

SORTING THROUGH THE OPTIONS

*Are changes warranted to garbage
and recycling services in Eau Claire?*



WISCONSIN
POLICY FORUM

ABOUT THE WISCONSIN POLICY FORUM

The Wisconsin Policy Forum was created on January 1, 2018, by the merger of the Milwaukee-based Public Policy Forum and the Madison-based Wisconsin Taxpayers Alliance. Throughout their long histories, both organizations engaged in nonpartisan, independent research and civic education on fiscal and policy issues affecting state and local governments and school districts in Wisconsin. The Wisconsin Policy Forum is committed to those same activities and to that spirit of nonpartisanship.

PREFACE AND ACKNOWLEDGMENTS

This report was undertaken to provide Eau Claire policymakers and residents with information about issues related to garbage and recycling collection in the Eau Claire area and statewide, including comparisons with services provided in peer cities. Our report also presents options for city leaders and residents to consider about the future of local garbage and recycling collection.

Report authors would like to thank the leadership and staff of the City of Eau Claire and Eau Claire County – as well as staff from WM (Waste Management Inc.), GFL Environmental Inc., and Trash on Trucks – for providing us with information about solid waste hauling in the area. We would also like to thank staff members from the cities of La Crosse, Oshkosh, and Mequon for sharing information about their garbage and recycling services. In addition, we would like to thank members of the Wisconsin Badger Chapter of the Solid Waste Association of North America and staff from the Wisconsin Department of Natural Resources for providing information on statewide issues facing solid waste haulers.

Finally, we would like to thank the City of Eau Claire for commissioning and underwriting much of the cost of this study.



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INTRODUCTION

The city of Eau Claire is at a crossroads with regard to its approach to garbage and recycling services. It uses an “open market” model, unique for Wisconsin cities of its size, that requires individual homeowners to contract directly with private haulers for trash and recycling pickup. The city has used this model for most of its history, and officials indicate it has provided a high level of service for years.

During the summer of 2022, however, some residents experienced severe delays in their garbage and recycling services, with full carts sitting on the curb well beyond their scheduled pickup. Service providers indicate this disruption was due to a convergence of factors – including the pandemic, a driver shortage, and a merger of providers – that is unlikely to occur again.

While service has largely returned to normal, this incident contributed to a decision by city leaders to review the city’s existing garbage and recycling service model and ordinances. Other precipitating factors included recognition that improvements in trash hauling technologies may have made certain longstanding ordinance provisions ripe for updating; and the possibility that certain practices mandated by the ordinances, such as requirements for weekly residential recycling collection, may no longer be consistent with state or national practices and may conflict with other policy goals.

This report responds to a request by city of Eau Claire officials that the Wisconsin Policy Forum conduct an independent review of the city’s current approach to solid waste collection. Our analysis focuses on four services: residential garbage pickup, recycling pickup, large item pickup, and yard waste disposal. It excludes services for commercial and multi-family residential properties, as they are generally arranged through private contracts by property owners.

For this research, we consulted with local leaders and waste hauling representatives and reviewed official documents to understand the current service landscape in the city and its strengths and weaknesses. We then examined solid waste collection policies in other cities across the state to better understand their service models and practices and what insights they may hold for Eau Claire.

Specifically, our analysis considers alternative options for service delivery, including bringing trash collection in house or contracting with a single private provider or providers for citywide services. We lay out the pros and cons of potential refuse collection policy changes (including new or revised revenue options) and alternative refuse collection models, basing these alternatives on the experiences of other communities in Wisconsin and the specific conditions in Eau Claire.

Overall, our goal is to provide insight and analysis that will help city leaders consider whether and how to modernize their current approach to solid waste collection in a manner that will provide Eau Claire residents with the best service possible for a reasonable price.



CURRENT SERVICE LANDSCAPE

To ground our analysis, we begin with an overview of the city of Eau Claire’s current residential waste hauling service landscape. This includes a review of current providers; city requirements, practices, and costs; and some of the unique circumstances found in Eau Claire. In addition, we touch on some statewide factors that warrant attention when considering any changes to solid waste hauling services.

Open Market Process and Providers

When a new resident moves into Eau Claire, in addition to taking care of tasks like setting up an account with the energy company, finding internet service, and establishing their new address, they must also contract for garbage and recycling services. They can do so by selecting one of four waste hauling providers that are licensed by local authorities to serve city residents. The agreements that residents enter into with these providers can include a range of services, but generally cover both trash and recycling pickup. For large items, residents must call to arrange pickup and pay a separate fee. **Table 1** briefly describes the four providers currently serving Eau Claire residents. They include both large multi-national companies and new local startups.

Table 1: Garbage and recycling collectors currently serving Eau Claire residents

Provider	Type	Approximate Number of Eau Claire Customers	Description
GFL Environmental	Multi-national corporation	13,500	GFL-Environmental is a large corporation based in Canada. The company entered the Eau Claire market when it acquired a locally owned service provider, Boxx Sanitation, in 2022. GFL separately acquired other territories as part of a large deal with Waste Management to increase its U.S. footprint. GFL also operates landfill and transfer stations in the region.
Waste Management	Multi-national corporation	8,000	Waste Management is a large corporation that added substantial new territory through a recent merger. The company serves as the single contracted provider for a number of communities in the state, including Manitowoc and Menomonee Falls. It operates landfills, recycling facilities, and material transfer stations across the state.
Trash on Trucks	Local startup	2,000	Run by former managers of Boxx Sanitation, Trash on Trucks currently has three trucks and is working to grow slowly over time, despite substantial demand for its services. It operates traditional rear-loading trucks instead of newer, automated trucks.
Earthbound Environmental ¹	Local composting company	1,000+	Originally intended to be a curbside composting company, Earthbound Environmental expanded its scope to collect garbage and recycling as well because city ordinances only allow for full-service haulers.

¹ Earthbound Environmental was invited to participate in this study but declined.



Current Eau Claire Service Requirements and Practices

While city staff's oversight responsibilities for solid waste hauling are limited, city ordinances include a specific list of service requirements that any licensed waste hauler must follow. License applications are approved by both the county health department and the city, and must include details about liability insurance, the company's plans for disposing of waste, and an inventory of the company's vehicles. Other written policies and administrative practices further define how garbage and recycling pickup must happen in the city.

The following is a summary of key service requirements and policies:

- **Weekly Pickup:** City ordinances mandate weekly trash and recycling pickup, with customers required to divide the recycling and trash into separate bins. Bins must have a minimum capacity of 45 gallons for both services, though customers can choose larger sizes up to 96 gallons.
- **Coordinated Pickup:** Trash and recycling pickups are coordinated so each section of Eau Claire has the same pickup day, regardless of which providers are involved. This increases traffic as trucks from all four companies visit the same area on the same day, but it allows haulers to run shorter, more efficient routes. Residents benefit by only having garbage truck traffic in their area one day per week, and by having a consistent garbage day with their neighbors.
- **Large Item Disposal:** Residents can call their service provider to arrange for pickup of large items like dressers and refrigerators for an additional fee.
- **Brush Pickup:** The city of Eau Claire offers a brush drop-off site from April to November for city residents, with fees charged either on a pay-as-you-go basis or annually. Eau Claire County residents who are not also residents of the city also can access the site but can only pay via the pay-as-you-go option. Prior to spring 2024, waste haulers offered free yard waste hauling services during two separate week-long periods each year, though an end to this service was announced in [March](#) of this year, with only Earthbound Environmental continuing brush pickup for its customers.
- **Four Licensed Haulers:** While there are currently four licensed haulers, ordinances provide for up to seven licenses, which are transferable in the event a hauling business is sold. Haulers are also subject to state requirements about proper disposal of garbage and recyclables.
- **City Inspections:** City staff inspect trucks each year to ensure they do not leak contaminated water from the back of the truck full of trash or recyclables, a state requirement.
- **New Neighborhood Position:** In response to public requests, the city now dedicates \$80,000 annually to pay for a position focused on addressing neighborhood nuisance complaints from residents related to issues like sidewalk snow shoveling, lawn mowing issues, and other neighborhood problems. Resident concerns about garbage and recycling services are included under the purview of this position, as are annual truck inspections.



- **City-Operated Trucks:** The city operates a small number of garbage trucks itself that service city parks and government buildings. These trucks are occasionally called into duty if an issue with residential pickup cannot be resolved by a hauler and property owner.
- **Special Recycling Fee:** Haulers are responsible for collecting a \$32-per-year state-authorized special recycling charge, which they then remit to Eau Claire County. As the responsible [recycling unit](#) for the area, Eau Claire County must provide for an effective recycling program. Special recycling fees charged to Eau Claire County residents fund countywide recycling services, including rural recycling drop-off points and electronics and hazardous waste collection. In other cities, these fees are collected by the city either as an add-on to property tax bills or directly through a municipal service charge.

Estimated Service Costs for Customers

To fully analyze Eau Claire’s current service model, it is important to understand service costs for city residents. Haulers were understandably reluctant to share pricing information, however, so we collected a small sample of bills from city staff and other city residents to create a rough estimate of how much Eau Claire customers typically pay for services. This was augmented with a free online estimate from Waste Management for new residential service in the city.

The bills we collected included examples from each of the four providers for Eau Claire residents. We also collected a few additional bills from people who live outside of the city and contract with one of the same providers; we did not include those when averaging costs for city residents, but they helped to further illustrate how costs vary in the area.

The bills we collected for Eau Claire customers averaged about \$81 per quarter or \$325 per year, though each bill differed slightly. These bills include the special annual recycling fee of \$32, which is passed on to Eau Claire County, meaning the average amount paid directly to the haulers was about \$293 per customer per year. It is important to note, however, that individual customers likely pay more or less for services; a complete price survey of Eau Claire residents may reveal a higher or lower average cost per customer.

Unique Considerations for Eau Claire

Our research uncovered additional details about current garbage and recycling services in Eau Claire and some community-specific characteristics that complicate service provision in the city. These issues warrant attention when considering the city of Eau Claire’s options.

Large Item and Brush Pickup Changes

As previously noted, until spring of 2024, all four private waste haulers in Eau Claire offered two weeks of free large item and brush pickup each year. Only Earthbound Environmental continued brush collection after the other haulers stopped this service. According to the haulers, those services were discontinued both due to the substantial costs they impose for operations and associated workplace injuries, as large items must be manually loaded into trucks. Since city ordinances do not require free large item pickup, the haulers were able to end the service without consulting city leaders.

Considerations Related to Services for UW-Eau Claire Student-Renters

City officials and waste haulers indicate that student rentals associated with the University of Wisconsin-Eau Claire present special challenges for garbage and recycling pickup. Although property owners are ultimately responsible for arranging pickup from rental units, some landlords arrange for a contract themselves, while others pass that responsibility on to tenants. This can result in a situation where neither party contracts for trash pickup and the garbage sits uncollected.

Further problems can arise during student moving periods. Student leases generally end around the same time, which puts stress on the garbage pickup system from the surge in trash and large items disposed of during the two-week period when students are in transition. Occasionally, city staff end up working to address leftover trash during these moving periods, though this is relatively rare.

Complaints to City About Solid Waste Issues

The city of Eau Claire collects complaints from residents about many issues, including trash problems and solid waste collection issues. City staff indicate that they received relatively few complaints about solid waste issues prior to 2022, and that those complaints focused mostly on other residents' practices. According to city officials, this changed dramatically in 2022, when complaints about missed pickups, generally from Waste Management customers, spiked. Without access to complaint data, we cannot verify these trends, but in discussions with both city staff and hauler representatives, we were told the service disruptions in 2022 were an anomaly, and that service has since returned to normal. However, in the spring of 2024, city staff indicate complaints again started to rise.

Responsibility for Recycling Services in Eau Claire County

Wisconsin law requires each municipality in the state to provide an effective recycling program, either as a responsible unit themselves or through an agreement with another responsible unit of government such as a county or neighboring municipality. Eau Claire County is the local [government responsible](#) for these requirements in the city of Eau Claire and other municipalities in the county, serving 111,000 residents. Responsible units are subject to oversight and evaluation by Wisconsin Department of Natural Resources (DNR) staff to ensure program effectiveness.

The state of Wisconsin authorizes responsible units to collect a recycling fee through service or property tax bills. As noted above, the solid waste haulers are responsible for collecting these fees from city residents in Eau Claire and remitting them to the county. The fees, and other county and state funds, support county efforts to ensure access to recycling services, including operating drop-off centers for hazardous or electronic waste and for recyclables in rural areas. The haulers we interviewed said collecting these fees on behalf of the city is an administrative headache and suggested that the city consider shifting to another collection model.

In addition to fee revenue, responsible units are eligible for approximately \$20 million statewide in annual recycling-focused grants from the state DNR. Grant amounts are based on a statutory formula established in 1999 that partially considers the size of the population served by the responsible unit, with those that consolidate services with other units eligible for a second, smaller pot of grant money. As part of this program, Eau Claire County received \$490,585 in 2023, the most recent year for which data are available. Since Eau Claire County cannot change its status as the responsible unit, any decision about changes to solid waste collection by city leaders should involve consultation with Eau Claire County.



Statewide Challenges Facing the Solid Waste Industry

Our research and interviews indicate that public and private solid waste collectors face certain challenges statewide. Before Eau Claire leaders consider any potential change to their service model, it is important to review some of these statewide challenges and understand how they may impact both the city's current model and any future changes.

Labor Market Conditions

One pressing issue facing garbage haulers across the state, as well as [school districts](#), [transit service providers](#), and other businesses that rely on drivers to operate heavy vehicles, is the decline in Commercial Driver's License (CDL) holders. The number of such license holders in Wisconsin has fallen 8.6% since 2007, according to [Wisconsin DMV data](#). While CDL drivers have been harder to find generally, stakeholders we interviewed say most providers have been able to maintain consistent service. There also have been some changes to CDL licensing at the federal level, largely related to information sharing about drug and alcohol suspensions across state lines, which may impact the number of CDL holders in the future.

One industry trend that limits the impact of the tight labor market has been the shift to trucks that use an automated arm and empty trash and recycling bins in the back of the truck. This improves efficiency by eliminating the need for someone to manually dump the cans into the truck. It also reduces costs related to workplace injury claims, as there is no need for an employee to get on and off a truck hundreds of times per route. However, not all service providers have made this switch.

Corporate Hauler Mergers

Another event that shook up the state's waste hauling market was the purchase of competitors and associated assets by Waste Management and GFL. In 2020, Waste Management purchased Advanced Disposal, another national hauler with substantial service areas in the state. During the initial stages of its merger, Waste Management struggled to find the drivers and trucks to service its new territory, potentially contributing to statewide, temporary service disruptions. At the same time, GFL purchased Boxx Sanitation, a local company that at the time was the vendor with the largest customer base in the city. The changing ownership of these companies resulted in pressure to find new drivers and shifts in employment, adding to the challenge of maintaining consistent service.

Waste Destination Issues

Picking up garbage and recycling from the curb is the first step in the process, but figuring out where all of the materials go for ultimate disposal is another important consideration. While total landfill space does not present a problem when considered from a statewide perspective, there are some cases where local landfill availability makes finding a final destination for waste more difficult.

For example, in areas where one company operates all of the landfills, that company may be able to raise disposal costs for haulers from other companies. Waste Management and GFL Environmental have a substantial network of transfer stations in the Eau Claire area that allows for rapid and efficient movement of waste to landfills and recycling centers. If the city chooses to pursue a different option for providing services, then it will need to consider whether it can continue to use the existing Waste Management and GFL infrastructure at a reasonable cost, or if it will instead need to find another place to dispose of garbage hauled from the area.



COMMON SERVICE MODELS IN WISCONSIN

In this section, we examine three solid waste collection service models that are common across the state to better understand the options available to Eau Claire. They include city-provided services, city-contracted services with single private haulers, and open markets. Below, we discuss each of these models using examples from six Wisconsin cities: Oshkosh, La Crosse, Wausau, Mequon, Menomonee, and Chippewa Falls.

In addition to describing service characteristics, we zero in on how much each city pays for garbage and recycling collection and how they finance those services. Financing methods vary in Wisconsin, with some cities paying for these services through the property tax and others levying an annual fee on individual property owners.

City-Provided Solid Waste Hauling

We first looked at Wisconsin cities similar in size to Eau Claire and found that trash and recycling collection are most often provided using city staff and city-owned equipment. We focus here on how the city of Oshkosh provides these services, as it is similar to Eau Claire in many important respects.

The adjacent box shows some of those important similarities. In addition to similar population totals, both are home to University of Wisconsin campuses with large numbers of student renters. Oshkosh has approximately 21,800 trash and recycling customers, which is very similar to the number served in Eau Claire. In addition to Oshkosh residents, this total includes some residents of the neighboring city of Algoma.

	Oshkosh	Eau Claire
Population	65,948	69,737
Median Household Income	\$59,186	\$63,882
Residential trash and recycling customers	21,800	20,900
Service Area	27.0 sq. miles	32.0 sq. miles
Population Density (people per sq. mile)	2,473	2,113
Service Model	City provided	Open market
Large Item Pickup	Fee for each item ranging from \$13 to \$30	Fee for items through individual contractor
Brush Pickup	Monthly city leaf and brush pickup; City-operated drop-off site also available for an additional fee	City-operated brush site with fee for service

City of Oshkosh employees collect trash every week and recyclables every other week using nine automated city-owned trucks. Residents pay for services through a \$180 annual fee charged at the same time as city property taxes. Large items can be picked up for a fee, with fee amounts varying based on the item. The city budget splits costs for recycling from trash by creating separate recycling and garbage collection funds.

The city of Oshkosh also charges fines for improper disposal practices, such as mixing recycling and trash in the recycling bin or setting out large items without proper notice. Revenue from these fines



is deposited in the garbage or recycling fund as appropriate. If customers fail to pay fines, then the additional fees are added to the base service charge included with property tax bills. While fee and fine revenue cover the bulk of service costs, the city does receive recycling grants from the state to help cover capital costs.

Table 2 shows the revenues and expenditures from the city budget for recycling and trash collection services. Garbage service costs over 60% more than recycling services, largely due to more frequent garbage pickup. As a result, more of the fine and fee revenue is designated as garbage revenue than recycling revenue, though customer bills do not allocate fees between the two.

When combined with state recycling grants for operations and capital expenses, city revenues allocated for recycling from fees and fines tend to be higher than total recycling costs, resulting in a substantial recycling fund reserve balance. Reserves can be used to cover costs if revenues fall short of expectations or unforeseen costs arise. Oshkosh may incur additional costs not included in this table, associated with legal services, human resources, or capital costs, that are budgeted from other city appropriations.

City staff pick up brush and yard waste once per month from April to December and offer leaf pickup five days per year in the fall. The city also collects Christmas trees in January and operates a brush drop-off site, which city residents can access for a \$25 annual fee.

Winnebago, Outagamie, and Brown counties partner to operate landfills, transfer stations, and recycling centers that receive waste from Oshkosh and other cities in the three-county area. Landfill locations rotate between the three counties; as one landfill fills up, a new one is built in another county. Collaborative work on the destination of the area's trash allows the landfills serving the three counties to offer discounts to municipal haulers, which likely contributes to the lower cost of providing these services relative to Eau Claire.

The counties also work together with the municipalities to conduct public education efforts designed to ensure proper sorting of trash and recyclables. Coupled with occasional inspection and enforcement, Oshkosh officials indicate they maintain a clean waste stream.

City of Oshkosh staff indicate that UW-Oshkosh student move-out goes smoothly because the city has developed a plan for addressing the increase in garbage. Residents are charged \$15 per five additional bags of trash, and landlords are responsible for ensuring that their tenants follow all regulations. Because they are ultimately responsible for any fees associated with improper disposal, landlords tend to address issues proactively.

Insights for Eau Claire

While the two cities employ fundamentally different service models, their citizens receive a similar level of solid waste service. Oshkosh residents receive periodic brush and leaf pickup, but recycling is picked up every other week as compared to every week in Eau Claire. The Oshkosh officials we interviewed say city residents did not see service disruptions in the last four years, nor have any key

Table 2: 2024 City of Oshkosh Solid Waste Budget

Expenditures	
Garbage	\$1,800,274
Recycling	\$1,113,723
Expenditure Total	\$2,913,997
Revenues	
Garbage	\$1,805,000
Recycling	\$1,138,000
State Recycling Aid	\$237,000
Revenue Total	\$3,180,000



services been eliminated. Oshkosh residents also appear to pay less per year. A portion of that reduced cost is likely attributable to the connection with county-operated landfills in the area, which results in lower fees for emptying trucks.

While establishing an in-house model may therefore appear to be a good option for Eau Claire, there would certainly be some trade-offs. The city would need to acquire a number of trucks, which cost up to [\\$400,000 each](#). Assuming they would need as many trucks as Oshkosh (nine), this could add up to approximately \$3.6 million plus the costs of ongoing equipment and maintenance. In addition, the city would need to hire several drivers in a tight labor market, although some drivers might become available from private vendors as they lose their contracts in Eau Claire. Eau Claire officials also would need to arrange for final destinations for their trash and recyclables without the benefit of a multi-county landfill partnership, as exists in Oshkosh.

Finally, if the city of Eau Claire were to begin providing waste hauling services in-house, Oshkosh's fee-for-service model may be appealing given the difficulty of raising general tax revenue through the property tax in light of state-imposed levy limits. However, fees charged for garbage and recycling services can only be used to pay for costs associated with those services and cannot be transferred to the city's general fund.

Single Contract for Service

After city-provided services, contracting with a single private vendor is the next most common model used by medium and large Wisconsin cities. To simplify contract management, cities typically contract with a single provider for trash and recycling services. Here we highlight two examples, La Crosse and Wausau, which are similar in size and location to Eau Claire. We include both because switching to a single contract may be a simpler and less capital-intensive change for Eau Claire to consider than building a new, in-house service. Using two cities also allows us to see whether contracted service costs vary between communities that use this model.

City of La Crosse

La Crosse, in western Wisconsin, is a smaller but still similarly sized city as Eau Claire, as shown in the adjacent box. It also has a medium-sized University of Wisconsin campus plus Viterbo University and a Wisconsin Technical College campus, creating challenges similar to those Eau Claire experiences related to student-renters.

La Crosse has approximately 15,800 residential customers, or about 75% of those served in Eau Claire. [Trash pickup](#) is provided once a week and recycling is collected every other week through a single city contract with [Harter's Quick Clean](#), a regional waste disposal company. (Note: Harter's goes by different names depending on the part of the state where

	La Crosse	Eau Claire
Population	51,380	69,737
Median Household Income	\$51,836	\$63,882
Estimated Customers	15,800	20,900
Service Area	20.5 sq. miles	32.0 sq. miles
Population Density people per sq. mile	2,501	2,113
Service Model	Single contract	Open market
Large Item Pickup	Fee for each item through city contractor	Fee for items through individual contractor
Brush Pickup	Fall leaf pickup. Free city-operated drop-off site.	City-operated brush site with fee for service



the branch operates.). Refuse and recycling from La Crosse end up at the La Crosse County landfill, along with deposits from the rest of the county and Houston County, Minnesota.

Table 3 shows the amount the city budgeted in 2024 for its trash, recycling, and yard waste collection services and other associated costs, plus contracts for collecting waste from city buildings. While the city’s budget authorizes \$3.1 million annually, officials indicate that the city expects to expend approximately \$2.8 million on all costs related to solid waste services, including those associated with managing and overseeing contract provisions, operating the city’s brush site, and front line and administrative personnel in the city’s solid waste division. The city budget includes a cushion of \$300,000 to accommodate unforeseen costs, with any remaining funds returned to the city’s general fund.

Table 3: 2024 City of La Crosse Solid Waste Budget

Contracts/Customers	Amount
Garbage and Recycling	\$3,096,480
Estimated Customers	15,800
Budget Amount per Customer	\$196

Because La Crosse does not charge a separate fee for garbage and recycling services but instead covers the contractual cost with property tax levy, we estimated the cost per customer by dividing budgeted expenditures by the total number of customers. Using the budgeted amount of \$3.1 million results in an average annual cost per customer of \$196, while using the \$2.8 million that city officials say they spend gives an average of \$172 per customer.

Until 2023, two weeks of free large item pickup were offered each year in May as part of the city’s contract. However, this service was discontinued in 2024, in part due to budget constraints. La Crosse residents can still contract for service on large item pickup with Harter’s Disposal for a fee of \$40 for most items. For brush and yard waste disposal, the city operates a drop-off site available for free to city residents, though the site is closed over the winter. La Crosse offers four or five weeks of leaf collection each fall, and residents can also contract directly with Harter’s to pick up yard waste.

Landlords work with their contracted waste hauling providers or their own staff to address move-out days at universities, though the recent change in large item pickup may make things more difficult. To fill this gap, the University of Wisconsin-La Crosse is offering large item drop-off sites to student renters.



City of Wausau

Wausau provides another example of a medium-sized city in the northern part of the state that utilizes a [single contract](#) model (see the adjacent box for a comparison of key city characteristics). Like La Crosse, Wausau contracts with [Harter's Fox Valley Disposal](#) to serve every residential customer in the city. Both trash and recycling are paid for using general city tax revenue rather than a separate fee for service.

	Wausau	Eau Claire
Population	39,833	69,737
Median Household Income	\$59,259	\$63,882
Estimated Customers	11,900	20,900
Service Area	19.2 sq. miles	32.0 sq. miles
Population Density (people per sq. mile)	2,081	2,113
Service Model	Single Contract	Open market
Large Item Pickup	Fee for service from single hauler	Fee for service from contracted hauler
Brush Pickup	Yearly leaf pickup; free drop-off site for yard waste	City operated brush site with fee for service

The city's contract covers garbage and recycling pickup, and Harter's will dispose of large items on a fee-for-service basis, with residents paying for the individual items directly. As in other comparison cities, garbage is collected weekly and recycling is collected every other week. Each year, the city of Wausau offers residents leaf pickup utilizing city staff and equipment, with one week of service provided to each of three sections of the city. Yard waste can be dropped off at a free city-operated site between April and November each year.

As **Table 4** shows, the 2024 proposed city of Wausau budget allocates \$1.9 million for contracted refuse and recycling collections. The contracted costs for these services fell nearly 37% percent between 2015 and 2016 due to restructuring and the introduction of automated services and has grown slowly, between 2% and 3%, each year since.

Table 4: 2024 City of Wausau Solid Waste Budget

Expenditures	Amount
Garbage Expenditures	\$1,026,800
Recycling Expenditures	\$852,291
Total	\$1,879,091
Estimated Customers	11,900
Budget per Customer	\$158

Dividing the city's total 2024 budget for services by its estimated number of customers gives an annual per-customer cost of approximately \$158. The city of Wausau's budget does not detail other costs associated with waste services, however, and city staff did not participate in this project, so we cannot confidently say that all costs associated with waste services are included in the budget amount. For example, there may be certain centralized costs in areas like budgeting, human resources, and information technology that are not included. Conversely, Wausau may not pay for waste hauling at city buildings out of its solid waste budget, as is done in La Crosse.

Insights for Eau Claire

Both cities we examined that contract with a single private company for solid waste collection appear to provide similar services as the haulers in Eau Claire at a lower estimated cost per customer, though our cost estimates are imprecise. It is likely that the larger purchasing power of these cities relative to individual customers, combined with competition between multiple haulers for city-wide contracts, drives down the per-customer cost of services when compared to Eau Claire customer

bills. However, without a detailed accounting of the private haulers' costs, it is difficult to draw firm conclusions about the price differences.

One difference in service is that recyclables are only collected every other week in both Wausau and La Crosse rather than weekly, as is the case in Eau Claire. Brush pickup also differs slightly, with Wausau and La Crosse offering a free brush drop-off site while Eau Claire charges for that service, but none of the three offers regular curbside brush collection.

Given that La Crosse and Wausau, through single contracts, provide services similar to what Eau Claire residents receive for what appears to be a lower cost per customer than customers typically pay in Eau Claire, moving to a single contract may be an appealing possibility for city leaders. This would be a simpler option than creating a new in-house service from scratch, avoiding the up-front capital costs and need to hire a new workforce. However, both La Crosse and Wausau use general tax revenue to pay for these services, which may be difficult for Eau Claire to do given tight city budgets and state-imposed levy limits.

Open Market Model

While few larger cities in the state use an open market model like Eau Claire, it is relatively common among smaller communities. To see how Eau Claire's open market compares with other cities that use this model, we focus here on the largest Wisconsin city we could find with an open market (Mequon) plus two of Eau Claire's neighbors, Chippewa Falls and Menominee.

City of Mequon

Mequon, in Ozaukee County, is admittedly quite different from Eau Claire. A medium-sized suburb in southeastern Wisconsin, Mequon is a much less densely populated city with a much higher median income (see adjacent box). City officials also indicate that though Concordia University and the Milwaukee Area Technical College have campuses in Mequon, there are fewer rental units in the city than in Eau Claire and few student renters.

As in Eau Claire, Mequon residents must [contract for their own trash collection](#) by choosing among multiple providers. Mequon's city government has very limited oversight over trash haulers, only licensing them and setting city ordinances specifying the types of services they can perform. City officials indicate that they do not perform inspections or receive complaints about services.

Ultimately, responsibility for properly disposing of trash falls to city residents. The city of Mequon does not provide outreach to new residents about how to start garbage hauling services, which occasionally causes some confusion when these services are not

	Mequon	Eau Claire
Population	25,337	69,737
Median Household Income	\$141,966	\$63,882
Estimated Customers	7,600	20,900
Service Area	46.3 sq. miles	32.0 sq. miles
Population Density (people per sq. mile)	543	2,113
Service Model	Open market	Open market
Large Item Pickup	Fee for service with contracted hauler	Fee for service from contracted hauler
Brush Pickup	Fee for service at city-operated brush site; Individuals or landscapers responsible for hauling	City-operated brush site with fee for service

immediately available. However, city officials say residents often figure out the process quickly. We cannot speak to the cost of services for residents as prices are not publicly available.

Waste Management and GFL are two of the seven providers serving Mequon, along with two other local businesses that provide residential garbage and recycling service and additional haulers that focus on commercial property. Several of the seven licensed providers handle compost and yard-waste only, as Mequon's ordinances allow haulers to specialize in one type of service. City officials indicate that as in Eau Claire, Waste Management customers in Mequon experienced a service disruption in the summer of 2022 that has since subsided. Waste Management has a landfill and recycling facility that borders Mequon, which collects garbage from communities across southeast Wisconsin.

While the city of Mequon does not collect brush, it does operate a drop-off site available to city residents for a fee in the spring, summer, and fall. Often, landscapers or residents from a subdivision will bring all yard waste from that subdivision to the drop-off site in one trip. As long as they are associated with an address in Mequon, these drop-offs are allowed.

Chippewa Falls and Menomonie

Eau Claire's neighbors, Chippewa Falls and Menomonie, both use open market models. Chippewa Falls, a city with a population of 14,778, contracts for recycling services with GFL, with services paid through a fee charged by the city to residents on their utility bills. Residents are responsible for contracting with a private hauler for garbage collection, however. They can choose from a number of providers, but most often contract with GFL Environmental.

Menomonie, a city of 16,794, employs a similar though more complex version of the open market structure. Its residents contract for both trash and recycling pickup with private contractors, but they pay their recycling bill to the city of Menomonie through their city utility bill and pay for trash services directly to their chosen hauler. City residents can choose between Waste Management and GFL Environmental.

Service costs in both cities are likely similar to those in Eau Claire, as two of the same haulers are providing similar services in the same area. They may be lower due to less frequent recycling services, however, as neither Chippewa Falls nor Menomonie requires weekly recycling pickup. When the haulers in the area ended large item pickup and brush service for Eau Claire residents, those services also were discontinued in Chippewa Falls and Menomonie.

Insights for Eau Claire

Cities that follow the open market model tend to be much smaller than Eau Claire, with Mequon, a much smaller suburban city the next largest we found in Wisconsin that uses that model. Other small communities like nearby Chippewa Falls and Menomonie also use the model. If Eau Claire leaders want to continue an open market model, they could consider following the lead of Mequon by allowing specialized haulers that focus on composting or yard waste collection to operate in the city without also needing to provide garbage and recycling services. Chippewa Falls and Menomonie demonstrate the complexities of attempting to combine city fee collection for some services while maintaining an open market model.

Summary and Observations

A few themes emerge from our review of peer cities. First, Eau Claire's open market service model is unique for cities of its size. We were only able to identify much smaller cities like Mequon, Menomonie, and Chippewa Falls that provide solid waste services in this way. Notably, this model was the only one to see service disruptions in 2022. Despite the differences in service models, customers generally receive similar solid waste hauling across all of the cities we examined.

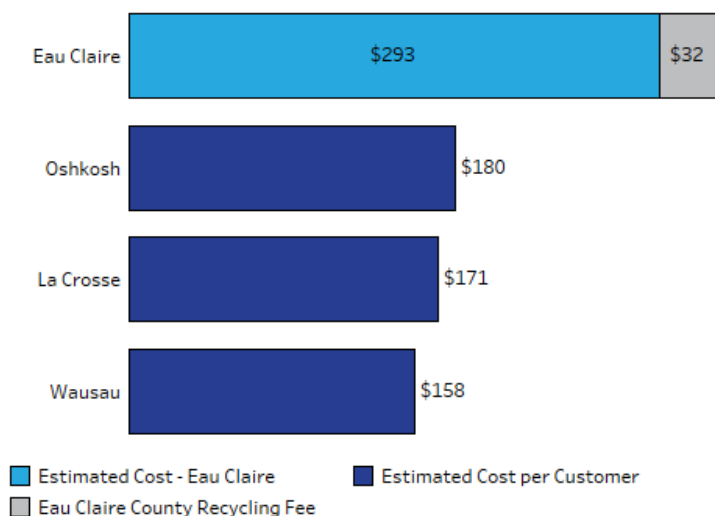
Eau Claire's weekly recycling requirement also seems to be unique; all of the peer cities we examined collect recycling every other week. Changing ordinances could bring Eau Claire into line with other cities, though this would produce a reduction in service without a guarantee of lower costs for city residents.

While Eau Claire has a higher level of service for recycling, other communities we examined seem to enjoy better brush disposal service. La Crosse has a free brush drop-off site, while Oshkosh has frequent brush collection included in its package of city services. Eau Claire uses a similar process for large-item disposal as its peer cities, with a fee for every item hauled away.

Finally, after reviewing the budgets and total customers for each of the peer cities, it appears that residents in Eau Claire pay substantially higher bills for similar services. **Figure 1** shows estimated annual service costs for Eau Claire residents and the average cost per customer in the three peer cities we examined that employ more common service models. Eau Claire's weekly recycling service could explain part of this cost difference, and it is important to note that the costs cited for the peer cities are based on expenditures that are directly related to solid waste services and may not include some centralized overhead and administrative costs.

Figure 1: Eau Claire Residents Pay More for Garbage and Recycling Services

Average annual cost per residential customer based on 2024 budgets and representative quarterly bills



Source: Bills submitted by Eau Claire residents, municipal budgets and customer data from municipal staff

While our analysis suggests that shifting to another model may improve services and reduce costs for Eau Claire residents, it would be wise to proceed with caution, as there are challenges and potential pitfalls with changing to either in-house garbage and recycling services or contracting with a single hauler. The next section of this report takes a closer look at the pros and cons of different service model options for Eau Claire leaders to consider.



A CLOSER LOOK AT POTENTIAL SERVICE MODELS

After discussion with Eau Claire city staff, we developed four trash collection options for city leaders and residents to consider: maintaining the open market model, but with a few tweaks; maintaining the obligation of city residents to contract for services, but limit the contract to a single provider; having the city contract for services itself with a single provider; and moving trash collection in-house. Each option has advantages but also comes with risks.

Should the city decide to pursue any of these options – especially those that involve substantial changes to service delivery – further in-depth study would be needed. Also, for the in-house and contractual options, city officials would need to determine whether property taxes or fees would be the appropriate way to fund the services. It also would be wise to engage with city residents before making any major changes to current practices.

Open Market Continues with Ordinance Changes

City leaders could consider continuing with the current, open market model while making small ordinance changes intended to improve service efficiency. This would allow the city to continue to limit its involvement in garbage and recycling services to licensing and inspections only. City leaders could choose any or all of the ordinance changes discussed below, each of which could improve service or make some aspect of service delivery more efficient.

Potential ordinance changes include:

- **Biweekly Recycling** – Moving from weekly to biweekly recycling pickup would bring Eau Claire's service in line with other Wisconsin communities. It is worth noting that this would represent a reduction in services for Eau Claire residents without a guaranteed lowering of their bills.
- **Allow Standalone Composting Service Providers** – Following Mequon's model, which allows private companies to provide a single type of waste hauling, Eau Claire's city ordinances could be changed to allow businesses to offer composting services only rather than requiring all solid waste haulers to provide full trash and recycling services.
- **Changes to Large Item Pickup** – Given the differences between what Eau Claire residents pay for garbage collection and the average cost per customer in other communities, city leaders may consider requiring haulers to provide one or two free weeks of large item pickup each year. City leaders also could consider a separate contract for these services to ensure haulers get paid for this additional work.
- **Require Service Disruption Contingencies** – While the events of the summer of 2022 may have been unique, it may be wise to consider requiring waste haulers to create contingency plans for potential service disruptions.



Pros

- **Service Continuity** – The open market model has served Eau Claire well for decades, and aside from one hiccup, service has been acceptable the entire time. Continuing business as usual would cause the least disruption for both residents and the market.
- **Improved Service** – The ordinance changes discussed above could provide more efficient service, especially from the perspective of haulers. If either of the options related to providing large item pickup is adopted, a long-time service to the community could be re-established.

Cons

- **Continued Higher Costs** – While less disruptive than other options, maintaining the city's open market model likely would mean continued higher costs for residents, as the current ordinances do not provide for any means of controlling the amounts charged by providers.
- **Lack of Service Control** – Requiring residents to select and enter into contracts with private haulers limits the control city leaders have over service quality and cost. While the circumstances causing the 2022 service disruptions are unlikely to reoccur, other unforeseen disruptions are possible. Recent changes to large item and brush hauling show how little control city officials have over decisions that may have material impacts for their citizens.

Single Hauler Contracts Directly with Residents

Under this model, city ordinances would allow only a single private hauler to provide trash and recycling services, but residents would be responsible for contracting directly with the selected provider. This approach would entail a stepped-up role for city officials, who would likely use a request for proposals process to solicit bids from interested providers and would then evaluate the proposals and select one based on certain criteria they would develop. While our research did not reveal any cities in Wisconsin that follow this model, Chippewa Falls comes closest. That city maintains a single contract with GFL for recycling services, which has led nearly all residents to contract directly with GFL for garbage collection.

If the city of Eau Claire followed this model, its ordinances would need to provide selection methods specifying desired service levels, a pricing structure, a process for changing haulers, and the timeline over which the selection would apply. These criteria would then need to be periodically reviewed.

Direct contracting between the hauler and residents would continue after a vendor is selected, with no city involvement in service provision, other than its current practices of inspecting trucks and fielding resident complaints. The city could designate the existing staff position that handles neighborhood issues as the point of contact for hauler selection and review.

Pros

- **Potential Cost Savings** – Ordinances could require that companies propose a set price for a private contract as part of the bidding process, making them directly compete on price and potentially creating cost savings for residents.



- **Increased Oversight** – With one hauler and a dedicated staff member to oversee it, city oversight of garbage and recycling services could increase.
- **Service Competition** – Because haulers would have to compete with one another for access to the Eau Claire market, and agree to adhere to city-specified requirements, consumers could see improved service.

Cons

- **Complex Structure** – Increasing city regulation and its involvement in selecting a hauler, while still requiring residents to maintain a direct contact, provides a complicated set of responsibilities, with limited capacity for enforcement.
- **Fewer Service Options** – One benefit of the existing model is the wide range of service options available for customers. Limiting the number of private contractors available would eliminate that benefit.

City Contract with Trash Hauler(s)

Following the lead of La Crosse and Wausau, the city of Eau Claire could begin contracting directly with a single trash hauler to provide these services. Contract terms could spell out specific service types and levels required. This could range from a minimal set of services, including garbage and recycling pickup, to a broader set that includes services like large item and brush pickup.

A variation of this approach would be contracting directly with multiple haulers, with each hauler allocated a portion of the city's customers. Under this approach, city officials and haulers could collaborate to divide the city into districts that approximate each company's current market share, with a single hauler dedicated to each district. If city officials wish to pursue contracts with multiple haulers, they should first investigate any potential limitations imposed on such an arrangement by Wisconsin's anti-trust law.

This model could also include a separate contract for large item pickup weeks, ensuring that residents continue to have access to these services while relieving the cost and labor burden on haulers. While this may be likely to increase costs above those in peer cities, it could be justified by the service increase.

Pros

- **Reduced Costs** – Eau Claire has more bargaining power as a city than individual residential customers, and there are additional potential haulers in Wisconsin beyond those that already provide services in the city. The competitive process could produce lower costs on a per-customer basis than what residents currently pay.
- **Potential for Increased Collaboration** – With a contractual relationship between the city and haulers, city officials potentially could play a role in helping to address challenges (like driver shortages) or develop contingency plans before they impact service quality. A contractual relationship also would reduce or eliminate the threat of sudden service changes, such as the elimination of free large item and brush pickup.



- **Greater Service Control** – By contracting with one or multiple haulers, city officials would be able to ensure that services meet the standards and regulations they set for their citizens but in a way that does not require them to establish the infrastructure to provide the services on an in-house basis.

Cons

- **Impact on Businesses** – Shifting to a contract with a single hauler would increase market share for the winning bidder but would take business away from the other haulers in the market. Global haulers WM and GFL would survive even if they were not selected in Eau Claire, but for local startups Trash on Trucks and Earthbound Environmental, this could spell the end of their business. Allocating portions of the city to specific haulers would help the smaller haulers survive but would limit their growth opportunities and eliminate the range of options available to customers.
- **Potential Reduction in Competition** – One of the perceived benefits of the current arrangement is the competition for customers between four firms. Shifting to one hauler may limit competition.

City Owned and Operated Waste Hauling

Eau Claire could choose to join most of its peer cities by providing trash, recycling, yard waste, and large item pickup directly with city staff and city-owned assets. While this option would provide city leaders with the greatest control over the level of service provided, it would require a considerable upfront investment in capital and employees. The city would likely need to purchase approximately nine trucks and hire 10-15 employees to operate them. New trucks also would require ongoing maintenance and repairs and eventual replacement. Any plan to bring waste hauling under city purview also would require a plan for the ultimate destination of trash and recyclables, as currently the private haulers rely on landfills run by GFL and Waste Management.

In terms of cost, Oshkosh can provide some guidance. The city spends roughly \$2.9 million on its solid waste hauling operations annually. While Oshkosh provides service to slightly more customers than the private haulers in Eau Claire do collectively, the city of Eau Claire would likely have to spend a similar amount as Oshkosh does annually. However, that does not include potential up-front capital costs of \$3.6 million for trucks alone, which may be difficult and time consuming to acquire given current supply chain issues. Staffing a new city waste hauling operation also may come at a premium given the continuing tight labor market and limited number of available skilled drivers.

Since immediate startup costs for providing services directly would be substantial, the city of Eau Claire could pursue a phased-in approach, whereby city staff would provide services to a small section of town while the remainder of the city continues with the open market model. Such an approach also could be viewed as a pilot that would allow city leaders to evaluate its pros and cons before deciding on whether to expand in-house operations. One potential area where this could be initiated is the student rental-dominated section of the city, which officials indicate produces the most garbage service-related complaints and provides consistent challenges for residents.



Pros

- **Control over Service** – Shifting to city-operated services would allow local leaders to ensure control over costs, service schedules, service quality, and any unforeseen events. City leaders may feel that assuming full control over these services provides them with the best way to ensure consistent and cost-effective services without disruptions or changes outside of their control. It would also make offering new services like composting smoother, though the city would be on the hook for any increased costs.
- **Long-term Cost Reductions for Residents** – It is possible that an in-house service model would prove to be the least costly for residents given our finding that the annual cost for services charged to Eau Claire residents by private providers exceeds the per capita expenditure by the city of Oshkosh for its in-house trash, recycling, and brush services. Much more detailed modeling of an Eau Claire in-house operation would need to occur, however, before such a conclusion could be definitively reached.

Cons

- **Major Disruption to Current Market** – Switching to city-owned services would cause a change in provider for every customer, but this would likely be a minor inconvenience. For the haulers, however, this would be a major disruption of an existing market that would result in lost revenue. While the overall impact on Waste Management and GLF would likely be limited given their size and large customer bases, it may impact their local workforce in Eau Claire. Shifting away from the open market also would have massive impacts on the two local haulers, potentially driving them out of business.
- **High Startup Costs and Workforce Challenges** – Starting a waste-hauling service from scratch would be a complex and costly enterprise, with capital costs likely in the \$3-5 million range, though this could be mitigated with a phased-in approach. Finding and hiring drivers and employees also may be difficult in the current tight labor market, though some peer cities have had little trouble finding new drivers.
- **Administrative Challenges** – Initiating a new in-house operation involving more than a dozen new employees and several vehicles would create additional demands on a variety of administrative services at the city, ranging from human resources, to budgeting/accounting, to information technology, to fleet maintenance. Adding staff to address these new demands would add to the cost of the in-house operation, while absorbing them within the existing workforce could create capacity challenges.

Funding City-Provided or Contracted Services

One consideration for either model requiring increased city involvement is how the city would raise additional revenue to pay for it.

One option would be to impose a new solid waste collection fee. State law prohibits municipalities from establishing a new fee for a service provided prior to 2013 without a reduction in their property tax levy equivalent to the amount of revenue generated by the new fee. However, since the city of Eau Claire did not provide garbage collection services using property tax funds in 2013, this limit



does not apply here and city leaders could impose a new fee. If city leaders chose that route, the funds raised through those fees could only be used to cover costs associated with providing the new service and could not be used to support other city services.

The other option would be to use property tax levy resources to pay for a contractual or in-house operation. Because of state-imposed levy limits, city leaders either would need to identify property tax levy reductions in other areas of city government and redirect those savings to solid waste collection, or seek voter approval to exceed levy limits to pay for the new service (or use a combination of both). On the capital side, if the city issued debt to pay for the new garbage and recycling trucks under the in-house model, then the debt payments on those vehicle purchases would not be subject to levy limits under state law.

On the positive side, a referendum to exceed levy limits might be an attractive option, as it would give city voters the opportunity to weigh in on the model proposed by city leaders and whether they wish to pay additional property taxes while saving on direct contractual payments to trash haulers. On the negative side, developing the proposed model and educating the public on its virtues would be a time-consuming endeavor for city staff that might not produce a favorable outcome.

CONCLUSION

The city of Eau Claire's open market model for trash and recycling collection is unique among Wisconsin cities of similar size. While the services its residents receive have been generally reliable, with the exception of one major disruption in 2022, our analysis suggests that Eau Claire residents are paying more while receiving a similar or slightly lower level of service from their privately contracted waste haulers than residents in peer cities that use different service models. Our research provides options for city leaders to consider if they wish to change how services are delivered.

Eau Claire could adopt the most common model among peer cities in Wisconsin by collecting garbage and recycling in-house with city staff and equipment. The city of Oshkosh, for example, provides similar residential waste pickup services as the private haulers in Eau Claire, plus expanded brush and leaf collection, for what appears to be a lower annual cost to residents. This option would come with a need for significant upfront capital investment, however, while posing logistical and staffing challenges as well as critical questions about how to pay for the in-house services.

Shifting to a city contract with a private hauler or haulers also would put Eau Claire in line with more of its Wisconsin peers, may result in cost savings for residents, and would not entail the administrative and logistical difficulties associated with the formation of a new in-house operation. As with the in-house option, it also could give city leaders greater control over service quality while ensuring residents are not surprised by abrupt changes like they were recently when long-standing, free large item and brush pickup services were discontinued. Under this approach, however, city leaders would still need to address questions about how to pay for the service.

If the city opts to maintain the current open market model, it could still consider a number of policy changes, such as requiring haulers to provide large item pickup or to create contingency plans for potential service disruptions.

Shifts in the waste hauling landscape, labor market, and conditions in Eau Claire suggest the time might be ripe to adjust how city residents dispose of their household waste. Ultimately, city leaders need to weigh the benefits of continuity and consumer choice interests against possible elevated costs for city residents and limited city control over a vital service.

