



Newnan Special Called Work Session

JANUARY 11, 2022

Newnan City Hall

Richard A. Bolin Council Chambers

25 LaGrange Street

Immediately Following Regular Meeting

CALL TO ORDER

INVOCATION

[A.](#) Presentation and Discussion on Sanitation Waste Program

ADJOURNMENT



Final Report Benchmark Study of Sanitation Services Newnan, Georgia

Prepared by:
A. Goldsmith Resources, LLC
November 2021



Table of Contents

Introduction.....	1
Newnan’s Sanitation Services	1
Residential Service Provided by Contractor	1
Yard Debris and Bulky Item Collection	2
Fees for Residential Services	4
Central Business District Collection	4
Fees for Collection in the Central Business District.....	6
Collection Services Elsewhere.....	7
Residential Collection	7
Role of City and Contractor.....	8
Residential Fees	9
Ensuring Participation.....	10
Set Out Limits	12
Central Business District Collection	16
Transfer and Disposal Arrangements.....	16
Conclusions.....	17

Tables

Table 1 Residential Customers as Reported by Contractor	2
Table 2 Breakdown of Monthly Residential Fee, 2021	4
Table 3 Monthly Fee for Additional Residential Services, 2021	4
Table 4 Frequency of Services Provided by City	8
Table 5 Service Provider	9
Table 6 Residential Fees for Base Level of Service.....	10
Table 7 Requirements for Participation in Residential Collection.....	11
Table 8 Set Out Limits for Yard Waste and Bulk Waste	13
Table 9 Requirements for Setting Out Residential Garbage for Collection.....	15
Table 10 Approach to Collection in Central Business District	16
Table 11 Transfer/Disposal.....	17

Figures

Figure 1 Bulk and Yard Waste Route Map, 2021.....	3
Figure 2 Tons of Residential Yard Waste and Bulky Items Collected, 2018 through 2020	3
Figure 3 Central Business District Properties Served by City Sanitation.....	5
Figure 4 Tons of Garbage Collected in Central Business District, 2018 through 2020	6

Introduction

The City of Newnan, Georgia is evaluating the sanitation services it provides to its citizens. As part of this effort, the City has retained A. Goldsmith Resources, LLC (AGR) to compare aspects of the City's sanitation services to those in other communities. The results are presented in this report.

Newnan's Sanitation Services

The City of Newnan provides the following collection services to its citizens:

- Curbside collection of garbage and recyclables from residents through a contractor;
- Curbside collection of yard debris and bulk waste from residents using City staff and equipment; and
- Garbage collection from the Central Business District with City staff and equipment.

Property owners of commercial and multi-family properties outside of the Central Business District are required by ordinance to arrange for garbage collection with a private hauler to receive a business license or certificate of occupancy.

The details of each of the sanitation services provided by the City is described below.

Residential Service Provided by Contractor

The City of Newnan contracts with a private hauler to provide residents with weekly curbside collection and disposal of solid waste and weekly curbside collection and processing/marketing of recyclable materials. The current contract, entered into on January 22, 2018, expires at the end of 2022.

All residential property owners in Newnan are required, by ordinance, to use the garbage collection service the City provides through its contractor. As of July 2021, the contractor reported a total of 10,043 households received service. Most of these have curbside service but 379 have requested and pay for backdoor collection of garbage (Table 1).¹ The Contractor provides each residential unit with a 95-gallon cart for garbage and City ordinance requires that all garbage set out for collection fit into the container provided by the Contractor so that the lid fits securely. A second cart can be requested for an additional monthly fee. Less than three hundred customers had requested a second cart as of July 2021.

¹ Those demonstrating a need for backdoor service receive this service at no extra charge.

Table 1 Residential Customers as Reported by Contractor

Service Requested	Customers as of July 2021
MSW - Curbside	9,664
MSW - Backdoor	379
MSW - Curbside 2 nd Cart	274
MSW – Backdoor 2 nd Cart	14
Recycling – Curbside (Bin or Cart)	7,263
Recycling – Backdoor (Bin or Cart)	64
Recycling – Curbside 2 nd Bin or Cart	24
Recycling - Backdoor 2 nd Bin or Cart	1

The Contractor also collects recyclables weekly from residents that request this service at no additional fee. Materials accepted in the recycling program include paper, newspaper, magazines and corrugated cardboard, aluminum and steel cans, and plastics bottles and jugs. A total of 7,372 customers had requested recycling service as of July 2021, 7,263 at the curb and sixty-four that requested and paid for backdoor collection.

The Contractor is required to submit monthly reports to the City quantifying the tons of garbage and recyclables collected from residents. However, at the time this report was prepared, this information was not available. The Contractor is also required to provide quarterly reports on the type and number of service requests received from customers.

The Contractor delivers the garbage and recyclables it collects to the facility of its choice. According to contract terms, recyclables cannot be mixed with garbage without prior approval from the City and recyclables cannot be deposited into a landfill. All revenue from the sale of recyclables is retained by the Contractor.

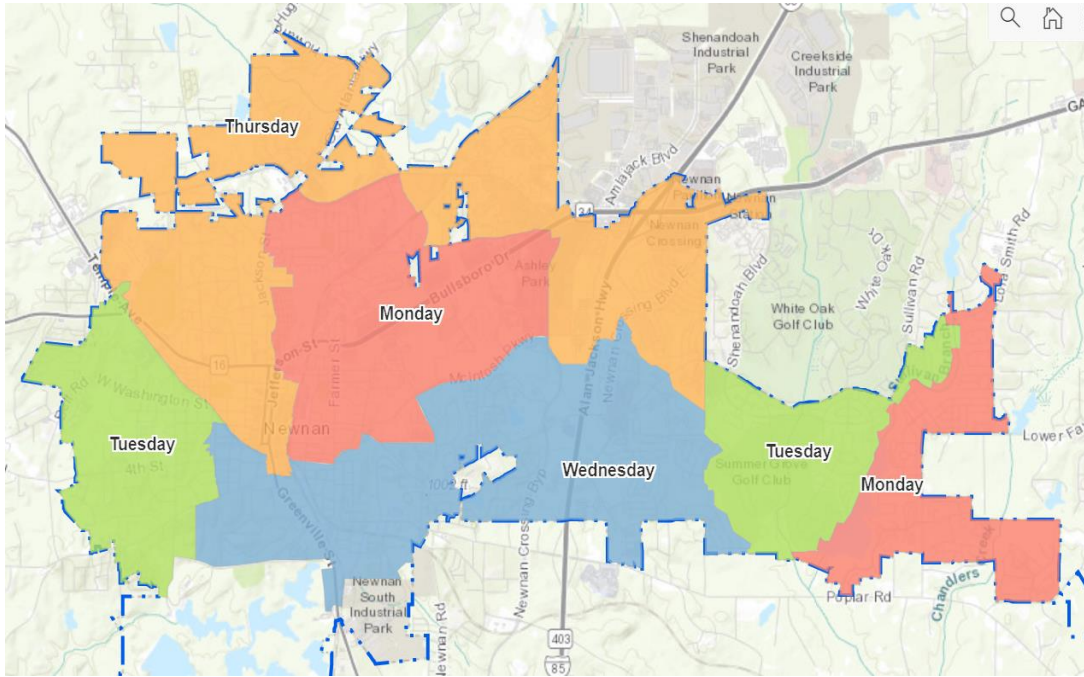
In addition to collecting residential garbage and recyclables, the Contractor provides the following services to the City:

- collects garbage once a week at City parks and facilities;
- empties trash cans along downtown sidewalks three times per week; and
- provides up to eight carts for each of three special events per year.

Yard Debris and Bulky Item Collection

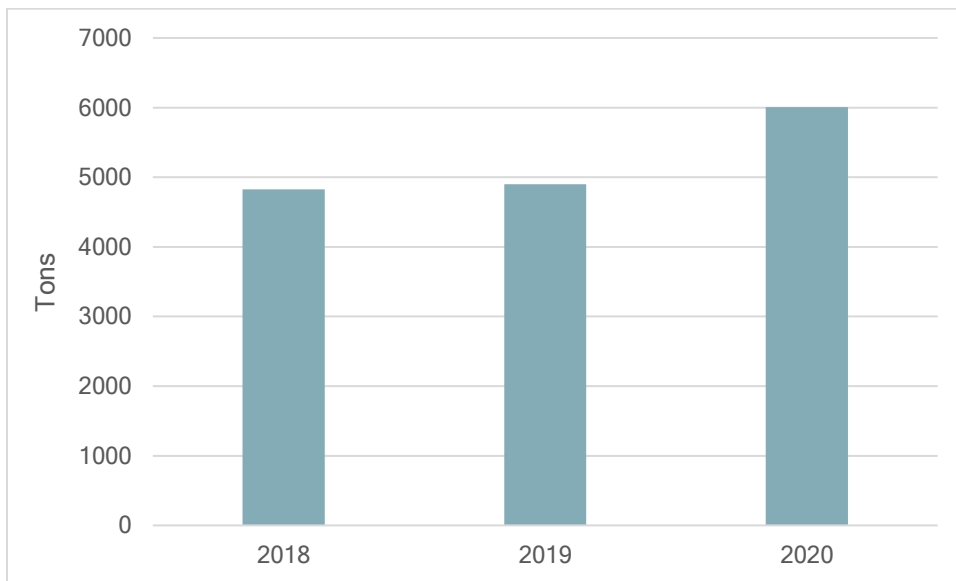
The City of Newnan collects yard debris and bulky items from residents weekly using city vehicles and staff. To provide this service, the City operates five boom trucks four days per week. Each boom truck operates with one driver. The routes served each day are shown in Figure 1.

Figure 1 Bulk and Yard Waste Route Map, 2021



In 2018 and 2019, the City collected just under 5,000 tons of residential yard waste and bulky items (Figure 2). In 2020, tonnage increased by more than 20 percent to just over 6,000 tons. Other communities have experienced similar increases between 2019 and 2020, likely due, in part, to residents staying home and disposing of more yard waste and bulky items during the pandemic. Newnan has no limit on the amount of yard debris and bulky items residents can set out for pick up. The City reports that at times, a single pick-up is so large that it can result in more than \$1,000 in disposal fees charged to the City.

Figure 2 Tons of Residential Yard Waste and Bulky Items Collected, 2018 through 2020



The City of Newnan disposes of yard waste and bulky items it collects at one of two transfer stations depending, in part, on which transfer station is more convenient to access when a route is completed, or a truck is full. Coweta County operates a transfer station west of the city limits where the City pays a tipping fee of \$38 per ton. Republic Services operates a transfer station in the northeast part of the City where Newnan pays a tip fee of \$54 per ton. The closest landfill available to the City of Newnan is the privately owned Turkey Run landfill, approximately twenty miles south of the City where the reported tipping fee is \$25 per ton.

Fees for Residential Services

Residents of Newnan pay a monthly fee of \$16.71 for all solid waste services. The Contractor bills residents that sign up for service quarterly and remits payment to the City for yard waste and bulky item collection. The Contractor also pays the City a “host fee” for each household which the City uses to support code enforcement activities. Table 2 shows how the monthly fee is allocated.

Table 2 Breakdown of Monthly Residential Fee, 2021

To GFL	Amount
Garbage	\$7.31
Recycling	\$2.29
Billing	\$0.57
Subtotal	\$10.17
To City	Amount
Yard Debris/Bulk Waste	\$5.81
Host Fee (Franchise Fee more accurate?)	\$0.73
Subtotal	\$6.54
Total Paid by Resident	\$16.71

The Contractor charges an additional monthly fee for backdoor service and for a second garbage or recycling cart. These additional fees are shown in Table 3.

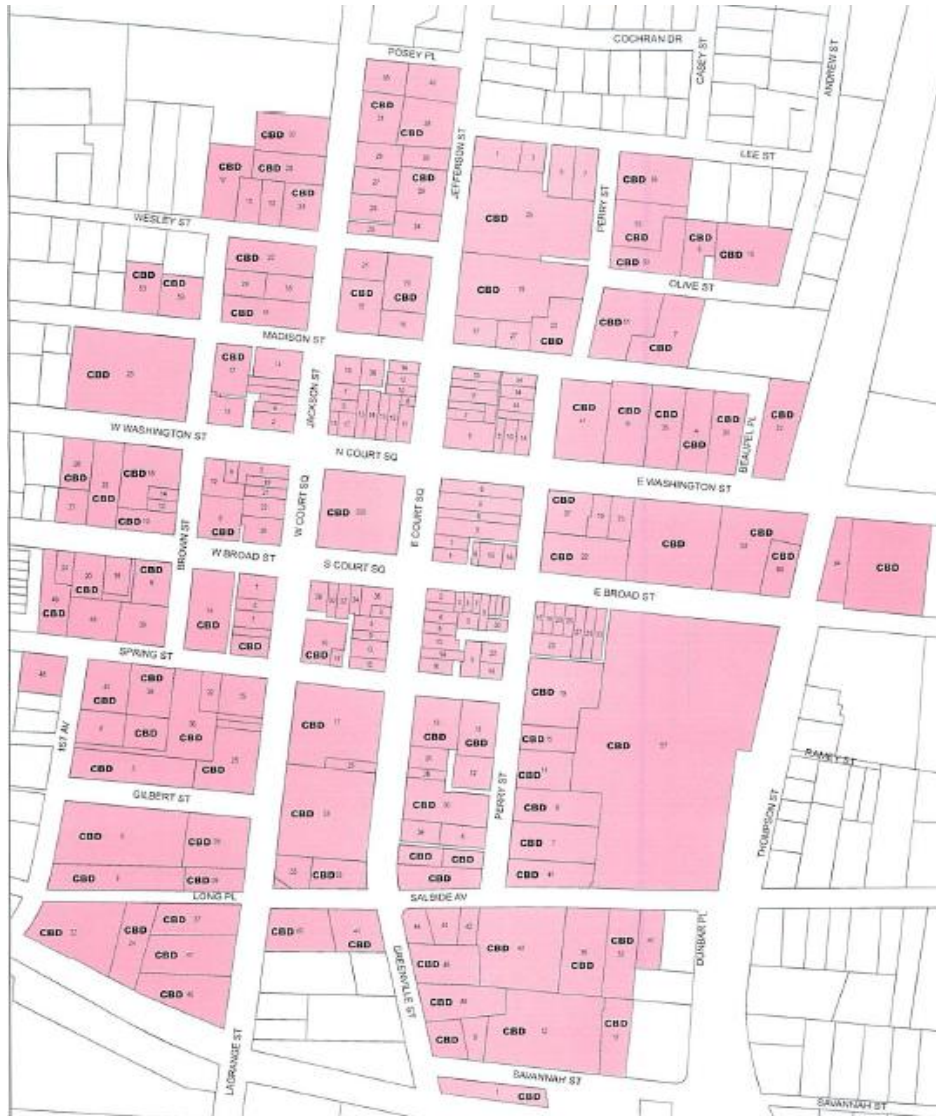
Table 3 Monthly Fee for Additional Residential Services, 2021

Service	Amount
MSW - 2 nd 95-gallon cart	\$5.60
MSW – Backdoor	\$20.26
MSW - Backdoor 2 nd 95-gallon cart	\$13.50
Recycling - 2 nd cart/bin	\$3.38
Recycling – Backdoor	\$6.76
Recycling - Backdoor 2 nd cart/bin	\$13.50

Central Business District Collection

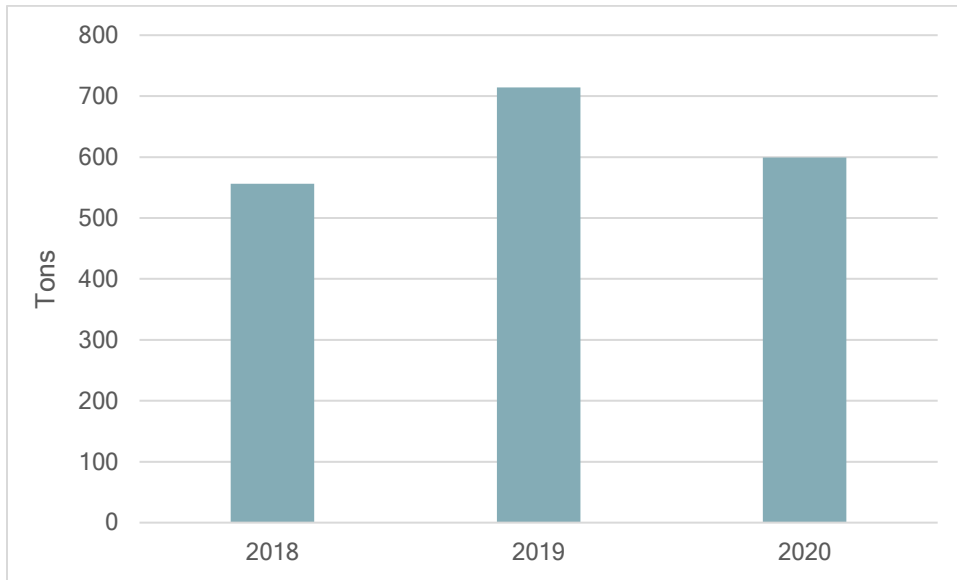
The City of Newnan collects garbage from approximately thirty-one residential and 184 commercial properties (retail, office, and restaurant) in the Central Business District. The area served is shown in Figure 3. These properties are required by ordinance to obtain service from the City of Newnan.

Figure 3 Central Business District Properties Served by City Sanitation



To provide this service, the City operates two collection vehicles six days each week, each staffed with one driver and one collector. Figure 4 shows the tons of garbage collected in the Central Business District each year, 2018 through 2020. The tons of garbage collected declined by 16.1 percent between 2019 and 2020, likely a result of decreased business activity resulting from the pandemic. The City delivers garbage collected in the Central Business District to either the Coweta County or Republic Services' City of Newnan transfer station.

Figure 4 Tons of Garbage Collected in Central Business District, 2018 through 2020



Fees for Collection in the Central Business District

The City bills customers in the Central Business District directly based on the type and size of the business. The fees are shown in Table 4. The actual cost of providing this service is significantly higher than the revenue generated from these fees. The City subsidizes garbage collection for the Central Business District in the amount of \$150,000 to \$200,00 per year.

Table 4 Monthly Fee for Downtown Sanitation Services, 2021

Customer Type	Size	Monthly Fee
Residential		\$14.96
Office	<2000 sf	\$14.96
	>2000 sf	\$27.42
Retail	<1500 sf	\$27.42
	1500-2499 sf	\$39.88
	>3000 sf	\$77.25
Restaurant	<1500 sf	\$64.79
	1500-2499 sf	\$127.08
	2500 – 3499 sf	\$189.38
	>3500 sf	\$251.67

Collection Services Elsewhere

The City of Newnan commissioned this study to understand how other cities in Georgia provide sanitation services and how these approaches could inform future solid waste management in Newnan. AGR worked with City staff to identify the following “areas of interest” for comparison:

- Level of residential service provided;
- Respective role of City and Contractor;
- Fees for service and how customers are billed;
- Policies requiring residents to have service;
- Set out limits;
- How service requirements and set out limits are enforced;
- Downtown collection service; and
- Arrangements with transfer stations/landfills.

Residential Collection

Table 4 shows the residential collection services and frequency provided in ten Georgia cities that either collect residential waste directly or hire a contractor to do so.² These cities were chosen because their population was relatively similar to Newnan’s population (some larger, some smaller), they are located in generally the same region (north Georgia, most within an hour of Atlanta), they provide residential collection services to all their residents, and/or they have unique aspects to their residential collection program that may be of interest to the City of Newnan.

All of these cities except Gainesville and Marietta provide residents with weekly, curbside collection of garbage as the base level of service, the same as the City of Newnan. Gainesville collects garbage twice per week at the curb. Marietta historically collected garbage twice weekly at the backdoor although is shifting to weekly curbside collection, especially as new residents come online.

Several of the cities, including Fayetteville, Kennesaw, and McDonough collect recyclables every other week rather than weekly and some offer less frequent or seasonal yard waste collection. Peachtree Corners only provides yard waste collection by subscription for an additional fee, which is the approach throughout Gwinnett County. Most cities only collect bulky items on-call as described in more detail later in this report.

² Peachtree City, population 37,285, was also considered for comparison given its proximity and comparable size to Newnan. However, Peachtree City does not provide or contract for residential collection. Instead, the City has awarded three private haulers the right to compete for customers within the City limits. These haulers set the rates, which must include recycling, and bill their customers directly.

Table 4 Frequency of Services Provided by City

City	Population ¹	Garbage ²	Recyclables	Yard Waste	Bulk Items
Newnan	45,087	Weekly	Weekly	Weekly	On-call
Carrollton	28,869	Weekly	Weekly	Every other week	Every other week
Douglasville	34,918	Weekly	Weekly	Weekly	On-call Semi-annually
Fayetteville	18,427	Weekly	Every other week	Drop off only	Drop off only
Gainesville	46,996	Twice weekly	Weekly	In plastic bags Feb-Oct. Leaves vacuumed 2x/month Oct to Jan	On-call
Kennesaw	34,015	Weekly	Every other week	Weekly	On-call
LaGrange	41,487	Weekly	Drop off only	Every other week	Every other week
Marietta	61,307	Twice weekly ³ Backdoor ⁴	Weekly	Weekly by subscription	On-call
McDonough	28,808	Weekly	Every other week	Weekly	On-call
Peachtree Corners	44,701	Weekly	Weekly	Weekly ⁵	On-call
Smyrna	56,974	Weekly	Weekly	Weekly	On-call
<p>1 2021 Population 2 Curbside pick-ups unless stated otherwise. 3 Starting to shift some customers to weekly service 4 Historically backdoor service; shifting to curb. 5 Optional for extra fee.</p>					

Role of City and Contractor

Table 5 shows which cities provide collection themselves and which hire a contractor to do so. In all ten of these cities, either the city provides all residential collection services with its own trucks and staff (six cities) or hires a contractor to do provide all services (four cities). Although none of these ten cities split the collection services between the City and a Contractor, as Newnan does, other cities do. Both the City of Macon (population 153,651) and the City of Austell (population 7,354) provide residential collection services using a similar approach to Newnan. These cities contract with a private hauler for collection of garbage and recyclables and collect yard debris and bulky items with their own trucks and crews.³ Some cities split the services done by local government crews versus private contractors differently. The City of Roswell, for example, collects

³ Although in July 2021, the City of Macon temporarily hired a contractor to pick up trash, recyclables, and yard waste for about 20% of the residents to address labor shortages resulting from the pandemic.

garbage and bulk items from residents while it contracts for collection of recyclables and yard waste.

Table 5 Service Provider

City	Residential Garbage		Residential Recyclables		Yard Waste		Bulky	
	City	Contractor	City	Contractor	City	Contractor	City	Contractor
Newnan		X		X	X		X	
Carrollton	X		X		X		X	
Douglasville	X		X		X		X	
Fayetteville		X		X	N/A			N/A
Gainesville	X		X		X		X	
Kennesaw		X		X		X		X
LaGrange	X		N/A		X		X	
Marietta	X		X		X		X	
McDonough		X		X		X		X
Peachtree Corners		X		X		X		X
Smyrna	X		X		X		X	

The average cost per household to provide collection service in the cities for which data were available ranged from \$252 to \$515 per household per year. However, it should be noted that each city includes different line items in its budget.

Residential Fees

Table 6 shows the monthly fees each city charges to residents for the collection services defined in Table 4. Three of the cities offer a volume-based fee, that is, residents can choose a smaller container and pay a lower monthly fee. Carrollton, Fayetteville, and Peachtree Corners have lower monthly fees than Newnan for the base level of service, although Fayetteville, with the lowest monthly fee, does not offer collection of yard waste and bulky items. Douglasville, Gainesville, Kennesaw, Marietta McDonough, and Smyrna have higher monthly fees than Newnan. The City of LaGrange charges slightly more than Newnan for its larger (96-gallon) container but less for a smaller (68-gallon) container.

Table 6 Residential Fees for Base Level of Service

City	Monthly Fee	How Collected
Newnan	\$16.71	By Contractor, quarterly
Carrollton	\$14.50	Utility Bill
Douglasville	65-gallon: \$19.50 90-gallon: \$22.50	Utility Bill
Fayetteville	\$11.95	Utility Bill
Gainesville	\$32.10	Utility Bill
Kennesaw	\$22	Utility Bill
LaGrange	68 gallons: \$14.00 96 gallons: \$17.00	Utility Bill
Marietta	68 gallons: \$20.50 ¹ 95 gallons: \$22.75 ¹	Purchase stickers for containers
McDonough	\$17.08	Utility Bill
Peachtree Corners	\$16.26	County property tax bill
Smyrna	\$21.50	Utility Bill
<p>¹ In addition to these roll-cart fees, Marietta offers back door service and charges based on the number of 32-gallon cans the resident uses. One can is \$22.75 and six cans are \$48.50 for twice weekly pick-up.</p>		

All but two of these cities charge residents for solid waste collection on their utility bills. Marietta requires residents to purchase stickers from the City and affix them to customer-provided containers. City crews only pick up containers that have the appropriate sticker affixed. Residents in Peachtree Corners are billed in advance for sanitation services on the County property tax bill as part of a larger, County-wide collection system.

Although most local governments cities do not have a separate line item in their budget for the cost of billing solid waste customers, the cost per year for several Georgia cities that do separate out this expense range from \$2.53 to \$9.69 per household per year. Newnan's contractor allocates \$0.57 per month, or \$6.84 per household per year, to billing costs on its breakdown of changes to customers.

Ensuring Participation

Like Newnan, other cities require residents to participate in the residential collection services they provide through their own crews or through a contractor. In Newnan, can be enforced by a Code Enforcement Officer, who has the authority to issue notices and citations to appear in Municipal Court.

Other cities have additional recourse for residents that do not have (or pay) for required city garbage collection services. Because these cities bill residential properties directly, instead of relying on their contractor to do so, they can suspend sanitation services and other utilities or place a lien on property. Table 7 describes how other cities require residents to participate in and pay for city-wide solid waste collection services and the penalties for not doing so.

Table 7 Requirements for Participation in Residential Collection

City	Approach
Newnan	<ul style="list-style-type: none"> All residents of the city shall participate in garbage collection and may participate in recycling provided by the city contractor. All residents shall pay the monthly fees charged by the contractor for this service and approved by the city council. If contractor's bill is not paid on the first day of the month following, a penalty may be added and the city contractor can take "whatever action it deems necessary to enforce payment of the garbage collection fees or to discontinue service." Residents with collection service discontinued are in violation of ordinance and subject to fine (not to exceed \$1,000) or imprisonment in the city jail or at public works for not more than 6 months
Carrollton	<ul style="list-style-type: none"> A monthly sanitary and health charge is assessed against the owner or occupant of all improved premises within the city. Financial penalties for non-payment. City can terminate "sanitary and health services" for which the monthly charges are past due
Douglasville	<ul style="list-style-type: none"> City furnishes containers to all residential properties and charges on utility bill. If delinquent, City can impose surcharge for reinstatement, discontinue service, and charge fee to return the container if confiscated. Payments owed for one service such as garbage collection shall not be grounds for discontinuance of another service such as water and sewer.
Fayetteville	<ul style="list-style-type: none"> Residents must participate by using the City's contractor and pay the monthly fee charged on the utility bill. Can place a lien on property for "non-payment of water, sewer storm water and sanitation services, including garbage pickup and disposal." Residents can be fined up to \$200 for any violation and each day is separate offense.
Gainesville	<ul style="list-style-type: none"> All solid waste generated by or accumulated from single-family dwellings in the city shall be collected, conveyed, and disposed of by the city Can discontinue solid waste collection and water service for non-payment.
Kennesaw	<ul style="list-style-type: none"> City serves all non-commercial units located in the city for garbage and recyclable collection. Property owners must sign up for service with utility billing department and pay a security and container deposit. Financial penalty for late payment. Can terminate service after three months and place a lien on the property after four months on non-payment.
LaGrange	<ul style="list-style-type: none"> All improved residential properties within the city shall receive regular garbage and trash collection services from the city sanitation division. Notices issued by any department shall be promptly turned over to the police department or department of community and economic development for follow up and coordination.
Marietta	<ul style="list-style-type: none"> Each household in structure of 1 or 2 units must participate in City garbage collection service and provide own containers Garbage containers must display a city decal (purchased from the City) or considered in violation. Penalties can include confinement and/or a fine or forfeiture
McDonough	<ul style="list-style-type: none"> All residential garbage and rubbish shall be deposited in a roll-cart container provided by contractor for which applicants pay a security deposit.

City	Approach
	<ul style="list-style-type: none"> • City can charge a late fee, apply security deposit to unpaid bills, or disconnect utility service for nonpayment.
Peachtree Corners	<ul style="list-style-type: none"> • Requires that every household subscribe to the sanitation service provided by the city. The owner or occupant of the premises is required to contact the City or its contractor and request cart. • Fees billed annually in advance on Gwinnett County's annual property tax assessment. • A lien can be place on property for non-payment.
Smyrna	<ul style="list-style-type: none"> • Unlawful to deposit any garbage in container provided by others to avoid participation. • Punishable by fine or jail.

Set Out Limits

The time and cost associated with collecting excessive amounts of solid waste at some residential locations, either excessive amounts of yard debris or bulky items or large amounts of out-of-cart garbage setouts, is a challenge faced by many local governments, including Newnan. Cities, especially those that provide collection services with their own employees and vehicles, often must balance cost-effective collection with the pressure to provide the highest level of service to citizens.

All of the cities included in this comparison have set out limits and most charge for collection of material beyond those limits. Set-out limits established by these cities include a total amount of material collected per pick-up, maximum size or weight for individual items, and/or maximum amount of time spent at property. Several of the comparison cities require residents to call to request collection of materials that exceed specified limits and some that do, charge the resident in advance to pick up that material. Table 8 shows the set-out limits for yard debris and bulky items in each city. Table 9 shows requirements for containerization of residential garbage.

Table 8 Set Out Limits for Yard Waste and Bulk Waste

City	Set Out Limits	Fees for Excess
Newnan	<ul style="list-style-type: none"> Yard or storm debris must not exceed 6 ft. in length 	
Carrollton	<ul style="list-style-type: none"> Grass clippings and leaves must be placed in brown paper bags or city-issued cart Sticks, limbs, and logs must not exceed 4 feet long and must be placed in piles for pick up Up to 2 cubic yards of debris (approximately 12 leaf bags) and one appliance/piece of furniture will be collected every two weeks Without special permit, will no pick up item more than 50 lbs, 6 feet in length, or "due to its size or weight cannot be loaded upon the trash trucks of the city by one employee." 	<ul style="list-style-type: none"> \$10 per item for more than one appliance/piece of furniture every two weeks \$15 per refrigerated appliance \$5-\$25 per tire depending on size \$150 per hour labor plus \$50 per ton for large amounts of material requiring heavy machinery
Douglasville	<ul style="list-style-type: none"> Tree branches must not exceed 6" in diameter or 5 feet in length Leaves and grass clippings must be in compostable or biodegradable bags weighing no more than 50 lbs Bulk items collected on call for a fee (free during spring and fall clean-up) 	<ul style="list-style-type: none"> \$25 minimum per bulk item (except during spring and fall clean-up weeks)
Fayetteville	<ul style="list-style-type: none"> Yard waste and bulk items not collected at curb. Residents must deliver to County transfer station. 	
Gainesville	<ul style="list-style-type: none"> Leaves must be placed in long piles for vacuuming Oct-Jan, in plastic bags the rest of year Limbs/cuttings must not exceed 5 feet in length or 50 lbs in weight. Up to 1 cubic yard per week of yard debris, maximum of 4 cubic yard per month White goods collected on call for fee 	<ul style="list-style-type: none"> Fee for white goods based on type Items requiring dump truck, flatbed truck or boom arm loader, or have special disposal requirements will be picked up on a special fee basis only
Kennesaw	<ul style="list-style-type: none"> Yard waste in bags not to exceed 30 gallons or cans with tight fitting lids not to exceed 32 gallons or 50 lbs. Up to 15 bags or 3 cans per week Branches, limbs and shrubbery not to exceed 4 feet in length, 2" diameter, and 50 lbs. must be stacked in piles no larger than 10 feet long by 6 feet wide by 4 feet tall Bulk materials collected on request only for pre-paid fee Residents may request an additional unscheduled pickup for fee. 	<ul style="list-style-type: none"> Pre-paid fee for bulk material or unscheduled pick-up based on item, size, weight, and collection time

City	Set Out Limits	Fees for Excess
LaGrange	<ul style="list-style-type: none"> Yard waste may not exceed 4 cubic yards or 500 lbs. Bulky items may not exceed 2 cubic yards or 400 lbs. 	<ul style="list-style-type: none"> Special assessment for excess determined by City but at least equal to the labor, overhead and disposal cost associated with the collection and disposal of the excess load. Charged on the customer's next utility bill.
Marietta	<ul style="list-style-type: none"> Branches and limbs not to exceed 6 feet in length, 4" in diameter, 100 lbs Grass and leaves must be placed in reusable containers or biodegradable bags that do not exceed 32 gallons Up to 200 cubic feet total of yard trimmings (approximately 4 feet x 4 feet x 12 feet) or additional fee charged Bulk items collected on call for fee City will not collect Items "too large or heavy to be safely handled by the equipment or personnel of the public works department must be collected and transported for disposal by the owner or occupant." 	<ul style="list-style-type: none"> \$100 per load of excess yard waste (more than 200 cubic feet or 4 ft x 4 ft x12 ft or up to 48 bags) Collection of trash items subject to an additional service charge included on the resident's utility bill. \$5 to \$20 per bulk item based on type
McDonough	<ul style="list-style-type: none"> Yard waste must be placed in brown or clear bags. Up to 10 bags/week Limbs not to exceed more than 4" in diameter or 8" in length A maximum of 30 minutes will be allotted per stop Up to 3 bulk items per week, on call 	
Peachtree Corners	<ul style="list-style-type: none"> Yard waste by subscription only (payment directly to contractor) Subscribers may set out up to 10 bags or bundled limbs weekly Limbs must not exceed 4" in diameter, 4 feet in length, in bundles up to 50 lbs. Bulky items collected on call for pre-paid fee 	<ul style="list-style-type: none"> \$25 per bulk item, in advance
Smyrna	<ul style="list-style-type: none"> Yard waste must be placed in paper bags. Limbs, branches and small trees not to exceed 8" in diameter and 4 feet long Bulky items on request for fee 	<ul style="list-style-type: none"> \$25 per bulk item \$75.00 for removal of abandoned household items

Table 9 Requirements for Setting Out Residential Garbage for Collection

City	Requirements
Newnan	<ul style="list-style-type: none"> • All garbage must be placed in closed containers. • Containers must be kept tightly covered at all times except when receiving or removing garbage. • No container shall be so overloaded with garbage or waste matter that its cover will not fit securely.
Carrollton	<ul style="list-style-type: none"> • Trash shall be placed in wheeled container provided by City which shall always be kept covered. • Trash in excess of the capacity of wheeled container shall only be collected as containerized trash when placed adjacent to the wheeled container at curbside on regular collection days. • Any such excess trash will be charged to the customer based on established fee schedule. • If customers repeatedly have excess trash, the city may assign additional wheeled containers and charge the customer established fee.
Douglasville	<ul style="list-style-type: none"> • Container lid shall be securely closed at all times except when the container is being filled or emptied. • Excess garbage that will not fit in cart with lid completely closed may be placed beside cart in closed plastic bags and attached with a pre-paid sticker (\$1 each at City Hall). • If city determines assigned container size is inadequate for any household, the department may assign a different size container and the resident shall pay rate for the newly assigned container. • City may decline to collect household waste left at the curb for disposal not in compliance with section. • Failure of the resident(s) to remove from the curb any rejected household waste within 48 hours of the regular collection time shall constitute unlawful accumulation.
Fayetteville	<ul style="list-style-type: none"> • Unlawful to place or permit to remain anywhere in the city any garbage, or other material subject to decay, other than leaves or grass, except in a tightly covered container. • All lids of containers shall be kept closed except when loading or picking up garbage.
Gainesville	<ul style="list-style-type: none"> • Garbage placed in receptacles unbagged will not be collected. • All garbage must be stored in receptacles with a properly fitted lid that is to remain closed except for filling, emptying, or cleaning. • Excessive garbage in the receptacle that prevents the lid from closing, garbage that is piled on top of the receptacle, or garbage that is placed outside of the receptacle will not be collected. • Garbage exceeding a quantity of ninety-six (96) gallons will not be collected, even if it is bagged and placed in a receptacle. • Customers may choose to pay an additional monthly fee for collection of up to an extra ninety-six (96) gallons. • Special pickups or garbage in excess of ninety-six (96) gallons shall result in an excessive disposal fee that will be assessed to the customer according to established fee schedule.
Kennesaw	<ul style="list-style-type: none"> • All garbage filled plastic bags must be placed inside the authorized container. • The container may be filled to capacity as long as the lid can be closed. • Unauthorized containers and bags outside the assigned container will not be picked up (except during the period of December 25 through January 5).
LaGrange	<ul style="list-style-type: none"> • All residential solid waste, except newspapers, stored outside the residence pending collection shall be placed inside approved containers with lids tightly affixed. • Under no circumstances will garbage outside of city-issued containers be collected. • If necessary, extra containers may be obtained for an additional monthly fee. • Solid waste or trash of such a nature that it cannot be placed in a receptacle may be placed at the curbside or street side for collection by the city. Such solid waste shall be placed on public right-of-way and collected for disposal twice per month.

City	Requirements
Marietta	<ul style="list-style-type: none"> Containers provided by resident shall be covered tightly, and disposable containers sealed for curbside collection.
Smyrna	<ul style="list-style-type: none"> Owners, occupants, tenants, or lessees shall provide containers for rubbish and trash of not less than ten and no more than 32-gallon capacity. Lids or covers of all garbage and trash containers shall at all times be kept secure and fastened except when being filled or emptied.

Central Business District Collection

Only a handful of the cities in the previous section provide collection in their Central Business District. Some that do, for example Douglasville and McDonough, provide the same level of service to businesses downtown as they do throughout the City.

Thus, for this comparison, AGR consider the approach used by several other Georgia cities that provide special collection services in the Central Business District, as Newnan does (Table 10). Athens-Clarke County collects bags set on the sidewalk by businesses multiple times each day. Like Newnan, the fees charged by Athens-Clarke County for this labor-intensive level of collection service is not fully covered by the fees charged to these customers. Marietta and Roswell both offer centralized locations where businesses must (in the case of Marietta) or may (in the case of Roswell) deliver their garbage.

Table 10 Approach to Collection in Central Business District

City	Collection Arrangements
Newnan	<ul style="list-style-type: none"> Properties must use City service. City collects daily from shared carts from approximately 215 properties City charges customers based on type and size of business.
Athens-Clarke County	<ul style="list-style-type: none"> County collects designated bags (purchased from County) from sidewalk Serves 360 commercial and 55 residential customers Charges \$1.50 per bags when purchased plus monthly fee based on number of collections: 3x/week- \$32.50/month, 1x/day-\$82.60/month, 2x/day-\$161.60/month Beginning to move toward some centralized locations (eco-stations)
Marietta	<ul style="list-style-type: none"> Businesses bring waste to one of 9 centralized locations from which City contractor collects. Most locations have one 8 cy container emptied daily, 5x per week but some have more dumpsters and/or carts. About half also have container for cardboard recycling. City charges businesses to use central locations
Roswell	<ul style="list-style-type: none"> Exclusive hauler for all commercial properties in City. Downtown business can have collection at their business or choose to use one of two central sites

Transfer and Disposal Arrangements

Table 11 shows the arrangements the cities have with transfer or disposal facilities. Like Newnan, in cities that contract for collection, the contractor typically chooses where to deliver solid waste it collects. Tip fees are incorporated into the fee per household that the City pays the contractor.

Most of the comparison cities that operate their own residential collection deliver to a transfer station or landfill without a long-term contract, although some, like Douglasville, appear to pay a tipping fee lower than that charged to other customers. One exception is the City of Marietta that has entered into contact with a privately operated transfer station, located within the City limits, for disposal of its solid waste.

Table 11 Transfer/Disposal

City	Approach
Newnan	Contractor delivers to transfer/disposal facility of its choice City delivers yard waste, bulky items, garbage from central business district to one of two transfer stations, one within City limits No contract or reduced rate
Carrollton	Delivers to Carroll County transfer station No contract or reduced rate Pays the gate rate of \$45/ton for household refuse, \$50 per ton for yard debris and limbs
Douglasville	Delivers to private transfer station in City limits Pays \$39 per ton (quoted gate rate \$69/ton) No contract
Fayetteville	Contractor delivers to transfer/disposal facility of its choice
Gainesville	Delivers to Hall County landfill Pays the same rate as other haulers
Kennesaw	Contractor delivers to transfer/disposal facility of its choice
LaGrange	Delivers to its own landfill
Marietta	Delivers to private transfer station located in city limits Pays about \$33 per ton Multi-year contract
McDonough	Contractor delivers to transfer/disposal facility of its choice
Peachtree Corners	Contractor delivers to transfer/disposal facility of its choice
Smyrna	Delivers to private transfer station located in city limits

Conclusions

The City of Newnan's sanitation services works well in many ways. Requiring that all residential and commercial properties have garbage collection at least once per week, and providing or requiring containers for this purpose, helps to minimize illegal disposal and keep the City clean. The City's approach to contracting for some residential services and providing others with its own staff and vehicles enables it to provide a high level of service for reasonable monthly fees. The Central Business District collection program keeps downtown Newnan attractive for visitors and those that live and work there.

One of the key drawbacks to the City's approach to residential solid waste collection is relying on the Contractor to enforce the requirement that all residents receive and pay for solid waste service,

including those provided by the City. With minimal ways to enforce participation and payment, only an estimated 80 percent of households pay for collection. The other cities included in this report charge residential properties directly for collection service, whether the city itself or its contractor provides the services. Most cities bill residences on the utility bill, providing them with the ability to suspend other utilities if residents do not pay the sanitation bill.

The City of Newnan also has fewer limits on the amount of solid waste that it collects from residents than the comparison cities, especially yard debris and bulky items. This results in extra time spent by City crews picking up large loads and extra tipping fees at transfer stations with no additional fee charged to the customer. Other cities establish limits on the total amount of yard debris and/or bulky items collected as well as limits per individual item. If they do pick up loads beyond these limits, they charge fees for this service. Some cities only collect bulky items upon a request and, in some cases, require advance payment of additional fees to do so.

In some cases, excess bagged garbage is included in the oversized set outs. Although the City's ordinance requires that garbage set out for collection fit into the cart provided, if residents set out large enough out-of-cart amounts that the contractor leaves it behind, the City typically picks it up as part of its bulk collection routes at no additional charge. Enforcing set-out limits is challenging. However, setting and enforcing limits on the amount that the City collects and charging fees for amounts beyond these limits increases efficiency, decreases costs, and is more equitable to residential customers.

The City of Newnan offers a high level of service in the Central Business District which keeps the highly visible downtown area clean and attractive. However, this level of service comes at a high cost, much of which is covered by the general fund rather than by the fees paid by properties receiving the service. Other cities provide a lower level of service and/or charge customers a fee that covers a higher proportion of the cost to provide the service. For example, Marietta sited centralized collection areas where downtown properties are required to bring their garbage for pick-up. Athens-Clarke County subsidizes collection in their central business districts from other fees (not from the general fund) but not to the same degree as Newnan. Newnan uses general funds to cover an estimated 60 percent of the costs of downtown collection while Athens-Clarke County's downtown customers pay nearly two-thirds of the cost of the high level of collection service provided there.

A final area where the City may want to consider alternatives is in its transfer and disposal arrangement. It appears that the City of Newnan receives no discount on the tipping fee it pays at the privately owned and operated transfer station located within its borders. Some cities may pay a lower rate if they enter into long term contracts with a transfer or disposal facility. Others negotiate a discounted rate or other benefits from solid waste handling facilities located within its borders.



Final Report Cost of Service and Rate Study for Sanitation Services Newnan, Georgia

Prepared by:
A. Goldsmith Resources, LLC
November 2021



Table of Contents

Introduction	1
Projected Operating Expenses.....	1
Projected Capital Expenses	6
Cost of Service.....	8
Fees to Cover Cost of Service.....	11
Conclusions	14

Tables

Table 1 Test Year Expenses.....	2
Table 2 Projected Operating Expenses, FY22 through FY31	4
Table 3 Current Equipment and Allocation.....	6
Table 4 Projected Expenditures from Sanitation Fund ¹	7
Table 5 Projected Cost of Service, 2022 through 2031	9
Table 6 Disposition of Monthly Residential Sanitation Fee, FY21	11
Table 7 Monthly Fees to Cover Full Cost of Brush and Bulk Collection Service	12
Table 8 Monthly Fees to Cover Full Cost of Administering Residential Collection	12
Table 9 Monthly Fees to Cover Full Cost of Downtown Collection Service.....	13

Figures

Figure 1 Projected Net Cost by Type of Service, FY22 through FY31.....	10
Figure 2 Projected Net Cost by Type of Expense, FY22 through FY31.....	10

Introduction

The City of Newnan, Georgia is evaluating the solid waste collection services it provides to its citizens. As part of this effort, the City has retained A. Goldsmith Resources, LLC (AGR) to estimate the full cost of providing sanitation services to its citizens, project those costs for the next ten years, and calculate the fees that would be required if user fees fully covered the cost of providing each service.

To conduct this analysis, the City of Newnan provided detailed data about the number of customers, operating and capital costs, current fees, and other relevant information. In addition, City staff collaborated with AGR to define detailed assumptions that are used in the “Base Case” of the analysis which is presented in this report. In the future, the City may determine the cost of service and associated fees under different scenarios or sets of assumptions.

Projected Operating Expenses

AGR worked with the City to develop a “Test Year” line-item budget starting with the City’s budget for fiscal year 2021 and adjusting line items to reflect operating costs of the sanitation services in Newnan in a “typical” year. The Test Year budget and associated assumptions are shown in Table 1. One key adjustment was to allocate a portion of employee salaries and benefits and a small percentage of operating expenses for vehicles (insurance gasoline/diesel, and maintenance) to a separate “cost center” for residential refuse and recycling. This adjustment was made to account for the fact that even with a collection contractor, the City incurs administrative costs to provide garbage collection and recycling services to residents. Another adjustment was to remove the line item for depreciation costs and instead, account for the full capital cost of purchasing equipment in the year incurred. This is described in more detail later in this report.

Based on the Test Year line-item budget and annual inflation factors, in addition to other anticipated changes in expenses (e.g., the operating costs associated with the addition of a bulk and brush route starting in FY24), the line-item expenses were projected for the next ten years. The results are shown in Table 2.

Table 1 Test Year Expenses

Expense	2021 Budget	Adjustment	Test Year
BRUSH & BULK			
Wages	\$218,950	\$11,244 ¹	\$230,194
Wages (Overtime)	\$8,701	\$(8,701) ²	\$0
Employee Insurance	\$79,651	\$(3,270) ¹	\$ 76,381
Emp Flex Spending Acct	\$42	\$(42) ²	\$0
FICA (Soc Security)	\$17,450	\$(1,818) ¹	\$15,632
Retirement	\$28,128	\$(2,381) ¹	\$25,747
Unemployment Insurance	\$10	\$(10) ²	\$0
Worker's Compensation	\$22,838	\$(10,581) ¹	\$12,257
Salaries and Benefits	\$375,770	\$(15,559)	\$360,211
Solid Waste Disposal	\$250,000		\$250,000
Repairs and Maintenance	\$1,750		\$1,750
Vehicle Insurance	\$3,000	\$(60) ³	\$2,940
Building & Personal Liability Insurance	\$3,500		\$3,500
Communications	\$1,584		\$1,584
Advertising	\$500		\$500
Materials and Supplies	\$3,000		\$3,000
Office Supplies	\$250		\$250
Vehicle Gasoline/Diesel	\$50,000	\$(863) ³	\$49,138
Other Supplies/Uniform Rental	\$1,560		\$1,560
Vehicle Maintenance	\$30,000	\$(50) ³	\$29,950
Operating Expenses	\$345,144	\$(973)	\$344,171
Depreciation Expenses	\$60,000	\$(60,000) ⁴	\$0
Other Uses	\$60,000	\$(60,000)	\$0
Total Brush & Bulk	\$780,914	\$(76,532)	\$704,382
SANITATION REFUSE (DOWNTOWN COLLECTION)			
Wages	\$72,975	\$22,398 ¹	\$95,373
Wages (Overtime)	\$5,000	\$(5,000) ²	\$0
Employee Insurance	\$41,620	\$(253) ¹	\$41,367
Emp Flex Spending Acct	\$42	\$(42) ²	\$0
FICA (Soc Security)	\$5,583	\$925 ¹	\$6,508
Retirement	\$9,015	\$1,703 ¹	\$10,718
Unemployment Insurance	\$4	\$(4) ²	\$0
Worker's Compensation	\$7,857	\$(2,850) ¹	\$5,007
Employee Recognition	\$300	\$(300) ²	\$0
Salaries and Benefits	\$142,396	\$16,577	\$158,973
Other Contractual Services	\$6,000		\$6,000
Solid Waste Disposal	\$28,000		\$28,000
Repairs and Maintenance	\$300		\$300
Vehicle Insurance	\$1,000		\$1,000
Building & Pers Liability Insurance	\$1,500		\$1,500
Printing & Binding	\$300		\$300
Materials and Supplies	\$2,500		\$2,500
Office Supplies	\$500		\$500
Vehicle Gasoline/Diesel	\$7,500		\$7,500

Expense	2021 Budget	Adjustment	Test Year
Minor Equipment	\$500		\$500
Other Supplies/Uniform Rental	\$1,150		\$1,150
Vehicle Maintenance	\$3,500		\$3,500
Operating Expenses	\$52,750		\$52,750
Total - Sanitation Refuse (Downtown Coll)	\$195,146	\$16,577	\$211,723
RESIDENTIAL REFUSE/RECYCLING			
Wages-Full Time Employees		\$60,755 ⁵	\$60,755
Employee Ins ((Life/Health/Dent)		\$20,538 ⁵	\$20,538
FICA (Soc Security)		\$4,136 ⁵	\$4,136
Retirement		\$6,812 ⁵	\$6,812
Worker's Compensation		\$3,042 ⁵	\$3,042
Salaries and Benefits		\$95,283	\$95,283
Vehicle Insurance		\$60 ³	\$60
Vehicle Gasoline/Diesel		\$863 ³	\$863
Vehicle Maintenance		\$50 ³	\$50
Operating Expenses		\$973	\$973
Total - Residential Refuse/Recycling		\$96,256	\$96,256

1 Adjusted based on employee roster and allocations.

2 Adjusted to balance subtotal for salaries and benefits.

3 Moved 1.5% of total to residential refuse and recycling to support supervisor truck.

4 Removed depreciation from budget for purpose of calculating cost of service.

5 Allocated % of Supervisor, Public Works Director, Public Works Administrative Assistant.

Table 2 Projected Operating Expenses, FY22 through FY31

Account Description	Test Year	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
BRUSH & BULK											
Wages	\$230,194	\$238,251	\$246,589	\$293,503	\$303,776	\$314,408	\$326,984	\$340,063	\$353,666	\$367,812	\$382,525
Employee Ins	\$76,381	\$85,547	\$95,813	\$123,407	\$138,216	\$154,802	\$170,282	\$187,310	\$206,041	\$226,645	\$249,309
FICA (Soc Security)	\$15,632	\$16,179	\$16,746	\$19,931	\$20,629	\$21,351	\$22,205	\$23,093	\$24,017	\$24,978	\$25,977
Retirement	\$25,747	\$26,648	\$27,581	\$32,828	\$33,977	\$35,166	\$36,573	\$38,036	\$39,557	\$41,140	\$42,785
Worker's Compensation	\$12,257	\$12,686	\$13,130	\$15,628	\$16,175	\$16,741	\$17,410	\$18,107	\$18,831	\$19,584	\$20,368
Salaries and Benefits	\$360,211	\$379,311	\$399,858	\$485,297	\$512,772	\$542,467	\$573,454	\$606,609	\$642,112	\$680,159	\$720,964
Solid Waste Disposal	\$250,000	\$260,000	\$270,400	\$281,216	\$292,465	\$304,163	\$316,330	\$328,983	\$342,142	\$355,828	\$370,061
Repairs and Maintenance	\$1,750	\$1,820	\$1,893	\$1,969	\$2,047	\$2,129	\$2,214	\$2,303	\$2,395	\$2,491	\$2,590
Vehicle Insurance	\$2,940	\$3,058	\$3,180	\$3,803	\$3,955	\$4,114	\$4,278	\$4,449	\$4,627	\$4,812	\$5,005
Bldg/Pers Liab Insurance	\$3,500	\$3,640	\$3,786	\$3,937	\$4,095	\$4,258	\$4,429	\$4,606	\$4,790	\$4,982	\$5,181
Communications	\$1,584	\$1,647	\$1,713	\$1,782	\$1,853	\$1,927	\$2,004	\$2,084	\$2,168	\$2,255	\$2,345
Advertising	\$500	\$520	\$541	\$562	\$585	\$608	\$633	\$658	\$684	\$712	\$740
Materials and Supplies	\$3,000	\$3,120	\$3,245	\$3,375	\$3,510	\$3,650	\$3,796	\$3,948	\$4,106	\$4,270	\$4,441
Office Supplies	\$250	\$260	\$270	\$281	\$292	\$304	\$316	\$329	\$342	\$356	\$370
Vehicle Gasoline/Diesel	\$49,138	\$51,103	\$53,147	\$55,273	\$57,484	\$59,783	\$62,175	\$64,662	\$67,248	\$69,938	\$72,736
Other Supp/Uniform Rental	\$1,560	\$1,622	\$1,687	\$2,018	\$2,099	\$2,183	\$2,270	\$2,361	\$2,455	\$2,553	\$2,656
Vehicle Maintenance	\$29,950	\$31,148	\$32,394	\$38,743	\$40,293	\$41,904	\$43,580	\$45,324	\$47,137	\$49,022	\$50,983
Operating Expenses	\$344,171	\$357,938	\$372,256	\$392,959	\$408,677	\$425,024	\$442,025	\$459,706	\$478,094	\$497,218	\$517,107
Total Brush & Bulk	\$704,382	\$737,249	\$772,114	\$878,255	\$921,449	\$967,491	\$1,015,479	\$1,066,315	\$1,120,206	\$1,177,377	\$1,238,071
SANITATION REFUSE (DOWNTOWN COLLECTION)											
Wages	\$95,373	\$98,711	\$102,166	\$105,742	\$109,442	\$113,273	\$117,804	\$122,516	\$127,417	\$132,513	\$137,814
Employee Ins	\$41,367	\$46,331	\$51,891	\$58,118	\$65,092	\$72,903	\$80,193	\$88,213	\$97,034	\$106,738	\$117,411
FICA (Soc Security)	\$6,508	\$6,735	\$6,971	\$7,215	\$7,468	\$7,729	\$8,038	\$8,360	\$8,694	\$9,042	\$9,403
Retirement	\$10,718	\$11,093	\$11,482	\$11,884	\$12,299	\$12,730	\$13,239	\$13,769	\$14,319	\$14,892	\$15,488

Account Description	Test Year	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Worker's Compensation	\$5,007	\$5,183	\$5,364	\$5,552	\$5,746	\$5,947	\$6,185	\$6,433	\$6,690	\$6,958	\$7,236
Salaries and Benefits	\$158,973	\$168,054	\$177,874	\$188,510	\$200,048	\$212,582	\$225,460	\$239,290	\$254,154	\$270,142	\$287,352
Other Contractual Services	\$6,000	\$6,240	\$6,490	\$6,749	\$7,019	\$7,300	\$7,592	\$7,896	\$8,211	\$8,540	\$8,881
Solid Waste Disposal	\$28,000	\$29,120	\$30,285	\$31,496	\$32,756	\$34,066	\$35,429	\$36,846	\$38,320	\$39,853	\$41,447
Repairs and Maintenance	\$300	\$312	\$324	\$337	\$351	\$365	\$380	\$395	\$411	\$427	\$444
Vehicle Insurance	\$1,000	\$1,040	\$1,082	\$1,125	\$1,170	\$1,217	\$1,265	\$1,316	\$1,369	\$1,423	\$1,480
Bldg & Pers Liab Insurance	\$1,500	\$1,560	\$1,622	\$1,687	\$1,755	\$1,825	\$1,898	\$1,974	\$2,053	\$2,135	\$2,220
Printing & Binding	\$300	\$312	\$324	\$337	\$351	\$365	\$380	\$395	\$411	\$427	\$444
Materials and Supplies	\$2,500	\$2,600	\$2,704	\$2,812	\$2,925	\$3,042	\$3,163	\$3,290	\$3,421	\$3,558	\$3,701
Office Supplies	\$500	\$520	\$541	\$562	\$585	\$608	\$633	\$658	\$684	\$712	\$740
Vehicle Gasoline/Diesel	\$7,500	\$7,800	\$8,112	\$8,436	\$8,774	\$9,125	\$9,490	\$9,869	\$10,264	\$10,675	\$11,102
Minor Equipment	\$500	\$520	\$541	\$562	\$585	\$608	\$633	\$658	\$684	\$712	\$740
Other Supp/Uniform Rental	\$1,150	\$1,196	\$1,244	\$1,294	\$1,345	\$1,399	\$1,455	\$1,513	\$1,574	\$1,637	\$1,702
Vehicle Maintenance	\$3,500	\$3,640	\$3,786	\$3,937	\$4,095	\$4,258	\$4,429	\$4,606	\$4,790	\$4,982	\$5,181
Operating Expenses	\$52,750	\$54,860	\$57,054	\$59,337	\$61,710	\$64,178	\$66,746	\$69,415	\$72,192	\$75,080	\$78,083
Total Sanitation Refuse	\$211,723	\$222,914	\$234,928	\$247,847	\$261,758	\$276,761	\$292,205	\$308,705	\$326,346	\$345,222	\$365,435
RESIDENTIAL REFUSE/RECYCLING											
Wages	\$60,755	\$62,881	\$65,082	\$67,360	\$69,717	\$72,157	\$75,044	\$78,045	\$81,167	\$84,414	\$87,791
Employee Ins	\$20,538	\$23,003	\$25,763	\$28,855	\$32,317	\$36,195	\$39,815	\$43,796	\$48,176	\$52,994	\$58,293
FICA (Soc Security)	\$4,136	\$4,281	\$4,431	\$4,586	\$4,746	\$4,912	\$5,109	\$5,313	\$5,526	\$5,747	\$5,976
Retirement	\$6,812	\$7,051	\$7,297	\$7,553	\$7,817	\$8,091	\$8,414	\$8,751	\$9,101	\$9,465	\$9,844
Worker's Compensation	\$3,042	\$3,148	\$3,259	\$3,373	\$3,491	\$3,613	\$3,757	\$3,908	\$4,064	\$4,227	\$4,396
Salaries and Benefits	\$95,283	\$100,363	\$105,831	\$111,725	\$118,088	\$124,968	\$132,139	\$139,813	\$148,034	\$156,846	\$166,299
Vehicle Insurance	\$60	\$62	\$65	\$67	\$70	\$73	\$76	\$79	\$82	\$85	\$89
Vehicle Gasoline/Diesel	\$863	\$897	\$933	\$970	\$1,009	\$1,049	\$1,091	\$1,135	\$1,180	\$1,228	\$1,277
Vehicle Maintenance	\$50	\$52	\$54	\$57	\$59	\$61	\$64	\$66	\$69	\$72	\$74
Operating Expenses	\$973	\$1,012	\$1,052	\$1,094	\$1,138	\$1,183	\$1,231	\$1,280	\$1,331	\$1,385	\$1,440
Total Residential Refuse/Recycling	\$96,256	\$101,375	\$106,884	\$112,820	\$119,226	\$126,152	\$133,370	\$141,093	\$149,365	\$158,230	\$167,739

Projected Capital Expenses

This purpose of this study is to estimate the fees required if the full cost of each service was fully supported by user fees rather than transfers from the general fund, a Special Purpose Local Option Sales Tax, or any other sources. Thus, in addition to determining annual operating expenses for each service, AGR projected capital expenses for new vehicles when needed based on assumptions developed in conjunction with staff. Table 3 shows existing equipment assigned to sanitation as of FY21, including the year manufactured, estimated percentage of time spent on each sanitation service, and the estimated replacement cost in FY21 dollars.

Table 3 Current Equipment and Allocation

Number	Type	Year	Allocation Among Services			Replacement Cost (FY21)
			Brush & Bulk	Downtown	Residential Refuse/Recyc.	
SA-101	Boom Truck	2008	100%			\$168,000 ¹
SA-102	Boom Truck	2006	100%			\$177,000
SA-103	Pick Up Truck	2008	50%	50%		\$27,000
SA-104	Boom Truck	2013	100%			\$177,000
SA-105	Boom Truck	2014	100%			\$177,000
SA-106	Boom Truck	2016	100%			\$177,000
SA-107	Pick Up Truck with Tipper	2016		100%		\$47,000
SA-108	Garbage Truck	2018		100%		\$151,000
SA-109	Pick Up Truck	2019	20%	10%	70%	\$27,000
SA-110	Garbage Truck	2020	100%			\$151,000

¹ A new Boom Truck, SA-111, was purchased to replace SA-101 during this analysis at a cost of \$168,000 using SPLOST funds.

Table 4 shows projected net capital outlay (equipment purchase price, inflated by 4 percent per year, minus salvage value of equipment being replaced) from the sanitation fund in each year based on a ten-year replacement schedule for each vehicle.¹ The annual net capital outlay fluctuates on the number and type of trucks that need to be replaced in that year or, in the case of SA-116, when a new brush and bulky route is added. For example, the projected capital outlay is highest in FY24 when two boom trucks are scheduled for purchase, one as a replacement and one for a new route.

¹ SA-101 and SA-102 exceeded this age at the time of this study, at 13 and 15 years old, respectively. SA-101 was replaced in FY21 and SA-102 is scheduled to be replaced in FY22. Both trucks are purchased with SPLOST funds. SA-103, a pick-up truck, used to supervise both brush and bulky and downtown collection, is 13 years old and, in this analysis, scheduled for replacement using sanitation funds in FY23.

Table 4 Projected Expenditures from Sanitation Fund ¹

Truck #	Replacing	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
SA-101		\$(11,045) ²											
SA-102		\$(11,045) ²											
SA-103			\$(1,752) ²										
SA-104			\$(11,487) ²										
SA-105				\$(11,946) ²									
SA-106						\$(12,921) ²							
SA-107						\$(3,431) ²							
SA-108								\$(11,922) ²					
SA-109									\$(2,217) ²				
SA-110										\$(12,895) ²			
SA-111	SA-101	³									\$(15,720) ²		
SA-112	SA-102	³										\$(16,349) ²	
SA-113	SA-103		\$29,203										\$(2,594) ²
SA-114	SA-104		\$191,443										\$(17,003) ²
SA-115	SA-105			\$199,101									
SA-116	Add Route			\$199,101									
SA-117	SA-106					\$215,348							
SA-118	SA-107					\$57,183							
SA-119	SA-108							\$198,706					
SA-120	SA-109								\$36,951				
SA-121	SA-110									\$214,920			
SA-122	SA-111										\$262,003		
SA-123	SA-112											\$272,483	
SA-124	SA-113												\$41,565
SA-125	SA-114												\$283,383
TOTAL		\$22,090	\$207,408	\$386,256	\$0	\$256,178	\$0	\$186,783	\$34,734	\$202,025	\$246,283	\$256,134	\$305,351

¹ Projected cost in the year purchased based on 4 percent annual inflation rate.

² Negative number reflects salvage value from sale of used equipment.

³ Funded with SPLOST in FY21 and FY22. Funded with SPLOST

Cost of Service

As shown in Table 5, the projected cost of service for the City to provide brush and bulky collection, downtown collection, and oversight of residential refuse and recyclable collection ranges from a total of \$1,039,448 in FY22 to \$2,017,528 in FY31. The majority of these expenses are associated with brush and bulk collection (see Figure 1). The operating expenses increase consistently with inflation, except in FY24 when an additional brush and bulky route is added, while capital expenses fluctuate annually depending on the equipment purchases scheduled in that year (Figure 2).

Table 5 Projected Cost of Service, 2022 through 2031

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Brush and Bulk										
Operating Expenses	\$737,249	\$772,114	\$878,255	\$921,449	\$967,491	\$1,015,479	\$1,066,315	\$1,120,206	\$1,177,377	\$1,238,071
Capital Expenses	-\$22,090	\$193,682	\$386,256	\$0	\$202,427	\$0	\$0	\$6,947	\$0	\$246,283
TOTAL	\$715,159	\$965,796	\$1,264,511	\$921,449	\$1,169,918	\$1,015,479	\$1,066,315	\$1,127,153	\$1,177,377	\$1,484,354
Downtown Collection										
Operating Expenses	\$222,914	\$234,928	\$247,847	\$261,758	\$276,761	\$292,205	\$308,705	\$326,346	\$345,222	\$365,435
Capital Expenses	\$0	\$13,726	\$0	\$0	\$53,752	\$0	\$186,783	\$3,473	\$202,025	\$0
TOTAL	\$222,914	\$248,654	\$247,847	\$261,758	\$330,513	\$292,205	\$495,489	\$329,820	\$547,247	\$365,435
Residential Refuse										
Operating Expenses	\$101,375	\$106,884	\$112,820	\$119,226	\$126,152	\$133,370	\$141,093	\$149,365	\$158,230	\$167,739
Capital Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,314	\$0	\$0
TOTAL	\$101,375	\$106,884	\$112,820	\$119,226	\$126,152	\$133,370	\$141,093	\$173,679	\$158,230	\$167,739
All Services										
Operating Expenses	\$1,061,538	\$1,113,925	\$1,238,922	\$1,302,433	\$1,370,404	\$1,441,054	\$1,516,114	\$1,595,917	\$1,680,829	\$1,771,245
Capital Expenses	-\$22,090	\$207,408	\$386,256	\$0	\$256,178	\$0	\$186,783	\$34,734	\$202,025	\$246,283
TOTAL	\$1,039,448	\$1,321,333	\$1,625,177	\$1,302,433	\$1,626,582	\$1,441,054	\$1,702,897	\$1,630,652	\$1,882,854	\$2,017,528

Figure 1 Projected Net Cost by Type of Service, FY22 through FY31

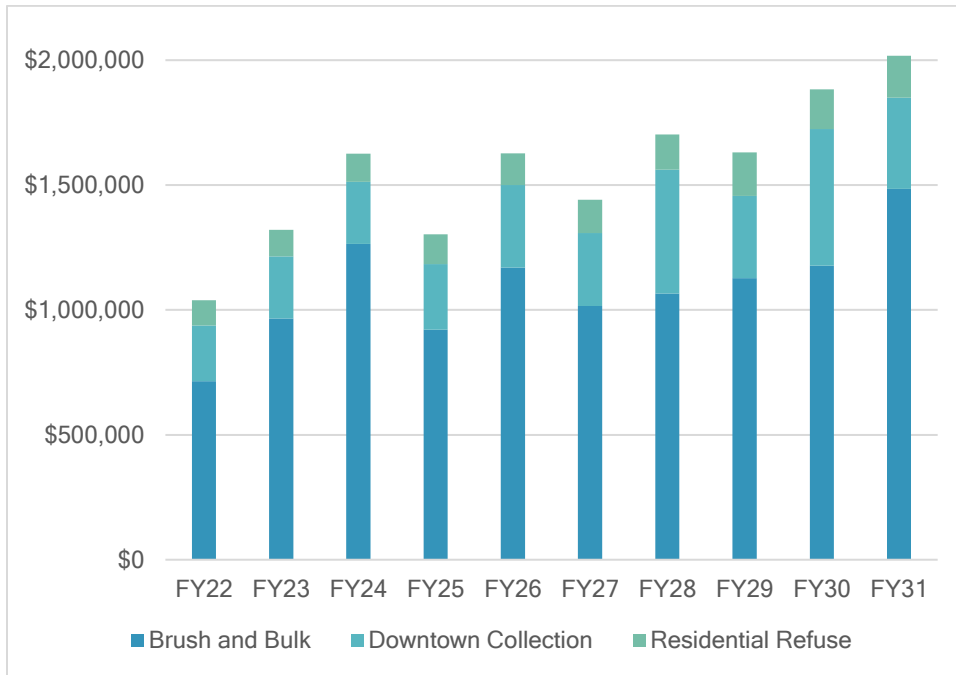
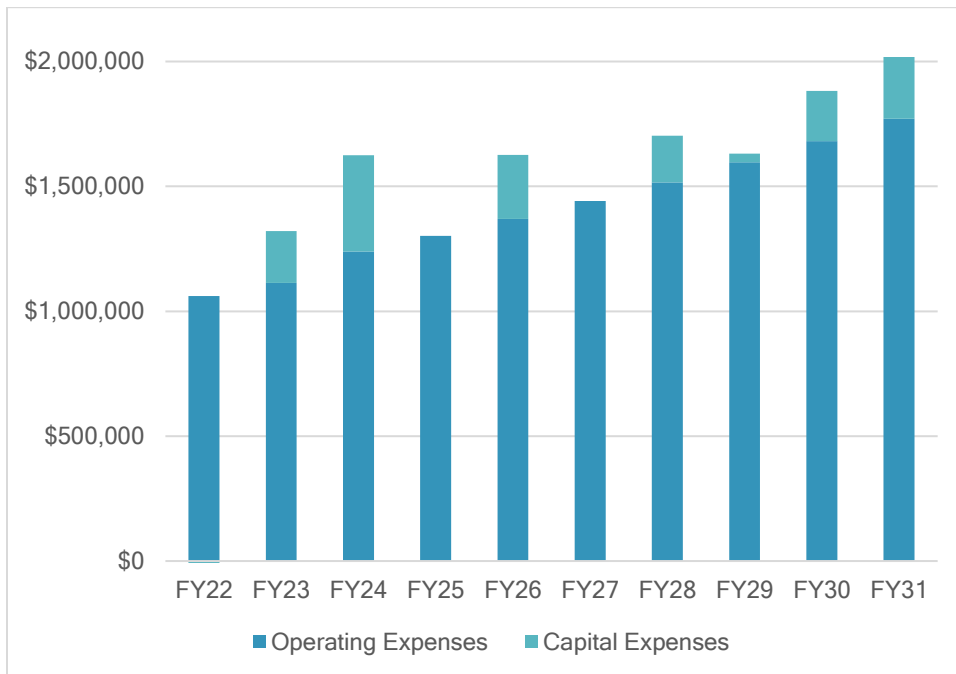


Figure 2 Projected Net Cost by Type of Expense, FY22 through FY31



Fees to Cover Cost of Service

In the Base Case presented herein, user fees are calculated to fully cover the projected cost of sanitation services each year. Currently, the City does not bill directly for sanitation services it provides to residential customers. Rather, the City's residential refuse and recyclable contractor collects fees from customers and remits payment to the City for providing brush and bulk collection. In FY21, the contractor paid Newnan \$5.81 per household per month to cover the cost of yard waste and bulk collection that the City provides. In addition, the contractor paid the City a \$0.73 per household per month "host fee".² Table 6 shows the disposition of the monthly residential fee collected in FY21.

Table 6 Disposition of Monthly Residential Sanitation Fee, FY21

To GFL	Monthly Amount
Garbage	\$7.31
Recycling	\$2.29
Billing	\$0.57
Subtotal	\$10.17
To City	
Yard Debris/Bulk Waste	\$5.81
Host Fee	\$0.73
Subtotal	\$6.54
TOTAL TO RESIDENT	\$16.71

The Contractor only pays the City for those households that sign up for its garbage collection service (which all residents are required to do by ordinance), but the City provides brush and bulk collection to all residents. Records show that on average, the sanitation contractor remits payment to the City for approximately 10,043 residential units per month. However, City records suggest that approximately 12,500 receive service, including brush and bulky collection. As a result, those paying for service are covering the cost of service for those that do not and their monthly fees are higher as a result.

Table 7 shows the monthly fees projected to cover the full cost of service for bulk and brush collection (shown in Table 5) if approximately 80 percent of customers pay for the service they receive, which was the case in FY21 and the monthly fee required if 90 and 100 percent of customers receiving service paid, respectively.

² Currently, the host fee supports code enforcement rather than direct sanitation expenses.

Table 7 Monthly Fees to Cover Full Cost of Brush and Bulk Collection Service

% of Customers Paying	Current	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Current ¹	\$5.81	\$5.94	\$8.00	\$10.45	\$7.59	\$9.61	\$8.32	\$8.70	\$9.18	\$9.55	\$12.00
90%		\$5.30	\$7.14	\$9.33	\$6.78	\$8.58	\$7.43	\$7.78	\$8.20	\$8.53	\$10.71
100%		\$4.77	\$6.43	\$8.39	\$6.10	\$7.72	\$6.69	\$7.00	\$7.37	\$7.68	\$9.64

¹ Approximately 80 percent.

At today's payment rate of approximately 80 percent, a monthly fee of \$5.94 would be needed in FY22 to fully cover the cost of brush and bulky service; increasing by more than \$2 per month in the years that new trucks are purchased. If 100 percent of households receiving service paid, the monthly fee is projected at \$4.77 in FY22. With a more realistic payment rate of 90 percent, the monthly fee to fully cover the cost of brush and bulky service in FY22 is projected to be \$5.30, increasing to a maximum of \$10.71 in FY31.

In addition to the cost to provide brush and bulky services, the City incurs a cost to oversee the collection of residential refuse and recyclables starting at just over \$100,000 in FY22 as shown in Table 5. Table 8 shows that if the payment rate continued to remain at 80 percent of residential customers, the monthly user fee to cover the cost of this service would start at \$0.85 per month in FY22. This amount would be \$0.76 per month at a 90 percent payment rate and \$0.68 per month if all residents paid.

Table 8 Monthly Fees to Cover Full Cost of Administering Residential Collection

% of Customers Paying	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Current ¹	\$0.85	\$0.89	\$0.94	\$0.99	\$1.04	\$1.10	\$1.16	\$1.42	\$1.29	\$1.36
90%	\$0.76	\$0.79	\$0.84	\$0.88	\$0.93	\$0.98	\$1.03	\$1.27	\$1.15	\$1.21
100%	\$0.68	\$0.72	\$0.75	\$0.79	\$0.84	\$0.88	\$0.93	\$1.14	\$1.04	\$1.09

¹ Approximately 80 percent.

Currently, the cost to provide downtown collection service is heavily subsidized by the general fund. The monthly rates that customers would need to pay to fully cover the cost of service shown in Table 5 would be much higher as shown in Table 9.

Table 9 Monthly Fees to Cover Full Cost of Downtown Collection Service

Customer Type	Current	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
OFC1	\$14.96	\$39.79	\$48.95	\$65.10	\$51.95	\$54.44	\$57.06	\$59.79	\$62.72	\$65.86	\$69.28
OFC2	\$27.42	\$72.94	\$89.71	\$119.32	\$95.22	\$99.79	\$104.58	\$109.60	\$114.97	\$120.71	\$126.99
RES	\$14.96	\$39.79	\$48.95	\$65.10	\$51.95	\$54.44	\$57.06	\$59.79	\$62.72	\$65.86	\$69.28
REST1	\$64.79	\$172.34	\$211.98	\$281.93	\$224.98	\$235.78	\$247.10	\$258.96	\$271.65	\$285.23	\$300.06
REST2	\$127.08	\$338.03	\$415.78	\$552.99	\$441.28	\$462.47	\$484.66	\$507.93	\$532.82	\$559.46	\$588.55
REST3	\$189.38	\$503.75	\$619.61	\$824.09	\$657.62	\$689.19	\$722.27	\$756.94	\$794.03	\$833.73	\$877.08
REST4	\$251.67	\$669.44	\$823.41	\$1,095.14	\$873.92	\$915.87	\$959.83	\$1,005.90	\$1,055.19	\$1,107.95	\$1,165.57
RET1	\$27.42	\$72.94	\$89.71	\$119.32	\$95.22	\$99.79	\$104.58	\$109.60	\$114.97	\$120.71	\$126.99
RET2	\$39.88	\$106.08	\$130.48	\$173.54	\$138.48	\$145.13	\$152.10	\$159.40	\$167.21	\$175.57	\$184.70
RET3	\$77.25	\$205.49	\$252.75	\$336.15	\$268.25	\$281.13	\$294.62	\$308.76	\$323.89	\$340.09	\$357.77

Conclusions

The following conclusions can be drawn from the analysis presented in this report. It should be noted that adjusting the assumptions about costs and revenues and sources of funds, especially capital costs, would modify the net cost of providing each service and the resulting fees required from customers to cover these net costs. The results of this analysis and subsequent scenarios can be used to inform decisions about how sanitation customers receive and pay for services.

- The City of Newnan incurs costs for three general sanitation services provided to its citizens: 1) collection of brush and bulky items from residents; 2) administration of contractor-provided garbage and recyclable collection from residents; and 3) collection of garbage from properties in the Central business district.
- The projected net cost for the City to provide these services, including operating and capital costs for vehicles, is \$1,039,448 in FY22. Projected net costs are much higher in the years in which new equipment is anticipated since in the base case presented in this report, the cost of equipment is fully paid in the year purchased.
- On average, 70 percent of the projected net costs for City sanitation services are attributable to providing brush and bulky collection to residents. Just over 21 percent, on average, are for providing downtown collection. Just under 9 percent of the net costs are attributable to administering the residential refuse and recyclable collection contract.
- The projected net cost to provide sanitation services jumps in the years in which equipment is purchased, either to replace existing equipment or, in FY24, to add another route. The City could dampen this fluctuation by developing an equipment replacement fund into which deposits are made annually with the goal of ensuring sufficient balance is available as needed when new equipment is anticipated.
- The City's residential garbage and recyclable contractor bills customers and remits a portion of the fee to the City to cover the cost of brush and bulky collection. Although the City provides the service to all residents, the contractor only pays the City for those customers that pay them for garbage collection, approximately 80 percent of those receiving service. At this payment rate, the estimated monthly fee needed to cover the full cost of providing brush and bulky service is \$5.94 in FY22. However, if 90 percent of residents receiving brush and bulky service paid, then the projected monthly fee needed to cover the same net costs would be \$5.30 per household in FY22. If all residential customers paid, as required by City ordinance, the monthly fee estimated to cover the cost of service would be \$4.77 in FY22.
- The City incurs a cost to administer the collection of residential refuse and recyclables, estimated at just over \$100,000 in FY22. If this amount was spread amount among 80 percent of residential customers, a monthly fee of \$0.85 would be needed to cover this cost in FY22. This amount would be \$0.76 per month at a 90 percent payment rate and \$0.68 per month if all residents paid.
- Currently, the cost to provide downtown collection service is heavily subsidized by transfers from the general fund. The monthly fees paid by downtown customers would need to increase

more than two and a half times to cover projected net costs in FY22; and more than quadruple to cover projected net costs in FY24.