

# Vermont Paint Stewardship Program FY2019 Annual Report (July 1, 2018 – June 30, 2019)



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# Executive Summary

#### VERMONT PAINT STEWARDSHIP LAW

PaintCare is the representative stewardship organization of the Vermont Architectural Paint Stewardship Program, codified in Sub-Chapter 4, Chapter 159 of Vermont Statute Title 10: Conservation and Development. The Vermont paint stewardship law requires manufacturers of architectural paint to:

- Establish a program to reduce the generation of postconsumer paint;
- Promote the using up of leftover paint;
- Facilitate the recycling and proper disposal of unwanted postconsumer paint;
- Increase opportunities for consumers to properly manage leftover paint;
- Reduce costs to local governments managing postconsumer paint;
- Work to keep paint out of the waste stream; and
- Conserve natural resources.

The following provides the highlights of this reporting year, fiscal year 2019 (FY2019).

#### **PROGRAM HIGHLIGHTS**

**Sites and Service.** The Vermont program had 77 year-round paint drop-off sites during the year. Of the 77 yearround sites, 67 were retailers, representing 46% of likely retail participants. The remaining sites included five transfer stations, four household hazardous waste (HHW) facilities, and one recycling facility. The 77 yearround drop-off sites provided a site within 15-miles to 99.5% of Vermont's residents.

PaintCare also managed paint from two seasonal facilities (one HHW facility and one transfer station), 82 HHW drop-off events, one solid waste district-staffed paint-only event, and provided direct large volume pick-ups to seven businesses that had accumulated more than 200 gallons of paint at their facilities

**Paint Collection Volume.** The program collected an estimated 107,725 gallons and processed 115,142 gallons of postconsumer paint. Latex paint made up 75% of the paint processed; 79% was made into recycled-content paint, 21% was unrecyclable and sent to landfill, and <1% was reused as paint. Oil-based paint made up 25% of the paint processed; <1% was reused as paint, 7% was made into recycled-content paint, and 93% was used as a fuel. In addition, 85 tons of metal and plastic containers were recycled.

**Expenses and Revenue.** The program was funded through fees on new paint sales: 49 cents on pints and quarts, 99 cents on 1-gallon containers, and \$1.99 on 5-gallon containers. Approximately 990,000 gallons of architectural paints were sold in Vermont and the program collected \$866,404 in fees from these sales.

Expenses, including paint transportation and processing, outreach, staffing, and administrative costs were \$840,532. The program ended the year with a change in net assets of negative \$381.

Total program cost per gallon of processed paint was \$7.30.

**Paint Recovery Rate.** The paint recovery rate – the volume of postconsumer paint collected divided by the volume of new paint sales in the same period – was 11.6%, a 4.5% increase from the previous year.

**Outreach and Operations.** Outreach continued to be minimal in response to the program's high participation rate and financial position. Outreach activities included the distribution of informational brochures to retailers and transfer stations and others who requested them, as well as a modest joint outreach campaign with other product stewardship programs in the state. Additionally, PaintCare maintained its website and social media.

PaintCare received the 2018 Environmental Sustainability Leadership Award from the Northeast Recycling Council's (NERC) for its programs in Vermont, Connecticut, Maine, and Rhode Island, and Vermont. Each year, NERC gives the award to an individual or organization that has made a significant impact on sustainable materials management within NERC's 11-state region.

#### PROGRAM PLAN AND ANNUAL REPORT

The Vermont paint stewardship law required the submission and approval of a program plan prior to the program's launch. The Secretary of the Vermont Agency of Natural Resources (ANR) approved PaintCare's initial program plan in March 2014 and the Vermont program began on May 1, 2014. A new five-year program plan was approved on October 5, 2017.

The Vermont law requires the submission of an annual report to the ANR by October 15 each year.

At a minimum, annual reports must include:

- 1) A description of the methods the producer or stewardship program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint statewide in Vermont;
- 2) The volume and type of postconsumer paint collected by the producer or stewardship program at each collection center in all regions of Vermont;
- 3) The volume of postconsumer paint collected by the producer or stewardship program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal;
- 4) An independent financial audit of the paint stewardship program implemented by the producer or the stewardship program;
- 5) The prior year's actual direct and indirect costs for each program element and the administrative and overhead costs of administering the approved program; and
- 6) Samples of the educational materials that the producer or stewardship program provided to consumers of architectural paint.

PaintCare's Vermont program plans and annual reports are available on PaintCare's website. With the exception of the first report, which covered 14 months because the program started May 1, 2014, annual reports cover the 12-month fiscal year of July-June.

# Section 1. Paint Collection, Transportation, and Processing

**Annual Report Statutory Citation** 

10 V.S.A. § 6677. Reporting Requirements

(1) A description of the methods the producer or stewardship program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint statewide in Vermont

#### A. DROP-OFF SITES AND SERVICES

The Vermont paint stewardship law requires a program that increases opportunities for consumers to properly manage leftover paint and reduces costs to local governments. Prior to the PaintCare program, most waste paint was handled either through HHW programs, though many did not take latex paint, or by drying and disposing of latex paint. The HHW programs in Chittenden and Addison counties accepted latex paint for recycling into Chittenden's Local Color paint.

Qualifying businesses (Conditionally Exempt Generators or CEGs) could use the HHW programs for oil-based paints (and latex paint in Chittenden County) for a fee, or any business, regardless of generator size, could contract with a private hazardous waste hauler for paint recycling services – though the cost was generally cost-prohibitive for painting contractors and other small businesses.

To increase recycling opportunities for Vermont households, businesses and others with leftover paint, all suitable locations can participate as a PaintCare drop-off site, provided they meet PaintCare's operational requirements, including adequate space for storage of paint collection bins and willingness to accept all program products (latex and oil-based products). PaintCare continually reaches out to paint retailers, material reuse stores, household hazardous waste programs, public and private waste transfer stations, and recycling facilities to invite them to become paint drop-off sites.

At the end of the year, the program had 67 year-round retail drop-off sites located throughout the state. In addition to retail sites, PaintCare managed paint from all five of the state's HHW facilities (four year-round and one seasonal), six municipal transfer stations (five year-round and one seasonal), one recycling facility, 82 HHW drop-off events, and one paint-only event hosted by a solid waste district – providing significant cost savings to local governments. PaintCare also conducted seven large volume pick-ups (LVP) from businesses that had accumulated more than 200 gallons of paint.

All PaintCare drop-off sites and the LVP service accept both latex and oil-based paint. All retailers accept paint from both residents and qualifying businesses, as does the LVP program.

PaintCare drop-off sites and services are summarized in the following tables.

### SUMMARY OF PAINTCARE DROP-OFF SITES AND SERVICES

YEAR-ROUND DROP-OFF SITES	YEAR 1 FY2015	YEAR 2 FY2016	YEAR 3 FY2017	YEAR 4 FY2018	YEAR 5 FY2019
Paint Retailers	63	64	63	65	67
Transfer Stations and Recycling Facilities	6	6	6	6	6
HHW Facilities	4	4	4	4	4
Total	73	74	73	75	77
SUPPLEMENTAL SITES AND SERVICES					
HHW Events	74	54	57	72	82
Paint-Only Events (Waste District)	0	2	4	б	1
Paint-Only Events (PaintCare)	5	0	0	0	0
Seasonal HHW Facility	1	1	1	1	1
Seasonal Transfer Station	1	1	1	1	1
Paint Retailer (partial year)	0	0	1	1	0
Direct Large Volume Pick-Ups	7	2	3	1	7
Employee Events	0	0	0	2	0

The large difference between the number of HHW events in the first reporting period and the following years is because the first reporting period covered 14 months and therefore included two rounds of springtime HHW events. In addition, the formation of the Bennington County Solid Waste Alliance in the second reporting period consolidated several events from previously independent towns. The increase in HHW events in FY2018 and FY2019 was due to state-mandated increases in HHW services. Starting in 2018, all Solid Waste Management Entities (SWMEs)were required to provide three HHW events or access to a permanent HHW facility to their residents, and in 2019 the requirement increased to four HHW events.

The following subsections discuss the various paint drop-off sites and services provided by the program. Section 2 of the report provides details about volume and disposition.

#### A1. Paint Retailers

Paint retailers are ideal locations to serve as paint drop-off sites because they are located throughout the state, are often centrally located in cities and towns, are open five or more days per week, and have staff familiar with

paint products and their safe handling. In addition, their customers are likely to have some leftover paint and often ask store staff for advice on what to do with it.

As of June 2019, PaintCare had identified 163 paint retailers – including paint, hardware, and home improvement stores – and 145 are considered potential drop-off sites. PaintCare has been informed by the corporate headquarters of big box stores that they are not interested in serving as drop-off sites, so they are not included in the count of potential drop-off sites.

Of the 145 potential paint retailers, 46% (67 stores) were participating as drop-off sites at the end of the year. Paint retailers participate in the program to increase foot traffic through their stores and to provide a service for their customers. The names and addresses of the paint retailers that participated during the year are included in the appendix.



Packed boxes at Sherwin-Williams in Rutland and a promotional banner at LaValley Lumber in Rutland.

#### A2. Household Hazardous Waste Programs

Prior to program launch, PaintCare met in person with all HHW programs in the state. Print materials about the benefits to HHW programs of participating in the PaintCare program were made available to the HHW community (current versions of the fact sheets are available at paintcare.org). All HHW programs in Vermont participate in the PaintCare program. In the reporting year, they consisted of four year-round facilities, one seasonal facility, 82 HHW drop-off events (at 69 locations), and one paint-only event hosted by a solid waste district. The names and addresses of these facilities and events are included in the appendix.

HHW programs in Vermont helped promote the program to their area residents by distributing brochures and mentioning PaintCare on their websites and in newsletters. In addition, the Chittenden Solid Waste District served as a paint recycler for the program, receiving paint from some other counties and from some retail drop-off sites in Chittenden County.

#### A3. Transfer Stations and Recycling Facilities

Prior to the launch of the program, PaintCare reached out to solid waste districts, alliances, and independent towns. In addition, many of their sites received an in-person visit from PaintCare staff. A fact sheet was developed and distributed to explain the PaintCare program and benefits to transfer stations and recycling facilities (current versions of the fact sheets are available at paintcare.org). Transfer stations and recycling facilities participate as drop-offs sites to expand the recycling services provided to their customers and to help keep paint out of the waste stream.

Three year-round regional transfer stations and one regional recycling facility participated in the PaintCare program, as well as three single-town transfer stations (two year-round, one seasonal). The names and locations of these facilities are included in the appendix.

#### A4. Reuse Stores

Six material reuse stores – four Vermont ReSource stores, one Habitat for Humanity ReStores, and another site – were identified prior to program launch and invited to join the program. Along with participating as drop-off sites, these types of stores can operate paint reuse programs by donating or selling good quality leftover paint back to the local community to use, rather than sending it through PaintCare for processing. PaintCare provides compensation for this service.

PaintCare has found in Vermont, as in other PaintCare programs, that when reuse stores sell remanufactured/recycled-content paint (as all the ReSource stores and the Habitat for Humanity ReStore in Vermont do), they often are not interested in becoming a PaintCare reuse site because it is more profitable and simpler to sell only recycled-content paint, rather than putting used paint on their shelves as well.

PaintCare has not been able to recruit any reuse stores to serve as drop-off sites or to offer a reuse program.

#### A5. Paint-Only Drop-Off Events

In an effort to clean out large volumes of stored-up paint that could overwhelm PaintCare drop-off sites at the start of the program and to provide additional services in areas that did not historically have latex paint collection opportunities, PaintCare held several one-day paint drop-off events in the first year of the program. As a result of the extensive network of year-round drop-off sites provided by the program, paint drop-off events are no longer held.

The Central Vermont Solid Waste District held one special waste drop-off event, which included paint, during the year. This event is listed as "Paint-Only Events (Waste District)" in the previous table and in the appendix to distinguish it from HHW events, but the event also collected bulbs, oil, and electronics, in addition to paint.

#### A6. Large Volume Pick-Up Service

PaintCare's LVP service provides a convenient option for painting contractors and others who have accumulated large volumes of paint. The minimum amount to receive a pick-up is 200 gallons. PaintCare arranged seven LVPs during the year. The users of the service were a paint store that was clearing out mistints and six painting contractors with hundreds of gallons of paint that they had accumulated over several years. The location (city) of each LVP site is included in the appendix.



Before and after a large volume pick-up for a painting contractor in Rutland.

#### B. CONVENIENCE CRITERIA

PaintCare used Geographic Information System (GIS) modeling to determine the appropriate minimum number and distribution of drop-off sites based on the following baseline criteria required by the Vermont paint stewardship law:

**Distribution:** At least 90% of Vermont residents shall have a permanent (year-round) site within a 15-mile radius of their residence.

**Density:** One additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Secretary of the Vermont Agency of Natural Resources.

Application of these criteria resulted in the need for approximately 45 optimally located, year-round drop-off sites. PaintCare considers this its baseline service level goal. The 77 year-round drop-off sites in place at the end of the year provided 99.5% of Vermont residents a drop-off site within 15 miles of their residence.

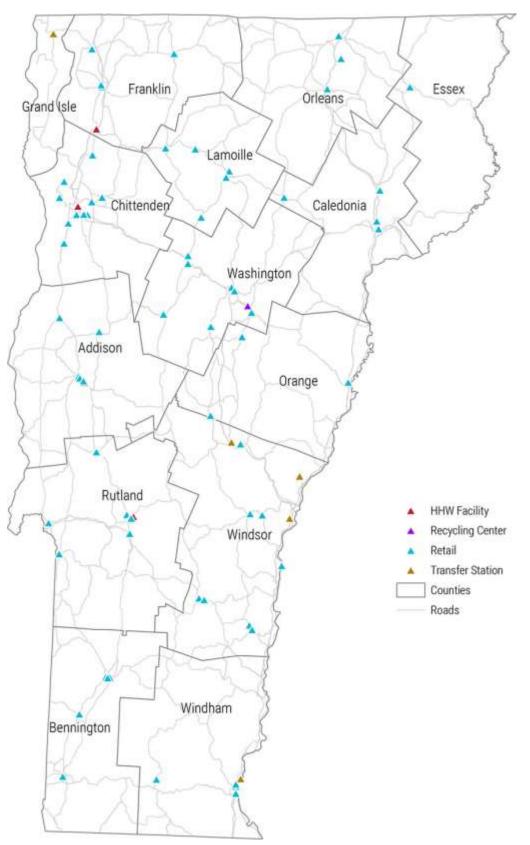
PaintCare, with the help of Dewberry, a professional services firm with expertise in geographic mapping and analysis, developed-ESRI based tools to conduct geographical information system (GIS) analysis in-house at PaintCare. Population is based on the US Census Bureau decennial (2010) Census Block level data.

The only area of the state that was not fully covered by year-round sites, as determined by the density criterion of one additional permanent site for every 10,000 residents of a municipality, was Burlington. PaintCare has been granted an exemption to the density requirement for Burlington based on sites available in the surrounding area.

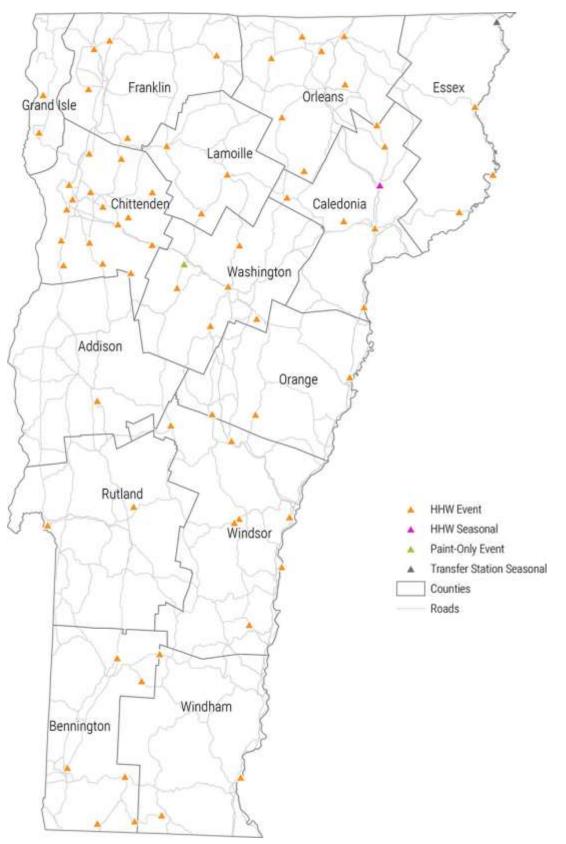
As described previously, Vermont had robust HHW and CEG services prior to the PaintCare program. However, the level of service and types of paint products that were accepted varied across the state. Only four HHW facilities were open year-round, and only two of them accepted latex paint. The remainder of the state was served by access to two HHW/CEG events per year, with a few areas having access to fewer events. Despite the extensive HHW/CEG programs in the state prior to the PaintCare program, the paint recycling convenience has increased substantially as a result of the additional sites and services offered by the PaintCare program.

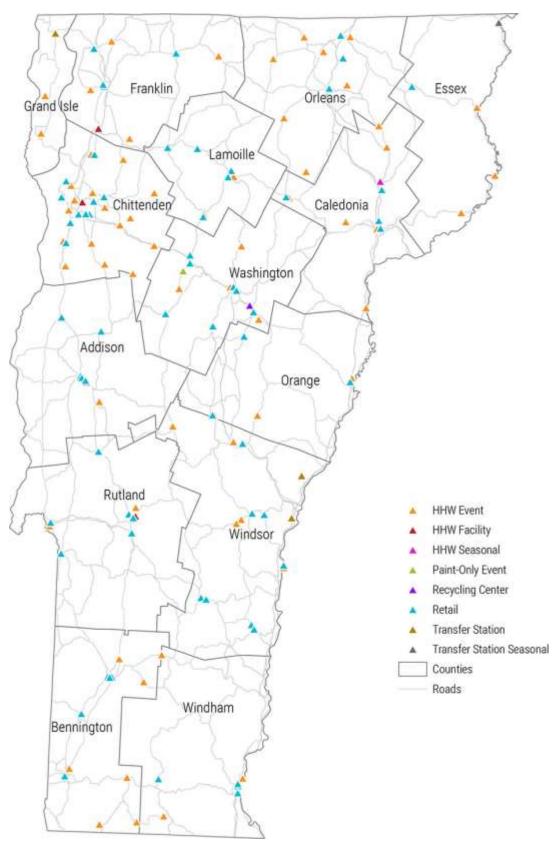
The following maps show the locations of (1) year-round sites, (2) supplemental sites, (3) year-round and supplemental sites, and (4) LVP sites. LVP sites were not included when analyzing the distribution or density criteria but are mapped for illustrative purposes.

#### YEAR-ROUND DROP-OFF SITES



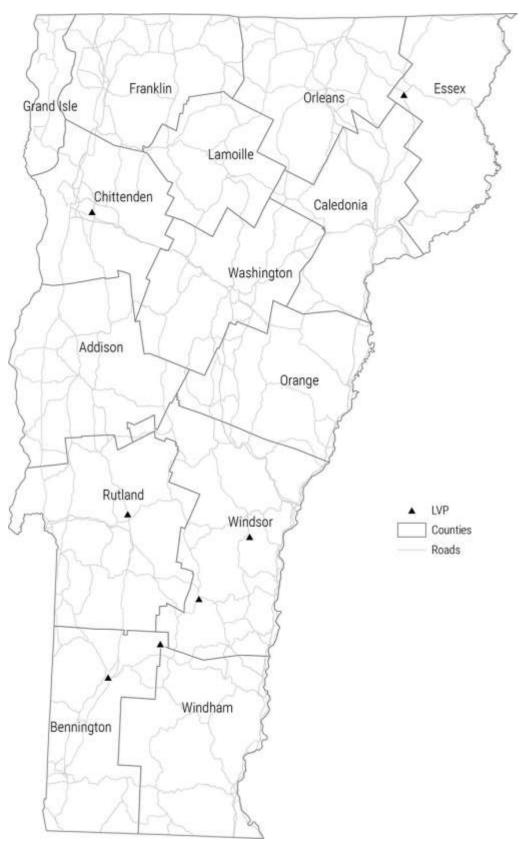
# SUPPLEMENTAL DROP-OFF SITES





YEAR-ROUND AND SUPPLMENTAL DROP-OFF SITES

# LARGE VOLUME PICK-UP SITES



#### C. PAINT COLLECTION PROCEDURES

PaintCare entered into contract agreements with sponsors or operators of all sites. PaintCare contracts require that drop-off sites meet requirements of local, state, and federal law, regulations, and policies.

Staff at all year-round and seasonal drop-off sites received an on-site, in-person training and a program procedures manual. The training and program manual covered:

- Identification of program and non-program products
- Acceptable containers
- Whom to accept paint from and how much
- Screening procedure for businesses with oil- based paint and the required log form
- Proper storage
- Spill response procedures and reporting requirements
- Employee training
- How to schedule a pick-up
- Required paperwork and record retention schedules

Site personnel are required to visually inspect containers of postconsumer paint – but not open them – to confirm that they are acceptable program products and then place them in the spill proof collection bins provided by the program. Unlabeled and leaking cans are not accepted at retail, transfer station, or recycling facility sites, but trained staff at HHW facilities and events are allowed to accept and prepare them for management under the program.

Retail, transfer station, and recycling facility drop-off sites are visited by PaintCare staff on a regular basis to check on their operations and to provide additional training and consumer outreach materials as needed.

#### D. PAINT TRANSPORTATION AND PROCESSING

#### D1. Paint Transportation

PaintCare contracted with five entities for transportation services – Clean Harbors Environmental Services, NRC (formerly Enpro Services of Vermont), Central Vermont Solid Waste District (CVSWD), Chittenden Solid Waste District (CSWD), and Northeast Kingdom Waste Management District (NEKWMD).

Clean Harbors and NRC are both registered hazardous waste haulers. PaintCare requires that transportation service providers have the ability and knowledge to respond to incidents involving hazardous materials and comply with all applicable U.S. Department of Transportation (DOT) and state transportation rules.

Clean Harbors provided transportation services to retail, transfer station, and recycling facility drop-off sites; some HHW facilities and events; and LVP sites. Clean Harbors transported the majority of the collected paint to their permitted facility in Cranston, RI for further screening, separation, and consolidation. Clean Harbors also delivered some paint from retail sites in Chittenden County to CSWD's HHW facility for processing.

NRC provided transportation services to some HHW facilities and events. NRC transported the bins of collected paint to their permitted facility in Williston, VT.

CVSWD, CSWD, and NEKWMD transported paint collected from their own HHW events back to their own HHW facilities.

#### D2. Latex Paint Processing

The condition in which postconsumer latex paint is received by the program determines the available management options. If containers are not properly sealed during storage, latex paint can harden due to evaporation and may no longer be useable or recyclable. Similarly, if latex paint freezes numerous times, it may not be as suitable for reuse or recycling. The program's outreach messages encourage the timely return of unwanted postconsumer paint to reduce the age and improve the condition of the paint for end of life management.

PaintCare managed latex paint under the following waste management hierarchy:

**Reuse.** Reuse programs generally screen for paint containers that are 50% or more full and in good condition and give them away free or sell them to the local community. CSWD and CVSWD managed a small amount of paint via reuse.

**Recycled Paint.** Clean Harbors worked with CSWD, GDB International in Monmouth Junction, NJ, and Clean Harbors in Cranston, RI. NRC worked with MXI in Abingdon, VA. All of these latex processors utilized paint-to-paint recycling as their primary method for managing latex paint.

All the processors blended postconsumer latex paint into a variety of colors of recycled-content paint. GDB International and MXI sold a domestic line of recycled-content paint and also sold paint in bulk totes in international markets. CSWD recycled the latex paint in-house, selling the paint directly in domestic markets. CSWD also packaged recycled-content paint in 55-gallon drums which were sold in international markets. Clean Harbors processed the majority of the latex paint at its Clean Harbors facility in Cranston, RI and sold the recycled-content paint in bulk totes in international markets.

**Disposal.** Dry and unusable latex paint sorted out by GDB International, Clean Harbors, and MXI was sent to authorized landfills. Dry and unusable latex paint sorted out by CSWD was sent to either NRC or Clean Harbors which then sent the material to authorized landfills.

#### D3. Oil-Based Paint Processing

**Reuse.** Reuse programs generally screen for paint containers that are 50% or more full and in good condition and give them away free or sell them to the local community. CSWD and CVSWD sites managed a small amount of oil-based paint via reuse.

**Energy Recovery.** NRC transported the majority of the oil-based paint collected from HHW facilities and events to MXI in Abingdon, VA, where it was bulked into tankers and transported to GeoCycle in Holly Hill, SC and subsequently to Holcim, a cement kiln, also located in Holly Hill, SC, to be used as a fuel.

Similarly, Clean Harbors shipped some oil-based paint to their Safety-Kleen facility in Smithfield, KY where the paint was bulked into tankers and transported to two facilities to be used for fuel –Lone Star Cement in Greencastle, IN and Buzzi Unichem in Cape Girardeau, MO.

**Incineration.** Clean Harbors transported some volume of oil-based paint to their facility in El Dorado, AR where it served as fuel in the incineration process.

#### D4. Transportation and Processing Audit Program

PaintCare has established procedures for monitoring both haulers and processing facilities that manage materials in connection with the PaintCare program.

PaintCare monitors its haulers to help ensure they meet certain requirements. Current examples of such requirements include:

- The hauler must possess all permits and licenses required under applicable law for the services they will perform for PaintCare.
- The hauler must have a satisfactory carrier safety rating from the U.S. Department of Transportation.
- The hauler must have an emergency response plan in place for addressing spills and other emergencies that may occur in the course of performing services for PaintCare.
- The hauler must carry appropriate liability insurance, including environmental insurance for any hauler that will transport hazardous materials in connection with the PaintCare program.

PaintCare's haulers are responsible for vetting and selecting processing facilities that will achieve the best mix of cost and processing results for PaintCare products, emphasizing highest best use. PaintCare requires that all processing facilities meet certain minimum eligibility criteria to process materials in connection with the PaintCare program. Current examples of such criteria include:

• All processing facilities must possess valid permits for all activities to be performed by the processing facility in connection with the PaintCare program.

- All processing facilities must be in good standing with all applicable regulatory agencies regarding the processing activities to be carried out in connection with the PaintCare program.
- All processing facilities must conform to industry-standard safety protocols, including appropriate staff training, emergency response procedures, and recordkeeping as mandated by OSHA or as otherwise required by applicable law.
- All processing facilities must carry appropriate insurance, including environmental insurance for any processing facility that will process hazardous materials in connection with the PaintCare program.

PaintCare further requires that its haulers periodically audit/review all processing facilities used to process materials in connection with the PaintCare program to ensure that each such facility maintains compliance with PaintCare's eligibility criteria.

Finally, PaintCare also takes steps to independently verify the information reported to PaintCare by the haulers relating to processing facility compliance. These steps may include:

- An independent review of a processing facility by a third party.
- Periodic on-premises reviews of processing facilities by PaintCare staff, with a focus on assurance of data integrity through an examination of a facility's process flow and data tracking procedures.
- Digital data review by PaintCare staff to verify the integrity of reported data.

# Section 2. Paint Collection Volume and Disposition Methods

Annual Report Statutory Citation

10 V.S.A. § 6677. Reporting Requirments

(2) The volume and type of postconsumer paint collected by the producer or stewardship program at each collection center in all regions of Vermont.

(3) The volume of postconsumer paint collected by the producer or stewardship program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal.

### A. PAINT SALES

Paint sales were 990,090 gallons, less than a 1% change (decrease) from last year.

### B. PAINT COLLECTION AND MANAGEMENT

#### B1. Collection Volume and Recovery Rate

The program processed 115,142 gallons of paint, an increase of 4.1% from last year.

PaintCare uses gallons of paint processed to calculate recovery rates (gallons of paint processed divided by gallons of paint sold in the same time period) rather than gallons collected. The difference in these numbers is explained here:

**Collected gallons:** Haulers report the weight (pounds) and number of bins (or other containers) of paint collected to PaintCare. PaintCare or the hauler can calculate the gallons of paint collected by applying a formula that removes packaging weight and converts pounds to gallons.

**Processed gallons:** The gallons of paint processed is reported to PaintCare by haulers after processing takes place.

A difference exists between the number of gallons collected and number of gallons processed each year because (1) gallons collected is a derived estimate, as described above, and (2) there is a lag in time between when paint is collected and when paint is processed. The lag is created because haulers build full truckloads of collected paint at their facilities before transporting the paint to processors. In addition, once the paint is received by a processor, it may sit in inventory until it is processed. Therefore, in any program year, some paint volume that is reported as processed may come from paint that was collected in the previous program year, and some paint that is collected in a program year may not be processed until the next program year.

The recovery rate for the year was 11.6% (11.6% of 990,090 gallons sold). The Vermont program continues to have one of the highest recovery rates among the nine PaintCare programs.

(Note: The Vermont Agency of Natural Resources uses the term Recovery Rate for other waste management programs to mean the percentage of a material collected that is recycled. PaintCare uses the term to mean the amount of paint that is processed over the amount of paint that is sold, in the same time period.)

The following table provides the gallons sold, gallons processed, and recovery rates for each program year.

	YEAR 1 FY2015 (14 MONTHS)	YEAR 2 FY2016	YEAR 3 FY2017	YEAR 4 FY2018	YEAR 5 FY2019
Gallons Sold	1,209,990	1,070,534	995,193	999,776	990,090
Gallons Processed	116,691*	108,466*	96,108*	110,567	115,142
Change in Gallons Processed	NA	-7.0%	-11.4%	15%	4.1%
Recovery Rate	9.6%	10.1%	9.7%	11.1%	11.6%

# GALLONS SOLD AND PROCESSED, AND RECOVERY RATES

\* FY2015-FY2017 gallons of paint processed are estimated as explained in the FY2017 annual report.

#### B2. Latex vs. Oil-Based Paint

Of the 115,142 gallons of paint processed, 75% (86,278 gallons) was latex paint and 25% (28,864 gallons) was oil-based paint.

### **B3.** Paint Management Methods

The following table shows the paint management methods and volumes since the program began:

	YEAR 1* FY2015		YEAR 2* FY2016		YEAR 3*+ FY2017		YEAR 4+ FY2018		YEAR 5 FY2019	
LATEX PAINT	(GAL)	%	(GAL)	%	(GAL)	%	(GAL)	%	(GAL)	%
Reuse	12	-	130	<1	304	<1	396	<1	323	<1
Recycled Paint	64,938	76	61,121	76	56,871	79	66,195	79	67,718	79
Landfill	15,898	19	15,319	19	15,150	21	16,926	20	18,237	21
Alternative Daily Cover	4,427	5	4,352	5	-	-	-	-	-	-
Subtotal Latex Paint	85,275	100	80,922	100	72,325	100	83,517	100	86,278	100
OIL-BASED PAINT										
Reuse	-	-	-	-	67	<1	122	<1	100	<1
Recycled Paint	-	-	-	-	-	-	208	1	1,888	7
Fuel	31,416	100	27,544	100	23,717	100	26,720	99	26,876	93
Subtotal Oil-Based Paint	31,416	100	27,544	100	23,784	100	27,050	100	28,864	100
GRAND TOTAL	116,691		108,466		96,109		110,567		115,142	

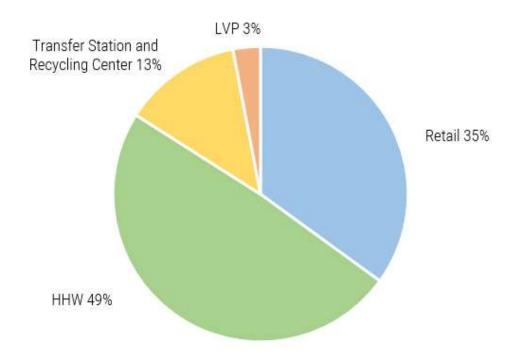
#### SUMMARY OF PAINT DISPOSITION

\* FY2015-FY2017 disposition volumes are estimated as explained in the FY2017 annual report.

+ Due to a reporting error discovered during an audit of MXI in FY2019, PaintCare has made minor adjustments to latex disposition breakdown from two prior years. The total volume processed has not changed.

#### B4. Collection by Site Type

The following pie chart shows the breakdown of collection volume by site type.



#### C. CONTAINER RECYCLING

Metal and plastic paint containers were recycled whenever possible. The program recycled an estimated 85 tons of paint containers. All latex paint containers managed by the downstream processors GDB and Clean Harbors were recycled. The metal cans in the portion of oil-based paint managed at the Smithfield, KY facility and MXI were recycled. And, a portion of the containers managed by CSWD and a portion of the latex paint containers managed by MXI were recycled.

# Section 3. Independent Audit and Financial Summary

Annual Report Statutory Citation

10 V.S.A. § 6677. Reporting Requirements

(4) An independent financial audit of the paint stewardship program implemented by the producer or the stewardship program.

(5) The prior year's actual direct and indirect costs for each program element and the administrative and overhead costs of administering the approved program.

#### A. INDEPENDENT FINANCIAL AUDIT

An independent financial audit of the national PaintCare program was conducted by Rogers & Company PLLC. This independent CPA firm conducted the audit in accordance with auditing standards generally accepted in the United States. Those standards require that the firm plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The audit process includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In Rogers & Company's opinion, the financial statements of PaintCare present fairly, in all material respects, the financial position as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. A copy of the independent financial audit is available in the appendix.

#### B. FINANCIAL SUMMARY AND DISCUSSION

#### B1. Expense Categories

Expense categories for the Vermont program are discussed below. As noted previously, revenue is derived from fees on new paint sales.

**Paint Processing.** Paint processing is the largest expense in all PaintCare programs. In Vermont, paint processing costs were billed based on weight or by the box and included the cost of sorting mixed boxes of latex and oil-based paint.

**Paint Transportation.** Paint transportation is another significant expense in all PaintCare programs. In Vermont, transportation costs were billed per cubic yard collection bin picked up at drop-off sites, events, and LVP locations.

**Collection Supplies and Support.** Collection support expenses included paint collection bins (single use and reusable), spill kits, training materials, and miscellaneous supplies for drop-off sites operations.

**Communications.** Communications costs were primarily for printing and distributing materials to stores, social media advertising, and the awareness surveys.

**Personnel, Professional Fees, and Other.** Personnel, professional fees, and other included the proportional cost of one full-time employee managing both the Vermont and Maine programs, GIS analysis, legal costs, travel, office supplies, and other logistical and professional support.

State Administrative Fee. PaintCare pays an administrative fee in the amount to \$15,000 annually to ANR.

**Corporate Activity.** Corporate activity costs are those that are shared across all PaintCare programs and allocated relative to the population of the state or jurisdiction. Vermont's corporate allocation was 1.1%. These costs include but are not limited to corporate staffing, insurance, maintenance of data management systems, auditing fees, software licenses, legal fees, occupancy, and general communications.

Allocation of Investment Activity. PaintCare invests a portion of its accumulated surplus (from most PaintCare programs) in a financial portfolio. PaintCare maintains its investments for all participating programs in a single portfolio. Claim of ownership in the investment portfolio are shared by all participants and allocated among the participating programs based on relative net asset balances. Programs that have positive net asset balances have a claim on the assets invested in the portfolio; programs with negative net asset balances carry a liability representing an amount due to the portfolio.

### B2. Financial Summary

The following tables shows program revenue and expenses during the program's first five reporting years. Notable observations include:

- Paint transportation, processing, and collection support costs were higher during the year due to increased collection volume.
- The year ended with a negative change in net assets. Revenue (from paint sales) for the year was slightly less than prior year. Although fee revenue covered operating expenses, the net operating change was not sufficient to offset the investment activity allocation for the year.

# REVENUE AND EXPENSES

REVENUE	YEAR 1 FY2015 (14 MONTHS)	YEAR 2 FY2016	YEAR 3 FY2017	YEAR 4 FY2018	YEAR 5 FY2019
Larger than half pint to smaller than 1 gallon	\$ 94,771	\$ 93,098	\$ 117,519	\$ 116,040	\$ 119,520
1 gallon	589,692	516,238	617,702	635,794	631,032
Larger than 1 gallon up to 5 gallons	113,554	100,819	114,704	118,747	115,852
Total revenue	798,017	710,155	849,925	870,581	866,404
EXPENSES					
Paint processing	600,215	493,600	452,628	490,604	525,813
Paint transportation	137,015	116,218	107,869	108,527	110,369
Collection supplies and support	178,590	87,478	72,887	77,744	81,970
Communications	122,062	23,884	8,583	7,865	9,375
Personnel, professional fees, and other	132,845	44,240	46,026	43,814	50,040
State administrative fees	30,000	15,000	15,000	15,000	15,000
Allocation of corporate activity	37,600	44,270	42,747	45,000	47,965
Total expenses	1,238,327	824,690	745,740	788,554	840,532
Allocation of investment activity	(1,671)	(15,556)	(27,358)	(16,396)	(26,253)
Change in net assets	(441,979)	(130,090)	76,827	65,631	(381)
Net assets, beginning of year	(93,587)	(535,568)	(665,658)	(588,831)	(523,200)
Net assets, end of year	\$ (535,568)	\$ (665,658)	\$ (588,831)	\$ (523,200)	(523,581)

#### C. RESERVES POLICY

Reserves represent the accumulated surplus (cash and investments) of PaintCare's programs. The reserves provide each program with a balance that is sufficient to pay its bills in times of either higher than expected paint collection (higher expenses), lower than expected paint sales (lower revenue), or a combination of the two.

PaintCare's Reserves Policy has a target reserve as a percentage of annual expenses. It also sets a range with minimum and maximum thresholds. If the reserves fall below the minimum threshold or rise beyond the maximum threshold, an evaluation of the program's expenses and revenue will be performed to determine if changes are needed in operations, outreach, and/or the fee structure to bring the reserve balance within range.

The PaintCare Board of Directors has established a target reserve of 100% of annual expenses. The minimum threshold is 75% (i.e., nine months) of expenses and the maximum is 125% (i.e., 15 months). As noted in the previous section, despite a fee increase in 2016, the Vermont program continues to have a deficit and may need a second fee increase to eliminate its deficit and build the target reserve.

#### D. EVALUATION OF THE PROGRAM'S FUNDING MECHANISM

The Vermont PaintCare fees on the sale of new paints are based on container sizes as follows:

#### PAINTCARE FEES

CONTAINER SIZE	FEE
Half pint or smaller	\$ 0.00
Larger than half pint to smaller than 1 gallon	\$ 0.49
1 gallon	\$ 0.99
Larger than 1 gallon up to 5 gallons	\$ 1.99

The funding mechanism and the system to receive sales reports and payments from manufacturers performed well during the year, but the revenue generated from the current fee structure was not sufficient to cover expenses or reduce the program's deficit. PaintCare will monitor the program closely over the next year. If paint collection volume and costs continue to increase, a second fee adjustment may be needed.

# Section 4. Outreach

Annual Report Statutory Citation

10 V.S.A. § 6677. Reporting Requirements

(6) Samples of all educational materials that the producer or stewardship program provided to consumers of architectural paint.

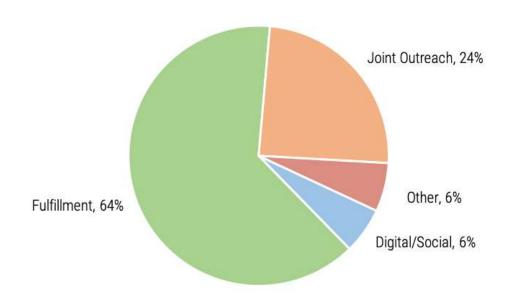
# A. OUTREACH ACTIVITIES

#### A1. Introduction

PaintCare's outreach strategy includes a variety of activities targeted to retailers, painting contractors, municipal agencies, and the general public through direct contact and advertising.

In January 2016, outreach in Vermont was scaled back due to the financial position of the program. Outreach activities since then and through this reporting year were mostly limited to in-house communications costs for fulfilling print material orders. PaintCare's additional outreach activities included maintaining website and social media activities and a joint print advertising campaign with other product stewardship organizations coordinated by the Vermont E-Cycles program.

The relative amounts of spending dedicated to Vermont outreach activities are summarized in the following pie chart.



# RELATIVE SPENDING ON OUTREACH ACTIVITIES

#### A2. Print Materials for Consumers

PaintCare continued to distribute program brochures and other printed materials to retailers to make available to consumers in their stores. These materials include program brochures, mini cards, fact sheets (for painting contractors and the LVP service), and program posters.

PaintCare fulfilled 62 requests for materials by mail, including 2,087 brochures, mini cards, and posters. The Vermont program manager delivered materials in-person during site visits.

PaintCare also provided counter mats to retailers to use in the paint department to reference when customers had questions. The counter mat is popular with retailers and more likely than the poster to be seen by customers while they wait for their paint to be mixed.

Larger versions of the materials shown below are included in the appendix and available on PaintCare's website.



Brochure, Mini Card, Program Poster, Counter Mat, Fact Sheets

#### A3. Fact Sheets for Stakeholders

Several fact sheets that were distributed in the months before the start of the program or introduced in previous years and are still used. Minor updates are made throughout the year. Current versions of the following fact sheets are available on PaintCare's website:

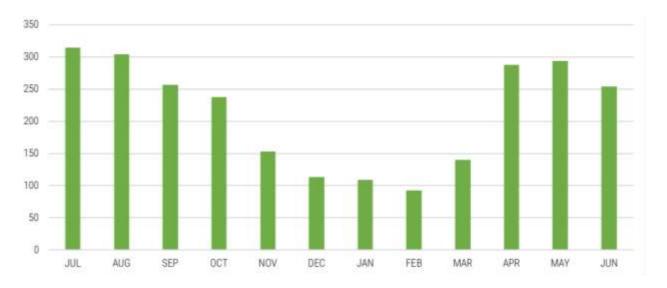
- How Does the Vermont Paint Stewardship Program Affect Paint Retailers?
- How to Become a Retail Drop-Off Site
- About PaintCare Fees
- Fact sheet for HHW Programs
- Fact sheet for Transfer Stations, Recycling Facilities and Landfills
- Reuse Programs Compensation and Reporting

#### A4. Website

Nearly all PaintCare advertising and outreach efforts direct the public to PaintCare's website for more information and to find a local PaintCare site. The most frequently visited part of the website is the PaintCare site locator tool on the page titled Drop-Off Locations. PaintCare's website is updated throughout the year.

The website is easy to navigate and features topics on buying the right amount of paint, storage and reuse tips, and recycling. It has special pages for manufacturers and a general section for retailers, explains what products are covered by the program, and has a Vermont page with tabs for different audiences (Everyone, Contractors, Retailers, Waste Facilities, and Official Docs).

Web traffic from Vermont was the highest in July and August and was lowest December-February.



## MONTHLY WEBSITE TRAFFIC FROM VERMONT

#### A5. Translations

PaintCare translates program brochures and fact sheets into languages of known ethnic groups, especially those involved in the painting business, and upon requests from paint retailers or other stakeholders. Program brochure translations available in all PaintCare programs include Amharic, Arabic, Armenian, Chinese, Farsi, French, Hmong, Khmer, Korean, Lao, Polish, Portuguese, Russian, Spanish Somali, Thai, Turkish, and Vietnamese.

Two widely-used fact sheets are also available in translation in all PaintCare programs. The fact sheet for the LVP service is available in Spanish. The fact sheet for painting contractors is available in six languages other than English due to requests from other PaintCare programs.

PaintCare added a Spanish translation button to all of its webpages, making the site fully bilingual, and made live Spanish language interpretation available on PaintCare's telephone hotline.

#### A6. Social Media

PaintCare continued to grow its Facebook presence during the year, while also establishing accounts with Twitter and Instagram and developing outreach activities for those platforms. PaintCare used social media to promote its three key messages: Buy Right, Use Up Leftover Paint, and Recycle with PaintCare.



Instagram Post Promoting the Buy Right Message

### A7. Joint Outreach

PaintCare collaborated with Vermont E-Cycles and other product stewardship programs in the state (light bulbs, thermostats, and batteries) to run a campaign of joint radio advertising in April 2019, surrounding Earth Day. The ads ran on commercial stations throughout Vermont and with the following script:

Here in Vermont, it's now easier than ever to recycle things like computers, televisions, batteries, household paint, mercury bulbs, and mercury thermostats. When we recycle, we help to keep our state beautiful and clean for the next generations to enjoy. To find out more about recycling these items In your neck of the woods, call 1-855-63CYCLE, 1-855-63CYCLE, or reach out to your local waste management district.

#### A8. Signs for Drop-Off Sites

PaintCare developed several signs for drop-off sites to help them educate the public about the program, screen program products, and address any concerns about illegal dumping. Drop-off sites may order the following signs: Program Products (English/Spanish), Program Partner, Combination (program partner with simplified products list), No Dumping, and Please Wait for Assistance. Larger versions of these signs have been included in previous annual reports. These signs can now be found online at www.paintcare.org/signs.



#### A9. Face-to-Face

The Vermont program manager made at least two visits to each drop-off site during the year to talk to staff and answer any questions or provide additional training as needed. These visits usually include an informal inspection of the paint collection bins, delivery of additional brochures or counter mats, and ordering any signs or other outreach material that the sites may need. The manager also talked to customers in the stores when they were dropping off paint or buying paint and had questions.

A webinar was held in January 2019 by the Program Managers of the four northeast states where PaintCare programs are operating. This webinar discussed and compared the four programs and is available on the PaintCare website. Another webinar is planned for November or December to discuss the newest reports.

In addition, the manager attended the following events during the year.

EVENT	LOCATION	DESCRIPTION
Group trainings for transfer station operators	Georgia, Lyndonville, and Hartland	Universal Waste trainings with VT ANR and NERC for transfer station attendants from around the state
Household Hazardous Waste Coordinators meetings	Statewide	Maintain contact with the programs that are collecting the majority of the paint in Vermont
Ace Hardware and Sherwin Williams group training on coatings	Montpelier on March 5, 2019	Invited to present on the paint recycling program at a retailer group training

## B. AWARENESS SURVEY

PaintCare updated its public awareness survey methodology used for all PaintCare programs with the assistance of the market research firm KB Insights. The purpose of updating the survey was to improve accuracy of measurement, ensure statistically significant data samples, improve clarity and consistency in the questionnaire, and to better screen survey panels to represent the make-up of their state or jurisdiction. Updates to the survey questionnaire itself included changing some terminology and adding open-ended questions to learn more about public perceptions of paint stewardship.

The results were analyzed by KB Insights to help PaintCare better understand trends in the data and help guide future targeting. Data from all PaintCare programs was included in the analysis, providing the additional benefit of comparing results between programs throughout the nation.

Due to the updates in the measurement methodology, survey results from previous years are not directly comparable to the new results and are not included here. Survey data from previous years remains publicly accessible in the previous annual report posted on the Vermont section of PaintCare's website. The full report for this year's awareness survey for all PaintCare programs is included in the appendix.

Following are some highlights from the Vermont survey results:

- 251 surveys were completed by residents of Vermont, allowing 90% confidence in the accuracy of the measured results for the population within +/-5%.
- Over half of Vermont respondents purchased paint in the last year. Of those, more than one third reported seeking help from paint retail staff and almost half reported taking measurements themselves in order to purchase the right amount of paint and reduce the amount leftover.
- Only 9% of Vermont respondents recalled hearing of PaintCare before completing the survey, which is
  a little below average among PaintCare program states and may be attributed to PaintCare's
  restrained advertising budget. On the other hand, 55% knew that paint can be recycled in general,
  second highest among all PaintCare states. Of those, over half have dropped off paint for recycling in
  the past, and nearly all of those would do so again in the future.
- More than two thirds of Vermont respondents reported that they will choose a sustainable option if they have leftover paint in the future, such as dropping it off at a paint retail store (8%) or HHW facility (53%) or giving it away to someone else who needs it (6%).

# Section 5. FY2020 and Future

This section of the annual report describes activities or plans for the program that have happened since July 1, 2019 or are being planned.

#### A. OUTREACH

PaintCare will maintain outreach activities at a reduced level during the program's continued financial recovery.

PaintCare is planning a campaign to acknowledge PaintCare's 10th anniversary for October-November 2019.

PaintCare will continue to participate in transfer station operator trainings on Universal Waste put on by ANR and NERC.

Recommendations for when the program's financial position improves include:

- Utilize a variety of media activities, including television, radio, digital, and newspaper advertising to increase program awareness across the state.
- Reach all parts of the state, and also continue to be sure that media does not cross borders into nearby states or Canada.
- Increase the use of digital media in order to target relevant messages to specific geographic areas and audiences in a cost-effective way.
- Offer the joint outreach program to local governments to leverage their messaging and outreach for recycling and solid waste programs.
- Identify new events and other face-to-face outreach opportunities to raise awareness of the program.
- Participate in local and regional conferences promoting PaintCare to local and State agencies. These
  may include the NRRA annual conference in New Hampshire and NERC conferences around the
  region.

Appendix Section A



# FY2019 PAINTCARE SITES IN VERMONT - PAGE 1 OF 5

1. Year-Round Sites77 SitesAlburghAlburgh Transfer Station15 Dump RdTransfer StationArlingtonMiles True Value Lumber178 Chittenden DrRetailBarreCentral Vermont SWMD540 N Main StRecycling CenterBarreSherwin-Williams131 S Main StRetailBenningtonSherwin-Williams214 Northside DrRetailBradfordAubuchon Hardware204 Main StRetailBrandonBrandon Lumber & Mill Work11 Grove StRetailBrattleboroBrown & Roberts Ace Hardware182 Main StRetail
ArlingtonMiles True Value Lumber178 Chittenden DrRetailBarreCentral Vermont SWMD540 N Main StRecycling CenterBarreSherwin-Williams131 S Main StRetailBenningtonSherwin-Williams214 Northside DrRetailBradfordAubuchon Hardware204 Main StRetailBrandonAubuchon Hardware10 Center St Rte 7RetailBrandonBrandon Lumber & Mill Work11 Grove StRetail
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Brattleboro Brown & Roberts Ace Hardware 182 Main St Retail
Brattleboro Martins Fireside True Value 895 Putney Rd Retail
Brattleboro Sherwin-Williams 659 Putney Rd Retail
Brattleboro Windham SWMD Depot 327 Old Ferry Rd Transfer Station
Bristol Martins Hardware 68 West St Retail
BurlingtonBibens Ace Hardware1127 North AveRetail
ColchesterBibens Ace Hardware713 W Lakeshore DrRetail
Derby Poulin Lumber 3639 Rte 5 Retail
Derby Sticks & Stuff 400 Quarry Rd Retail
Enosburg Falls Greens Ace Hardware 6 Railroad St Retail
Essex Junction Bibens Ace Hardware 15 Essex Way Retail
Essex Junction Sherwin-Williams 83B Pearl St Retail
Fair HavenAubuchon Hardware654 Rt 22A NRetail
FairfaxNorthwest Vermont SWMD158 Morse DrHHW Facility
HardwickPoulin Lumber439 Wolcott StRetail
Island Pond Gervais Ace Hardware 62 Cross St Retail
JeffersonvilleAubuchon Hardware4879 Rte 15Retail
Johnson Johnson Hardware & Rental 1442 Rte 15 W Retail
LudlowAubuchon Hardware142 Main StRetail
LudlowLaValley Building Supply182 Pleasant StRetail
LyndonvilleLyndonville Hardware583 Broad StRetail
Manchester Aubuchon Hardware 1131 Depot St Retail
Manchester Center R K Miles 689 Depot St Retail
Manchester CenterSherwin-Williams263 Depot StRetail
MiddleburyAddison County SWMD Depot1223 Rte 7 SHHW Facility
MiddleburyAubuchon Hardware40 Court St Ste 2Retail
MiddleburyCountryside Carpet & Paint16 Creek RdRetail



## FY2019 PAINTCARE SITES IN VERMONT - PAGE 2 OF 5

<b></b>	1-	_		
City	11	I೧	w	n

Site Name Middlebury Ma Milton Aub Montpelier Aub Montpelier She Aub Moretown Morrisville Cou Morrisville RΚ North Springfield Bib Northfield Ken Norwich Nor Orleans JB C Poultney Will Randolph Cen Rutland LaV Rutland Not Rutland Rutl Rutland She Rutland Yan Saint Albans She Saint Albans Stic Saint Johnsbury Aub She Saint Johnsbury Shelburne Aub South Burlington Bib South Burlington Env South Burlington PPG South Burlington She South Royalton Bet South Royalton Wel She Springfield Stowe Mo Swanton Aub Taftsville Brit Vergennes Aub Waitsfield Bisk Waterbury Wat White River Junction Hartford Community Center for Recycling

e Name
irtins Hardware
buchon Hardware
buchon Hardware
erwin-Williams
buchon Hardware
untry Home Center
Miles
ens Ace Hardware
nyons True Value
rwich Transfer Station
Colton
lliams Hardware
ntral Supplies Bethel Mills
/alley Building Supply
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tland Transfer Station
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vironmental Depot (CSWD)
G Paints
erwin-Williams
thel Road Transfer Station (WRA)
elchs True Value
erwin-Williams
orrisville Lumber
buchon Hardware
ttons Lumber & Hardware
buchon Hardware
bees Ace Hardware
iterbury True Value
rtford Community Center for Recv

Address	Туре
859 Rte 7 S	Retail
199 Rte 7 S	Retail
40 Main St	Retail
62 River St	Retail
16 Mason Dr	Retail
85 Center Rd	Retail
207 Portland St	Retail
362 River St	Retail
93 N Main St	Retail
24 New Boston Rd	Transfer Station
66 Main St	Retail
51 Main St ste 1	Retail
839 VT Rte 12	Retail
48 Windcrest Rd	Retail
261 N Main St	Retail
14 Gleason Rd (City Dump Rd)	HHW Facility
76 Woodstock Ave	Retail
164 Rte 4 E	Retail
133 N Main St	Retail
44 Lower Newton St	Retail
222 Hastings Hill Rd	Retail
422 Portland St	Retail
50 Shelburne Shopping Park	Retail
1961 Williston Rd	Retail
1011 Airport Pkwy	HHW Facility
60 San Remo Dr	Retail
1242 Shelburne Rd	Retail
122 Waterman Rd	Transfer Station
3626 Rte 14	Retail
246 River St Rte 106	Retail
785 Sylvan Park Rd	Retail
26 Canada St	Retail
56 Rte 4	Retail
113 Monkton Rd unit F	Retail
109 Mad River Green Shop Ctr	Retail
838 Waterbury Stowe Rd	Retail
2590 N Hartland Rd	Transfer Station



# FY2019 PAINTCARE SITES IN VERMONT - PAGE 3 OF 5

City/Town	Site Name	Address	Туре
Williamstown	Poulin Lumber	258 Meadow St	Retail
Williston	Vermont Paint Company	17 Adams Dr	Retail
Wilmington	W W Building Supply	434 Rte 100 N	Retail
Windsor	Aubuchon Hardware	2745 US Rte 5 N	Retail
Woodstock	Woodstock Ace Hardware	452 Woodstock Rd	Retail
2. Supplemental Site	es		72 Sites
Albany	Albany Recycling Center (NEK)	130 Main St	HHW Event
Bennington	Bennington Transfer Station (BCSWA)	904 Houghton Ln	HHW Event
Bloomfield	Bloomfield Town Clerk (NEK)	27 Schoolhouse Rd	HHW Event
Bolton	Bolton Fire Station (CSWD)	3045 Theo Roosevelt Hwy	HHW Event
Bradford	Bradford Town Garage (CenVT)	359 Fairground Rd	HHW Event
Brattleboro	Windham SWMD Depot (Windham)	327 Old Ferry Rd	HHW Event
Brownington	Brownington Town Office (NEK)	622 Schoolhouse Rd	HHW Event
Burlington	Burlington Drop-Off Center (CSWD)	339 Pine St	HHW Event
Canaan	Canaan Transfer Station (Seasonal)	186 Treatment Plant Rd	Transfer Station
Charlotte	Charlotte Central School (CSWD )	408 Hinesburg Rd	HHW Event
Colchester	Malletts Bay School (CSWD)	609 Blakely Rd	HHW Event
Coventry	Casella Waste Coventry Landfill	Airport Rd at Landfill Ln	HHW Event
Danville	Danville Stump Dump (NEK)	1182 Bruce Badger Mem Hwy	HHW Event
Derby	Derby Recycling Center (NEK)	3427 US Rte 5	HHW Event
Dorset	Dorset School (BCSWA)	130 School Dr	HHW Event
East Ryegate	Ryegate Transfer station (NEK)	269 School St	HHW Event
Essex	Essex Drop-Off Center (CSWD)	218 Colchester Rd	HHW Event
Fair Haven	Fair Haven Transfer Station (SWAC)	Fair Haven Ave	HHW Event
Fairfax	Fletcher Highway Garage (Town Event)	317 Fletcher Rd	HHW Event
Grand Isle	Grand Isle Transfer Station (NW)	22 Hanson Ln	HHW Event
Greensboro	Greensboro Transfer Station (NEK)	81 Lauredon Ave	HHW Event
Guildhall	Guildhall Town Hall (NEK)	13 Courthouse Drive	HHW Event
Hardwick	Hardwick Town Garage (CenVT)	155 Creamery Rd	HHW Event
Highgate	Salt Storage Shed (NW)	1 Transfer Station Rd	HHW Event
Hinesburg	Hinesburg Drop-Off Center (CSWD)	907 Beecher Hill Rd	HHW Event
Huntington	Huntington Center Fire Station (CSWD)	4960 Main Rd	HHW Event
Jeffersonville	GW Tatro Parking lot (Lamoille)	5195 VT Rte 15	HHW Event
Jericho	Jericho Highway Garage (CSWD)	510 Browns Trace Rd	HHW Event
Londonderry	Flood Brook School (Londonderry)	100 Old School St (91 VT Rte 11)	HHW Event
Lunenburg	Lunenburg Town Garage (NEK)	86 Town Hwy 15	HHW Event



## FY2019 PAINTCARE SITES IN VERMONT - PAGE 4 OF 5

#### City/Town

Lyndonville Milton Montgomery Montpelier Moretown Morrisville **Newport Center** North Hero Northfield Randolph Readsboro Richmond Rochester Royalton Rutland Saint Albans City Saint George Saint Johnsbury Salisbury Searsburg Shelburne Springfield Stamford Stowe Swanton Tunbridge Underhill Waterbury Websterville West Burke Westfield Westford Westmore White River Junction Whitingham Williston Windsor

Site Name Lyndon Recycling Center (NEK) Milton Drop-Off Center (CSWD) Montgomery Town Garage (NW) VT Department of Labor (CenVT) Harwood Union High School (MR) CCV Parking Lot (Lamoille) Newport Center Town Garage (NEK) North Hero Transfer Staton (NW) Fire Station Parking Lot (MA) Randolph Transfer Station (MA) Readsboro Elem School (Windham SWMD) Richmond Drop Off Center (CSWD) Rochester City Government Office (WRA) Bethel Royalton Solid Waste (WRA) Rutland Town Transfer Station (SWAC) Saint Albans Town Garage (NW) Saint George Town Center (CSWD) Municipal Parking Lot (Town) Salisbury Landfill (Town) Searsburg Town Garage (BCSWA) Shelburne Highway Garage (CSWD) Springfield Transfer Station (SWW) Stamford Town Garage (BCSWA) Wastewater Treatment Plant (Lamoille) Swanton Town Garage (NW) Tunbridge Transfer Station (CenVT) Underhill Town Garage (CSWD) Duxbury Town Garage (CenVT) Barre Public Works Dept (CenVT) Burke Town Garage (Town) Westfield Recycling Center (NEK) Westford Town Garage (CSWD) Westmore Transfer Station (NEK) Hartford Transfer Station (GUV) Whitingham Transfer Station (Town) Williston Drop Off Center (CSWD)

Goodyear Building (SWW)

# Address 224 Church St 36 Landfill Rd 1800 N Main St 5 Green Mountain Dr 458 VT Rte 100 197 Harrel St 272 Vance Hill Rd 362 W Shore Rd 128 Wall St 250 Landfill Rd 437 Tunnel St 80 Rogers Ln 67 School St 122 Waterman Rd Northwood Park 300 Georgia Shore Rd 21 Barber Rd 1187 Main St 1301 Upper Plains Rd 10 Town Garage Rd 114 Turtle Ln 135 Fairground Rd 610 Mill Rd 56 River Rd 23 4th St. 64 Recreation Rd 75 New Rd 5421 VT 100 129 Websterville Rd 51 Town Garage Rd 757 VT Rte 100 35 Cambridge Rd 6988 VT Rte. 5A 2590 N Hartland Rd 4185 VT Rte 100 1495 Redmond Rd 28 River St

HHW Seasonal HHW Event **Paint-Only Event** HHW Event HHW Event

Type



## FY2019 PAINTCARE SITES IN VERMONT - PAGE 5 OF 5

City/Town	Site Name	Address	Туре
Winhall	Winhall Transfer Station (Town)	66 Old Town Rd	HHW Event
Winooski	Landry Park (CSWD)	53 Pine St	HHW Event
Woodstock	Woodstock High School (GUV)	100 Amsden Way	HHW Event
Woodstock	Woodstock Town Garage (GUV)	499 Rte 4 W	HHW Event
Worcester	Worcester Transfer Station (Lamoille)	43 Calais Rd	HHW Event
3. Large Volume Pic	k-Up Sites		7 Sites
Brighton	[Painting Contractor}		LVP

0		
Landgrove	[Painting Contractor]	LVP
Ludlow	[Contruction]	LVP
Manchester	[Retailer]	LVP
Rutland	[Painting Contractor]	LVP
South Woodstock	[Painting Contractor]	LVP
Williston	[Painting Contractor]	LVP

#### **Abbreviations for Event Organizations**

BCSWA: Bennington Solid Waste Alliance CenVT: Central Vermont Sold Waste Management District CSWD: Chittenden Solid Waste District GUV: Greater Upper Valley Solid Waste Management District Lamoille: Lamoille Regional Sold Waste Management District MR: Mad River Solid Waste Alliance MA: Mountain Alliance NEK: Northeast Kingdom Waste Management District NW: Northwest Vermont Solid Waste Management District SWAC: Solid Waste Alliance Communities SWW: Southern Windsor/Windham Solid Waste Management District Windham: Windham Solid Waste Management District WRA: White River Alliance Appendix Section B

Financial Statements and Independent Auditors' Report

June 30, 2019 and 2018

Financial Statements June 30, 2019 and 2018

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of PaintCare Inc.

We have audited the accompanying financial statements of PaintCare Inc. ("PaintCare"), which comprise the statements of financial position as of June 30, 2019 and 2018; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



# **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PaintCare as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 18-19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rovers + Company PLIC

Vienna, Virginia September 24, 2019

# Statements of Financial Position June 30, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,596,294	\$ 9,136,849
Accounts receivable, net	6,964,498	7,215,463
Investments	48,051,007	45,209,880
Prepaid expenses	296,043	216,383
Total current assets	70,907,842	61,778,575
Property and equipment, net	274,538	172,736
Total assets	\$ 71,182,380	\$ 61,951,311
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 10,875,820	\$ 8,435,083
Grants payable	200,000	-
Due to affiliate	800,081	761,712
Total liabilities	11,875,901	9,196,795
Net Assets		
Without donor restrictions	59,306,479	52,754,516
Total net assets	59,306,479	52,754,516
Total liabilities and net assets	\$ 71,182,380	\$ 61,951,311

# Statements of Activities For the Years Ended June 30, 2019 and 2018

	2019	2018
Operating Revenue and Support	ф <u>со 402 546</u>	Ф <u>(0 (04 01 1</u>
Paint recovery fees	\$ 60,493,546	\$ 60,694,911
Other income		99,424
Total operating revenue and support	60,493,546	60,794,335
Expenses		
Program and delivery services:		
Oregon	4,365,660	5,060,746
California	30,763,747	31,979,769
Connecticut	3,176,529	3,014,201
Rhode Island	729,092	699,650
Minnesota	5,068,449	4,929,453
Vermont	792,567	743,554
Maine	1,300,761	1,110,093
Colorado	5,629,379	5,299,726
District of Columbia	413,169	342,957
Washington	7,064	
Total program and delivery services	52,246,417	53,180,149
General and administrative	4,433,932	4,214,193
Total expenses	56,680,349	57,394,342
Change in Net Assets from Operations	3,813,197	3,399,993
Non-Operating Activities		
Interest and dividend income	1,238,869	945,029
Loss on disposal of property and equipment	(102,362)	-
Net realized and unrealized gain on investments	1,748,144	634,025
Investment fees	(145,885)	(138,181)
Total non-operating activities	2,738,766	1,440,873
Change in Net Assets	6,551,963	4,840,866
Net Assets, beginning of year	52,754,516	47,913,650
Net Assets, end of year	\$ 59,306,479	\$ 52,754,516

#### Statement of Functional Expenses For the Year Ended June 30, 2019

						Pro	ogram	and Deliver	y Serv	vices									
	 Oregon	California		Connecticut	Rho	de Island	Mii	nnesota	Ver	mont	Maine	(	Colorado		strict of lumbia	Was	hington	General and Administrative	 Total
Salaries and related benefits	\$ 113,319 \$	812,6	14 §	93,741	\$	27,808	\$	133,528 \$	\$	39,213	\$ 82,807	\$	194,026	\$	16,034	\$	2,544	\$ 1,395,251	\$ 2,910,883
Collection support	20,381	3,134,6	72	434,073		100,440		448,281		81,970	145,009		506,813		38,858		-	-	4,910,49′
Transportation and processing	4,085,078	22,661,0	82	2,133,266		471,744	4	,214,375	6	36,180	933,710		3,989,607	2	216,039		-	-	39,341,08
Communications	59,964	3,394,9	05	462,698		105,153		187,698		9,375	23,502		613,849	1	104,388		-	61,056	5,022,58
State agency administrative fees	40,000	224,5	26	20,000		-		24,319		15,000	71,003		120,000		26,000		-	-	540,84
Management fees	-		-	-		-		-		-	-		-		-		-	2,151,624	2,151,62
Professional fees	2,700	25,4	32	5,596		769		2,950		2,829	3,541		37,900		496		-	94,447	176,66
Legal fees	350	201,0	33	11,511		15,144		10,078		263	9,505		3,339		1,186		-	23,632	276,04
Travel	21,803	156,5	65	9,951		5,527		14,731		7,134	17,143		49,160		9,095		4,502	157,311	452,92
Meetings	1,240	10,5	42	533		-		1,487		71	152		3,200		546		18	21,997	39,78
Office and supplies	1,040	3,4	43	229		288		1,019		246	314		1,968		163		-	30,954	39,66
Subscriptions and publications	931	5,0	02	292		81		1,530		119	252		1,718		4		-	81,761	91,69
Professional development	1,653	27,5	06	2,716		856		4,971		127	2,773		7,458		51		-	25,531	73,64
Depreciation and amortization	-		-	-		-		-		-	-		-		-		-	112,611	112,61
nsurance	-		-	-		-		-		-	-		-		-		-	220,261	220,26
Bank fees	1,185		-	1,572		979		-		-	205		-		-		-	56,681	60,62
Research and development grant	-	100,0	00	-		-		-		-	-		100,000		-		-	-	200,00
Other expenses	 16,016	6,4	25	351		303		23,482		40	10,845		341		309		-	815	 58,92
<b>Fotal Expenses</b>	\$ 4,365,660 \$	30,763,7	47 §	\$ 3,176,529	\$	729,092	<u>\$ 5</u>	,068,449 \$	\$ <u>7</u>	92,567	\$ 1,300,761	\$	5,629,379	<b>\$</b> 4	413,169	\$	7,064	\$ 4,433,932	\$ 56,680,34

#### Statement of Functional Expenses For the Year Ended June 30, 2018

		Program and Delivery Services											
	Oregon	California	Connecticut	Rhode Island	Minnesota	Vermont	Maine	Colorado	District of Columbia	General and Administrative	Total		
Salaries and related benefits	\$ 99,554	\$ 689,697	\$ 89,719	\$ 26,890	\$ 125,429	\$ 36,332 \$	76,778	6 174,956	\$ 26,256	\$ 1,378,112	\$ 2,723,723		
Collection support	14,151	3,088,154	419,471	102,140	427,620	77,744	131,874	494,745	35,885	-	4,791,784		
Transportation and processing	4,746,058	23,089,574	1,985,183	471,128	4,095,774	599,131	800,695	3,746,160	195,501	-	39,729,204		
Communications	58,998	3,449,964	448,418	89,429	204,463	7,865	23,715	671,904	52,037	29,680	5,036,473		
State agency administrative fees	50,000	167,633	20,000	-	35,160	15,000	53,146	120,000	26,000	-	486,939		
Management fees	-	-	-	-	-	-	-	-	-	2,146,079	2,146,079		
Professional fees	52,450	9,680	13,040	1,098	1,019	770	764	259	151	90,017	169,248		
Legal fees	871	1,231,975	1,594	-	-	-	4,305	8,499	-	24,165	1,271,409		
Travel	20,950	169,762	13,775	4,775	15,478	5,797	15,848	65,492	6,462	140,849	459,188		
Meetings	646	9,278	726	51	1,131	2	4	5,305	32	12,819	29,994		
Office and supplies	1,428	6,705	187	53	6,073	226	295	3,474	15	31,681	50,137		
Subscriptions and publications	868	3,128	132	30	789	43	91	1,465	-	29,474	36,020		
Professional development	957	13,872	1,939	240	4,257	590	2,478	6,309	392	22,223	53,257		
Depreciation and amortization	-	-	-	-	-	-	-	-	-	79,626	79,626		
Insurance	-	-	-	-	-	-	-	-	-	163,709	163,709		
Bank fees	1,263	-	4,804	2,891	-	-	-	-	-	63,490	72,448		
Other expenses	12,552	50,347	15,213	925	12,260	54	100	1,158	226	2,269	95,104		
Total Expenses	\$ 5,060,746	\$ 31,979,769	\$ 3,014,201	\$ 699,650	\$ 4,929,453	\$ 743,554 \$	1,110,093	5,299,726	\$ 342,957	\$ 4,214,193	\$ 57,394,342		

# Statements of Cash Flows For the Years Ended June 30, 2019 and 2018

	 2019	 2018
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 6,551,963	\$ 4,840,866
Adjustments to reconcile change in net assets to		
net cash provided by operating activities:		
Depreciation and amortization	112,611	79,626
Loss on disposal of property and equipment	102,362	-
Net realized and unrealized gain on investments	(1,748,144)	(634,025)
Change in allowance for doubtful accounts		
receivable	21,272	17,055
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	229,693	(147,428)
Prepaid expenses	(79,660)	76,525
Increase in:		
Accounts payable and accrued expenses	2,440,737	827,494
Grants payable	200,000	-
Due to affiliate	 38,369	 45,302
Net cash provided by operating activities	 7,869,203	 5,105,415
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(18,563,757)	(5,945,029)
Proceeds from sale of investments	17,470,774	138,182
Purchases of property and equipment	 (316,775)	 
Net cash used in investing activities	 (1,409,758)	 (5,806,847)
Net Increase (Decrease) in Cash	6,459,445	(701,432)
Cash and Cash Equivalents, beginning of year	 9,136,849	 9,838,281
Cash and Cash Equivalents, end of year	\$ 15,596,294	\$ 9,136,849

Notes to Financial Statements June 30, 2019 and 2018

## **1.** Nature of Operations

PaintCare Inc. ("PaintCare"), a not-for-profit 501(c)(3) organization, was created in October 2009 by the American Coatings Association (ACA), who, working with state and local government stakeholders, passed the first ever paint product stewardship law in the United States in the state of Oregon in 2009. Similar legislation has subsequently been passed in other jurisdictions. The paint stewardship legislation guides an industry-led, end-of-life management program for post-consumer paint, which PaintCare operates. The PaintCare Board is made up of architectural paint manufacturers and participation in PaintCare is not limited to ACA members, but open to all architectural paint manufacturers. There are no dues or registration fees associated with PaintCare.

PaintCare organized single-member limited liability companies (LLC) for the Oregon, Connecticut, Rhode Island, Maine, Colorado, and District of Columbia programs in an effort to shield the assets of each state program from liability stemming from acts and obligations of other PaintCare state programs.

# 2. Summary of Significant Accounting Policies

## Basis of Accounting and Presentation

PaintCare's financial statements are prepared on the accrual basis of accounting. Net assets without donor restrictions represent funds that are not subject to donor-imposed stipulations and are available for support of PaintCare's operations. At June 30, 2019 and 2018, all net assets were without donor restrictions.

## Cash Equivalents

For the purpose of the statements of cash flows, PaintCare considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase.

## Accounts Receivable

Accounts receivable are recorded at net realizable value and represent amounts due from post-consumer paint recovery fees. PaintCare provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts are individually analyzed for collectability and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2019 and 2018, an allowance of \$64,175 and \$42,903, respectively, was recognized.

Notes to Financial Statements June 30, 2019 and 2018

# 2. Summary of Significant Accounting Policies (continued)

#### Investments

Investments are stated at fair value, based on quoted market prices. All realized and unrealized gains and losses are included in the accompanying statements of activities.

## Property and Equipment

Property and equipment with a projected useful life ranging from three to ten years and in excess of \$1,000 are capitalized and recorded at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the individual assets, ranging from three to ten years.

## Grants Payable

Grants payable represents amounts awarded to organizations for the Innovative Recycling Grant Competition. These funds are committed as of June 30, 2019 and will be paid out over a maximum period of three years on a reimbursement-only basis. Grants payable is included on the accompanying statements of financial position and total \$200,000 and \$0 at June 30, 2019 and 2018.

## Revenue Recognition

PaintCare recognizes revenue from post-consumer paint recovery fees at the time architectural paint product is sold by a manufacturer participant of the paint product stewardship program. Manufacturer participants in the program pay the PaintCare recovery fee to PaintCare based on the amount of program products they sell on a monthly basis.

Program participants report their monthly unit sales of paint through a secure, HTTPS online system using their unique user ID and password. The participant must pay a paint recovery fee per unit sold, based on container size, according to the established fee schedule for each state program. As the PaintCare recovery fee is added to the wholesale price of paint and passed through uniformly to the retail purchase price of paint—so that the manufacturer, distributor, and/or retailer is made whole—in some cases, distributors or retailers have elected to undertake the obligation of the manufacturer for these fees. Thus, PaintCare has allowed remitter agreements in the program, whereby a distributor or retailer reports and remits directly to PaintCare on behalf of a participant manufacturer's brand or brands. Reports and payments are due by the end of the month following the reporting period.

Revenue from all other sources is recognized when earned.

Notes to Financial Statements June 30, 2019 and 2018

## 2. Summary of Significant Accounting Policies (continued)

## Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Communications Costs

PaintCare holds communication-related contracts for advertising, marketing, and consumer awareness. Communications costs are charged to operations when incurred. Communications expenses were \$5,022,588 and \$5,036,473 for the years ended June 30, 2019 and 2018, respectively.

#### Measure of Operations

PaintCare includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities and excludes realized and unrealized gains and losses on investments, interest and dividends, and loss on disposal of property and equipment.

## Reclassifications

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation. These reclassifications have no effect on the change in net assets previously reported.

## Adopted Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. PaintCare has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, except for the liquidity and availability footnote, which is permitted by the ASU in the year of adoption. The implementation had no impact on previously reported net assets.

Notes to Financial Statements June 30, 2019 and 2018

## 2. Summary of Significant Accounting Policies (continued)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Subsequent Events

In preparing these financial statements, PaintCare has evaluated events and transactions for potential recognition or disclosure through September 24, 2019, the date the financial statements were available to be issued.

## 3. Liquidity and Availability

PaintCare has \$51,156,773 of financial assets available within one year of the statement of financial position date. PaintCare strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Management periodically reviews PaintCare's liquid asset needs and adjusts the cash and cash equivalent balances as necessary. Amounts in excess of operating liquidity needs are invested in money market funds and highly liquid securities.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2019:

Cash and cash equivalents	\$ 15,596,294
Accounts receivable, net	6,964,498
Investments appropriated for current use	28,595,981
Total available for general expenditures	\$ 51,156,773

Notes to Financial Statements June 30, 2019 and 2018

#### 4. Concentration of Credit Risk

Financial instruments that potentially subject PaintCare to significant concentrations of credit risk consist of cash and cash equivalents, and investments. PaintCare maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). PaintCare has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

## 5. Accounts Receivable

Accounts receivable related to the following programs were due as follows at June 30:

	 2019	 2018
California	\$ 3,931,082	\$ 4,192,629
Colorado	761,606	787,597
Minnesota	749,761	719,043
Oregon	716,721	621,643
Connecticut	392,831	418,627
Maine	189,135	211,907
Rhode Island	113,726	123,092
District of Columbia	64,030	65,794
Vermont	 109,781	 118,034
Total accounts receivable Less: allowance for doubtful accounts	7,028,673 (64,175)	7,258,366 (42,903)
Accounts receivable, net	\$ 6,964,498	\$ 7,215,463

Notes to Financial Statements June 30, 2019 and 2018

## 6. Investments and Fair Value Measurements

PaintCare invests a portion of its accumulated surplus in a portfolio with Bank of America/Merrill Lynch. The sole objective of the portfolio is to earn a return equal to the rate of inflation and thus preserve the purchasing power of its capital. Interest, dividends, changes in market value, and other investment activities are allocated to each state program based on the relative net asset balances of each state program. Oversight of the investments is provided by the PaintCare Budget and Finance Committee and by the PaintCare Board of Directors.

PaintCare follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, PaintCare uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. Level 2 inputs include government securities as well as some mutual funds consisting mainly of fixed income instruments, which are valued based on quoted prices in less active markets.

# Notes to Financial Statements June 30, 2019 and 2018

# 6. Investments and Fair Value Measurements (continued)

The following table presents PaintCare's fair value hierarchy for those assets measured on a recurring basis as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Equities:	ф <i>САЕ БОЛ</i>		ф ф	
Energy	\$ 645,537	5 -	\$ - \$	645,537
Materials	516,536	-	-	516,536
Industrials	1,537,644	-	-	1,537,644
Consumer discretionary	1,516,737	-	-	1,516,737
Consumer staples	1,197,977	-	-	1,197,977
Health care	1,807,095	-	-	1,807,095
Financials	2,138,219	-	-	2,138,219
Information technology	2,507,382	-	-	2,507,382
Telecommunication				
service	1,257,481	-	-	1,257,481
Utilities	564,074	-	-	564,074
Real estate	687,533	-	-	687,533
Bend	71,662	-	-	71,662
Mutual funds:				
Exchange traded funds	4,518,546	-	-	4,518,546
Fixed income	7,523,367	-	-	7,523,367
Corporate bonds	6,869,374	-	-	6,869,374
Cash equivalents	1,046,678	-	-	1,046,678
Government securities:				, ,
U.S. Treasury	-	9,750,771	-	9,750,771
U.S. Agency		3,894,394	-	3,894,394
Total investments	\$ 34,405,842	\$ 13,645,165	\$ - \$	48,051,007

# Notes to Financial Statements June 30, 2019 and 2018

# 6. Investments and Fair Value Measurements (continued)

The following table presents PaintCare's fair value hierarchy for those assets measured on a recurring basis as of June 30, 2018:

		Level 1	Level 2	Level 3	Total
Equities:					
Energy	\$	840,666 \$	- \$	- \$	840,666
Materials	Ψ	585,373	Ψ	Ψ _	585,373
Industrials		1,588,432	_	_	1,588,432
Consumer discretionary	7	1,725,904	_	_	1,725,904
Consumer staples		918,613	_	_	918,613
Health care		1,691,862	_	_	1,691,862
Financials		2,159,797		_	2,159,797
Information technology	,	2,786,203		_	2,786,203
Telecommunication		2,780,203	-	-	2,780,203
service		264,307			264,307
Utilities			-	-	-
		416,149	-	-	416,149
Real estate		531,755	-	-	531,755
Bend		59,749	-	-	59,749
Mutual funds:		<b>5</b> 4 <b>5</b> 1 00 4	2 456 200		0.000.000
Fixed income		5,471,994	3,456,299	-	8,928,293
Corporate bonds		11,781,845	-	-	11,781,845
Cash equivalents		1,214,776	-	-	1,214,776
Government securities:					
U.S. Treasury		-	9,716,156	_	9,716,156
Total investments	\$	32,037,425 \$	13,172,455 \$	- \$	45,209,880

Investment income consisted of the following for the years ended June 30:

	 2019	 2018
Interest and dividend income Net realized and unrealized gain Investment fees	\$ 1,238,869 1,748,144 (145,885)	\$ 945,029 634,025 (138,181)
Total investment income	\$ 2,841,128	\$ 1,440,873

Notes to Financial Statements June 30, 2019 and 2018

## 7. **Property and Equipment**

PaintCare held the following property and equipment at June 30:

	 2019	2018		
Software Less: accumulated depreciation	\$ 354,739	\$	421,822	
and amortization	 (80,201)		(249,086)	
Property and equipment, net	\$ 274,538	\$	172,736	

## 8. Related Party

ACA, a related party, is a separate, 501(c)(6) nonprofit organization working to advance the needs of the paint and coatings industry and the professionals who work in it. ACA serves its members as an advocate on legislative, regulatory, and judicial issues at the federal, state, and local levels. ACA also provides members with such services as research and technical information, statistical management information, legal guidance, and community service project support and acts as a forum for the exchange of information and ideas among the industry and its business partners. ACA incorporated PaintCare for the sole purpose of implementing programs for post-consumer architectural paint. ACA maintains a controlling interest in PaintCare through the ability to appoint its Board of Directors.

In February 2011, ACA and PaintCare entered into an affiliation agreement whereby ACA charges PaintCare an administrative fee, annually, to cover the following expense categories: allocation of time incurred by PaintCare officers, allocation of other direct labor, and allocation of occupancy and infrastructure costs. The term of the agreement is for one year and automatically renews for one-year terms unless canceled by either party.

For the years ended June 30, 2019 and 2018, the total administrative fees charged by ACA to PaintCare were \$2,151,624 and \$2,146,079, respectively. At June 30, 2019 and 2018, PaintCare owed ACA \$800,081 and \$761,712, respectively, which is recorded as due to affiliate in the accompanying statements of financial position.

Notes to Financial Statements June 30, 2019 and 2018

## 9. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, depreciation and amortization, insurance, and other, which are allocated on the basis of estimates of time and effort.

## **10.** Income Taxes

PaintCare is recognized as a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3) and is exempt from income taxes except for taxes on unrelated business activities.

No tax expense is recorded in the accompanying financial statements for PaintCare, as there was no unrelated business taxable income. Contributions to PaintCare are deductible as provided in IRC Section 170(b)(1)(A)(vi).

Management evaluated PaintCare's tax positions and concluded that PaintCare's financial statements do not include any uncertain tax positions.

SUPPLEMENTARY INFORMATION

#### Schedule of Activities, Organized by Program For the Year Ended June 30, 2019

	Ore	egon	California	Connecticut	Rhode Island	Minnesota	Vermont	Maine	Colorado	District of Columbia	Washington	General and Administrative	Total
<b>Operating Revenue and Support</b> Paint recovery fees	\$	5,478,466 \$	34,611,457 \$	3,445,259 \$	930,766 \$	6,413,373 \$	866,404 \$	1,295,654 \$	6,817,282 \$	634,885 \$	- \$	- \$	60,493,546
Total operating revenue and support		5,478,466	34,611,457	3,445,259	930,766	6,413,373	866,404	1,295,654	6,817,282	634,885	-	-	60,493,546
Expenses													
Program and delivery services:													
Collection support		20,381	3,134,672	434,074	100,441	448,281	81,970	145,009	506,792	38,858	-	-	4,910,478
Transportation and processing	4	4,085,078	22,661,082	2,133,266	471,744	4,214,374	636,182	933,710	3,989,607	216,039	-	-	39,341,082
Communications		59,874	3,394,905	462,699	105,153	187,698	9,375	23,503	610,204	104,387	-	-	4,957,798
Legal fees		350	201,033	11,511	15,144	10,078	263	9,505	3,339	1,186	-	-	252,409
State agency administrative fees		40,000	224,526	20,000	-	24,319	15,000	71,003	120,000	26,000	-	-	540,848
Special projects		-	6,400	-	-	14,119	-	-	-	-	-	-	20,519
Research and development		-	100,000	-	-	-	-	-	100,000	-	-	-	200,000
Other program expenses		159,977	1,041,129	114,979	36,610	169,580	49,777	118,031	299,437	26,699	7,064	-	2,023,283
Total program and delivery services	2	4,365,660	30,763,747	3,176,529	729,092	5,068,449	792,567	1,300,761	5,629,379	413,169	7,064	-	52,246,417
General and administrative:													
Legal fees		-	-	-	-	-	-	-	-	-	-	23,632	23,632
Management fees		-	-	-	-	-	-	-	-	-	-	2,151,624	2,151,624
Insurance		-	-	-	-	-	-	-	-	-	-	220,261	220,261
Other expense		-	-	-	-	-	-	-	-	-	-	2,038,415	2,038,415
Total general and administrative		-	-	-	-	-	-	-	-	-	-	4,433,932	4,433,932
Total expenses	2	4,365,660	30,763,747	3,176,529	729,092	5,068,449	792,567	1,300,761	5,629,379	413,169	7,064	4,433,932	56,680,349
Change in Net Assets from Operations	1	1,112,806	3,847,710	268,730	201,674	1,344,924	73,837	(5,107)	1,187,903	221,716	(7,064)	(4,433,932)	3,813,197
Non-Operating Activities Investment income		-	-	-	-	-	-	-	-	-	-	2,841,128	2,841,128
Loss on disposal of property and equipment		-	-	-	-	-	-	-	-	-	-	(102,362)	(102,362)
Change in Net Assets Before Allocation of General and Administrative Activities	I	1,112,806	3,847,710	268,730	201,674	1,344,924	73,837	(5,107)	1,187,903	221,716	(7,064)	(1,695,166)	6,551,963
General and administrative allocation Investment allocation		(293,665)	(2,855,647) 2,567,226	(273,967)	(80,683)	(406,565) (493)	(47,965) (26,253)	(101,824) (2,417)	(385,506) 282,154	(46,124) 20,911	(44,348)	4,536,294 (2,841,128)	-
Total Change in Net Assets		819,141	3,559,289	(5,237)	120,991	937,866	(381)	(109,348)	1,084,551	196,503	(51,412)	-	6,551,963
Net Assets (Deficit), beginning of year		(909,292)	45,853,006	3,391,903	702,738	(718,905)	(523,200)	270,716	4,422,394	265,156	-	_	52,754,516
Net Assets (Deficit), end of year	\$	(90,151) \$	49,412,295 \$	3,386,666 \$	823,729 \$	218,961 \$	(523,581) \$	161,368 \$	5,506,945 \$	461,659 \$	(51,412) \$	- \$	59,306,479

#### Schedule of Activities, Organized by Program For the Year Ended June 30, 2018

Other income         99,424         Image: Constraint of the strength	tal
Other income         99,424         ·	
Total operating revenue and support         4,916,252         3,589,235         3,589,443         921,847         6,192,108         870,581         1,455,662         6,865,320         613,887         -           Program and delivery services:         Callection support         14,150         3,088,155         419,471         102,140         427,619         77,744         131,874         494,744         35,886         -           Collections         4,746,057         23,489,573         1,985,183         471,128         4,095,774         599,131         800,695         3,746,166         195,501         -         -         4,305         3,746,166         195,501         -         -         4,305         3,499         -         -         -         4,305         3,746,166         195,501         -         -         4,305         8,499         -         -         -         4,305         8,499         - <t< td=""><td>0,694,911</td></t<>	0,694,911
Expense Program and delivery services: Collections support         14,150         3,088,155         419,471         102,140         427,619         77,744         131,874         494,744         35,886         -           Collections support         4,746,057         23,089,573         1,985,183         471,128         4,095,774         599,131         800,695         3,346,160         195,501         - <td>99,424</td>	99,424
Program and delivery services:         14,150         3,088,155         419,471         102,140         427,619         77,744         131,874         494,744         35,886         -           Communication and processing         4,746,057         23,089,573         1,985,183         471,128         4,095,774         599,131         800,055         3,746,160         195,501         -         -         -         69,864         52,037         -         -         -         4,045         744         669,864         52,037         -         -         -         4,045         8,499         -         -         -         4,045         8,499         -         -         -         4,045         8,499         -         -         -         4,045         8,499         -         -         -         4,045         120,000         26,000         -         0         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         10,019         31,919,769         3,014,201         699,650         4,929,453         743,554         1,110,093         5299,726         342,957         -         -<	,794,335
Program and delivery services:         14,150         3,088,155         419,471         102,140         427,619         77,744         131,874         494,744         35,886         -           Communication and processing         4,746,057         23,089,573         1,985,183         471,128         4,095,774         599,131         800,055         3,746,160         195,501         -         -         -         69,864         52,037         -         -         -         4,045         744         669,864         52,037         -         -         -         4,045         8,499         -         -         -         4,045         8,499         -         -         -         4,045         8,499         -         -         -         4,045         8,499         -         -         -         4,045         120,000         26,000         -         0         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         10,019         31,919,769         3,014,201         699,650         4,929,453         743,554         1,110,093         5299,726         342,957         -         -<	
Collection support         14,150         3,088,155         419,471         102,140         427,619         77,744         13,1874         494,744         35,886         -         -           Transportation and processing         4,746,057         23,089,573         1,985,1183         471,128         4,095,774         599,131         800,095         3,746,106         195,501         -         -         -         4,045         8,499         -         -         -         4,045         8,499         -         -         -         4,055         8,71         123,197         1,594         -         -         -         4,305         8,499         -         -         -         -         4,305         8,499         -         -         -         -         4,305         8,499         -         -         -         -         4,305         8,499         -	
Communications         58,998         3,449,964         448,418         89,429         204,464         7,865         23,714         669,864         52,037         -           Legal fees         871         1,231,975         1,594         -         -         4,305         8,499         -         -         -         4,305         8,499         -         -         -         -         4,305         8,499         -         -         -         -         4,305         8,499         -         -         -         -         4,305         8,499         -         -         -         -         4,305         8,499         -         -         -         -         4,305         8,499         -         -         -         -         -         -         -         -         -         -         2,016         0.000         0.014         0.9,530         49,92,933         743,554         1,110,093         5,299,726         342,957         -         -         24,165         Maagement fees         -         -         -         24,165         163,709         0.014,01         -         -         -         1,880,240         103,709         0.014,01         163,709         0.014,01         169,650 </td <td>,791,783</td>	,791,783
Communications         58.998         3.449.964         448.418         89.429         204,46         7.865         23.714         669.864         52.037         -           Legal fees         871         1.231.975         1.594         -         -         4.305         8.499         -         -         -         4.305         8.499         -         -         -         -         4.305         8.499         -         -         -         -         4.305         8.499         -         -         -         -         4.305         8.499         -         -         -         -         4.305         8.499         -         -         -         -         4.305         8.499         -         -         -         -         -         -         -         -         -         -         2.00,59         33.53         -         -         -         -         -         2.00,59         342.957         -         -         24.165         Management fees         -         -         -         24.165         Management fees         -         -         -         1.03.709         0.0140         1.03.709         0.0140         1.880.240         1.880.240         1.880.240         1.880.2	,729,202
State agency administrative fees         50,000         167,633         20,000         -         35,160         15,000         53,146         120,000         26,000         -           Other program expenses         190,670         952,469         139,535         36,953         166,436         43,814         96,359         260,459         33,533         -           Total program and delivery services         5,060,746         31,979,769         3,014,201         699,650         4,929,453         743,554         1,110,093         5,299,726         342,957         -         -         -         24,165           General and administrative:         -         -         -         -         -         -         2,146,079           Insurance         -         -         -         -         -         2,146,079           Insurance         -         -         -         -         -         163,709           Other expense         -         -         -         -         -         4,214,103           Total general and administrative         -         -         -         -         4,214,103         -         4,214,193           Total expenses         5,060,746         31,979,769         3,014,201	,004,753
Other program expenses         190,670         952,469         139,535         36,953         166,436         43,814         96,359         260,459         33,533         .           Total program and delivery services         5,060,746         31,979,769         3,014,201         699,650         4,929,453         743,554         1,110,093         5,299,726         342,957         .         .           General and administrative:                   24,165	,247,244
Total program and delivery services       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       -         General and administrative:       Legal fees       -       -       -       -       -       -       24,165         Management fees       -       -       -       -       -       -       21,146,079         Insurance       -       -       -       -       -       -       163,709         Other expense       -       -       -       -       -       -       163,709         Total general and administrative       -       -       -       -       -       4,214,079         Total general and administrative       -       -       -       -       163,709         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193          In Net Assets from Operation	486,939
General and administrative:       1       1       1       1       24,165         Management fees       1       1       1       1       2,146,079         Insurance       1       1       1       1       1       2,146,079         Other expense       1       1       1       1       1       163,709         Other expense       1       1       1       1       1,880,240         Total general and administrative       1       1       1       1,880,240         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193       3         Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities       1       1       1       1       1,440,873         Investment income       1       1       1       1       1,440,873	,920,228
Legal fees       -       -       -       -       -       -       -       -       24,165         Management fees       -       -       -       -       -       2,146,079       2,146,079         Insurance       -       -       -       -       -       -       2,146,079         Other expense       -       -       -       -       -       -       163,709         Other expense       -       -       -       -       -       -       1880,240         Total general and administrative       -       -       -       -       -       4,214,193         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193       -         Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities       -       -       -       -       -       -       -       1,440,873         Investment income       -       -       -       -       - <td>,180,149</td>	,180,149
Legal fees       -       -       -       -       -       -       -       -       24,165         Management fees       -       -       -       -       -       2,146,079       2,146,079         Insurance       -       -       -       -       -       -       2,146,079         Other expense       -       -       -       -       -       -       163,709         Other expense       -       -       -       -       -       -       1880,240         Total general and administrative       -       -       -       -       -       4,214,193         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193       -         Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities       -       -       -       -       -       -       -       1,440,873         Investment income       -       -       -       -       - <td></td>	
Management fees       -       -       -       -       -       -       -       2,146,079         Insurance       -       -       -       -       -       -       163,709         Other expense       -       -       -       -       -       -       163,709         Total general and administrative       -       -       -       -       -       4,214,193         Total general and administrative       -       -       -       -       -       4,214,193         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193         Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities       -       -       -       -       -       -       1,440,873         Investment income       -       -       -       -       -       -       1,440,873	24,165
Insurance       -       -       -       -       -       -       -       -       163,709         Other expense       -       -       -       -       -       -       -       1,880,240         Total general and administrative       -       -       -       -       -       -       4,214,193         Total general and administrative       -       -       -       -       -       -       4,214,193         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193       5         Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities       -       -       -       -       -       -       -       -       1,440,873	24,105
Other expense       -       -       -       -       -       -       -       -       -       -       1,880,240         Total general and administrative       -       -       -       -       -       -       -       4,214,193         Total general and administrative       -       -       -       -       -       -       4,214,193         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193       5         Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities       -       -       -       -       -       -       -       1,440,873	163,709
Total general and administrative       -       -       -       -       -       4,214,193         Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193         Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities       Investment income       -       -       -       -       -       -       -       1,440,873	,880,240
Total expenses       5,060,746       31,979,769       3,014,201       699,650       4,929,453       743,554       1,110,093       5,299,726       342,957       4,214,193       5         Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities       Investment income       -       -       -       -       -       1,440,873	,000,240
Change in Net Assets from Operations       (144,494)       3,389,466       575,242       222,197       1,262,655       127,027       345,569       1,565,594       270,930       (4,214,193)         Non-Operating Activities Investment income       -       -       -       -       -       -       -       1,440,873	,214,193
Non-Operating Activities Investment income 1,440,873	,394,342
Investment income 1,440,873	,399,993
Change in Net Assets Before Allocation of	,440,873
General and Administrative Activities (144,494) 3,389,466 575,242 222,197 1,262,655 127,027 345,569 1,565,594 270,930 (2,773,320)	,840,866
General and administrative allocation (275,506) (2,679,071) (257,027) (75,694) (381,425) (45,000) (95,528) (361,668) (43,273) 4,214,192	-
Investment allocation - 1,380,251 (39,090) (16,396) 4,394 108,040 3,673 (1,440,872)	
Total Change in Net Assets         (420,000)         2,090,646         318,215         146,503         842,140         65,631         254,435         1,311,966         231,330         -	,840,866
Net Assets (Deficit), beginning of year (489,292) 43,762,360 3,073,688 556,235 (1,561,045) (588,831) 16,281 3,110,428 33,826 -	,913,650
Net Assets (Deficit), end of year \$ (909,292) \$ 45,853,006 \$ 3,391,903 \$ 702,738 \$ (718,905) \$ (523,200) \$ 270,716 \$ 4,422,394 \$ 265,156 \$ - \$	2,754,516

Appendix Section C



# Vermont Paint Stewardship Program

Each year about 780 million gallons of architectural paint is sold in the United States. Did you know that about 10 percent goes unused and is available for recycling?

Vermont's Paint Stewardship Law requires the paint manufacturing industry to develop a financially sustainable and environmentally responsible program to manage postconsumer architectural paint.

The program includes education about buying the right amount of paint, tips for using up remaining paint and setting up convenient recycling locations throughout the state.

Paint manufacturers established PaintCare, a nonprofit organization, to run paint stewardship programs in states with applicable laws.

# **PaintCare Products**

These products have fees when you buy them and are accepted for free at drop-off sites:

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints (including elastomeric)
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes (single component)
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- · Field and lawn paints

Leaking, unlabeled and empty containers are not accepted at drop-off sites.

# **Non-PaintCare Products**

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulk, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes

For information about recycling and proper disposal of non-PaintCare products, please contact your garbage hauler, local environmental health agency, household hazardous waste program or public works department.







VERMONT

# Places to Take Old Paint

Paint recycling is more convenient with PaintCare. We set up paint drop-off sites throughout Vermont. To find your nearest drop-off site, use PaintCare's search tool at www.paintcare.org or call our hotline at (855) 724-6809.

# How to Recycle

PaintCare sites accept all brands of old house paint, stain and varnish — even if they are 20 years old! Containers must be five gallons or smaller, and a few types of paint are not accepted. See back panel for a list of what you can recycle.

All PaintCare drop-off sites accept up to five gallons of paint per visit. Some sites accept more. Please call the site in advance to make sure they can accept the amount of paint you would like to recycle.

Make sure all containers of paint have lids and original labels, and load them securely in your vehicle. Take them to a drop-off site during their regular business hours. We'll take it from there.

# What Happens to the Paint?

PaintCare will make sure that your leftover paint is remixed into recycled paint, used as a fuel, made into other products or properly disposed.

# Who Can Use the Program?

**People** bringing paint from their homes can bring as much latex or oil-based paint as the site is willing to accept.

**Businesses** (painting contractors and others) can use this program with one restriction: If your business produces more than 220 pounds (about 20-30 gallons) of hazardous waste per month, you may use the drop-off sites for your latex paint only but not for your oil-based paint. Contact PaintCare to learn more about this restriction.

# Large Volume Pick-Up

If you have at least 200 gallons of paint to recycle at your business or home, ask about our free pick-up service. Please call for more details or to request an appointment.



PaintCare is funded by a fee paid by paint manufacturers for each can of paint they sell in the state. Manufacturers pass the fee to retailers, who then apply it to the price of paint. Stores can choose whether or not to show the fee on their receipts. Fees are based on the size of the container as follows:

- \$0.00 Half pint or smaller
- \$0.49 Larger than half pint and smaller than 1 gallon
- \$0.99 1 Gallon
- \$1.99 Larger than 1 gallon up to 5 gallons

# Not a Deposit

The fee is not a deposit — it is part of the purchase price. The fees are used to pay the costs of running the program: recycling, public education, staffing and other expenses.



# **Contact Us**

To learn more or find a drop-off site, please visit www.paintcare.org or call (855) 724-6809.

#### Mini Card



Find a drop-off site near you: (855) 724-6809 • www.paintcare.org

# Buy right. Use it up. Recycle the rest.

Manufacturers of paint created PaintCare, a nonprofit organization, to set up convenient places for you to recycle leftover paint. We're working to provide environmentally sound and cost-effective recycling programs in your state and others with paint stewardship laws.

#### LEARN MORE

Visit www.paintcare.org or follow us on Facebook for tips on how to buy the right amount of paint, store paint properly, use up leftover paint, and find a drop-off site. We also have a free pick-up service for businesses or households with at least 300 gallons of paint to recycle.



# **Paint Recycling Program**

# About the Vermont PaintCare Program

# PAINTCARE

Paint manufacturers created PaintCare, a non-profit organization, to set up convenient places for households and businesses to recycle leftover paint. PaintCare sets up paint drop-off sites throughout states that adopt paint stewardship laws.

# PAINTCARE PRODUCTS

These products have fees when purchased and will be accepted for free at PaintCare drop-off sites:

- Latex paints (acrylic, water-based)
- Oil-based paints (alkyd)
- Stains
- Primers and undercoaters
- Shellacs, lacquers, varnishes, urethanes
- Deck and floor paints
- Sealers and waterproofing coatings for wood, concrete and masonry

## ♦ NON-PAINTCARE PRODUCTS

- Paint thinners and solvents
- Aerosol paints (spray cans)
- · Auto and marine paints
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Asphalt, tar and bitumen-based products
- 2-component coatings
- Coatings used for Original Equipment Manufacturing or shop application
- Any non-coatings (caulk, spackle, cleaners, etc.)

## FEES

PaintCare fees are applied to the purchase price of architectural paint sold in the state as required by state law. Fees are applied to each container and vary by the size of the container as follows:

Half pint or smaller	\$ 0.00
Larger than half pint and smaller than 1 gallon	\$ 0.49
1 gallon	\$ 0.99
More than 1 gallon up to 5 gallons	\$ 1.99

For more information or to find a place to take your unwanted paint for recycling, please ask for the PaintCare brochure, visit **www.paintcare.org** or call **(855) 724-6809**.



Recycle with PaintCare



#### Paint Recycling Made Easy

recycling more convenient, cost effective, and environmentally sound. Paint doesn't belong in the trash or down the drain. If you can't use it up, recycle it with PaintCare.

We're setting up locations in your state where you can bring old paint for free all year-round.



What types of paint products can be recycled in Vermont?

NON-PAINTCARE PRODUCTS

Leaking, unlabeled, and empty containers are not accepted.

Paint thinners and solvents

Aerosol paints (spray cans)
Auto and marine paints

Paint additives, colorants, tints, resins

Wood preservatives (containing pesticides)

Asphalt, tar, and bitumen-based products

2-component coatings
Coatings used for Original

Equipment Manufacturing or shop application

Any non-coatings (caulk, spackle, cleaner, etc.)

#### PAINTCARE PRODUCTS

(YOU CAN RECYCLE THESE) These products have fees when you buy them and are accepted for free when you drop them off for recycling:

- Water-based paints
- (latex, acrylic) Oil-based paints (alkyd)
- Stains
- Primers
- Varnishes
  Shellacs
- Lacquers
  Urethanes
- Deck paints
- Floor paints
- Sealers Waterproofing coatings

#### PROGRAM FUNDING

The PaintCare Fee is applied to the purchase price of architectural paint sold in your state as required by law. Fees are based on container size:

Half pint or smaller	\$0.00
Larger than half pint and smaller than 1 gallon	\$0.49
1 gallon	\$0.99
Larger than 1 gallon up to 5 gallons	\$1.99

VT-CMWI-1018

LEARN MORE: Please ask for a PaintCare program brochure, visit www.paintcare.org, or call (855) 724-6809.

VERMONT PAINT STEWARDSHIP PROGRAM



# Information for Painting Contractors

UPDATED — JUNE 2019

# Vermont's Paint Stewardship Program began in May 2014.

The Vermont Paint Stewardship law requires paint manufacturers to set up and operate a stewardship program in Vermont. The program is funded by a fee on each container of architectural paint sold in the state. The program sets up drop-off sites at retail stores and other sites throughout the state where households and businesses are able to take most types of leftover paint for recycling, free of charge.

# Paint Stewardship

The American Coatings Association (ACA) worked with various stakeholders interested in the management of postconsumer paint to develop a Paint Stewardship Program in the United States. PaintCare Inc. is a nonprofit organization established by ACA to implement the program on behalf of paint manufacturers in states that adopt paint stewardship laws. PaintCare operates programs in California, Colorado, Connecticut, District of Columbia, Maine, Minnesota, Oregon, Rhode Island, and Vermont. PaintCare is currently developing a program for Washington, expected to launch in 2020.

The main goals of the program are to decrease paint waste and recycle more postconsumer paint by setting up convenient drop-off sites in each PaintCare state.

# 

# **Fees and Funding**

As required by state law, a paint stewardship assessment (PaintCare Fee) must be added by manufacturers to the wholesale price of all architectural paint sold in the state. This fee is paid by manufacturers to PaintCare to fund setting up drop-off sites for leftover, postconsumer paint, and for the transportation, recycling, and proper disposal of that paint. The fees also pay for consumer education and program administrative costs.

Fees vary from state to state. Vermont fees, effective August 1, 2016, are based on container size as follows:

\$ 0.00 — Half pint or smaller
\$ 0.49 — Larger than half pint up to smaller than 1 gallon
\$ 0.99 — 1 gallon
\$ 1.99 — Larger than 1 gallon up to 5 gallons

The law also requires that each distributor and retailer include the PaintCare Fee with their sale price of architectural paint sold in the state. Displaying the fee on invoices and receipts is not mandatory for distributors or retailers; however, PaintCare encourages them to show the fee and list it as PaintCare Fee to aid in customer and dealer education and to ensure transparency.

# **Notice for Painting Contractors**

It is expected that contractors will pass the fees on to their customers in order to recoup the fees they pay on the product.

When estimating jobs, contractors should take these fees into account by checking with suppliers to make sure the quotes for paint products include the fees. You should also let your customers know that you will be including these fees in your quotes.

# Paint Drop-Off Sites

PaintCare has more than 70 paint drop-off sites across Vermont. Most drop-off sites are at paint stores. Other sites include certain solid waste transfer stations, recycling centers, and government-sponsored household hazardous waste programs. Participation as a drop-off site is voluntary.

#### Use of Retail Drop-Off Sites by Businesses

Retail drop-off sites provide a convenient and no cost recycling option for painting contractors and other businesses. Businesses that generate less than 220 pounds of hazardous waste\* per month will be able to use these sites to recycle all PaintCare products (both water and oil-based) with some restrictions on quantities per month.

Larger businesses (those that generate more than 220 pounds of hazardous waste per month) may use the dropoff sites for their water-based PaintCare products only; they are not able to use the sites for oil-based paint or other solvent-based products.

\*220 pounds is about 20-30 gallons of paint. When counting how much hazardous waste you generate in a month, oil-based paint counts (because by law it is a hazardous waste), but latex and other water-based paint does not count toward the 220 pound monthly total.



# Pick-Up Service for Large Volumes

Businesses with at least 200 gallons of postconsumer paint to recycle may qualify to have their paint picked up by PaintCare at no additional cost. To learn more about this service or to request an appointment, please visit www.paintcare.org/pickup or call (855) 724-6809.

#### Contact

John Hurd Program Manager (Maine and Vermont) (802) 245-4821 jhurd@paint.org

#### WHAT PRODUCTS ARE COVERED?

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold. PaintCare Products include interior and exterior architectural coatings sold in containers of five gallons or less. However, they do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

#### **PaintCare Products**

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints (including elastomeric)
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes (single component)
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

#### **Non-Paintcare Products**

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulking compounds, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar, and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes



# Large Volume Pick-Up (LVP) Service

UPDATED — OCTOBER 2018

### PaintCare offers a free pick-up service to painting contractors, property managers, households, and others with large amounts of leftover architectural paint.

#### Who is PaintCare?

PaintCare Inc. is a non-profit organization established by the American Coatings Association to operate paint stewardship programs on behalf of paint manufacturers in states that pass paint stewardship laws.

#### Paint Drop-Off Sites

In states with a paint stewardship program, PaintCare's primary effort is to set up conveniently located drop-off sites—places where residents and businesses may take their unwanted paint for no charge. Sites set their own limits on the volume of paint they accept from customers per visit (usually from 5 to 20 gallons). To find a drop-off site near you, please use PaintCare's site locator at www.paintcare.org or call (855) 724-6809.

#### Large Volume Pick-Ups

For those who have accumulated a large volume of paint, PaintCare also offers a pick-up service. Large volume means at least 200 gallons, measured by container size (not content). On a case-by-case basis, PaintCare may approve a pick-up for less than 200 gallons if there are no drop-off sites in your area. After two or three pick-ups, you may be switched to a regular service (see next page).

#### Drums and Bulked Paint Are Not Accepted

PaintCare only accepts paint in containers that are 5 gallons or smaller in size. Leave paint in original cans with original labels; do not combine or bulk paint from small cans into larger ones. If you have unwanted paint in drums or containers larger than 5 gallons, please contact a licensed paint recycling company or a hazardous waste transportation company to assist you.

#### HOW TO REQUEST A LARGE VOLUME PICK-UP

#### 1) Sort and count your paint

We need to know the number of each container size and the type of products you have, sorted into two categories: (1) water-based paints and stains and (2) oil-based paint and stains and any other program products (sealers and clear top-coat products, such as varnish and shellac).

 Fill out the LVP Request Form and send it in Fill out a paper or electronic version of the "Large Volume Pick-Up Request Form" and return it to PaintCare online or by email, fax, or regular mail. (Visit www.paintcare.org or call PaintCare for the form.)

#### Scheduling

After reviewing your form, PaintCare staff will either approve your site for a pick-up or inform you of the best place to take your paint if you do not meet the requirements. If approved, you will be put in contact with our licensed hauler to schedule a pick-up. It may be several weeks before your pick-up occurs.

#### On the Day of Your Pick-Up

Sort your products into the two categories noted above and store them in an area that has easy access. If the paint is a far distance from where the hauler parks, the path between should be at least four feet wide to accommodate movement of the boxes.



Businesses, please plan to have staff available to pack the paint cans into the boxes. The hauler may be able to provide some assistance, but we require your staff to be present and provide labor to pack boxes. Once your paint is properly packed and loaded onto the hauler's truck, you will sign a shipping document and receive a copy for your records. Your paint will then be taken to an authorized processing facility for recycling.

#### Note: Paint must be in original containers and not leaking.

#### **Repeat Service for Large Volume Users**

For businesses that generate large volumes of unwanted paint on a regular basis, a service for recurring direct pickups is available. With this service, you will be provided with empty bins, then request a pick-up when at least three bins are filled. PaintCare will provide onsite training on how to properly pack the paint, and you will be required to sign a contract with PaintCare.

#### **Limits on Businesses**

To use the program for oil-based products, your waste must qualify as exempt under federal (40 CFR § 262.14) and state/local hazardous waste generator rules. Most notably, these rules require that your business (a) generates no more than 220 pounds (about 20-30 gallons, depending on type) of hazardous waste per month, and (b) accumulates no more than 2,200 pounds (approximately 220 gallons) of hazardous waste at any given time. If your business fails to qualify as an exempt generator, it will not be able to use the program for oil-based products. For more information on the federal hazardous generator rules, please go to www.paintcare.org/limits.

### Note: When calculating how much hazardous waste you generate in a month, do not count latex paint.

#### If You Have Products We Don't Accept

The program does not accept all paints (such as aerosols and automotive finishes) or other hazardous waste. If you have solvents, thinners, pesticides, or any non-PaintCare products (see list to right for examples), we recommend that residents contact their local household hazardous waste (HHW) program. Some HHW programs allow businesses to use their program for a modest fee. Otherwise, businesses should contact a licensed hazardous waste transportation company.

#### What Products Are Covered?

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold. PaintCare Products include interior and exterior architectural coatings sold in containers of 5 gallons or less. However, they do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

#### **PAINTCARE PRODUCTS**

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

#### **NON-PAINTCARE PRODUCTS**

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulking compounds, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar, and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes

Appendix Section D



# **2018 Awareness Survey Results**

prepared by



**DECEMBER 2018** 

**KB** Insights

### **Table of Contents**

Study Overview: Objectives, Key Measurements, Responses

**Respondent Profiles:** Demographic Characteristics

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Cross-tabulations: Behavior, Awareness and Engagement

Paint Care Advertising/Marketing Considerations: Awareness, Recall, Impressions

**Cross-tabulations:** Advertising and Marketing Metrics

**KPI Summary and Next Steps** 

**APPENDIX:** State/District Highlights

# **Study Objectives and Key Measurements**

Objective	Related KPI/Measurement
Increase knowledge of paint recycling	Do you know that paint can be recycled?
Impact paint recycling behaviors	Have you ever taken paint somewhere to be recycled?
Decrease storage of paint in home	Do you currently have any leftover or unwanted paint in your home or business (e.g., primer, interior house paint, stain, deck sealer, or clear finishes like varnish)? If so, how much paint do you have?
Increase knowledge of PaintCare	Have you ever ever heard of PaintCare, the program that sets up sites that take paint for recycling?
Execute memorable ads	Do you recall seeing an advertisement for PaintCare in the last several months?
Stimulate word of mouth and other communications	Do you recall hearing about PaintCare in any of the following other ways?

# **Study Enhancements Made to Survey Approach**

### Improved sampling approach:

- Increased sample sizes to more precise measurement.
- Managed state/district "quotas" to be more reflective of the population based on census data (e.g. age, income categories, ethnicity, etc.).
- Implemented survey "screeners" to exclude those under 18 and those who had moved to non-participating states.

### Enhanced survey tool:

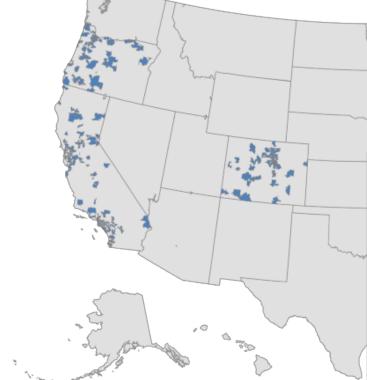
- Refreshed survey by adding/deleting/updating consumer behavior questions based on prior findings.
- Collected open-ended feedback regarding personal motivations to recycle (or not), providing insightful information with which to better communicate in the future.
- Revised wording to better define terms for consistent understanding (e.g. "paint")

### • Performed deeper analysis:

- Conducted comment categorization to understand the top reasons for recycling paint to guide future messaging
- Compared past recycling behaviors to future intentions to better understand/predict macrotrends in consumer behavior.
- Examined cross-tabulated data to understand pockets of consumers who recycle the most and least, to guide future targeting.

### **Response Summary**

- ✤ 2,626 surveys were conducted in 8 states plus the District of Columbia in November 2018.
- All states/district except California received at least 250 surveys; California, 553.
- 250 observations allows us to be 90% confident that the true result for this population is +/- 5% from the measured result; 95% confident that the true result is +/-6% from the measured result.
- Similarly, 550 observations allows us to be 90% confident that the true result is +/-3.5% from the measured result; 95% confident that the true result is +/-4% from the measured result.



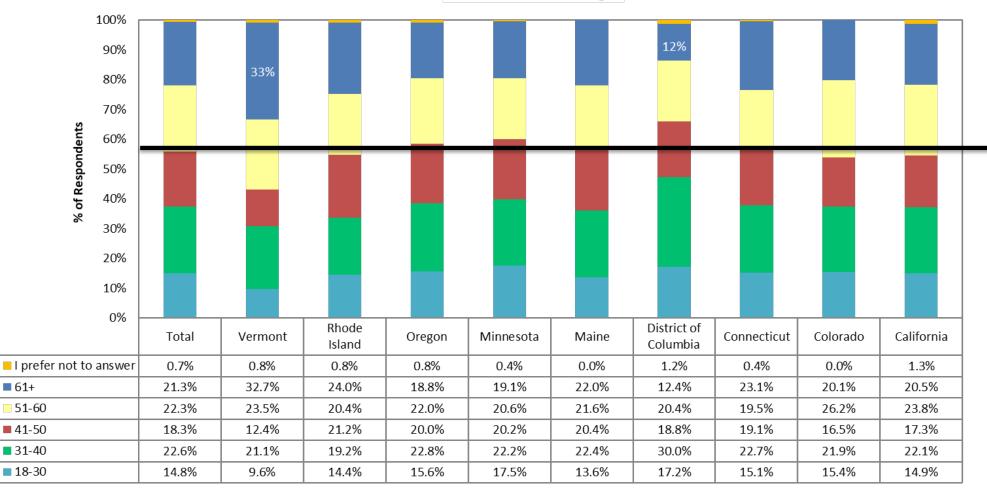
#### **Respondent Locations**

	Partial Surveys	Full Surveys	Total Surveys
California	42	542	553
Colorado	28	279	284
Connecticut	21	251	258
The District of Columbia	4	250	256
Maine	11	252	252
Minnesota	5	250	259
Oregon	12	250	252
Rhode Island	7	250	257
Vermont	6	251	255
Total	136	2575	2626

# **RESPONDENT PROFILES**

# **Profile of Respondents - Age**

- ✤ A good mix of age ranges were represented in each state's sample.
- Variances can be attributed to state characteristics. Based on census data, Vermont has the greatest proportion of 55+ residents; DC, the lowest—consistent with the survey respondent base.
- Note that all respondents were at least 18 years old.



### **Respondent Age**

## **Profile of Respondents - Gender**

- Roughly half of those surveyed were men; half, women.
- Very few declined to share this information or provided an "other" response.



### **Gender Identity**

\*Other: Gender Neutral

# **Profile of Respondents - Ethnicity**

- About 80% of all respondents were Caucasian.
- However, there were variances within states/district, consistent with census data. California has a higher proportion of Hispanic and Asian residents. The District of Columbia and Connecticut have the highest African American populations.



**Respondent Ethnicity** 

\*Other: American, Human, Mixed, Middle Eastern, Jewish, Irish, Portuguese

# **Profile of Respondents - Income**

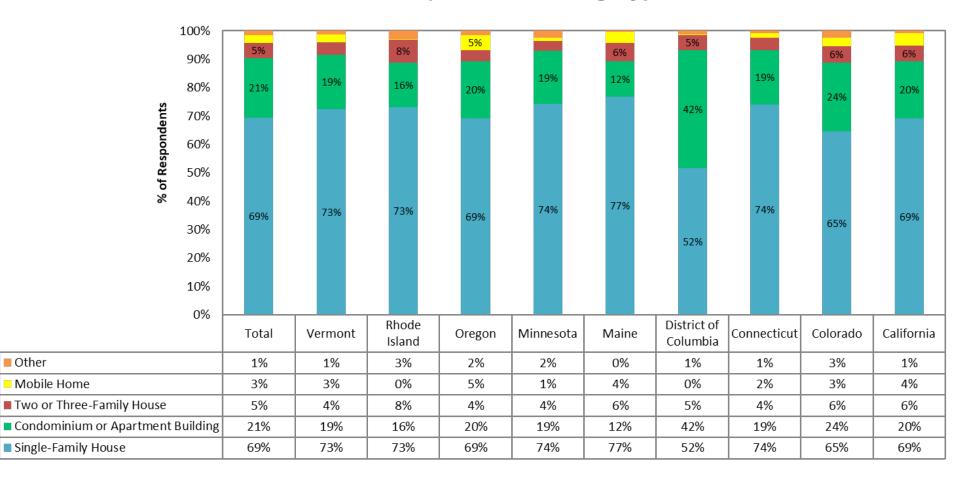
- The median household income level for respondents is \$50-99K in each state, consistent with census data.
- Median household income in the United States was \$62,450 in July 2018 (Sentier Research).



### **Respondent Annual Household Income**

# **Profile of Respondents – Dwelling Type**

- Most respondents live in a single family home. \*
- Condominium/apartment living was more predominant in Washington D.C. than in other parts of the \* country.



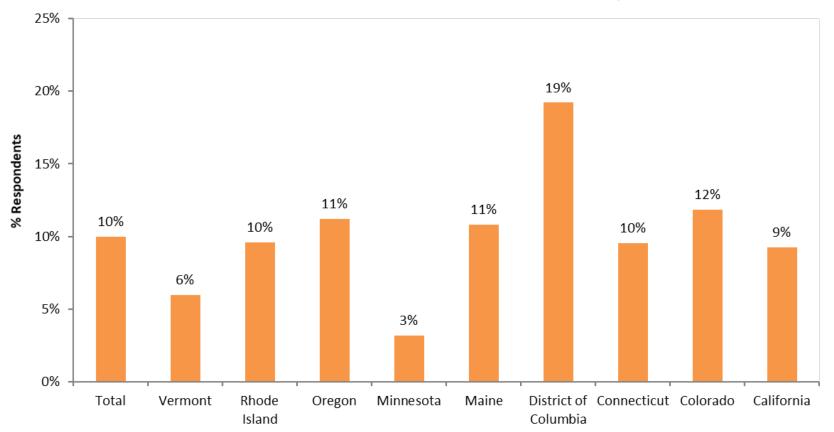
### **Respondent Dwelling Type**

\*Other: Townhome, Rent a Single Room, Dorm, Modular Home, Senior Home

Other

# **Profile of Respondents – Paint-Related Profession**

- About 10% of those surveyed said they painted professionally.
- There were significant variances between states, consistent with results from prior surveys.

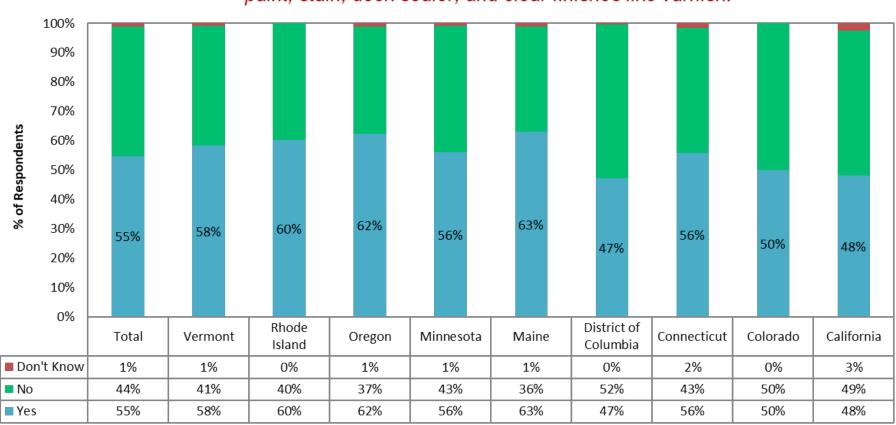


# Do you paint professionally (as a painting contractor, property maintenance crew, etc. but NOT as an artist)?

# CONSUMER BEHAVIOR PAINT PURCHASING AND DISPOSAL

# **Recency of Paint Purchases**

- Slightly over half of respondents bought paint in the last year.
- Results varied slightly by state. The fewest purchased paint in the last year in D.C.; the most, in Maine and Oregon.



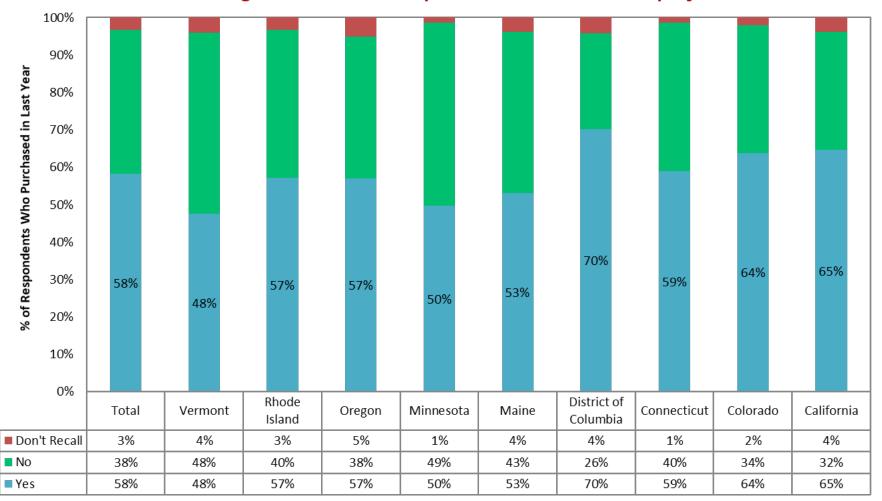
### Have you purchased paint in the last year\*?

\*For the purposes of this question, "paint" includes primer, interior or exterior house paint, stain, deck sealer, and clear finishes like varnish.

# **Measurements Prior to Paint Purchases**

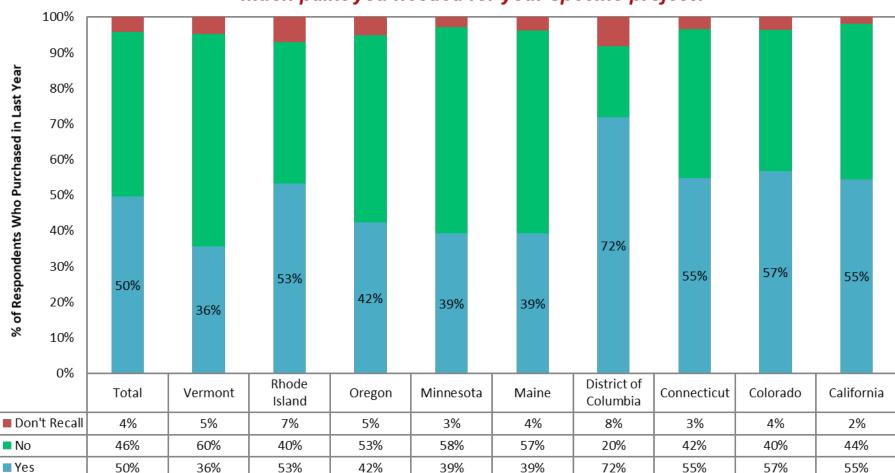
- ✤ 58% of respondents measured ahead of time to determine paint needs.
- The highest level of preparation occurred in D.C.; the lowest, in Vermont.

Before purchasing, did you take any measurements of the area to be painted to figure out how much paint was needed for the project?



# **Paint Store Assistance**

- About half the time, respondents said the paint store assisted them with determining paint needs.
- D.C. retailers are most involved in this process; Vermont, Maine and Minnesota retailers, the least involved.

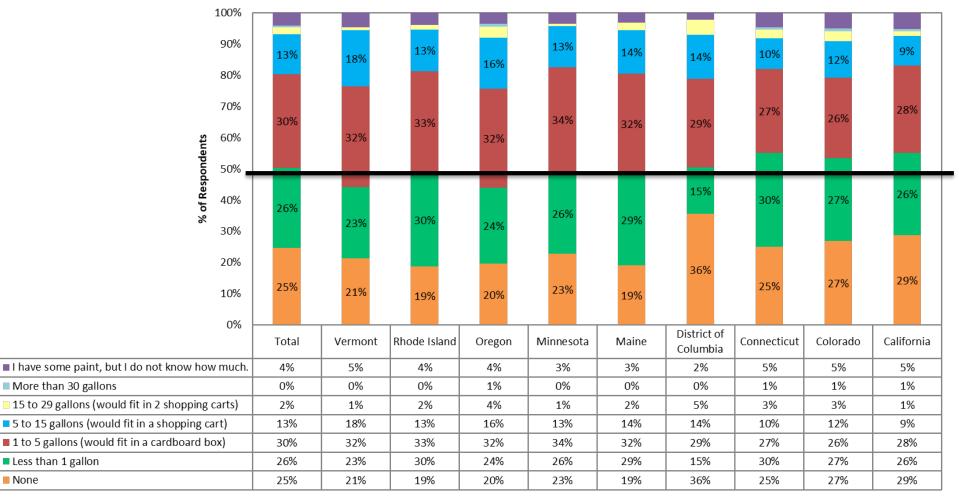


# Did the staff of the paint retail store assist you with figuring out exactly how much paint you needed for your specific project?

# Leftover Paint

- The amount of paint stored at home varied considerably, from less than a gallon to a shopping cart full. \*\*
- The median response by state was either "less than 1 gallon" or "1 to 5 gallons." \*
- Very few said they stored more than 15 gallons (two shopping carts full). \*

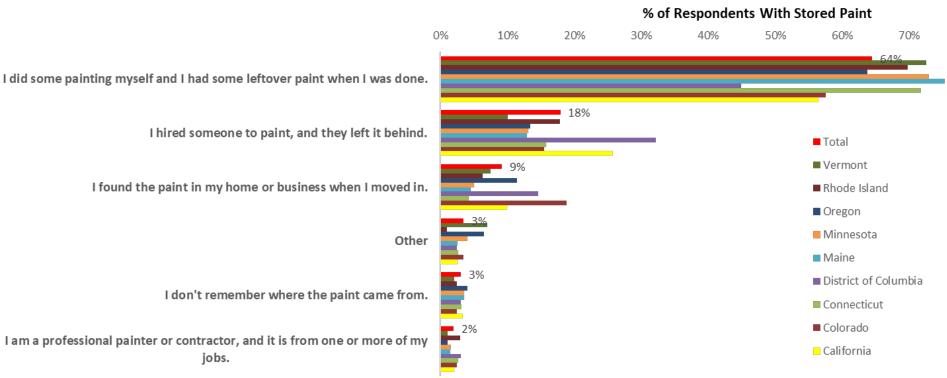
How much leftover or unwanted paint do you have in your home or business at this time (e.g., primer, interior or exterior house paint, stain, deck sealer, or clear finishes like varnish)?



None

## **Reasons for Paint Storage**

The top 3 reasons that consumers store paint is the same in all states: leftovers from their own paint job, from a contractor's paint job, or left at move-in.



#### Where did most of the paint come from?

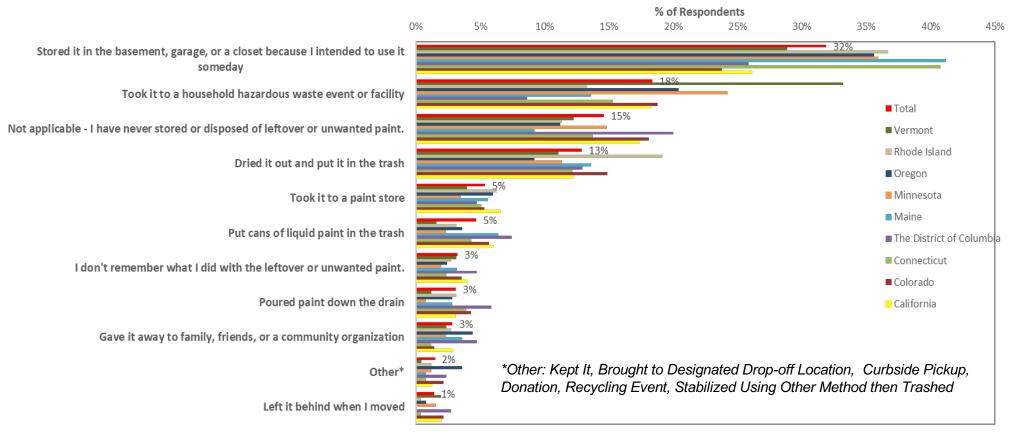
							District of			
	Total	Vermont	Rhode Island	Oregon	Minnesota	Maine	Columbia	Connecticut	Colorado	California
I did some painting myself and I had some leftover paint when I was done.	64%	73%	70%	64%	73%	75%	45%	72%	57%	56%
I hired someone to paint, and they left it behind.	18%	10%	18%	13%	13%	13%	32%	16%	15%	26%
I found the paint in my home or business when I moved in.	9%	8%	6%	11%	5%	4%	15%	4%	19%	10%
Other	3%	7%	1%	6%	4%	2%	2%	3%	3%	3%
I don't remember where the paint came from.	3%	2%	2%	4%	4%	3%	3%	3%	2%	3%
I am a professional painter or contractor, and it is from one or more of my jobs.	2%	1%	3%	1%	2%	1%	3%	3%	2%	2%
Sample Size	1965	200	208	201	199	202	165	191	207	392

\*Other responses: Bought paint at retailer, brought from another dwelling, gifted by friend/relative

### **Past Paint Disposal Methods**

Most people who keep paint intend to use it someday. Disposing at HHW facility & dry/trash method common.

#### In the past, which has been your preferred method to dispose of leftover or unwanted paint?

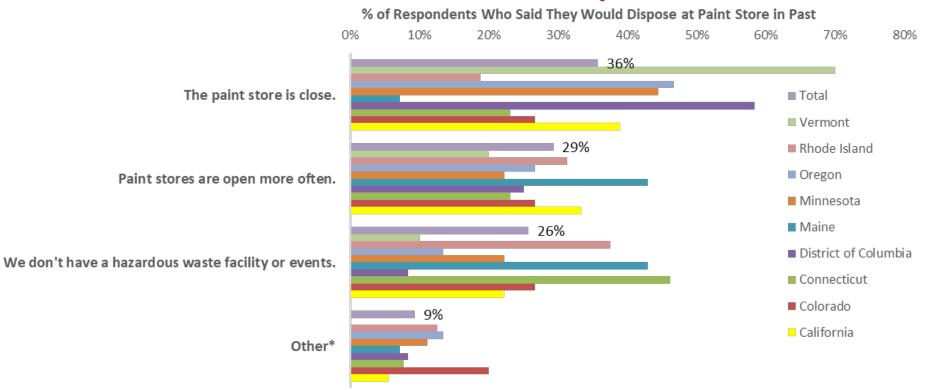


	Total	Vermont	RI	Oregon	Minnesota	Maine	DC	Connecticut	Colorado	California
Stored it in the basement, garage, or a closet because I intended to use it someday	32%	29%	37%	36%	36%	41%	26%	41%	24%	26%
Took it to a household hazardous waste event or facility	18%	33%	13%	20%	24%	14%	9%	15%	19%	18%
Not applicable - I have never stored or disposed of leftover or unwanted paint.	15%	12%	11%	11%	15%	9%	20%	14%	18%	17%
Dried it out and put it in the trash	13%	11%	19%	9%	11%	14%	13%	12%	15%	12%
Took it to a paint store	5%	4%	6%	6%	4%	6%	5%	5%	5%	7%
Put cans of liquid paint in the trash	5%	2%	3%	4%	2%	6%	7%	4%	6%	6%
I don't remember what I did with the leftover or unwanted paint.	3%	3%	3%	2%	2%	3%	5%	2%	4%	4%
Poured paint down the drain	3%	1%	3%	3%	1%	3%	6%	4%	4%	3%
Gave it away to family, friends, or a community organization	3%	2%	3%	4%	2%	4%	5%	1%	1%	3%
Other	2%	0%	1%	4%	1%	1%	2%	1%	2%	1%
Left it behind when I moved	1%	2%	0%	1%	2%	0%	3%	0%	2%	2%
Sample Size	2604	253	256	250	256	250	255	255	282	547

## **Past Paint Store Disposal Preference**

Three reasons for disposing at a paint store are prevalent: location, hours and lack of HHW facility.

# What is the main reason you would take paint to a paint store instead of a household hazardous waste facility or event?



			Rhode				District of			
	Total	Vermont	Island	Oregon	Minnesota	Maine	Columbia	Connecticut	Colorado	California
The paint store is close.	36%	70%	19%	47%	44%	7%	58%	23%	27%	39%
Paint stores are open more often.	29%	20%	31%	27%	22%	43%	25%	23%	27%	33%
We don't have a hazardous waste facility or events.	26%	10%	38%	13%	22%	43%	8%	46%	27%	22%
Other*	9%	0%	13%	13%	11%	7%	8%	8%	20%	6%
Sample Size	140	10	16	15	9	14	12	13	15	36

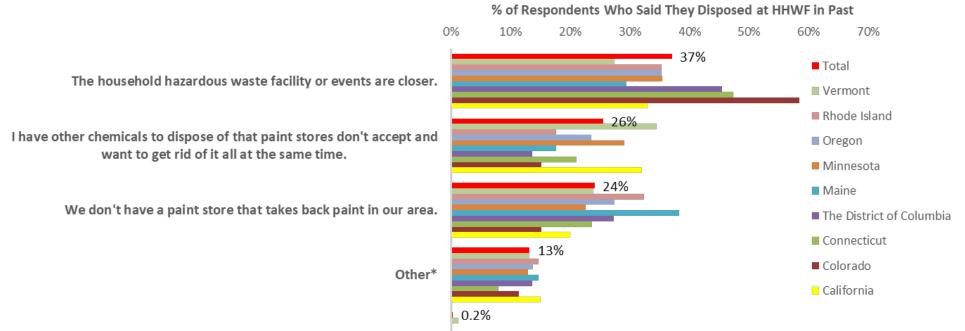
\*Other: Store Decides How to Dispose, Regular Hours, Charitable Giving, They Recycle, Refund

**KB** Insights

### Household Hazardous Waste Facility Disposal Preference

- In most states, the fact that the HHW facility/event is closer drives consumer preference.
- However, in Maine, many said there wasn't a paint store that takes back paint; in Vermont, the ability to handle "other" chemical disposal needs made a difference.
- Note: results should be interpreted directionally only as sample sizes are low.

# What is the main reason you would take paint to a household hazardous waste facility instead of a paint store?



#### I have more paint than the paint stores would take.

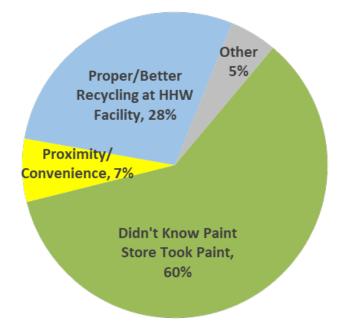
			Rhode				District of			
	Total	Vermont	Island	Oregon	Minnesota	Maine	Columbia	Connecticut	Colorado	California
The household hazardous waste facility or events are closer.	37%	27%	35%	35%	35%	29%	45%	47%	58%	33%
I have other chemicals to dispose of that paint stores don't accept and want										
to get rid of it all at the same time.	26%	35%	18%	24%	29%	18%	14%	21%	15%	32%
We don't have a paint store that takes back paint in our area.	24%	24%	32%	27%	23%	38%	27%	24%	15%	20%
Other*	13%	13%	15%	14%	13%	15%	14%	8%	11%	15%
I have more paint than the paint stores would take.	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Sample Size	478	84	34	51	62	34	22	38	53	100
(B lucidate										

**KB** Insights

### Household Hazardous Waste Facility Event Preference (continued)

- Comment categorization shows that many respondents simply were unaware that paint stores took paint for recycling.
- Others felt the HHW facility would use better recycling procedures.
- Note that these reasons should be added to the survey in 2019.

### Comment Categorization: Other Reasons Household Hazardous Waste Facilities are Preferred over Paint Stores



#### Sample Comments, Didn't Know

Did not know paint store would take paint
didn't know paint stores took old paint
Didn't know they took old paint
I did not know paint stores would take it.
I didn't know that a paint store would take it
I didn't know a paint store would take back old paint
I didn't know paint stores accepted left over paint.
I didn't know that paint stores would take unused paint back.

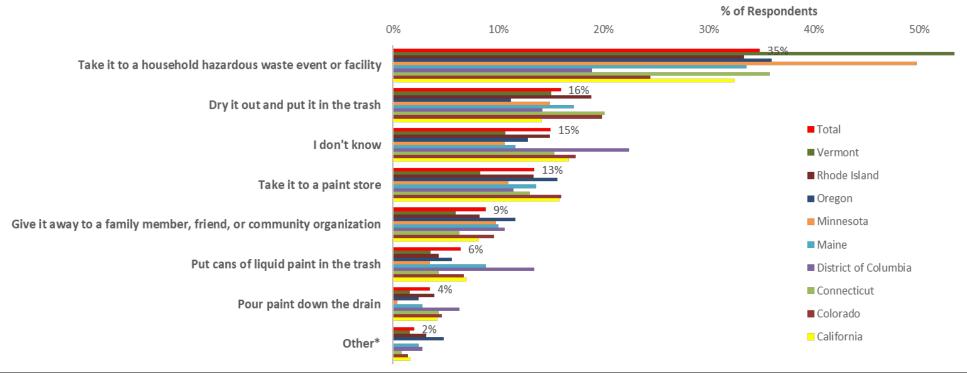
#### Sample Comments, Proper Recycling

Proper disposal of hazardous material
I believe that is the best place to take the paint
this seems like the most responsible thing to do
its the best way to safely dispose of it
So that it will be disposed of properly.
I wanted it disposed of properly
It's the right thing to do!

# **Future Paint Disposal Intentions**

- The top method for future disposal in all states is taking it to a HHW event or facility.
- In most states, the dry it out/throw it away method is also prevalent.
- The three states where taking it to a paint store is cited most often: OR, CO and CA.

#### If you wanted to get rid of unwanted paint in the near future, what would you most likely do with it?



	Total	Vermont	RI	Oregon	Minnesota	Maine	DC	Connecticut	Colorado	California
Take it to a household hazardous waste event or facility	35%	53%	33%	36%	50%	34%	19%	36%	24%	32%
Dry it out and put it in the trash	16%	15%	19%	11%	15%	17%	14%	20%	20%	14%
I don't know	15%	11%	15%	13%	11%	12%	22%	15%	17%	17%
Take it to a paint store	13%	8%	13%	16%	11%	14%	11%	13%	16%	16%
Give it away to a family member, friend, or community organization	9%	<mark>6%</mark>	8%	12%	10%	10%	11%	6%	10%	8%
Put cans of liquid paint in the trash	6%	4%	4%	6%	4%	9%	13%	4%	7%	7%
Pour paint down the drain	4%	2%	4%	2%	0%	3%	6%	4%	5%	4%
Other*	2%	2%	3%	5%	0%	2%	3%	1%	1%	2%
Sample Size	2598	253	255	250	255	250	254	254	282	545

**KB** Insights

\*Other: Keep it, research what to do, give it back to retailer, bring to dump/center

### **Trend: Past Disposal Behaviors to Future Disposal Intentions**

- All indicators show that there is a shift occurring to greener disposal methods.
- Fewer consumers will throw away or pour paint down the drain in the future.
- More consumers will repurpose or recycle old paint in the future.

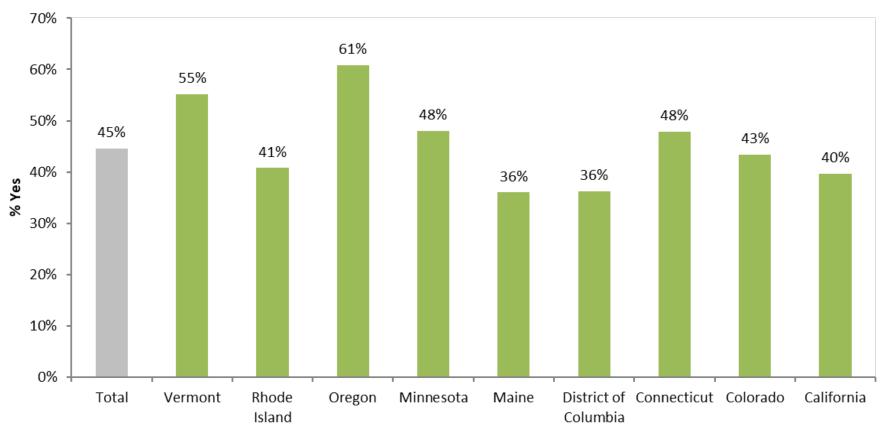
### Gap in % of Respondents Who Selected Disposal Method (Did Not Keep) -20% -15% -10% -5% 0% 5% 10% 15% 5% Give it away to a family member, friend, or community organization 3% Take it to a household hazardous waste event or facility Take it to a paint store -8% Dry it out and put it in the trash Put cans of liquid paint in the trash Pour paint down the drain ■ Total ■ Vermont ■ Rhode Island ■ Oregon ■ Minnesota ■ Maine ■ The District of Columbia ■ Connecticut ■ Colorado ■ California

### Gap Analysis: Past vs. Future Paint Disposal Methods

# PAINT RECYCLING AWARENESS/ENGAGEMENT

## **Awareness of Paint Recycling**

- Surprisingly, less than half of respondents knew that paint could be recycled.
- There are some states where knowledge is greater, such as Oregon and Vermont.
- The areas where knowledge is lowest are Maine and the District of Columbia.

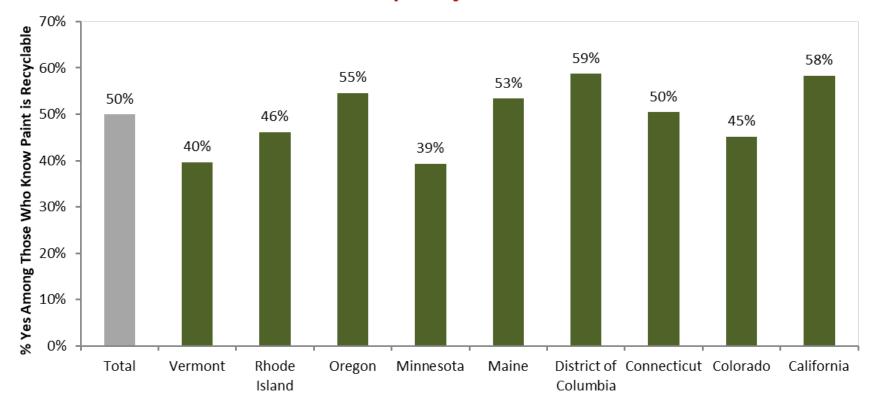


### Prior to this survey, did you know that paint can be recycled?

### Awareness of Fee Among Those Who Knew About Recycling

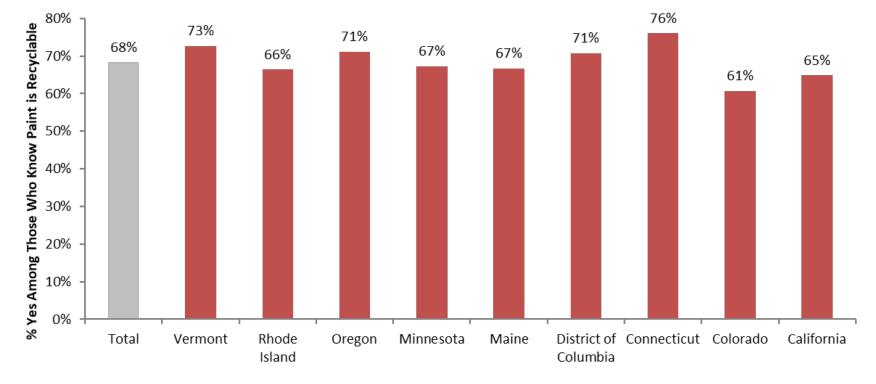
- Those who are aware that paint can be recycled are not necessarily aware of the nuances of how it works. Only half of these respondents knew that there was a recycling fee added to paint purchases.
- Some states showed greater than average awareness, such as California and D.C.

### Are you aware that when you buy paint in (STATE), there is a small fee added to the price to pay for a program to recycle any leftover paint you have?



### Awareness of Places for Recycling Among Those Who Knew

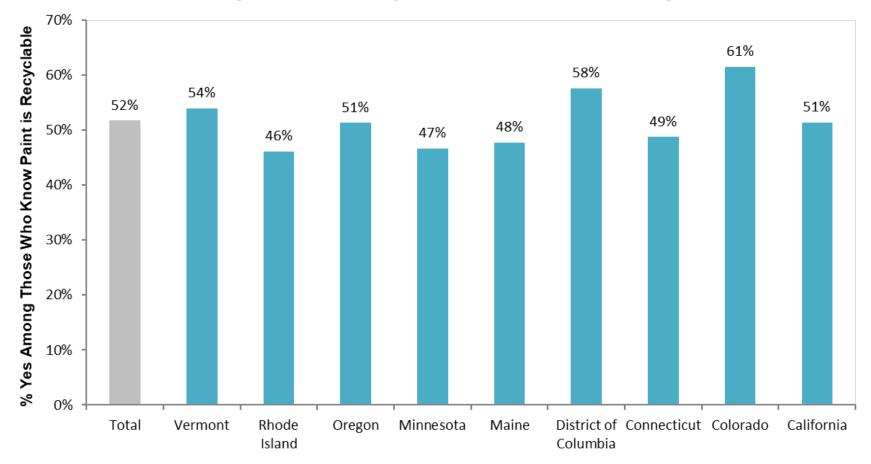
- More than two thirds of respondents who were aware of paint recycling said they knew where to take old paint to be recycled.
- The strongest results were in Connecticut and Vermont.



### If you wanted to take paint somewhere to be recycled, do you know where to take it?

# Past Recycling Behaviors Among Those Who Knew

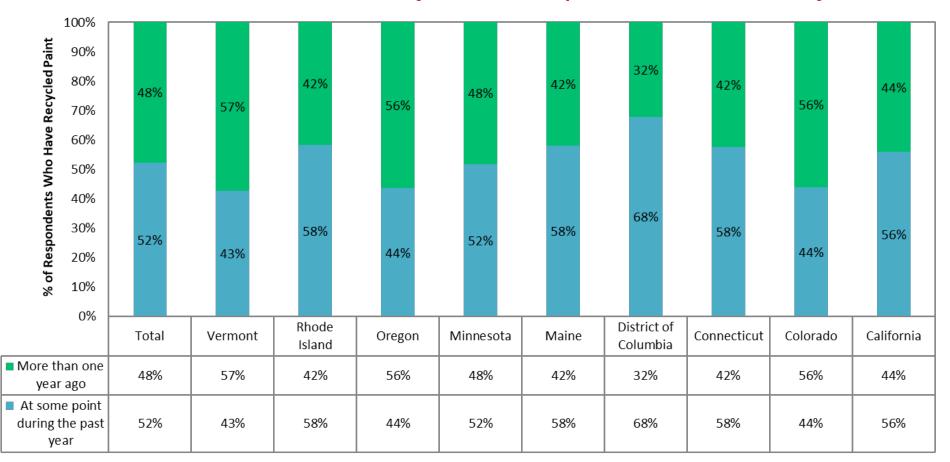
- About half of those who said they were aware that paint can be recycled said they had done so in the past.
- The strongest recycling behaviors are in Colorado and DC.



### Have you ever taken paint somewhere to be recycled?

# **Recency of Paint Recycling**

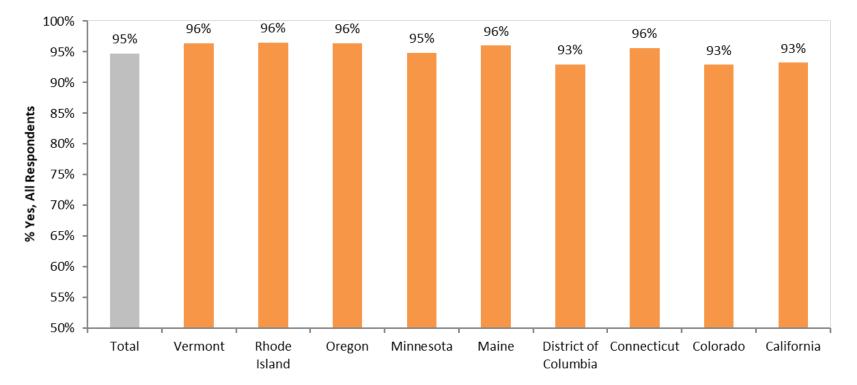
About half of those who said they had recycled paint in the past said they had done so in the last year.



#### When was the most recent time you have taken paint somewhere to be recycled?

# **Opportunity for Future Paint Recycling**

Almost everyone surveyed said they would consider recycling leftover paint in the future.



### Would you consider recycling leftover paint in the future?

### **Open-Ended Commentary: Recycling Motivations**

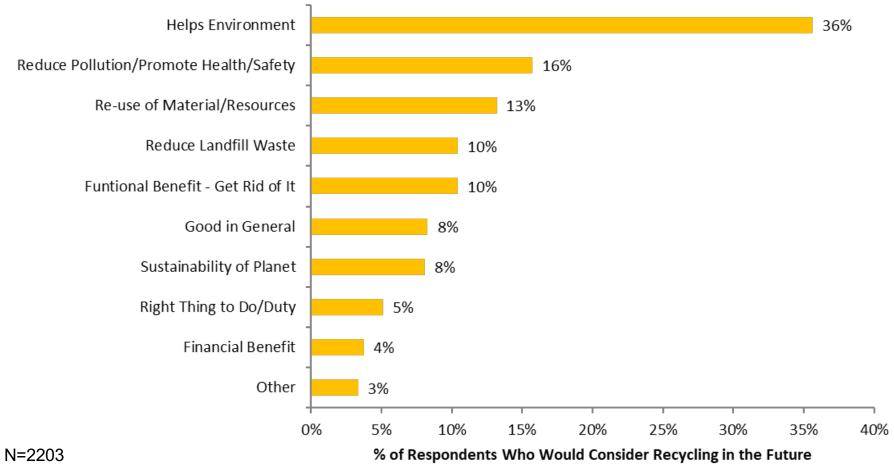
Q18 What would be your personal motivation for recycling your leftover paint in the future?

recycle everything put will basement pollute one dispose properly way rid reduce waste possible save planet might recycling paint space enviroment disposal house much way world don t throwing landfill NA save hazardous waste Save environment believe recycling need future reuse seems clean think help Environmental concerns know try recycle right thing way dispose rid money help environment earth waste place recycle go better environment harm environment environments good wasteful throwing paint Keep landfill Environmental use away protect environment best safe sure want safe way trash keep green thing right None s better dispose left earth water someone use help someone planet garage easy care environment make Reduce Safety feel keep environment much possible go waste protect SOMEONE better enviroment Less waste yes take hazardous less environmentally conscious anything environmentally friendly

# **Comment Categorization: Recycling Motivations**

- The top motivation to recycle is to help the environment.
- Other important motivations include the reduction of pollution, promotion of health, conservation of resources, reduction of waste, and simply getting rid of unwanted clutter in the home.

# Comment Categorization: What would be your personal motivation for recycling your leftover paint in the future?



**KB** Insights

Helps Environment
Be environmentally responsible
feel better about not hurting the environment
i like to protect the enviroment
I try to recycle as much as possible for environmental reasons
Less strain on environment
Recycling is good for the environment.
well, I usually combine my leftovers and use all of it; however, if I wasn't going to do that, I would recycle for the environment's sake
I re cycle aluminum cans, plastic bottles, glass, cardboard so I do recycle some items. I care about the environment especially wildlife.
better for the environment than disposing of it
if it's the more environmentally friendly option
In order to maintain a safe environment for my family, myself, the community and future generations.

#### Reduce Pollution/Promote Health

I want to keep as many toxic chemicals out of the environment as possible to avoid harm to animal and plant life.

I worry about the environmental impact that residual paint could have if I didn't recycle.

It's bad for the environment so would want it to be destroyed properly

Safe for the environment

to do the right thing and not pollute

To have a smaller imprint on the earth.

There are many chemicals in paint and I would want to be responsible to the environment

To keep it out of the water stream.

help to not contaminat the envirorment

to make us helathier

Because it is good to do and healthy and conservative

#### **Reuse of Materials/Resources**

It would help someone else

My personal motivation for recycling paint would be to have the earth have less trash and make the paint into something useful.

Safe. No waste. Helps someone else.

so it can be used again instead of going in the tradh

reuse, purpose, recycle is my mantra. Giving to the hazard material disposal site is last resort

I care about the environment and use of resources, also my children's future.

Because I recycle everything that I know can be recycled and if paint is possible to be recycled then I'd love to do my part for our planet.

hopefully it gets used a second time instead of wasting it

I like to recycle everything that I can. I don't feel that we respect our Earth enough and we need to do everything that we can do to protect it

Knowing someone else can put it to use

saves making new paint.

try and save on natural resources

Reduce Landfill/Waste
It wouldn't go to a landfill and hurt the environment
Avoiding adding toxic material to land fill
Its poison in the ground
It's poison and we can't put it in the trash or landfills.
Less of a garbage foot print in the world
There is enough trash already.
To be less wasteful
To help minimize how much waste is put into our landfills.
Helps with the waste & keep things clean
Pouring it down the drain would ruin my septic system. I think it's wrong to put it in the trash

Funtional Benefit - Ged Rid of It
I would love to get rid of it knowing it didn't damage the environment!
For a better environment and a better way to get rid of paint
Decluttering my house, being environmentally friendly
Environmentally safer and de-clutters my house
Clear out clutter in the basement and garage
dont need it anymore
GET RID OF CAN AND OLD PAINT
get rid of it
I would not have to store it
no personal motivation except to get rid of it
to be safe and not have anything toxic left in house
To get rid of it and do so responsibly

#### Sustainability of the Planet

save the environment

Better for the earth. Recycling is always a sustainable practice

I love to recycle and save the planet

I prefer green options so as to make the world a better place. I have to live in it, as do my children and grandchildren.

I really believe recycling benefits our planet!

Making our world clean again.

Recycling is useful for maintaining our planet

help for the world preservation

stop killing planet

Ease of recycling the paint and knowing I am helping the planet.

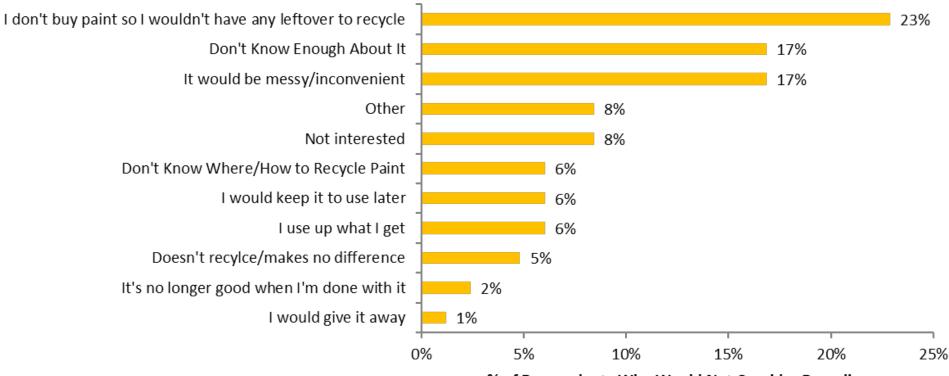
Right Thing to Do/Duty
It is the right thing to do.
It's just the proper thing to do (as opposed to throwing it out)
Just seems like the right thing to do
Seems better than trashing it.
Responsible disposal
do my npart for recycling
Right thing to do
Not being a jerk

Financial Benefit
If u can recycle it at no cost
It would be a little cheaper.
money back
some money back
that THEY Recycle it to make fresh paint that's cheaper in price .
Money back
Incentives
A Reward.
Someone could possibly get a discount for recycled goods.
cost
Money

### **Comment Categorization: Objections to Recycling Paint**

- About a quarter of those who would not consider recycling simply don't buy paint.
- Interestingly, a significant percentage say they just don't know enough about it (opportunity).
- Others are concerned about the mess/trouble they'd have to go through to recycle.
- Still others say they would do something different with the leftovers.
- Note: low sample size.

#### Comment Categorization: Why wouldn't you consider recycling leftover paint in the future?



% of Respondents Who Would Not Consider Recycling

Do Not Buy Paint
don't have any to recycle
Because I don't buy paint
don't do any painting so no paint
I do not plan on using paint to recycle
I don't anticipate buying paint - I live in an apartment and see that continuing for the foreseeable future.
Por q en estos momentos no tengo ninguna pintura puede q en un futuro la pueda tener pero ahora no

#### Don't Know Enough

Didn't know

don't know paint can be recycled

I did not know this service is available.

like in a recycling bin? that doesn't make sense. seems like the safest place for such chemicals is at the haz waste drop off location.

no idea

the paint recycling center that I know of is about 45 minutes away. However, from this survey, I wonder if I can bring it to a paint store? That would be great to know! I would recycle if it were that easy

Messy/Inconvenient
It seems messy
Not worth the effort and mess
pain in the a**
to much of a hassle
too much hassle to go drop itoff

Not Interested/Doesn't Recycle
I don't care
I do not think most people would be interested in recycle paint.
Not interested
Because my husband doesn't believe in recycling
doesn't make any difference
dont like recycling

#### Doesn't Know How/Where to Recycle

I don't know where.

I'd forget to actually do it, or how to do it

inconvenient locations

Not sure wheee to go

Not sure where to take it

#### Would Keep and Reuse Later/Give Away

because I'd keep it to use later

I can always use it later

I ONLY THROW IT OUT ONCE IT HAS AGED BEYOND USE

I plan to use any leftover paint on another project

Save until walls dirty and stain then can be make up

I want to give it to my family.

#### Use What I Get

Bc i use what i get

Because I will only purchase what I need, therefore there wouldn't be a need to recycle.

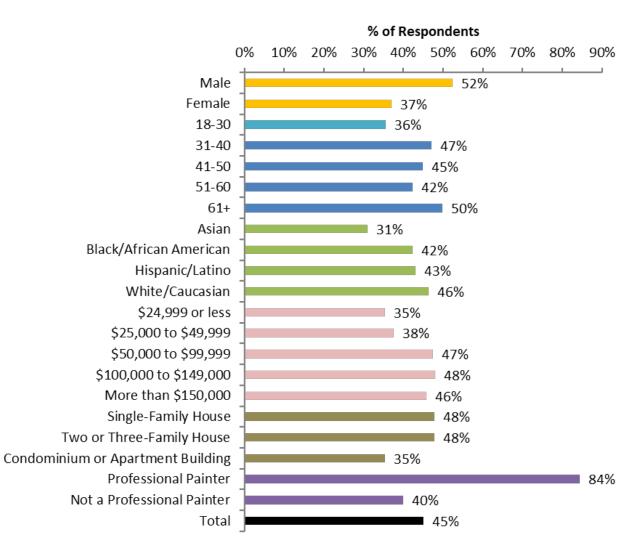
I will use it so I don't need to dispose of it.

## **CROSS-TABULATIONS: CONSUMER BEHAVIOR, AWARENESS, AND ENGAGEMENT**

### **Cross-Tabulations for Better Understanding**

 In order to understand how to better approach consumers of different profiles, it is important to look at behaviors/awareness by group...

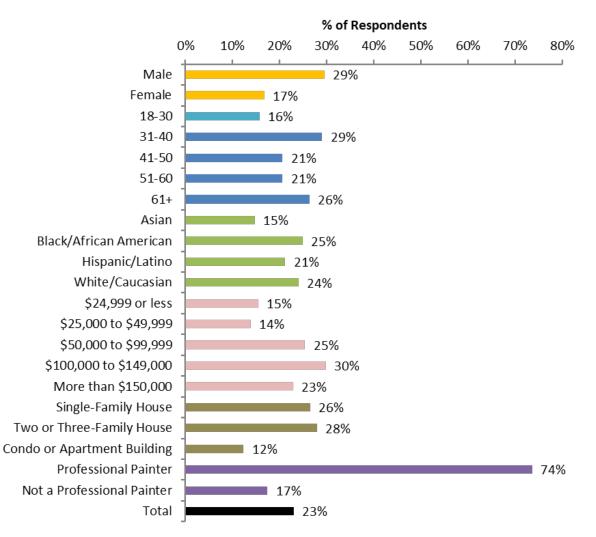
Objective	Related KPI/Measurement	
Increase knowledge of paint recycling	Do you know that paint can be recycled?	Gender
Impact paint recycling behaviors	Have you ever taken paint somewhere to be recycled?	Age
		Ethnicity
Decrease storage of paint in home	Do you currently have any leftover or unwanted paint in your home or business (e.g., primer, interior house paint, stain, deck sealer, or clear finishes like varnish)? If so, how much paint do you have?	Income
		Dwelling Type
Increase knowledge of PaintCare	Have you ever ever heard of PaintCare, the program that sets up sites that take paint for recycling?	Profession
Execute memorable ads	Do you recall seeing an advertisement for PaintCare in the last several months?	
Stimulate word of mouth and other communications	Do you recall hearing about PaintCare in any of the following other ways?	



#### Knew Paint Was Recyclable

N=range from 136 to 2318 by category

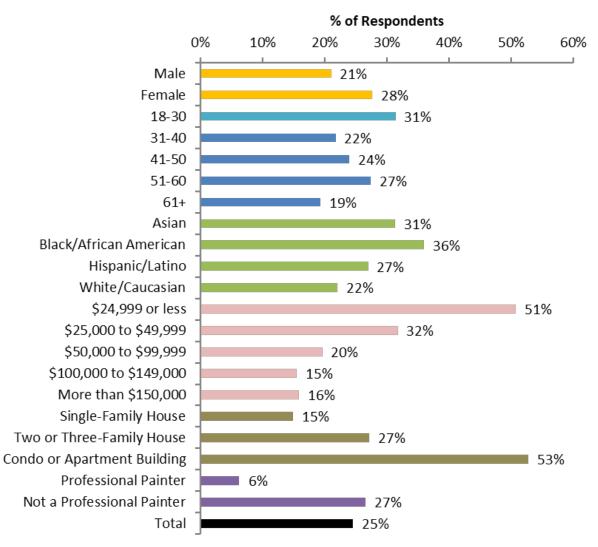
- Significantly fewer women know that paint can be recycled than men.
- The youngest respondents were least knowledgeable; differences were not significant over 30.
- Asians were least familiar with paint recycling; all other ethnicities were similar.
- Those with incomes \$50K or higher were most knowledgeable about paint recycling (likely corresponds with home ownership).
- Those living in condos were least familiar.
- The majority of professional painters are aware that paint can be recycled; more than twice the percentage of the general public.



#### Has Recycled Paint Before (adjusted)

- Women recycle at a much lower rate than men.
- Senior citizens and those between 31-40 have recycled paint more often than in other age ranges.
- Asians recycle less often than in other ethnic groups.
- Generally, those with greater than \$50K annual income recycle paint more often than those in less affluent income ranges.
- As expected, those in condos recycle least often.
- Professional painters recycle more than any other group at 74%.

#### N=range from 136 to 2318 by category



#### Free of Stored Paint at Home/Work

N=range from 136 to 2318 by category

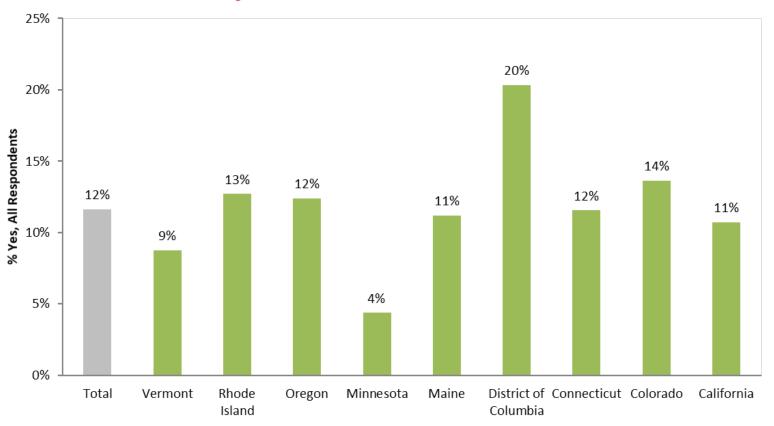
**KB** Insights

- Women are free from stored paint more often than men.
- Senior citizens store paint most often; those 30 or younger, the least often.
- Caucasian respondents store paint more often than other ethnic groups.
- The greater the income, the more often paint is stored.
- As expected, those in condos store paint least often; single family homes, most often.
- Professional painters are free from stored paint only 6% of the time; nonprofessionals, 27% of the time.

# PaintCare ADVERTISING/MARKETING CONSIDERATIONS

### **PaintCare Awareness**

- 12% of respondents said they had heard of PaintCare before.
- Results differed by state/area. D.C. residents are most aware; Minnesota, least aware.

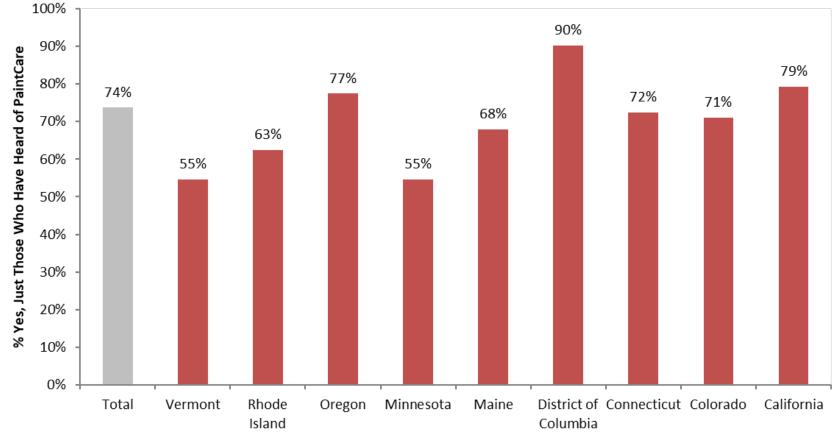


#### Have you ever heard of PaintCare before?

#### N=2578

### Ad Recall Among Those Who Knew of PaintCare

- About three quarters of those who had heard of PaintCare before said they had seen an ad in the last several months.
- However, this varied greatly by state. Minnesota and Vermont had the lowest ad recall; D.C., the highest.

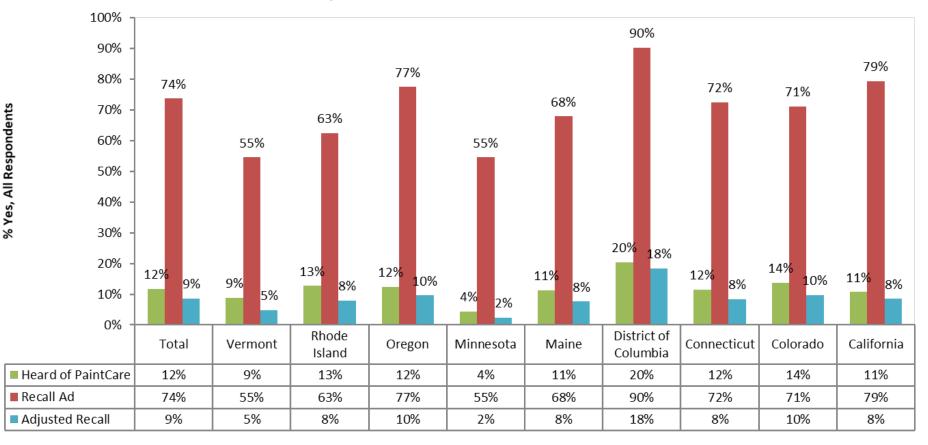


#### Do you recall seeing an advertisement for PaintCare in the last several months?

N=300

### **Adjusted Recall for Entire Population**

- By multiplying the percentage who were familiar with PaintCare by the percentage who recalled an ad, we can evaluate what percentage of the population recalled an ad.
- The highest performing states/areas are D.C., Colorado and Oregon.



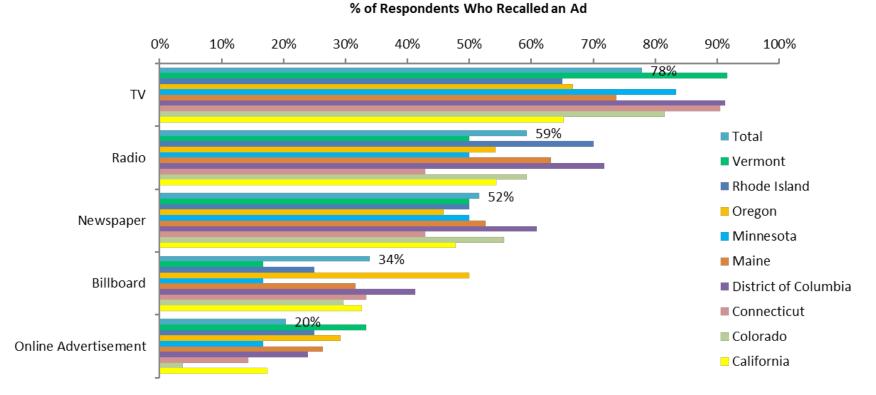
#### Adjusted Ad Recall Rate

**KB** Insights

### **Ad Recall Types**

- TV is most frequently cited in all states except Rhode Island, where radio is most prevalent.
- Notes: sample sizes are small by state; as such, results should be considered directionally.

#### What type(s) of ad(s) do you recall?

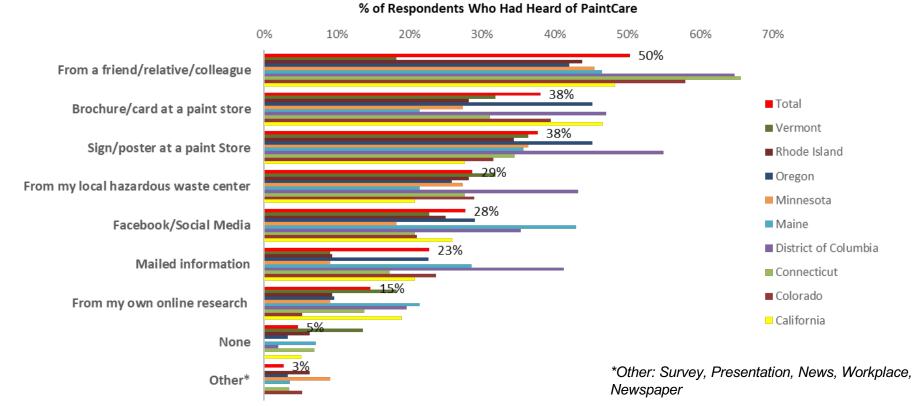


			Rhode				District of			
Sources	Total	Vermont	Island	Oregon	Minnesota	Maine	Columbia	Connecticut	Colorado	California
TV	78%	92%	65%	67%	83%	74%	91%	90%	81%	65%
Radio	59%	50%	70%	54%	50%	63%	72%	43%	59%	54%
Newspaper	52%	50%	50%	46%	50%	53%	61%	43%	56%	48%
Billboard	34%	17%	25%	50%	17%	32%	41%	33%	30%	33%
Online Advertisement	20%	33%	25%	29%	17%	26%	24%	14%	4%	17%
Sample Sizes	221	12	20	24	6	19	46	21	27	46

### **Recall of Other Marketing Measures**

- It is clear that word-of-mouth is extremely important in spreading the word about paint recycling.
- Other successful measures include brochures/cards/posters in-store, HHW center communications.

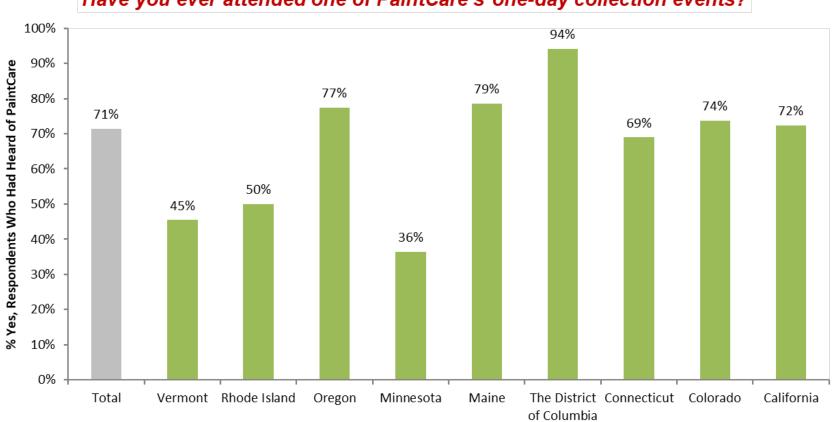
#### Do you recall hearing about PaintCare in any of the following other ways?



Sources	Total	Vermont	RI	Oregon	Minnesota	Maine	DC	Connecticut	Colorado	California
From a friend/relative/colleague	50%	18%	44%	42%	45%	46%	65%	66%	58%	48%
Brochure/card at a paint store	38%	32%	28%	45%	27%	21%	47%	31%	39%	47%
Sign/poster at a paint Store	38%	36%	34%	45%	36%	36%	55%	34%	32%	28%
From my local hazardous waste center	<b>29</b> %	32%	28%	26%	27%	21%	43%	28%	29%	21%
Facebook/Social Media	28%	23%	25%	29%	18%	43%	35%	21%	21%	26%
Mailed information	23%	9%	9%	23%	9%	29%	41%	17%	24%	21%
From my own online research	15%	18%	9%	10%	9%	21%	20%	14%	5%	19%
None	5%	14%	6%	3%	0%	7%	2%	7%	0%	5%
Other*	3%	0%	6%	3%	9%	4%	0%	3%	5%	0%
Sample Size	300	22	32	31	11	28	51	29	38	58

### **PaintCare Event Attendance**

- 71% of those who have heard of PaintCare say that they have attended a PaintCare collection event.
- District of Columbia appears to have high success rates; Minnesota, much lower.\*
- \*Note: sample sizes are low by state and should be considered directionally.



#### Have you ever attended one of PaintCare's one-day collection events?

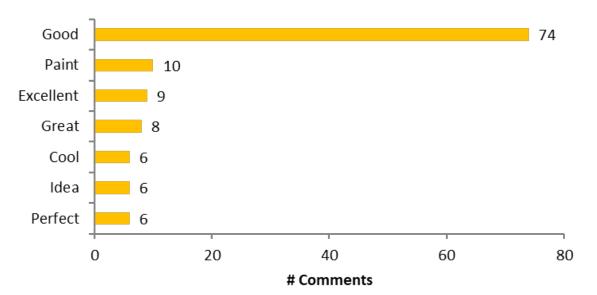
#### N=300

### **Impressions of PaintCare**

#### In a word or phrase, what are your overall impressions of PaintCare?



#### **Comment Coding: PaintCare Keywords**



### **Comments: Paint Care Impressions**

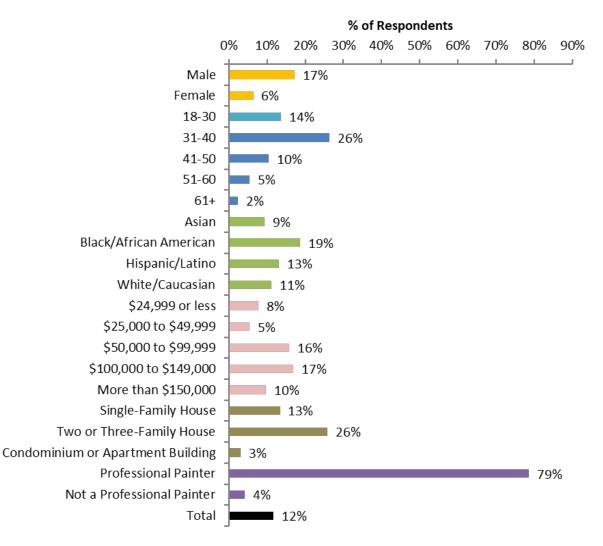
In a word or phrase, PaintCare	good	Great idea	is very good	paint recyclyng made easy
A great way to dispose of old or unused				
paint	Good	Great idea	is very good perfect	paint to your hearts content.
A terrific idea.	good	Great idea.	is very good perfect	Plays an important role
all very good, my planet	Good	great program	is very good perfect	Positive
			It facilitates the recycling of unwanted	
amazing	Good	Great program	paint residues	Positive
			good way of recycling paint, donated to	
beauty	Good	great!	good causes as well	quality
;			viable alternative to bringing paint to my	
because is good	Good	Held the planet for the recicling	local hazard waste center.	quality
Better	good	Helpful	its a good idea	quality
Busy	Good	Helpful	It's a good option for left over paint.	SAFE
care for the environment	good	good for the environment	it's a very big motivation	SAVING THE WORLD
Clean	Good	i like	It's good	Seems like a good idea
contemporary	good	i like it	it's unique	The orange sister of a man
cool	good	i like this idea	it's very good	the PaintCare is the best
cool	Good	i like this method	like	they are the best
cool	Good	i love it	like	They do a good job at recycleing paint
cool	Good	I think a good company. It looks to be so	like	They have used and new paint
		without them, you would just be making		
Cost	good	more trash you	like	They refill the paint if needed
design	good	Impressive	like	Thought of well
DIY	good	innovation and progress	like	Under advertised, not widely known.
dope	good	Is a leader in the service they provide	Love	unique
Easy	good	is excellent	Love	Unique
Environmentally friendly.	good	is good	Love it	Vague
excelente	Good	is good	more2	verry good
excellent	good company	is perfect	Nanny-state	very cool
excellent	Good company	is very goid	Necessary	very cool
excellent	Good efforts, thank you.	is very good	No opinion	very good
	good idea but should not be			
excellent	compulsory	is very good	No strong feelings	very good
excellent	Good idea!	is very good	no sure	very good
Excellent	Good Option	is very good	none	very good
Excellent and needed	Good program with good results	IS VERY GOOD	none	very good
fast speed	good service	is very good	none	very good
Fine	Good	is very good	None	very good
Genius!	great	is very good	not too much.	Very impressive paint product
Go for it	great	is very good	Nothing	very nice
good	Great	is very good	Ok	works well
good	great	is very good	Ok	wow
Good	Great	is very good	ok	WOW

# **CROSS-TABULATIONS: ADVERTISING/MARKETING METRICS**

### **Cross-Tabulations for Better Understanding**

 In order to understand how to better approach consumers of different profiles, it is important to look at behaviors/awareness by group...

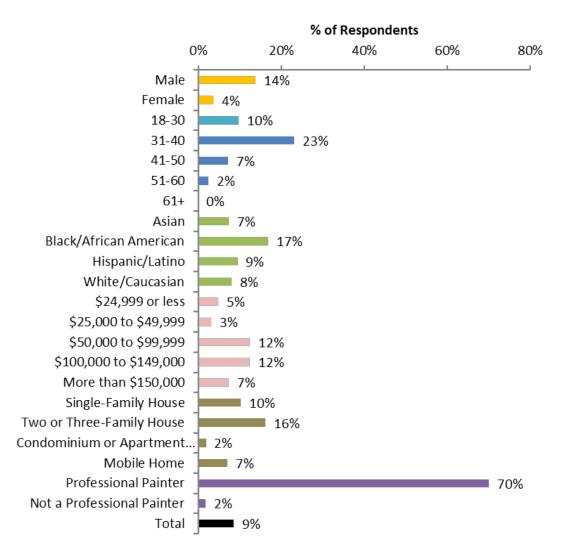
Objective	Related KPI/Measurement	
		Gender
Increase knowledge of paint recycling	Do you know that paint can be recycled?	Condor
		Age
Impact paint recycling behaviors	Have you ever taken paint somewhere to be recycled?	<b>—</b>
		Ethnicity
Decrease storage of paint in home	Do you currently have any leftover or unwanted paint in your home or business (e.g., primer, interior house paint, stain, deck sealer, or clear finishes like varnish)? If so, how much paint do	Income
	you have?	Dwelling Type
Increase knowledge of PaintCare	Have you ever ever heard of PaintCare, the program that sets up sites that take paint for recycling?	Profession
Execute memorable ads	Do you recall seeing an advertisement for PaintCare in the last several months?	
Stimulate word of mouth and other communications	Do you recall hearing about PaintCare in any of the following other ways?	



#### Heard of PaintCare Before

- Only 6% of women had heard of PaintCare before the survey, less than half the rate of men.
- Senior citizens had heard of PaintCare least often; those 31 - 40, the most often.
- African American respondents had heard of PaintCare more often than those in other ethnic groups.
- PaintCare awareness was highest among those with incomes \$50-\$150K.
- Those in multi-family homes are aware of PaintCare most often.
- Professional painters are far more aware of PaintCare than those that do not paint professionally.

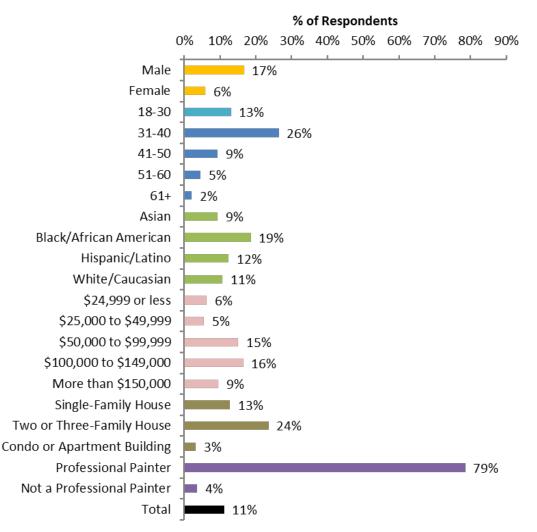
#### N=range from 136 to 2318 by category



#### Ad Recall (adjusted)

- Significantly fewer women recalled a PaintCare ad than men did.
- The highest recall was among 31-40 year olds.
- African Americans reported the highest ad recall (possibly not due to ethnicity, but concentration in highperforming areas).
- Those with incomes \$50K or higher had the highest ad recall.
- Those living in two to three family houses reported the highest recall.
- The majority of professional painters recalled an ad; only 2% of the general public remembered an ad.

#### N=range from 136 to 2318 by category



#### Heard of PaintCare in Other Ways

N=range from 136 to 2318 by category

**KB** Insights

- More consumers hear of PaintCare in ways other than advertising, such as: referrals from a friend/relative/colleague, a brochure/card/sign/poster at a paint store, from my local hazardous waste center, mailed information, Facebook/social media, and their own online research.
- Women are still much lower than men in these channels as well.
- 31-40 are impacted through these channels the most.
- Generally, those with greater than \$50K annual income are impacted the most by non-ad channels.
- As expected, those in condos receive these messages least often.
- Professional painters are exposed more than any other group at 79%.

### **Defining the Target Audience**

- Since women are much less impacted than men by current PaintCare advertising/marketing efforts, it is prudent to examine whether we are missing an opportunity, or appropriately prioritizing men.
- Based on buying behavior, men and women are both substantially involved in decisions related to paint. Therefore, the former may be true.
- For future analysis: are those who purchase also the same as those who dispose?



Male Respondents:

Female Respondents: Have you purchased paint in the last year?



#### N=1249 men and 1300 women

### **Defining the Target Audience (continued)**

	Purchased in Last Year	
GENDER		
Male	61%	
Female	51%	
AGE		
18-30	52%	
31-40	64%	
41-50	55%	
51-60	52%	
61+	51%	
ETHNICITY		
Asian	45%	
Black/African American	52%	
Hispanic/Latino	58%	
White/Caucasian	57%	
INCOME		
\$24,999 or less	38%	
\$25,000 to \$49,999	48%	
\$50,000 to \$99,999	62%	
\$100,000 to \$149,000	64%	
More than \$150,000	56%	
DWELLING		
Single-Family House	63%	
Two or Three-Family House	61%	
Condominium or Apartment Building	31%	
Mobile Home	44%	
PROFESSION		
Paint Professionally	92%	
Do Not Paint Professionally	51%	

- PaintCare might consider all audiences with at least 50% involvement in recent paint purchases as the general advertising target (highlighted in yellow).
- However, there are a few pockets where additional, specialized targeting might be appropriate (bolded).

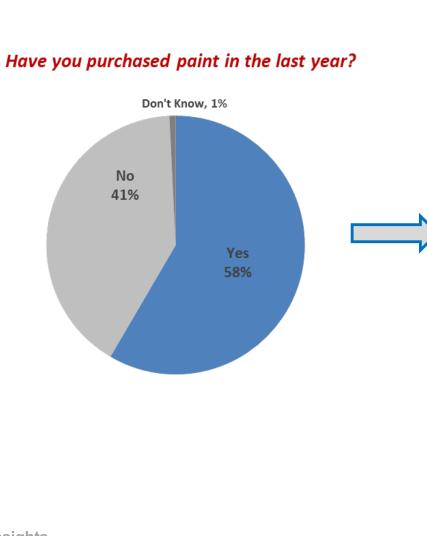
# **APPENDIX: STATE HIGHLIGHTS**



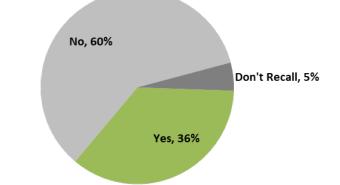
# Vermont

103

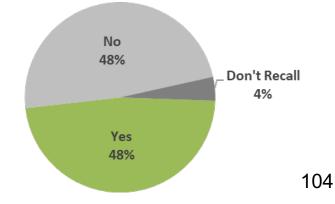
58% of those surveyed have purchased paint in the last year. Slightly more than a third of them were helped by the store in determining needs. About half took measurements themselves.



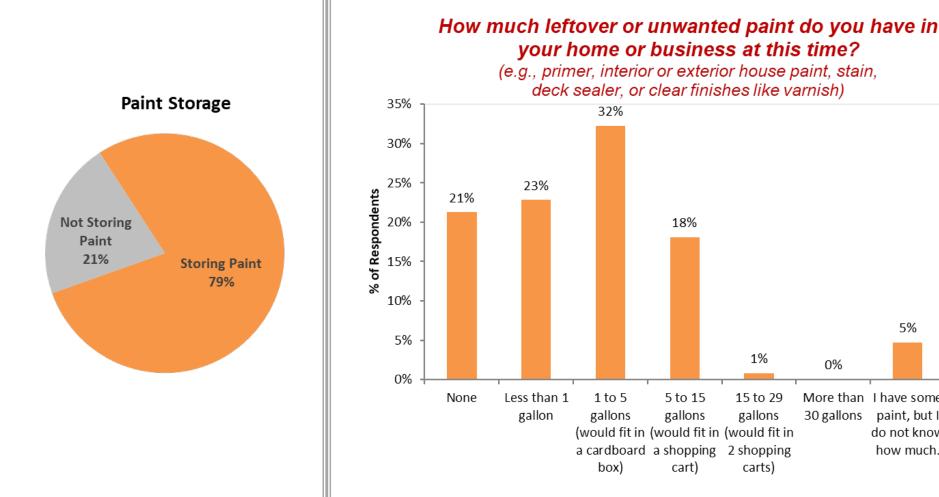
#### Did the staff of the paint retail store assist you with figuring out exactly how much paint you needed for your specific project?



Before purchasing, did you take any measurements of the area to be painted to figure out how much paint was needed?



Only 21% of respondents are NOT storing paint at home or at their business. The median amount \* stored is "less than 1 to 5 gallons."



5%

do not know

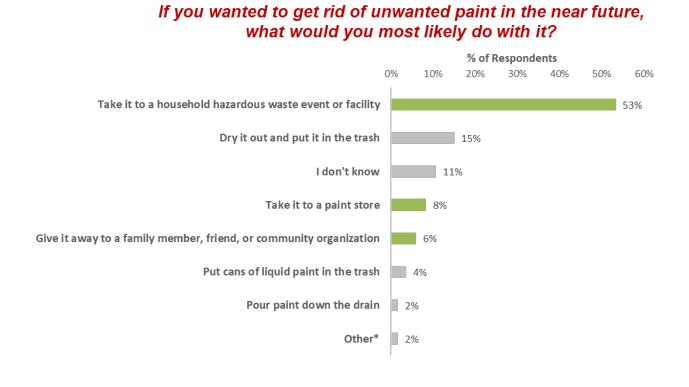
how much.

0%

More than I have some

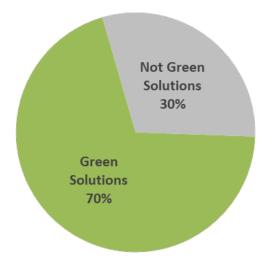
30 gallons paint, but I

✤ 70% of respondents say they will use a "green" solution for getting rid of unwanted paint in the future.

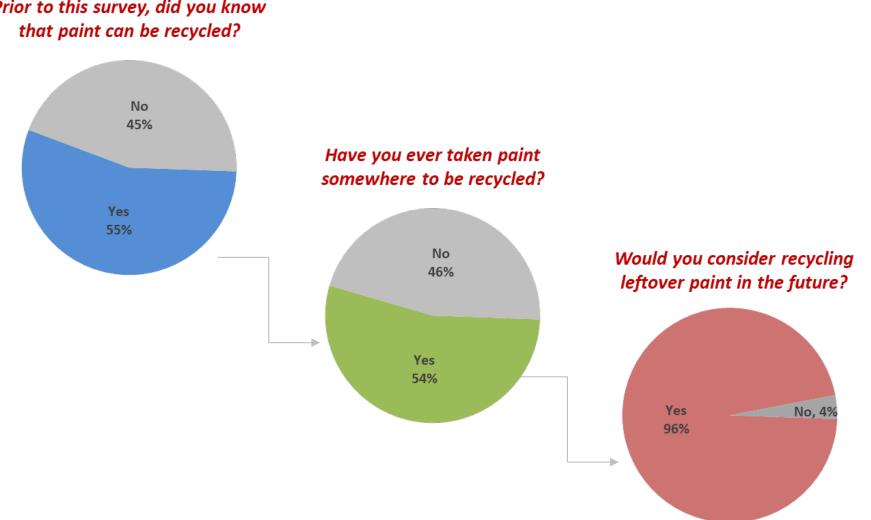


*Other Future Disposal Methods
Find dumpster and throw
I no longer am responsible for painting
Take it to where I purchased it and give it back.
Use it

#### Green Solutions (Recycle, Reuse)



- 55% of respondents knew that paint can be recycled. \*
- Of those, slightly more than half have taken paint somewhere to be recycled in the past. \*
- Of those, the grand majority, 96%, would consider recycling paint again. \*



## Prior to this survey, did you know