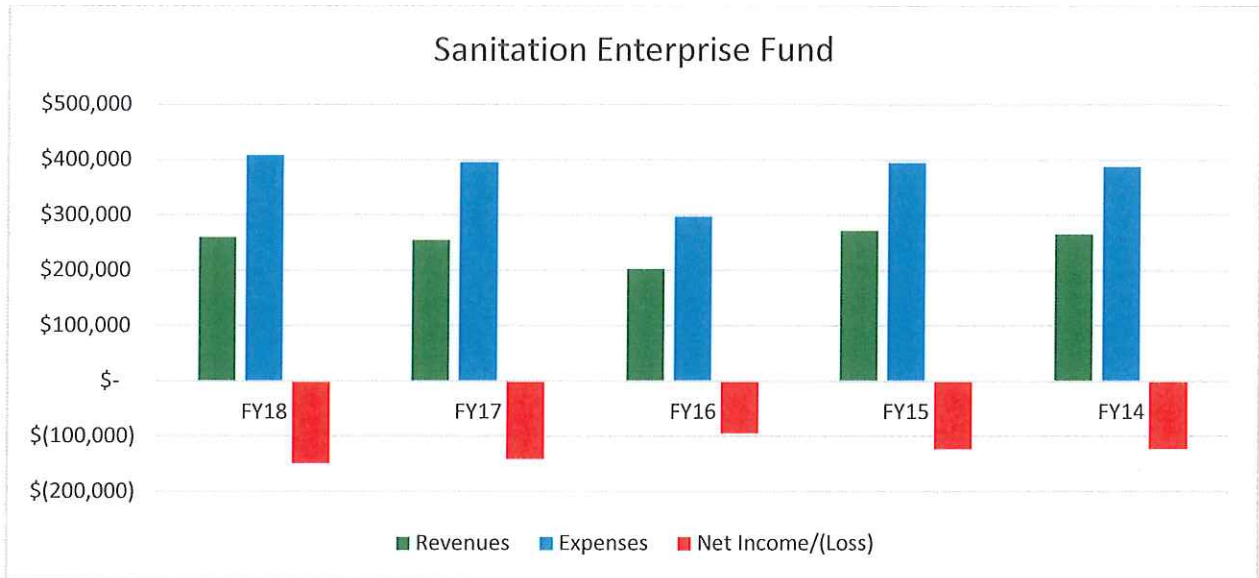


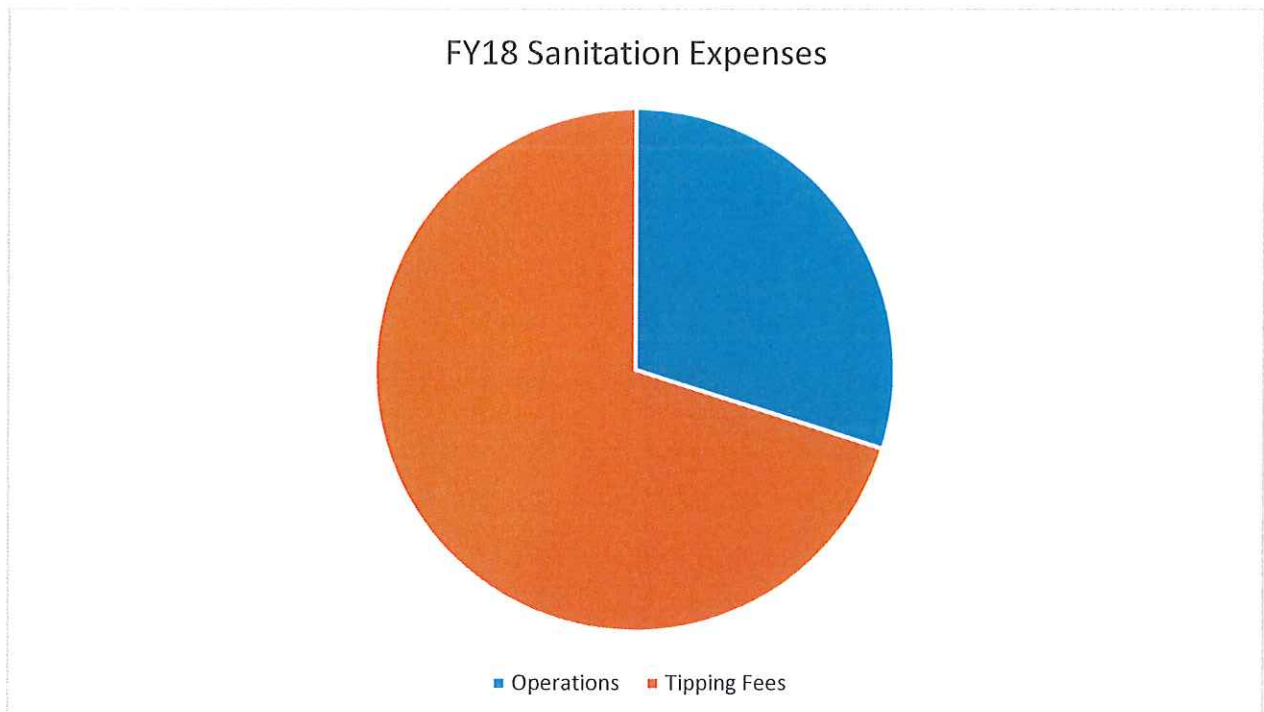
# Sanitation Options and Recommendations

The City of Hogansville has consistently suffered losses in its Sanitation Enterprise Fund.

| Hogansville       | FY18        | FY17        | FY16       | FY15        | FY14        |
|-------------------|-------------|-------------|------------|-------------|-------------|
| Revenues          | \$259,669   | \$254,375   | \$202,549  | \$271,224   | \$265,003   |
| Expenses          | \$408,373   | \$395,128   | \$296,828  | \$394,405   | \$387,245   |
| Net Income/(Loss) | \$(148,704) | \$(140,753) | \$(94,279) | \$(123,181) | \$(122,242) |



Hogansville contracts with C&C Sanitation to pick up its residential and commercial waste. The City is invoiced on the number of 96-gallon trash cans C&C Sanitation empties each week. The fees charged by C&C is nominally lower than what Hogansville collects from its customers. That excess revenue is supposed to cover the cost for litter control and removal of bulk items specified in the City’s sanitation ordinance.



Given that the Water and Sanitation enterprise funds together with the General Fund (Maintenance & Operations) all operate at a loss, the Governing Body transferred excess revenue from the Electric and Natural Gas utilities to balance its FY18 budget.

The Governing Body adopted new water and sewer rates effective July 1, 2018. It should be noted the Water Fund continues to operate at a loss (\$511,989) through the Sewer Fund now operates in the black in order to meet its contractual requirements of debt service for the new USDA-funded waste water treatment plant upgrade and expansion.

### **Why the Sanitation Fund is Losing Money?**

- The nominal profit from the C&C relationship does not cover the total expense for other provided services, including litter control, tire removal and bulk item pickup
- Residential sanitation is optional for anyone with fewer than two utilities and therefore those who subscribe to the service are supplementing sanitation services for the 200+ homes that are not customers
- City staff pick up all dumped items in the right-of-way of vacant or abandoned lots, foreclosures, evictions, etc., even though they pay nothing for sanitation services
- It has been the practice of the City to pick up bulk items from commercial apartment complexes and the Hogansville Housing Authority, even though these locations would be better served with on-site dippy dumpsters
- Customers who exceed the 96-gallon capacity of their sanitation bin are required by ordinance to have a second bin, but instead often pile garbage bags atop their trash can or curbside

### **Why Address Sanitation Fees Now?**

- The knuckle-boom truck is approaching its average life expectancy and the cost to replace it with a certified used grapple truck is estimated between \$80k and \$100k. The purpose of an enterprise fund is to stockpile cash to pay for large ticket items.
- When the Vogtle 3&4 nuclear power plants go online in about three years, the City's electric expense will increase by at least three cents per kilowatt hour. If sanitation expenses aren't addressed now, then the gap will widen in the future with less revenue from the electric fund to make up the difference.
- Litter control is of great concern though the City has lacked the necessary resources to make a significant impact ever since Troup County closed its correctional facility in 2017. Seasonal work crews to address litter and right-of-way maintenance is costing Hogansville nearly \$50k annually.
- Overall expenses are increasing between two and five percent annually.

### **Some Sanitation Options to Consider**

**Fees** | The estimated cost to provide sanitation for each residential household in Hogansville is \$522 per year or \$43.50 per month. That figure excludes apartments and the Hogansville Housing Authority. A residential customer with one 96-gallon can pays \$15.50 per month. It is customary for the General Fund (Maintenance & Operations) to subsidize sanitation, given that it includes leaf control, bulk item pickup, tree limbs, etc. However, since the General Fund is operating at a loss of \$1,020,438 in the FY18 budget, an option is to nominally raise the millage rate each year for the next five years while also increasing the monthly base fee to \$18 for each can with no changes to the existing commercial rates.

**Pay-As-You-Throw (PAYT)** | In communities with pay-as-you-throw programs (also known as unit pricing or variable-rate pricing), residents are charged for the collection of municipal solid waste—ordinary household trash—based on the amount they throw away. This creates a direct economic incentive to recycle more and to generate less waste. There are three main ways cities may implement a variable fee policy.

- Customers may be required to purchase for a certain price approved bags, tags or stickers that residents use or affix to the containers set out at the curb. The advantage of this strategy is that it eliminates the need for a billing system.
- Cities also may use unit pricing for different levels of subscription service. Customers subscribe to a waste collection service level that varies in price based on the number or size of cans/containers used.
- Finally, collection crews may weigh the solid waste disposed at the curb and charge customers based on these data.

**Vacant Lots** | Property owners with vacant lots can be assessed a monthly or annual fee to cover the cost of providing litter control and right-of-way maintenance. For instance, a nominal \$5 per month or \$60 per year could be charged.

**Mandatory Sanitation** | All improved lots in the City could be made to participate in residential and commercial sanitation services.

### **SPECIFIC RECOMMENDATIONS**

- Increase the monthly base fee to \$18 for each residential customer and \$16.50 for each additional can
- Increase the monthly base fee to \$20 for each home-based business customer and \$18.00 for each additional can
- Make residential sanitation pickup mandatory for all improved lots in the City
- Assess a monthly fee of \$5 per vacant lot to offset cost of litter pickup and illegal dumping in right of way
- Assess a \$5 administrative fee to all new sanitation accounts to cover the cost of account setup, offset nonpayment of services
- All commercial residential apartment buildings and complexes, including public housing facilities, ought to be required to have enclosed commercial dumpsters with no bulk pickup service provided
- Require a \$5 administrative fee on all new residential sanitation customers to cover administration, evictions requiring bulk pickup, nonpayment of service, code compliance, etc.
- Overhaul the entire solid waste ordinance to bring it into compliance with current operations and landfill policies