹⁵Peterborough Utilities Services Department, op.cit., p.4.

¹⁶Ibid., p.4.

¹⁷City of Peterborough Council Minutes, Vol. 1, January 28, 1991.

¹⁸The complete list and full citation of Examiner articles and editorials used to compile the chronology is found in the References.

February 1, 1991

City Solid Waste Coordinator Ivan Bateman sends a letter to the Ministry of the Environment requesting assistance to research and design an appropriate user-pay system for Peterborough.

February 6, 1991

The Examiner publishes an editorial in reference to the city's budget meeting scheduled for Monday February 7, 1991.¹⁹ One half of the editorial is devoted to more sharp criticism of user-pay. The editorial encourages citizens to speak out against the proposal during the next night's budget meeting.

Also, the Examiner publishes six letters to the editor on user-pay. Only one letter expresses a pro user-pay opinion. The editorial cartoon on the same page satirizes the perception that the average person is deluged by tax demands.

February 7, 1991

The city's budget meeting takes place at City Hall. The next day, the Examiner reports that user-pay dominated the meeting. Eight people made presentations on the issue - four pro and four against.²⁰

February 18, 1991

During city council's meeting, presentations are heard both for and against the proposed

¹⁹Budget meetings are generally open to the public, but public comment is not permitted. A special meeting is held to solicit public comment prior to formal approval of the budget.

²⁰Whalen, Scott, "Trash Tops Budget Talks", Peterborough Examiner, Feb. 8, 1991.

user-pay system. A representative from the Peterborough Labour Council formally speaks out in opposition to user-pay.²¹

March 7, 1991

The Mayor, another alderman and the city Administrator meet with senior MOE officials to discuss a number of waste management issues. At the meeting, Ministry staff indicate some support for user-pay. The city requests that officials from the MOE meet with representatives from Municipal Affairs to coordinate this issue. Two days later a front page article with headline "City Wins Support for Garbage Fee", appears in the Examiner in reference to the meeting

March 11, 1991

The city sends a letter to the Minister of Municipal Affairs, Hon. David Cooke, and the MOE requesting that the two ministries coordinate some response or action regarding the City's request to allow the implementation of user-pay.

During the evening's city council meeting, two alderman raise the user-pay issue. Alderman Pagett enquires: "as to the status of informing the community on the matter of the implementation of user-pay...". Alderman Leal enquires as to whether there will be a public meeting so that residents can express their concerns about the proposed user-pay system. As a result, council directs staff to organize public meetings to obtain input from the community. The meetings are to follow the staff report forthcoming on user-pay.²²

²¹"Pros and Cons of Garbage Fee", Peterborough Examiner, February 19, 1991.

²²City of Peterborough Council Minutes, March 11, 1991.

March 13, 1991

The Examiner publishes another editorial in response to the news that public meetings will be held on the user-pay proposal. Again the editorial criticizes the proposal by presenting the standard "knee-jerk" arguments against user-pay. The arguments are that illegal dumping will increase, it penalizes people for excess packaging, many cannot afford the extra costs, it is unfair to large families or people with special health care needs, and that some families are not able to compost. The editorial urges council to. "Ensure...taxpayers...have a clear idea of what user pay really means".

April 12, 1991

The city sends a follow-up letter to the Minister of Municipal Affairs. At this point, the city has yet to receive any acknowledgement from the Minister. The Mayor also sends a letter to the Minister of the Environment's (Hon. Ruth Grier) office expressing frustration and displeasure at the lack of response to the city's correspondence, and inaction on the matter of amending the legislation to permit user-pay. The Mayor makes another request for a meeting between representatives from the city, the MOE and the MMA.²³

April 15, 1991

The city finally receives a letter from the Ministry of the Environment acknowledging receipt of the letter sent on the 29th of January.

²³Source. Letter From the Mayor of Peterborough to the Executive Assistant to the Minister of the Environment, April 12, 1991.

May 3, 1991

The city Administrator submits a detailed report to the Committee of the Whole - General on the status of the user-pay proposal and the fiscal demands facing the city because of waste management. The report recommends that the implementation of user-pay be deferred to the next council for 1992. This recommendation arises from the realization that Provincial Government ministries are not coordinated on this issue and that the MMA is in no rush to amend the legislation. Without the legislation, a user-pay system could be legally challenged. Also, staff feel that user-pay cannot be implemented in 1991 because of insufficient planning and lead time necessary to establish such a system.

The report also presents the updated options for dealing with the severe revenue demands facing the city for waste management over the next five years. Staff outlines three possible options:

- a user-pay system with one free "lift" (a standard container or bag)
- user-pay with no free "lift"
- a special garbage tax on each property based on the assessed value of the property.

Essentially, whether or not user-pay is adopted, residents would have to assume a greater share of waste management costs. The report asks council to state their preference for one option²⁴

May 4, 1991

A front page headline in the Examiner reads: "Garbage Tax to be Trashed: Plan Goes to Council". The article summarizes the recommendations from the report prepared by the city administrator and released the previous day.

²⁴Hall, David L., City Administrator, "Re: Long Term Implications for the Financing of the Costs of Waste Management", Report to the Committee of the Whole - General, May 3, 1991

May 6, 1991

The Committee of the Whole meeting of this evening features a two and a half hour debate on the user-pay proposal. City council decides not to implement the user-pay system in 1991 and to defer the issue for consideration by the next council. Council also decides to put the proposal to a referendum during the upcoming November 12th municipal election. A referendum question is to be designed by August 1, 1991. Council also resolves to recommend to the next council that, in 1992, residential waste producers be charged 75 percent of what the ICI sector is currently paying to dispose of waste at the City landfill, and 100 percent in 1993.²⁵

May 7, 1991

The Examiner reports the resolutions from the previous night's council meeting in two front page articles. "Garbage Fees Delayed in '91" and "City Council Plans Garbage - Fee Vote".

May 8, 1991

The Examiner contacts a number of individuals including the Local MPP (Hon. Jenny Carter), a member of the Peterborough Labour Council, a individual from the business community, a local environmentalist and a representative from a ratepayers group, and solicits their opinion of the referendum. Their comments are featured on a front page article.²⁶ The Examiner reporter noted in the interview that this action stirred up more controversy and opposition surrounding the issue.

²⁵Sources: City Council Minutes, Utilities Services Department op.cit., and, Whalen, Scott, "City Council Plans Garbage-Fee Vote", Peterborough Examiner, May 7, 1991, p.1.

²⁶Whalen, Scott, "Reaction to Garbage Vote Mixed", Peterborough Examiner.

May 9, 1991

The Examiner publishes an editorial: "Waste Disposal Costs: Voters Can't Win". This editorial is highly critical of council's decision to put the proposal to a referendum suggesting that council is trying to evade the controversy surrounding user-pay.

May 13, 1991

During this day's meeting of the Committee of the Whole, the resolutions agreed upon at the May 6th meeting are officially adopted.

May 17, 1991

The Examiner publishes the editorial: "Waste Disposal Costs: Even Stormier Skies". The editorial encourages residents to call their alderman and make known their choices for dealing with high waste disposal costs.

May 21, 1991

City officials meet with officials from the MOE and MMA to request that the legislation be amended to permit user fees by January 1, 1992, and to express concern that the Provincial government is not moving quickly enough on this matter.²⁷

June 20, 1991

The Minister of Municipal Affairs finally replies to the Mayor's January 29th letter. In a tersely worded reply, he responds:

²⁷Source: Hon. David Cooke, Minister of Municipal Affairs, letter to Mayor Sylvia Sutherland, June 20, 1991.

"My ministry is conducting a comprehensive review of the solid waste management powers of municipalities. After the review and consultation is completed, staff will be in a position to bring forward proposals for legislation...Let me assure you that we are giving a high priority to dealing with the issue...I am prepared to deal with requests for legislation separately as long as such an approach does not jeopardize the comprehensive review."²⁸

July 24, 1991

Front page headline in the Examiner reads: "Taxpayers Upset over Trash Plan". This article deals with the village of Woodville's plan to start charging for residential garbage collected. This article is noteworthy because it appears to be a blatant attempt to keep user-pay in the public's eye. Woodville is a village of 600 about 55 kilometres northeast of Peterborough.(see Map 2)

July 27, 1991

The Examiner editorializes on the Woodville user-pay proposal and uses the opportunity to again raise the usual concerns about user-pay including the concern that the current system of taxes paying for services is "rapidly eroding".

August 21, 1991

A front page article under the title: "AMO Supports Garbage Fee" appears in the Examiner. The article reports on the Association of Municipalities of Ontario's (AMO) annual meeting where delegates "overwhelmingly" endorsed user fees for garbage collection. The article reports that the Peterborough Mayor in attendance, took a lead role in the debate. This appears to be another attempt to keep user pay in the public's eye because this revelation is given front page consideration but has almost no significance for the user-pay proposal and debate.

²⁸ibid.

September 9, 1991

The Utilities Services Department issues a report to the Committee of the Whole. The report recommends that:

- "The user fee scheme to be recommended to 1992 council be based on a standard container or bag "lift" with no free lifts, but with assistance to large families and 'needy' persons.

- the question:

are you in favour of having garbage collection and disposal costs charged on a per container basis rather than having all such costs added to property taxes?

be placed on the November 12 election ballot, and

- Staff prepare an information brochure to be distributed to households prior to the election."

In this report, staff presented two alternatives to raise the necessary revenues for waste management. Under a user-pay system, the per container rate would be \$1.20 in 1992 and \$1.70 in 1993. The taxation alternative would see an average home (an average home was considered to be a property with an assessment of \$5000) pay about \$135 toward waste management in 1992 and \$169 in 1993. These figures were in accordance with the recommendation that residential garbage be charged at 75 percent of the ICI tipping fee rate in 1992, and 100 percent in 1993.

The referendum question was designed so as residents could specify their choice for either user fees (with a yes vote) or the increase in property taxes option (with a no vote)

September 10, 1991

The Examiner runs a front page article, "Plan Would Set Fee For All Garbage", which details the proposed user-pay system and the referendum question.

September 13, 1991

The Examiner publishes an editorial criticizing the referendum and the proposed user pay

system. The Examiner doesn't like the fact that the City has already designed the system and made its choice clear before gaining public approval, and suggests that this could be the first step in dismantling the current system where services are paid from property assessment.

September 14, 1991

Examiner article. "Referendum Could Decide Garbage Pay Issue" appears on the front page. This reports on the opinions of councillors and whether they will support the wishes of city voters or their ward constituents.

September 16, 1991

Council formally endorses the wording of the referendum question by a 10 to 1 margin and directs staff to prepare an information brochure to be distributed to all households.²⁹ The alderman who was most vehemently opposed to user-pay voted no.

October 11, 1991

This day is the deadline for candidates to formally state their intention to run in the November 12, election.

October 28, 1991

During council's meeting, the most vehemently opposed Alderman ridicules the City's advertisement promoting the user-pay system. In a staged demonstration, he crumples the advertisement and throws it on the floor after sharply criticizing it. The next day, this act is

²⁹City of Peterborough Council Minutes, September 16, 1991.

reported in the Examiner.³⁰ The city Administrator also reports that the city's advertisement will be distributed this week.

October 31, 1991

The Examiner reports on an Aldermanic Candidate's meeting of the previous night in a front page article with the headline: "Transport, Garbage Top Issues". From the reporter's perspective, garbage was the most discussed issue at the meeting.

November 1, 1991

A front page article in the Examiner reads: "Drawbacks seen in Seattle Garbage System" This article briefly describes Seattle, Washington's user-pay system.

November 5, 1991

The city holds its only public meeting on the proposed user-pay system at Peterborough Collegiate and Vocational School to address questions and concerns. Out of about 130 in attendance, 20 people spoke formally or asked questions. The city Waste Management Coordinator fielded questions. The city Administrator, the Mayor, and some aldermen were in attendance. The city Administrator noted that: "the tone of the questioning was negative"³¹ In an interview, a councillor in attendance noted that despite the city's attempt to provide information and answers at the meeting, his impression was that people either didn't like the answers or did not believe them.

³⁰Peterborough Examiner, "Alderman Trashes Referendum Ad", October 29, 1991, p 3

³¹Scott Whalen, 'Illegal Dumpers Face Heavy Fines: Garbage Fee system gets cool response', Peterborough Examiner, November 6, 1991, p.3.

November 10, 11, 1991

The Examiner runs a two-part, "Special Report", series on Gananoque's user-pay system. Both parts enjoy front page status.³²

November 12, 1991

A clear majority of residents voted no, or rejected the user-pay proposal (63.25%). 43.9 percent of eligible voters responded to the referendum question compared to 47.98 of eligible voters who cast their ballots in the municipal election. In all five wards, user-pay was soundly defeated. In addition, the incumbent mayor and one alderman were defeated in their bid for re-election. Another alderman did not run for re-election.

November 13 to Present

In accordance with its recommendation to gradually bring the residential charge to 100 percent of the rate charged to the ICI sector, the city introduced a special garbage levy for each residence. Starting in 1992, the dollar amount going toward waste collection and disposal was indicated on individual property tax bills. The garbage rate for an average home (considered to be a home with an assessment of \$5000) was 60.75 in 1992. The 1993 budget allows for only a 3 percent increase in the garbage levy which brings the garbage charge for an average home to \$62.55.

However, this is far short of the increases necessary to move residential charges to 100 percent of the ICI rate. The projected rates to meet this objective were \$102 and \$147 for 1992

³²Scott Whalen, "Small Town Blazes Trail for Garbage Pickup Fee", Nov. 10, 1991, and "Garbage: Gananoque Style", Nov. 11, 1991, Peterborough Examiner.

and 1993 respectively.³³ Presently, city residents are still not paying their proportional share of waste management costs vis a vis the ICI sector.

For the future, the city's waste management situation and finances look uncertain. On one hand, revenues from tipping fees are down because waste exports and the recession have decreased the amount of waste going to the city's landfill. Waste tonnages have declined from around 56,000t in 1991 to about 36,000t in 1992. The reduction in revenue has meant that certain capital projects for waste reduction (the composting facility especially) have been delayed. Capital projects and costs related to the existing and proposed landfill will have to be debentured if new revenues are not found. In addition, the city is considering lowering its tipping fee to recoup some revenues which are making their way to U.S. landfills. However, if waste tonnages going to landfill continue to decline or remain at current levels, there will be no need for capital projects to reduce waste as the city will have met provincial waste reduction guidelines. Therefore, future financial demands may not be as severe as first feared.³⁴

C. Analysis of the Political Process: The Referendum, Issues, Controversy, and Defeat of User-Pay

1) Introduction

This analysis of the decision-making and political process is designed to:

- determine how the user-pay proposal and debate affected the usual decision making process,
- determine the nature of the political debate and the issues associated with user-pay, and
- build an explanation for the process and events that occurred.

³³Chittick, Ron F., Peterborough Director of Finance, "Re. Flat Rate Garbage Charges", Report to the Committee of the Whole - General, January 22, 1993.

³⁴Source: Interviews with city staff

Specifically, we want to build an explanation for:

- why user-pay is controversial, and
- why the proposal was eventually defeated at the ballot box.

2) The Referendum

The calling of the referendum to decide the issue was the most important factor in the political process accompanying the user-pay proposal. Referenda are relatively common at the municipal level for far-reaching and controversial issues.³⁵ However, there was no initial intention to call a referendum on the user-pay issue. The normal process expected after the staff recommendation of user-pay was approval or rejection by council, followed by the design of the system by city staff (such as whether there would be one free lift and free tags for the needy), approval of the design by council, and implementation.

However, what happened was that the issue became controversial and raised opposition. One night, the Mayor decided that a referendum would help defuse the issue so she suggested it at the next meeting of council. Council then discussed holding a referendum and eventually endorsed it (10 to 1) despite the protestations of the councillor most vehemently opposed to the proposal. His opinion was that council is elected to make tough decisions and at this point he felt council was unsure that the public would accept the proposal. In one of the great ironies of the situation, the referendum allowed user-pay to become a prominent election issue and ultimately was the first step toward the defeat of the proposal.

As the referendum was the key to the entire process, the case study investigation sought an explanation for the calling of the referendum.

In the interviews, the respondents were directly asked why a referendum was called for

³⁵Higgins, Donald J H., "Local and Urban Politics in Canada", Gage, Toronto, 1986, p.322.

the proposal. The analysis is primarily concerned with the responses of councillors because they formally endorsed the referendum. However, observers' opinions are important as they act as a control in the event of contrived responses. Because most respondents gave more than one reason, a matrix has been created to organize responses and determine which reason was most prominent (Figure 2) This method of analysis has been borrowed from Carney as a way to: "Think out all the possible combinations of things implied in...(the researcher's)...initial question".³⁶

The vertical axis lists the main reasons respondents gave for the calling of the referendum. The categories in the horizontal axis account for the fact that respondents usually gave multiple reasons for the referendum. Column one indicates the total respondents who gave that reason as the only reason for the referendum. Columns two and three categorize multiple reasons given by respondents. Column two indicates that it was believed the most important reason out of a number of reasons, and column three indicates whether the respondent cited it as an additional reason for the referendum. The numbers in brackets indicate the number of councillors who gave that particular reason. As this is a qualitative analysis, there is no statistical significance or weighting to the columns. It is just a way of organizing and illustrating graphically which motivations were most common. The important numbers to note are the total number of times a reason was given.

The most frequent reason given was that the referendum was called to defuse the controversy surrounding the issue (12). Five councillors cited this factor. Observers citing this reason expressed the opinion that council saw the referendum as a way out of the controversy.

The reason most mentioned by councillors was that they felt the public deserved to be consulted before they proceeded with user-pay (seven responses). It is difficult to judge whether this sentiment arose from genuine sympathy for public concerns or because it was such a

³⁶Carney, op.cit., p.231.

FIGURE 2

Range of Reasons Respondents Gave For the Referendum

	Multiple Reasons			Total
	Only Reason	Primary Reason	Additional Reason	
*council viewed the referendum as the best way to defuse the controversy surrounding the issue	4 (1)	5 (3)	3 (1)	12
*councillors believed that the public deserved to be consulted before proceeding with such a radical change	2 (2)	4 (3)	3 (2)	9
*implementing user-pay without a public endorsement was politically risky	1		4 (2)	5
*a strong endorsement of user-pay would make the Province take notice and thus move more quickly to amend the legislation to permit user-pay			3 (3)	3
*other	2 (1)	1 (1)		3

The numbers in brackets indicate the number of councillors who cited this reason

controversial issue. On the one hand, the local politician is highly visible on the local scene. The public can easily express concerns directly to their alderman and the local politician in Peterborough does not have staff to answer complaints. Aldermen mentioned that people voiced concerns about the proposal at the workplace or while out in public, shopping. Also, some aldermen informally polled their colleagues at work. A referendum is a convenient way for politicians to absolve themselves of a difficult political decision. Some respondents stated that it could be politically risky to proceed with such an unpopular proposal. Furthermore, why would council be sympathetic to public concerns after having already decided in principle to endorse user-pay?

On the other hand, the local politician is part of the local community and may be genuinely sympathetic to public concerns. In the words of one respondent, user pay was a "pioneering recommendation" that would change the way the service had been traditionally allocated. As public opinion was divided, council was reluctant to proceed without a public endorsement. Furthermore, the element of political risk may not have been a factor because Peterborough councillors serve in a part time capacity and are probably underpaid relative to the time and effort expended for the office.

In the final analysis, considering both the responses and the overall impression developed from the research, it appears that the referendum was called because it was seen as the best way to defuse a proposal which had become very controversial. Council had become uneasy with user pay after a significant and vocal segment of the public had expressed a hostile opinion toward it.

Council's reluctance was also compounded by the absence of Provincial legislation allowing the implementation of user-pay. As the record shows, the Province was in no hurry to act on the city's request to allow the implementation of user fees. In the opinion of some councillors the referendum would have probably been avoided had the legislation been in place.

since the majority of council had voted for user-pay. The councillors were asked specifically: "If the Provincial Government had played a stronger role in support of user-pay, would Peterborough be closer to user-pay today?". Nine councillors responded "yes" and two responded "perhaps". If the city had proceeded without the legislation, user-pay could have easily been legally challenged by the Province or individuals.

During interviews, a number of respondents expressed deep regret at putting the issue to a referendum. Four councillors (all favouring user-pay) stated that it was a huge mistake putting the decision in the hands of city residents. Some city staff members also expressed this opinion. One sentiment was that it is the responsibility of politicians to lead and make difficult decisions and people can choose not to re-elect politicians if they dislike their decisions. Another belief was that the politician is privy to more information than the average person and is therefore in the best position to make policy decisions. Furthermore, even if the average citizen is provided with all the information, it is doubtful they can look beyond their own self interest or grasp the complexity of the problem which is necessary in order to make tough policy decisions.

3) Participants and Issues Arising in the User-Pay Debate

At this point, it has been established that the referendum was called as a result of the controversy and the fact that user-pay represented such a radical change. The controversy arose as soon as the proposal became public, and given the decision to hold a referendum, user-pay became a prominent issue in the fall election. In order to explain the controversy, we need to examine the issues surrounding user-pay. Therefore, this part of the analysis examines the arguments raised by user-pay opponents.

From the interviews, Examiner articles, letters to the editor and city hall, it is possible to identify the participants in the debate and the concerns that were brought forth in the debate.

There were four elements which opposed user-pay. They were the Peterborough Examiner, an alderman, an activist affiliated with the Peterborough Labour Council and individual citizens.

The Peterborough Examiner is the newspaper of record in Peterborough (circulation of about 28,000) and took a prominent stance opposing user-pay. The newspaper was opposed to user-pay on political/philosophical grounds. The newspaper considered user-pay to be a violation of the "social contract" where society has decided that essential public services are paid through property assessment and provided in a universal fashion. Furthermore, the editors were unconvinced that user-pay would reduce waste generation and believed illegal dumping of garbage would occur.³⁷

A critical examination of the newspaper's coverage and editorial comment reveals that the newspaper made no attempt to conceal its dislike of the proposal and that it attempted to keep the issue firmly focused in the public's eye. Out of twenty articles devoted to reports on the user-pay issue (between January 31 and November 14) fifteen enjoyed front page status and some were headlines. Between January 31 and September 29, the Examiner published eight editorials with some reference (usually criticism) to the user-pay proposal. In the newspaper's defence, it could be argued that the issue was very important to the community and deserved front page coverage because it was so controversial. However, two additional editorials commented on other Ontario communities (Woodville and Lakefield) that were considering user-pay. The editorial concerning Woodville appears to have been a blatant attempt to keep the issue simmering during the quiet summer period as it seems inappropriate that the newspaper would devote an editorial to an issue in a hamlet of 600 people, 55 km. away.

Furthermore, the Newspaper made little attempt at balanced coverage of the pros and cons of the issue. With the exception of two articles profiling the Gananoque user-pay system (two

³⁷Beverly Thompson, Editorial Page Editor, Peterborough Examiner, Interview, May 18, 1993

days before the referendum), there was no information presenting the documented success of user-pay in reducing waste generation, and that it was unlikely to be the administrative nightmare everyone feared. The article profiling the Seattle system emphasized the negative aspects of the system. On the portion of the article which appeared on the front page, there wasn't a single detail of the positive accomplishments of Seattle's system.³⁸ The report disregarded the fact that Seattle's system functions smoothly, has reduced household waste generation, and is considered as a potential model for designing a user-pay system.

The Examiner's editorial criticisms were the standard arguments against user-pay. Most prominent, however, was the argument that it was unfair to large families, those with young children or special health care needs, and lower income residents. Furthermore, it was unfair to penalize residents for generating garbage because much waste is due to excess packaging which, the Examiner argued, residents could do nothing about. It also emphasized that dumping and burning of waste would be inevitable as people try to escape the fee. Another argument was that it was a "tax grab" or hidden tax because people already pay for waste collection with their property taxes. Finally, it argued that user-pay would start the gradual erosion of the principle that government services are paid indirectly through taxation. In its editorials, the Examiner repeated these criticisms.

An individual affiliated with the Peterborough Labour Council vigorously opposed the proposal. This activist, who also claimed to speak for the Labour Council, was completely opposed to user-pay on both practical and philosophical grounds. He argued that: it was discriminatory to the poor, etc., it would be an administrative nightmare, it would lead to illegal dumping, and would lead to the erosion of the current system and result in user-pay for other

³⁸Marchen, Jack, "Drawbacks Seen in Seattle Garbage System", Peterborough Examiner, November 1, 1991, p.1.

essential services. However, in conversation with this individual, the issue that stood out was that he felt user-pay was a hidden, inherently unjust tax grab by the city since some of the property tax already went toward waste collection. This individual rejected the notion that user-pay would reduce waste because: "people who can afford to pay...will put out as much garbage as they want".

This activist even went as far as sending a letter to David Cooke and Ruth Grier outlining the Labour Council's remedies for the waste crisis and requesting a meeting to present these views. Some members of the Labour Council did eventually meet with a representative from Ruth Grier's Ministry. As remedies to the waste problem, this group recommended expanded recycling, promoting and expanding the markets for recycled goods, and legislating reduced packaging³⁹ In conversation, this individual also expressed the belief that incineration should be pursued

This activist made formal presentations to council, raised questions at city council meetings, and wrote letters to the Mayor. During the election campaign, where he was a candidate in one of Peterborough's five wards, he actively campaigned against user-pay. He ran radio and newspaper ads for his candidacy which contained anti-user-pay messages and emphasized fair taxation. During the election there were also small newspaper ads urging people to reject user-pay by voting no. This advertising was attributed to this individual and the Labour Council by some respondents. However, there is no direct evidence to confirm this as when queried, this activist did not have the exact record or recollection of all his advertising.

One alderman on city council vehemently opposed user-pay and was generally regarded as the strongest opponent of user-pay on council. This individual was also a member of the Labour Council and basically saw it as a "right wing" concept that would lead to user pay for

³⁹Source: City of Peterborough Municipal Files, Letter to Ruth Grier, Ontario Minister of the Environment, From the Peterborough Labour Council, February 19, 1991.

other services. He argued that when people saw the monetary savings incurred from reducing waste, they could then question the necessity of paying taxes for other services such as fire, education and police if they didn't use that service. He was philosophically opposed to user-pay as it deviated from the current system of collectively sharing the costs of essential services and providing them in a universal fashion. He also raised the concern that the city could use the garbage fee as a "cash cow" and that the fee would have to be raised anyhow when people started reducing waste and revenue decreased. He also expressed concern about the unfairness of user-pay (especially to large families since he came from a large family) and about dumping of waste to avoid the fee.

This councillor's strong anti-user-pay feelings precipitated some fierce debate on council. Of seventeen respondents who participated in or witnessed the debates, twelve commented that the debate retained a fierce and heated character at times. This alderman frequently raised the issue during council meetings with the intention of criticizing the proposal and keeping attention focused on it. Another councillor was also responsible for raising the issue in council, although not as often. Raising the issue during council meetings may have been an effective tactic because in addition to being quoted in the Examiner, he would receive other media coverage, especially television as council meetings are shown on cable TV. For a small city, Peterborough is well-served by media with a CBC affiliate (CHEX-TV), seven radio stations, and a major newspaper. Because of this councillors's tactics and others speaking out, some pro-user-pay councillors lamented that the issue could not be put to rest.

The other segment that actively opposed user-pay were individual members of the community. People spoke at council meetings, at the special public information meeting held by the city before the election, wrote letters to the editor, and telephoned and wrote their alderman and city hall. In the public debate about user-pay, every possible reason for opposing the system

was brought out. These reasons included (in no particular order):

- user-pay will result in dumping and burning of garbage and increased littering,
- the system is discriminatory to the poor, etc.,
- user-pay is a hidden tax and an unfair tax as people already pay for garbage collection through property taxes (some people also objected to subsidizing free tags for the needy),
- garbage collection is an "essential" service and therefore should not be user pay,
- it would lead to user-pay for other "essential" municipal services,
- concerns about administrative and operational problems such uncontrollable costs, theft of tags/bags, placing of untagged bags on neighbours' lawns, and effectiveness of enforcement.
- doubt that charging for garbage would reduce waste volumes as those who could afford to pay would not reduce waste,
- people were concerned that they could not reduce waste because they have no control over excess packaging,
- a broader strategy was needed to tackle the waste problem, and
- the city should pursue incineration rather than user-pay.

In order to determine which concerns were most prominent among residents, an analysis of the written record (letters, newspaper reports, etc.) was undertaken. Basically, the number of times a concern was mentioned by an individual in the public debate was noted. The concern that the system was discriminatory was raised more times than any other reason (21 times). This was followed by the concern about illegal dumping (15 times). Other prominent reasons were that it was a hidden tax (11 times) since garbage collection is already paid through taxes, waste reduction is largely beyond a person's control because of excess packaging (8 times), and that the system would be an administrative nightmare (7 times).

The United Citizens Organization took a strong and active stand against user pay. The individual behind the organization was interviewed. This anti-poverty advocacy organization

called city councillors, wrote letters to council and the Editor, spoke at public meetings, and made presentations to city council. This organization pushed the concern that user-pay is discriminatory and would result in hardships for the poor, tenants, the elderly, the disabled and large families. It argued that the system represented an added burden on these disadvantaged groups and that user-pay for garbage would start the slide toward the American system with its user-pay health care

4) The Nature of the Controversy and Debate

From the analysis of the issues raised by opponents, it appears that the controversy stemmed from the fact that user-pay has a deep philosophical and political context. This philosophical context is corroborated by the interviews.

Question 3 asked if there was anything unusual or different about the user-pay proposal compared to other city council business.(Figure 3) Seven respondents (including four aldermen) indicated that the proposal was a new and perhaps radical approach to service provision and would represent a break from the tradition of paying for services from the assessed value of properties.

Four respondents (including three aldermen) noted that the issue and subsequent debate was of a philosophical nature. People's opinion on user-pay was shaped by their ideology and their perception of fairness or the fairest method of paying for essential services. Interestingly, four respondents (three aldermen) did not feel that the proposal was especially noteworthy compared to usual council business.

The overall conclusion developed from the interviews and analysis of the documentation is that the proposal created a controversy and debate over the issue of fairness in taxation. While the usual concerns about user-pay were raised, the issues of taxation and the fairest way to pay for public services provoked the most controversy.

FIGURE 3
Was There Anything Unusual or Different About the
User-Pay Proposal?

Response	Total
*the proposal was a new and perhaps radical approach to service provision	7 (4)
*the debate on the issue was of a philosophical nature	4 (3)
*did not feel that the proposal was especially noteworthy or different	4 (3)
*other	3 (1)
Total	18

Numbers in brackets indicate the number of councillors who cited this factor

The controversy and opposition to user-pay stemmed largely from the common perception that the user fee was an "unfair" tax. A garbage fee was considered "unfair" because a portion of the property tax already went towards garbage collection. The current system of property taxes paying for services was considered more equitable or "fairer" than user-pay because the service is provided universally and costs are spread out according to ability to pay (the assumption or prevailing belief being that property values accurately reflect wealth and income). The fee was considered discriminatory because the poor paid the same fee as the wealthy and residents least able to reduce waste (tenants, large families, households with children, etc.) would bear the larger share of waste management costs.

Conversely, the city and user-pay proponents had a vastly different perception of fairness. Proponents believed that it was fair to pay for the garbage you produced. Staff suggested user-pay because it was seen as an equitable way to raise the funds needed for waste management. Residents would pay according to what they produced and the residential sector would also be paying its proportional share of total waste management costs (vis a vis the ICI sector). Furthermore, staff knew from research that user-pay would likely decrease waste generation thereby extending the life of the landfill. Councillors that were in favour of user-pay argued that it was an economically and environmentally sound measure and the most effective way to achieve waste reduction. When faced with the direct economic cost of garbage disposal, people would behave more responsibly and reduce waste. User-pay was also viewed as an avoidable cost/tax and those who reduced waste would be rewarded.

To summarize, the two sides perceived the user-pay issue differently. The opposition camp saw it largely as a political issue while those in favour saw it as an economically and environmentally sound response to the waste crisis. These differing perceptions would also become a factor in the political defeat of the proposal which is discussed in the next section.

5) The Political Defeat of the Proposal

In retrospect, the decision to hold a referendum for the proposal probably doomed it to defeat. The results of the referendum clearly showed the majority did not favour user pay. However, when the referendum was called no one was sure which way the public would vote. In essence, if the public did not like user-pay at this time, there was still opportunity to convince it to accept user-pay.

The case study has uncovered two important circumstances which contributed toward the defeat of the proposal and will now explore these factors.

User-Pay Opposition and the City's Response

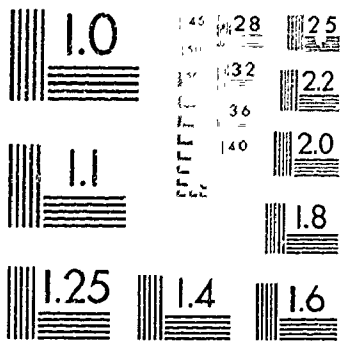
Once the referendum was called to decide the proposal, what was essentially a bureaucratic response to a set of environmental conditions (a waste crisis) became politicized. The referendum put the issue in the political arena and the City was obliged to defend and sell the proposal to counteract user-pay opposition if it wanted the proposal to pass. However, the city responded poorly to user-pay opposition and this appears to have been a significant factor in the defeat of the proposal.

User-pay opponents were able to transmit their message in public (council meetings, letters) and through news media reporting on the issue. Furthermore, the election provided a number of aldermanic candidates the opportunity to publicly oppose user-pay in their campaigns. The question that arises is how much of an effect did user-pay opposition have on public opinion and on the eventual outcome?

It is difficult to gauge the effect user-pay opposition had on public opinion. For example, how many people read editorials, and were influenced by the Examiner's criticisms? However, what is evident from the research is that the city did not effectively counter the information or

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arguments of the opposition camp. Five respondents echoed this sentiment and field research confirms this. Apart from an information leaflet distributed a few weeks before the election and the November 5th public meeting, there were no other public information initiatives. The literature and past experience has shown that a substantial public relations/information campaign is needed to implement user-pay.

Part of the reason the city could not better sell the proposal is that the city had a limited budget for advertising and does not have a public relations department. Additional funds would have had to be approved by council. This itself would have probably provoked fierce arguments between councillors as there was no indication of a consensus as to the city's role in promoting the user-pay proposal. In the interviews, the majority of city staff and councillors who supported user-pay at the time (9 of 11) expressed the sentiment that, in retrospect, the city should have mounted a better public information campaign to explain the advantages of user pay and the need for such a system.

Therefore, while it is difficult to measure the impact of anti user pay arguments on public opinion, the combination of concerted user-pay opposition and the absence of an effective selling campaign would undoubtedly have had the effect of not convincing those who disliked user-pay to vote yes.

Furthermore, the opposition camp had another advantage over the city. Namely, their arguments of fairness are somewhat more emotional and more passionate than pro user pay arguments. Many residents were angry about the proposal to charge a fee for their garbage. It was noted by a number of respondents that the emotional arguments of discrimination, unfair taxation and double taxation are much more powerful in influencing public opinion than stolid arguments of economic and environmental efficiency. Some respondents perceived the anti user pay camp as creating a "hysteria" over the proposal. The pro user-pay councillors not only had

to argue the economic and environmental advantages of user-pay, but also to counteract the charges that the system was unfair and discriminatory, and the fear that this was the "thin edge of the wedge" that would see user-pay coming to other municipal services. This factor was another example of how the deck was stacked against the proposal.

The Confusion Factor

The second major factor in the process has been termed "the confusion factor" for lack of a better term. Evidently, there was confusion surrounding the entire proposal and the meaning of the referendum question.

In the interview, respondents were asked directly: "What was the decisive issue, factor or event that defeated this proposal". Most respondents gave more than one reason as the whole process surrounding the proposal was complex. In total, six main reasons were cited.(Figure 4)

The most frequent was that people did not perceive the need for change and felt that the status quo was both in their best interest and the fairest method of paying for garbage collection. 16 respondents cited this reason.

The second most cited reason was that the public did not receive enough information to be convinced that it was a better alternative to the current system. The defeat of the proposal in the context of the first two reasons is evident as the public disliked user-pay (as was proven with the referendum result) and the absence of a strong public information campaign by the city left this opinion unchanged.

The third reason was that there was confusion as to what the "yes" and "no" on the referendum ballot meant. It is this reason which we want to examine in more detail.

The revelation that there was confusion surrounding the referendum question arose following the defeat of user-pay when the city implemented the scheduled property tax increase

FIGURE 4

What Was the Decisive Issue, Factor or Event That Defeated
The User-Pay Proposal?

Response	Total
*people did not perceive the need for change and felt that the status quo was in their best interest	16 (8)
*the public did not receive enough information on the proposal to be convinced that it was the a better alternative	9 (6)
*there was confusion or misunderstanding as to what the options on the referendum ballot meant	8 (3)
*the supporters of user-pay (including the city) never effectively countered the arguments and campaigning by the anti-user-pay camp	5 (3)
*people believed that if they endorsed user-pay, the city would introduce user-pay for other so-called essential services	3 (3)
*people perceived user-pay as a hidden tax	2

Numbers in brackets indicate the number of councillors who cited this factor.

The total number of responses totals more than the number of persons interviewed because most respondents cited more than one factor for the defeat of the proposal.

for 1992. The increase in the waste management portion was based on the assessment of the property, so the higher the assessed value of a home, the more a property owner paid for garbage collection. Also for the first time, the tax bill listed the dollar amount of the entire property tax bill going toward waste management.

As the garbage portion of the property tax was now shown in dollar terms, people discovered what they paid for garbage collection and disposal. People were then able to compare what they were paying to what their neighbours or friends were paying. Residents began to question why they were paying more than others when they received the same level of service. A number of alderman noted that they received many complaints from ratepayers who felt that this was unfair and that many believed voting no meant an equal flat rate increase in property taxes (meaning everyone receiving the same \$ increase). Many people told their alderman that they would have supported user-pay if they had known that the increase in taxes was based on assessment.

City Hall received 26 letters objecting to this increase in property taxes. Ten letters supported a user-pay system while thirteen letters thought a flat rate charge for garbage was fairer than the current system. Of the thirteen letters, six thought a "no" vote meant an equal flat rate charge would be implemented. The tone of the letters was often angry and some people were incensed that while they practised three R's (reduce, reuse, recycle), they paid more than neighbours who didn't. The overall message of the letters was how the tax increase was "unfair".

There is no way of knowing precisely how voters came to the conclusion that a vote against user-pay would mean an across the board flat rate increase. Many staff and councillors expressed puzzlement at how ratepayers arrived at this conclusion.

The referendum question was intended to allow residents to select between a user-pay system or continuing with the current system where garbage collection is paid through property

assessment. Examining the referendum question closely, it is clear that voting yes meant an endorsement of user-pay. However, the question was ambiguous as to what voting no meant. "Having all such costs added to property taxes" could mean a flat rate increase as well as an increase based on assessment.

During the final week of October, the city distributed to all households the 8.5 by 14 inch information leaflet about the proposed user-pay system and upcoming referendum. The information on the leaflet consisted of:

- the projected waste management costs facing the city over the next 5 years,
- a breakdown of the component costs of waste management (landfill, recycling, operation, etc.),
- the referendum question and a description of the two options available to residents: **Tip'n Tag or Tip'n Tax**,
- how the user-pay system would operate and where the tags could be purchased, and
- how much residents could expect to pay under each option.

The first page of this leaflet also appeared twice in the Peterborough Examiner just prior to the election. Remarkably, the only written explanation of the referendum question, outside of media descriptions, was this leaflet. Therefore it shouldn't have surprised anyone that confusion surrounded the referendum question and entire user-pay proposal.

A critical evaluation of the leaflet reveals a number of problems. First of all, the format (a single page) could have easily been dismissed as "junk mail" and thrown into the waste basket by an inattentive home owner. Second, there was too much information presented when things needed to be simplified. The leaflet was both trying to inform the person as to the necessity of user-pay as well as trying to explain the two choices involved in the referendum. To make the average person understand the choices in a complex problem, the picture has to be simplified

Third, the city failed to properly explain the implications of voting no. The explanation given for "Tip'n Tax" (the property tax option) on the first page appears misleading as it explains: "So, no matter how successful you were in your attempt to reduce, re-use and recycle, you'd pay the same as those doing little for the environment"(same as in equal tax billing). In the back page, it was explained that under Tip'n Tax: the "average household would experience a net property tax increase of about \$88 in 1992". However, it did not clearly specify that the increase would be based on the assessed value of the property. If the average person dissected this leaflet as is done here, they might have understood that the increase would be based on assessment. However, given the fact that this detail was buried at the end of an overloaded and often ambiguous document, it is not surprising that many residents did not understand the implications of voting no. All that is really clear from the information is that by voting no, user-pay would be defeated and during the campaign, user-pay opponents kept repeating the message that a no vote would defeat user-pay.

It is reasonable to conclude that the information sheet distributed by the city created confusion rather than clarifying the issue for voters. Many respondents also expressed this sentiment.

6) Conclusion

The decision-making and political process associated with the user-pay proposal can be summarized as follows.

First, staff suggested a user-pay proposal as a result of existing environmental and economic conditions (the waste crisis), the perception that user-pay was the most equitable way of sharing waste management costs, and the knowledge that waste volumes would likely decrease under such a system. The majority of council agreed with staff and voted to implement a user-pay

system for Peterborough.

Immediately after council's endorsement, there was public opposition to the proposal. A vocal segment of the public voiced an opinion against user-pay and raised opposition such that the issue could not be put to rest. Therefore, council decided to hold a referendum to obtain a public endorsement of user-pay before proceeding with what was clearly a controversial proposal.

The calling of a referendum politicized a bureaucratic response to a set of environmental and economic conditions. User-pay is a deeply philosophical and political issue. The debate in Peterborough was dominated by the question of what is the "fairest" method of paying for "essential" municipal services, rather than whether user-pay was an effective response to the waste crisis facing Peterborough.

The defeat of the proposal at the ballot box can be attributed to the fact that the public did not perceive the need for such a radical change and on the failure of the city to convince the public that user-pay was in the best interests of the community.

In the political arena, the city needed an aggressive public information campaign to counteract the arguments presented by user-pay opponents. Prior to the municipal election, the lack of an aggressive promotional strategy rendered the City powerless to counteract the unpopularity of the proposal and the arguments presented by user-pay opponents.

In the administrative context, the public information was inadequate, poorly conveyed and designed, failed to clarify the proposal and referendum question, and was presented too late to effectively convince the public that user-pay was in their best interests.

D. Political Model Analysis

In Chapter II, the basic elements of Pluralism were listed. It appears that the case study

most approximates the Pluralist model by virtue of the fact that a referendum was employed to decide the outcome of the issue. Certain elements of Pluralism are clearly evident in the case study.

This section focuses on the discussion of the correlation (and non-correlation) of the case study with the Pluralist model. This is followed by a discussion of characteristics from other models evident in the case study.

The first visible Pluralist element is the fragmentation of power and the ability of different and unrelated groups to have influenced the outcome of the user-pay issue. Community power was exerted by various individuals and organizations outside the formal power structure by voicing an opinion hostile to user-pay. Their collective actions convinced council to hold a referendum on the issue.

The individuals and groups that influenced council's decision were largely independent of one another and there is little evidence of an organized effort to oppose user-pay. Individual citizens, the United Citizens Organization, the activist from the Labour Council and the Peterborough Examiner spoke out against user-pay. The only two people confirmed to have collaborated in opposing user-pay were the activist from the Labour Council and the alderman most opposed to user-pay who was also on the Labour Council. This alderman would keep the activist informed as to whether user-pay would be on council's agenda so that he could prepare written statements to present during the meeting.

Having influenced the decision to hold a referendum, user-pay opponents continued their assault on the proposal during the election campaign. This effectively smothered the feeble and uncoordinated attempt by supporters to sell the proposal.

The second element of Pluralism evident in the case is the "voice" element. As was determined previously, council was uneasy with proceeding with user-pay after a segment of the

public had expressed a hostile opinion toward it. People called or complained directly to their alderman, wrote letters and made presentations during council meetings. Community activists and ward candidates also influenced the outcome by stirring up more opposition during the election campaign. The outcome in Peterborough illustrates that if individuals speak loud enough, they are able to influence the decisions of politicians.

The third element characteristic to the case study is the existence of a competitive political environment without a dominant political party or social class influencing the outcome. In the first place, decision-making along the lines of political parties is not evident in Peterborough council. Neither is there evidence of a wealthy elite influencing decisions. Council members occupy what can be considered the "middle class" of society and most came across as having moderate political views. The exception was the councillor most opposed who saw user-pay as: "a right wing concept". Overall, there was no evidence of political motivation for supporting user-pay. (i.e. in terms of conventional ideologies such as socialist or conservative)

Although social activists were likely to oppose user-pay, diverse groups were found on the same side of the issue. For example, opposing user-pay were the establishment Peterborough Examiner (a part of the Thomson newspaper chain) and individuals from organized labour. The councillor most opposed to user-pay had strong labour ties and remarked during the interview that "it was a coincidence he and the Examiner agreed on the same issue". His perception was that the newspaper had a right wing bias.

The fourth characteristic of Pluralism evident is the absence of bureaucratic influence on the eventual outcome. In Peterborough, staff usually play an influential role through preparation of city reports and recommendations to council. Many times councillors ask staff to prepare a report on a matter to present to council. Staff are often looked upon to come up with innovative solutions to problems, or to provide council with the information to make an informed decision.

However, the bureaucracy did not play a role in the outcome of the user-pay issue.

The element of formal consultation with outside groups or the electorate before a final decision by politicians correlates somewhat to the case study. This element is present in that the referendum was the formal consultation. Council decided not to implement user-pay without a public endorsement.

There were, however, elements of the classical Pluralist model not evident in the case study.

First of all, there is no evidence of bargaining between decision-makers and interest groups in the classical sense of Pluralism. In the classical model, bargaining and consensus-searching occurs in the initial stages of decision-making where powerful and organized interest groups attempt to influence politicians or the decision-making agenda through lobbying or direct participation in decision-making. With user-pay, initial decision-making was bureaucratic and internalized. Only after public opposition commenced did city council consider public consultation.

Classical Pluralism maintains that various interest and pressure groups organize to represent the interests of blocks of voters and individual voters have little influence in decision-making. However in Peterborough, it was individuals who opposed user-pay, the exception being the Peterborough Examiner. In the final outcome, individual voters decided the fate of the proposal.

Despite the large degree of correlation between the case study and the Pluralist model, it is important to emphasize that characteristics of other models are also evident. In reality, no model can completely account for a political process.

The Bureaucratic model was judged not to correlate with the case primarily because of the referendum. However, decision-making at the municipal level in Ontario and Peterborough

normally proceeds along the lines of the Bureaucratic model. The user-pay proposal followed this form in the initial stages. The bureaucracy initiated the proposal while seeking council's direction regarding certain aspects of the design of the system. When council initially approved user pay, the proposal had been up to that point entirely internally determined. Under a purely bureaucratic process, user-pay would have been implemented despite any outside opposition. However, the decision to hold a referendum and abide by the results essentially removed the influence of the bureaucracy from the final outcome.

The case study is judged not to correlate with the Systems model because it stresses environmental determinism over political variables as explanations for policy outcomes. The black box known as the "political system" holds the keys to the explanation of the user-pay outcome, yet the systems approach does not contain a framework or mechanism to examine political factors

One aspect of the Systems model characteristic to the case study is that the conception of user-pay was a result of environmental conditions. User-pay was proposed to address landfill scarcity and fiscal demands related to managing the city's solid waste. The proposal was intended as a policy response to demands arising from environmental conditions.

However, the eventual outcome does not correlate to the Systems model because the critical environmental conditions causing the crisis were not addressed. In Peterborough, the waste crisis has abated somewhat due to external conditions (recession, waste exports) while structural conditions (excessive consumption and waste generation) remain

The Political Dispositions model appears uncorrelated because there was no apparent ideological or political motivation for endorsing user-pay. In the interview, councillors were asked why they supported or rejected user-pay. The eight councillors who favoured user-pay (at the time of the interview) supported it because it was fair (in that individuals would be rewarded for reducing waste) and that it was seen as the most effective incentive to reduce waste volumes.

On the other hand, one could argue that political dispositions were evident in the decision-making process. This observation arises from the fact that council was not firmly resolved on the user-pay issue and was largely sympathetic to the idea of giving residents a say in the matter. One might argue that council's disposition was to consult the public before implementing such a radical change.

This model is difficult to assess in terms of correlation to the case study. Judging the role of political dispositions is highly subjective, and the literature suggests it is difficult to empirically verify political dispositions in decision-making.

In summary, the process in the case study appears to correlate best with the Pluralist model. This is due to the referendum, the degree and effect of vocal opposition to the proposal, and the influence of individuals and activists on the political process and eventual outcome. However, the process is not entirely Pluralist as decision-making initially proceeded along bureaucratic lines. It was only after formal endorsement of user-pay by council that Pluralist elements became evident. What distinguishes the process as Pluralist is the fact that politicians allowed city residents to decide the outcome of the proposal.

CHAPTER V

CONCLUSION

This chapter outlines the important findings from the research. The aspects which are universal to most user-pay experiences and those unique to the case study are noted. The implications of the decision-making for sustainable development are examined. Also included is a comment on the general feasibility of user-pay in Ontario and some recommendations arising from this research. Finally, suggestions for further research are made.

A. Universal and Unique Aspects of the Case Study

The Peterborough experience with user-pay contains elements which are both unique to the case, and likely to be universal to any jurisdiction implementing user-pay.

In terms of universal elements, the case study corroborates many of the assumptions noted in the literature. User-pay is likely to be accompanied by some degree of controversy and is likely to be opposed by some individuals and elements within the community. Also, the "knee jerk" arguments from Peterborough's experience appear to be universal and will certainly be raised in any community considering user-pay. Another common element is the need for an extensive public relations and information campaign before implementing user-pay.

Another universal aspect within the Canadian context is that user-pay is largely a political issue. In the case study, the idea that economic instruments such as user-pay could help achieve a more sustainable community was overburdened by the weight of user-pay being a philosophical and political issue as well. The environmental and economic merit of user-pay was given little consideration in Peterborough because opponents saw it as a philosophical issue and feared it

would be an administrative nightmare, while the proponents did not effectively convey the advantages of the system. The nature of the debate and outcome of the user-pay proposal should not surprise anyone because user-pay for municipal services is not a prevailing philosophy in Canada. Garbage collection has traditionally been treated as an essential municipal service, rather than as a utility. The findings from the case study indicate that above all else, user-pay is a political issue, and a similar debate can occur in other Canadian municipalities.

Conversely, the process which occurred in Peterborough is unique in many ways. First of all, the literature does not mention another example of a referendum being used to decide this issue. In Ontario, waste management decision-making features public input (with environmental assessments for example). However decision-making regarding municipal responsibilities is largely internal.

Second, there are unique contextual factors which affected the political process in Peterborough. Peterborough council approved user-pay despite the absence of permissive Provincial legislation. This along with the indifference shown by the Provincial Government hindered user-pay. Legislative changes allowing municipalities to implement user fees are expected to be passed by the Province in August 1993. Therefore this scenario is not likely to be repeated. Another unique aspect of the case study is that user-pay was rejected despite the appearance of a strong community environmental ethic and substantial recycling and waste reduction initiatives in place. Another contextual factor is the make-up of the community and its resistance to change. Some respondents suggested that Peterborough is a "conservative" community where such a radical change is not easily accepted. Other communities may more readily accept this type of change.

B. Political Decision-Making and Sustainable Development

From the research, it is useful to emphasize the implications of the political process in the case study on sustainable development.

The process which occurred in Peterborough is an example of the politicization of an environmental issue. Politicization in this context refers to debate of the issue in political and philosophical terms. The broader issues of environmental integrity, (in this case the specific issue of waste reduction and sustainable community waste management) should not be cause for debate. Without much persuasion, most people should agree that reducing waste is both environmentally and economically sound. However, disagreement arises over how to reduce waste and whether economic, regulatory, or voluntary "three R" measures are more effective. This is where political factors come into play. In Peterborough, people opposed user-pay for a number of philosophical reasons, and disagreed that it was the proper action.

For this reason, decision-making by public endorsement or according to public opinion does not bode well for sustainable development. The Peterborough case illustrates this as decision-making by referendum was not conducive to user-pay. The average person does not have the information to properly assess whether user-pay is an effective waste management tool. Even if all the information is presented, it is doubtful whether they can see through the rhetoric and conflicting arguments that are raised in a public debate on user-pay. Furthermore, it is doubtful that the average person will agree to unproven and lifestyle changing initiatives if they do not perceive a problem or the need for change.

Most people agree in principle with sustainable development. However, it is another matter whether they will voluntarily agree to measures which will alter their lifestyle. While individual actions are one of the keys to sustainable development, it is apparent that political leadership is needed to spur the adoption of sustainable practices.

C. Feasibility of User-Pay and Recommendations From the Study

This research has dealt with user-pay in considerable detail and has revealed two distinct sides to the user-pay equation. In assessing the feasibility of user-pay, it is necessary to address both the political and operational aspects of user-pay.

The literature and experience suggest that user-pay has been effective in altering behaviour and decreasing the amount of waste going to the curb. Without a doubt, if waste collection is treated as a utility, most people will modify their consumption.

Furthermore, the generally positive experiences of communities with user-pay indicate that operational and administrative problems are not insurmountable as user-pay critics are quick to suggest. It is true that operating a user-pay system is more complex than current methods. However, changing current practices to more sustainable ones is a greater challenge than maintaining the status quo. It is also true that with larger communities, it is more difficult to implement user-pay. However, it is also the case that overall administration and service provision is more complex in larger communities and cities. Moreover, user-pay has been successful in some American cities and the Seattle system is recognized as a model for implementation and operation.

Overall, from an operational point of view, user-pay appears feasible given the right circumstances (waste crisis, presence of existing waste reduction programs, etc.). However, given that user-pay is not a proven commodity in Ontario, it is recommended that testing the system on a small scale (i.e. pilot project) be done before more widespread implementation. Testing is necessary to gain experience and expertise, and to promote greater acceptance of the concept. It is also recommended that the community plan carefully well in advance of implementation. It is especially important that sufficient lead time and resources be allocated for a public relations and public information campaign. The Peterborough experience provides a clear example of this

requirement.

The other side of the user-pay equation is the political aspect. The literature and experience suggest that user-pay can be difficult to implement for political reasons. The Peterborough case offers some very important lessons regarding the political aspect of user-pay

It is recommended that decision-making by referendum not be used to decide this issue. It is unrealistic to expect initial public endorsement and support for user-pay garbage. In Peterborough, even if the referendum was avoided, opposition to user-pay on philosophical grounds would have occurred (and the lack of Provincial legislation to allow user fees would have delayed the system's implementation). However, avoiding the referendum may have diminished the degree of politicization of the issue.

User-pay in Peterborough was killed in the political arena and the case study demonstrates that politics can provide an insurmountable obstacle. Therefore, it is imperative that municipalities looking to implement user-pay think carefully about the political implications before proceeding. Given the inevitable opposition, a jurisdiction must develop an aggressive plan of action to convince people of the benefits of user-pay and to counteract the usual "knee jerk" arguments.

For user-pay garbage to become more widespread, the issue will have to be de-politicized at the local municipal level. This will require more leadership on the part of the Provincial Government as was emphasized by some of the respondents. The anticipated legislative change to permit user-pay at the municipal level is a useful first step. However, this does not de-politicize the issue. Even with the legislation, political opposition as in Peterborough can occur. The indifference shown by the Provincial Government regarding Peterborough's proposal squandered a perfect opportunity for the Province to test user-pay in a large community. In order to assist acceptance of user-pay, the Province will likely have to put its weight behind more pilot projects involving user-pay. Furthermore, user-pay will likely garner greater acceptance if it

becomes a component of a comprehensive provincial waste reduction effort similar to the blue box. People may be more willing to accept change if it is mandated on a large scale or part of an overall provincial strategy.

A political battle will probably be repeated in Peterborough in the event user-pay is raised again. While user-pay still retains significant support on Peterborough council and within the community, present council would likely be divided on the question of implementation given that the public has registered its opposition. Also, since the precedent of calling a referendum has been established for this issue, some feel that the city would be obliged to call another referendum before proceeding with user-pay. Moreover, the opposing individuals have vowed to fight the proposal if it is raised again.

In conclusion, user-pay is an effective instrument for managing garbage generation and many people feel that it is the way of the future. In light of waste management problems facing Ontario, this researcher is inclined to agree. However, political factors and leadership by the Provincial Government will inevitably determine whether user-pay will become the way of the future or brushed aside as in Peterborough.

D. Suggestions For Further Research

User-pay garbage is an area where research is considerably sparse. There are many aspects where more research would be beneficial. In the first place, a greater data base is needed on the operational aspects of user-pay and its waste reduction qualities. More information is needed on the behavioral characteristics of city residents under a user-pay system. More data and information will give a clearer indication of the feasibility of user-pay for individual communities.

The decision-making theme of this particular study can be pursued in a wider context. The decision-making process determined in Peterborough could be expanded and developed into

a conceptual framework. This conceptual framework would consist of decision-making and political factors from the case, elements of formal political models evident in the case, and the issues which must be addressed when considering user-pay. The relevance of this framework could be determined by surveying other communities with user-pay experience. The purpose of this research could be to correlate the experience of Peterborough with other jurisdictions; to further verify the universal aspects of user-pay decision-making; and to test the validity of the conceptual framework developed.

Another research angle could be a cross-cultural study of user-pay experience in Peterborough with other communities having user-pay experience. The similarities and differences in the cases would add to the knowledge base and would be useful for assessing the feasibility of user-pay.

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APPENDIX 1

Interview Questions For Peterborough Case Study - User-Pay

Interview #:

Interviewee:

Interviewee's occupation and role in the decision process:

Date of Interview:

Place of Interview:

Address of Interviewee, if different from place of interview:

Length of Interview:

 1. Recall when Peterborough City staff first suggested the idea of user-pay to city council (January 15, 1991).

Were you aware (or did you agree with the City's assessment) that waste management costs were going to make heavy demands on the public purse? If no, why?

2. In your view, what was the rationale behind the staff suggestion of user-pay for waste collection?

(or, why did staff suggest a user pay system and how did they justify it?)

3. Was there anything unusual or different about the user-pay proposal compared to usual city council business? If so, what?

4.a) How would you describe the actual debate on this proposal among council members?

b) Was the debate on this proposal different from debates on other municipal issues? If so, how?

5.a) When was public opposition to user pay first exerted?

b) How did the public express their displeasure with the proposal?

c) What form of public expression best indicated that this was a controversial issue?

d) Briefly describe the evolution of public debate on user-pay from time of its proposal to the election.

- e) Were any groups or individuals more responsible for cultivating public opposition.
 - f) Did these particular individuals and interest groups influence the outcome of the referendum
- 6.a) Who initiated the call for a referendum for this issue?
- b) How was the referendum question designed?
- 7.a) Referendums are uncommon in political decision-making. Why was the public consulted on this issue?
- b) Do you feel that mandating user-pay is politically risky?
- 8.a) During the election campaign, what arguments were raised by opponents of user-pay?
- b) What arguments were raised by those in favour of the proposal?
9. In your opinion, what was the decisive issue, factor or event that defeated this proposal (at the ballot box)?
- 10.a) Do you believe that city residents had a clear understanding of the two choices involved in the referendum?
- b) If not, what caused the misunderstanding or confusion?
11. Do you think public sentiment has changed since the election? If so, what has changed the public's mind?
- 12.a) In your opinion, what role should the Provincial Government have played in the user-pay question?
- b) If the Provincial Government had played a stronger role in support of user-pay, would Peterborough be closer to user-pay today?
- 13.a) Do you envision user-pay for waste collection anytime in Peterborough's future?
- b) What has happened since November 1991 with respect to the projected tax increases and the budget demands related to waste management?

14. (FOR COUNCILLORS ONLY) Do you feel that local politicians should represent the wishes of their individual wards or represent what they believe is the public interest at large?

15.a) Why do you favour (or oppose) a user-pay system for residential waste collection and disposal.

b) During the 1991 election, did you actively endorse or campaign against user-pay?

16. Has the experience with user pay and events since the election changed your position on user-pay? If so, why?

17. (FOR SUPPORTERS OF USER PAY ONLY): Given the benefit of experience and hindsight, what should have been done to convince the public to accept user-pay.

18. Additional Comments