



PINE GROVE M.S.W. LANDFILL

Columbus Consolidated Government

Cost of Service and Rate Study Columbus Consolidated Government

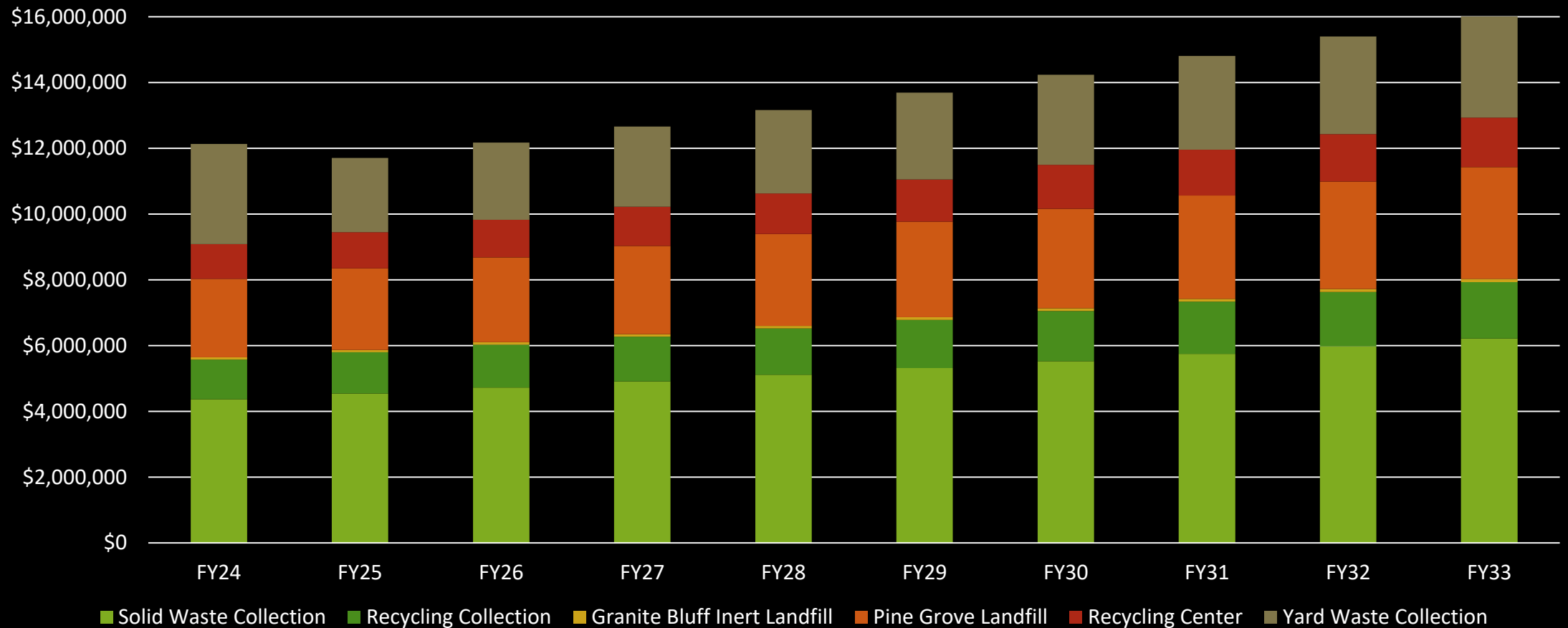
Presentation to Council

February 13, 2024

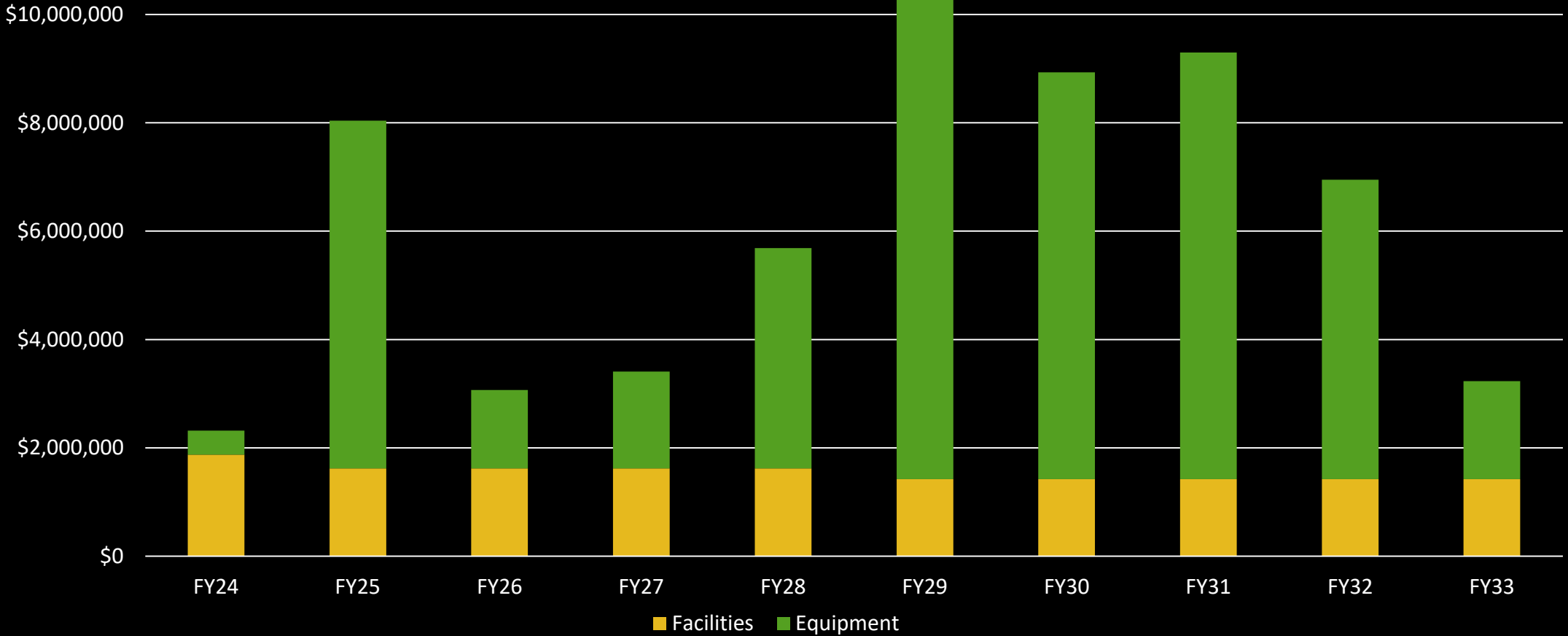
Calculate Revenue Required from Fees to Cover ...

- Operating expenses
- Annual payments on outstanding leases
- Equipment purchases
- Deposits into a fund for future costs for facility development costs and closure and post-closure care
- Subtract revenue from sources other than fees

Annual Operating Expenses



Annual Capital Expenses



To distribute capital costs, assume ...

- Compost pad and convenience center anticipated for FY25, totaling nearly \$4 million, are not funded with fees calculated here
- Delay purchase of some more expensive landfill equipment scheduled in 2025
- Replace refuse trucks (purchased with ARP funds in 2023) over three years (2029, 2030, and 2031) instead of replacing all in 2030
- Replacing half of recycling trucks (purchased with ARP funds in 2023) in 2031 instead of 2030

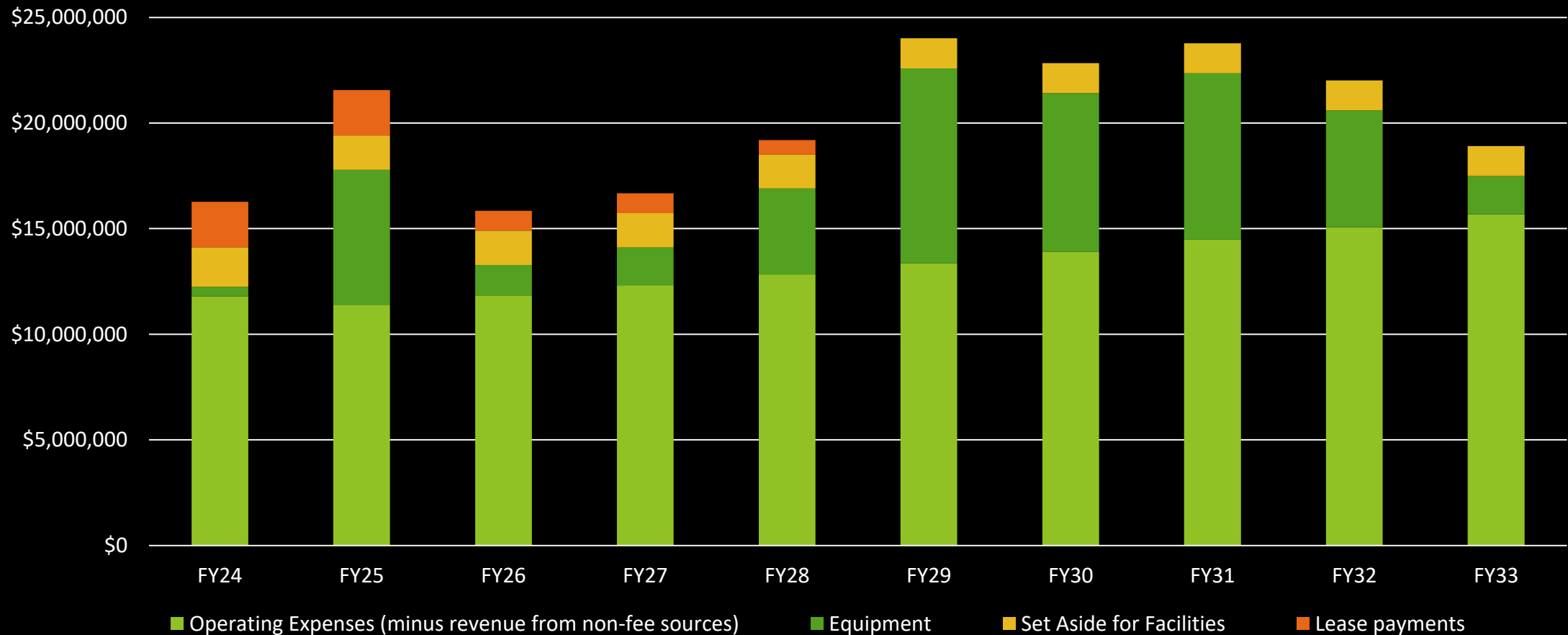
Equipment Expenses

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
SW Collection	\$4,000	\$2,811,120	\$0	\$77,616	\$620,025	\$3,564,812	\$3,218,992	\$3,428,023	\$2,889,049	\$556,515
Recycling Collection	\$444,000	\$1,058,202	\$0	\$4,499	\$0	\$79,082	\$1,694,272	\$2,149,588	\$886,151	\$5,693
Granite Bluff	\$0	\$847,600	\$0	\$0	\$584,929	\$0	\$0	\$0	\$0	\$1,067,484
Pine Grove	\$0	\$223,600	\$1,445,018	\$1,632,178	\$2,328,603	\$4,039,288	\$341,636	\$203,969	\$0	\$177,914
Recycling Center	\$0	\$260,000	\$0	\$0	\$76,041	\$0	\$0	\$5,264	\$239,500	\$0
Yard Waste Collection	\$0	\$1,216,800	\$0	\$73,116	\$456,245	\$1,545,159	\$2,255,444	\$2,089,055	\$1,512,269	\$0
Total	\$448,000	\$6,417,322	\$1,445,018	\$1,787,409	\$4,065,843	\$9,228,341	\$7,510,344	\$7,875,899	\$5,526,969	\$1,807,606

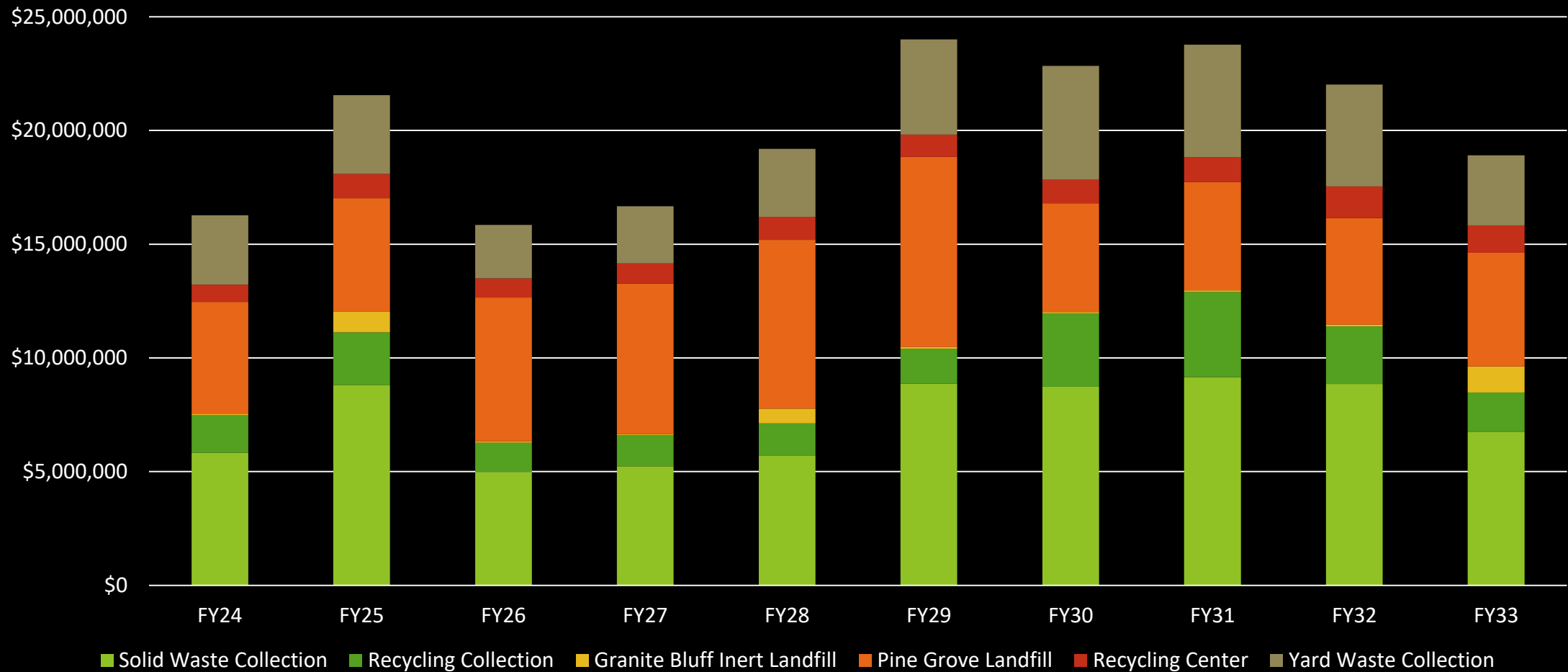
Set Aside for Facilities

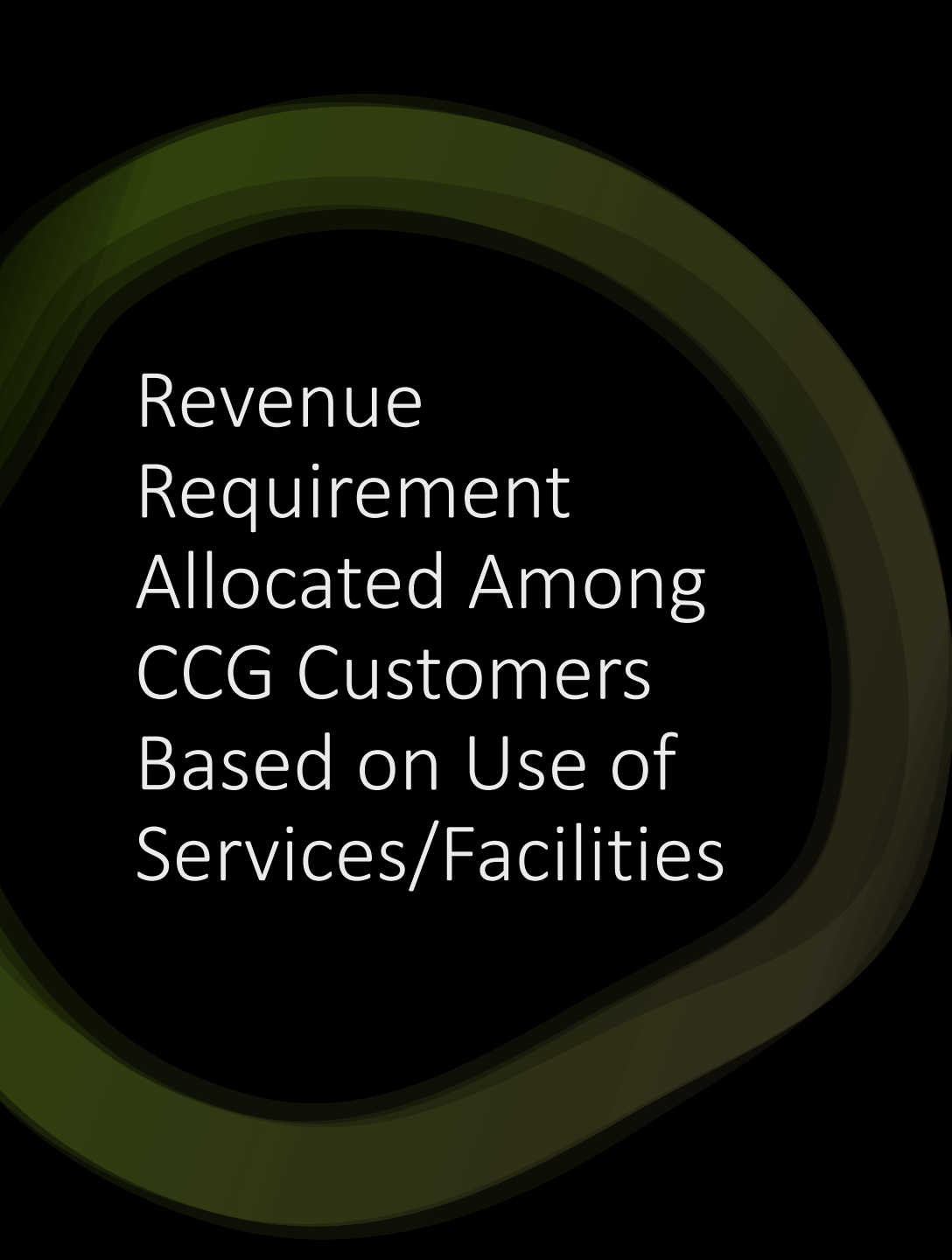
	Unit	Estimated Cost (FY24\$)	Funds Available	Still Needed	Start Collecting	End Collecting	Set Aside Per Year
Phase V/VI Development	3560	\$19,481,283	\$0	\$19,481,283	2024	2044	\$927,680
Closure I-IV	3560	\$11,266,050	\$2,800,000	\$8,466,050	2024	2077	\$156,779
Closure V-VI	3560	\$8,851,897		\$8,851,897	2024	2077	\$163,924
Post-Closure Care I-VI	3560	\$9,577,360		\$9,577,360	2024	2078	\$174,134
Convenience Ctr at Pine Grove	3560	\$952,570		\$952,570	2024	2025	\$476,285
Close Pine Grove Borrow Pit	3560	\$50,000		\$50,000	2024	2024	\$50,000
Borrow Pit (Parcel 16)	3560	\$200,000		\$200,000	2024	2024	\$200,000
Replace Scale house	3560	\$1,000,000		\$1,000,000	2024	2028	\$200,000
Compost Pad	3560	\$3,000,000		\$3,000,000	2024	2025	\$1,500,000

Revenue Required from Fees, by Type of Expense



Revenue Required from Fees, by Service/Facility





Revenue Requirement Allocated Among CCG Customers Based on Use of Services/Facilities

- Residential Curbside Collection Customers
- Commercial Curbside Collection Customers
- Uptown Business District Customers
- Apartments and schools receiving recycling collection only
- Landfill Customers
 - Private Haulers
 - Citizens
 - Columbus Water Works
 - CCG Departments (other than DPW)
- RMPF Customers (other than CCG)

Allocation of Revenue Requirement

	CCG Collection Customers				Landfill Customers				Private RMPF Deliveries
	Residential Curbside	Commercial Curbside	Uptown Business District	Recycling only (apts and schools)	CWW	Other City Depts	Private Haulers	Citizens Self-Haul	
Solid Waste Collection	99.6%	0.3%	0.1%	0.0%	0%	0%	0%	0%	0.0%
Recycling Collection	99.6%	0.3%	0.00%	0.06%					
Granite Bluff	93.6%	0.3%	0.1%		0.01%	4.0%	0.3%	1.7%	
Pine Grove	69.1%	0.02%	0.02%	0.0%	0.7%	10.3%	10.2%	9.8%	0.0%
Recycling Center	41.6%	0.0%	0.0%	0.4%			12.8%		45.3%
Yard Waste Collection	99.7%	0.3%	0.0%	0.0%					

Revenue Required from Residential Curbside Customers

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Solid Waste Collection	\$5,805,276	\$8,812,174	\$4,949,583	\$5,215,025	\$5,689,639	\$8,825,281	\$8,692,601	\$9,120,854	\$8,813,122	\$6,728,696
Recycling Collection	\$1,641,877	\$2,301,576	\$1,297,570	\$1,353,954	\$1,403,452	\$1,538,352	\$3,205,378	\$3,719,566	\$2,524,399	\$1,713,184
Granite Bluff Inert Landfill	\$47,956	\$843,961	\$53,063	\$55,770	\$606,182	\$61,515	\$64,560	\$67,728	\$71,022	\$1,073,799
Pine Grove Landfill	\$3,408,300	\$3,456,008	\$4,368,188	\$4,568,777	\$5,123,955	\$5,778,026	\$3,304,385	\$3,292,740	\$3,238,639	\$3,451,765
Recycling Center	\$314,821	\$440,438	\$350,682	\$369,696	\$421,067	\$410,035	\$431,423	\$455,854	\$576,318	\$500,858
Yard Waste Collection	\$3,036,842	\$3,459,909	\$2,337,211	\$2,503,562	\$2,982,594	\$4,168,858	\$4,981,848	\$4,925,402	\$4,464,355	\$3,075,610
TOTAL	\$14,255,072	\$19,314,065	\$13,356,297	\$14,066,785	\$16,226,889	\$20,782,068	\$20,680,195	\$21,582,144	\$19,687,855	\$16,543,912

Residential Fees to Cover Revenue Requirement

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Regular	\$22.50	\$28.40	\$28.40	\$28.40	\$28.40	\$30.70	\$30.70	\$31.60	\$31.60	\$31.60
Discount	\$16.90	\$21.30	\$21.30	\$21.30	\$21.30	\$23.00	\$23.00	\$23.70	\$23.70	\$23.70
Extra Cart	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenue Generated	\$15,303,415	\$19,316,203	\$19,316,203	\$19,316,203	\$19,316,203	\$20,880,458	\$20,880,458	\$21,492,677	\$21,492,677	\$21,492,677
Revenue Required	\$14,255,072	\$19,314,065	\$13,356,297	\$14,066,785	\$16,226,889	\$20,782,068	\$20,680,195	\$21,582,144	\$19,687,855	\$16,543,912
Difference	\$1,048,344	\$2,138	\$5,959,906	\$5,249,419	\$3,089,314	\$98,391	\$200,263	-\$89,467	\$1,804,822	\$4,948,764

Assumes residents needing extra cart would purchase from CCG at cost but would pay same monthly fee as residents with one cart

What if residents opting for second cart paid higher monthly fee?

Residential Fees to Cover Revenue Requirement

	Current	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Regular		\$22.00	\$25.00	\$25.00	\$25.00	\$25.00	\$27.00	\$27.00	\$27.90	\$27.90	\$27.90
Discount		\$16.50	\$18.70	\$18.70	\$18.70	\$18.70	\$20.20	\$20.20	\$20.90	\$20.90	\$20.90
Extra Cart*		\$15.00	\$17.00	\$17.00	\$17.00	\$17.00	\$18.40	\$18.40	\$19.00	\$19.00	\$19.00
Revenue Generated		\$16,996,032	\$19,307,342	\$19,307,342	\$19,307,342	\$19,307,342	\$20,857,364	\$20,857,364	\$21,550,894	\$21,550,894	\$21,550,894
Revenue Required		\$14,255,072	\$19,314,065	\$13,356,297	\$14,066,785	\$16,226,889	\$20,782,068	\$20,680,195	\$21,582,144	\$19,687,855	\$16,543,912
Difference		\$2,740,960	-\$6,722	\$5,951,045	\$5,240,558	\$3,080,453	\$75,296	\$177,169	-\$31,251	\$1,863,039	\$5,006,981

* Assumes 10 percent of customers request extra cart

Findings

- If residents opting for a second cart paid an additional \$17 per month, the fee for all other customers would be \$3.40 per month less (or \$40.80 per year) in FY25-FY28



Assumes 10 percent choose second cart
Assumes no up-front charge to purchase cart

Fees for Other Collection Customers to Cover Revenue Requirement

- Commercial Curbside fees remain the same
 - Current fees of \$240 on right of way and \$320 off right of way cover their share of revenue requirement
- Per bag sticker fees for Uptown Business District will need to increase from \$2 to \$6.70 over next two years
 - Assuming number of bags sold remains historically low
- Apartments and schools receiving free recycling would need to pay average monthly fee of \$14 to cover revenue required for this service

Pine Grove Tip Fees for Non-DPW Customers to Cover Revenue Requirement (Private Haulers, Self-Haulers, Other CCG Depts)

	Current	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
MSW/C&D	\$42.50	\$63.80	\$64.40	\$81.00	\$85.10	\$95.30	\$95.30	\$95.30	\$95.30	\$95.30	\$95.30
Special Handling	\$60.00	\$90.00	\$90.90	\$114.30	\$120.00	\$134.40	\$134.40	\$134.40	\$134.40	\$134.40	\$134.40

Fees at Granite Bluff to Cover Revenue Requirement If Paid for Every Ton

Current	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
\$34.00	\$34.00	\$42.50	\$42.50	\$42.50	\$53.10	\$53.10	\$53.10	\$53.10	\$53.10	\$79.70

- Tip fees would need to increase to \$170 per ton (by 400%) in FY25 to cover capital costs IF CWW and other departments continue to deliver for free
 - Since customers delivering 33% of the tonnage are covering all the revenue required to operate the facility

Fees for Private Deliveries to Recycling Center to Cover Revenue Requirement

Current	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
\$52	\$65	\$83.20	\$83.20	\$83.20	\$83.20	\$83.20	\$83.20	\$85.70	\$89.98	\$92.68

Summary of Fees to Cover Revenue Requirement Allocated to Each Customer Type

*assumes no change in number of each customer type

	Current	FY24	FY29	FY33
Residential Curbside Customers (per month) if no monthly fee for extra cart	\$18.00	\$22.50	\$30.70	\$31.60
Residential Curbside Customers (per month) if monthly fee for extra cart	\$18.00	\$22.00	\$27.00	\$27.90
Extra MSW Cart (per month)	\$0.00	\$15.00	\$18.40	\$19.00
Commercial Curbside Customers of Right of Way (per month)	\$240.00	\$240.00	\$240.00	\$290.40
Uptown Business District Customers (per sticker)	\$2.00	\$4.80	\$6.70	\$6.70
Apartment and Schools Receiving Recycling Only (per month)	\$0	\$14.00	\$14.00	\$16.90
Non-DPW Customers at Pine Grove (per ton)	\$42.50	\$61.60	\$95.30	\$95.30
Granite Bluff if all customers paid (per ton)	\$34.00	\$34.00	\$53.10	\$79.70
Granite Bluff if only private and self haulers pay (per ton)	\$34.00	\$170.00	\$170.00	\$187.00
RMPF non-CCG customers (per ton)	\$52.00	\$65.00	\$83.20	\$92.68

Revenue Analysis

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Revenue from Fees	\$18,988,094	\$21,424,560	\$21,823,929	\$21,922,330	\$22,175,863	\$23,725,885	\$23,731,515	\$24,445,731	\$24,470,244	\$24,505,570
Revenue Required from Fees	\$16,269,897	\$21,560,306	\$15,844,286	\$16,673,491	\$19,195,935	\$24,009,601	\$22,839,204	\$23,774,262	\$22,017,616	\$18,914,228
Difference	\$2,718,197	-\$135,745	\$5,979,643	\$5,248,839	\$2,979,928	-\$283,717	\$892,311	\$671,469	\$2,452,628	\$5,591,342
Balance in Fund	\$2,718,197	\$2,582,452	\$8,562,095	\$13,810,934	\$16,790,861	\$16,507,145	\$17,399,456	\$18,070,924	\$20,523,552	\$26,114,895

What if Contractor Collected Yard Waste?



Yard Waste Collection Services

Cost Benefit Analysis (CCG vs AmWaste Collection)

Fiscal Year	CCG Cost Avoidance (Benefit)	AmWaste (Costs)	Value Added (Benefit – Costs)
2022	\$1,380,061	\$3,268,856	-\$1,888,795
2023	\$1,476,082	\$5,347,304	-\$3,871,221
2024*	\$434,142	\$2,198,000	-\$1,763,857

- Above cost benefit analysis estimates the costs and benefits of competing alternatives.
- CCG and AmWaste both delivered yard waste to Granite Bluff landfill so no impact on landfill life
- Cost avoidance does not include cost for collection services provided by CCG during AmWaste contract period
- No insurance cost savings as city is self-insured.

*Costs thru November 30, 2023

Yard Waste Collection Services

Cost Avoidance (by Category)

Category	FY22	FY23	FY24*
Personnel	\$756,348	\$934,932	\$214,719
Fuel & Maintenance Costs (14 Rear Loaders)	\$581,313	\$498,750	\$201,756
Operating Expenses	\$42,400	\$42,400	\$17,667
Total	\$1,380,061	\$1,476,082	\$434,142

Note: Cost avoidance includes variable costs for manpower and fuel expenses.

*Costs thru November 30, 2023

Yard Waste Collection Services

Cost Avoidance (Detailed Line Item in FY23)

OBJECT CODE	OBJECT NAME	AMOUNT
6110	SALARIES W/ BENEFITS	\$806,932
6115	OVERTIME	\$103,000
6160	TEMP EMPLOYEES	\$25,000
6317	PROMOTION/ADVERTISING	\$15,000
6519	MISC. EQUIP. MAINTENANCE	\$1,000
6625	POSTAGE	\$500
6631	PRINTING SERVICES	\$2,000
6632	COPIER CHARGES	\$100
6673	STATE INMATE WAGES	\$2,000
6711	OFFICE SUPPLIES	\$1,000
6714	PUBLICATIONS/SUBSCRIPTIONS	\$100
6721	AUTO PARTS & SUPPLIES	\$288,275
6725	VEHICLE WASH	\$1,500
6728	OPERATING MATERIALS	\$15,000
6746	FUEL	\$210,475
6781	UNIFORMS	\$3,700
6793	SPECIAL EVENT SUPPLIES	\$500

Assumptions

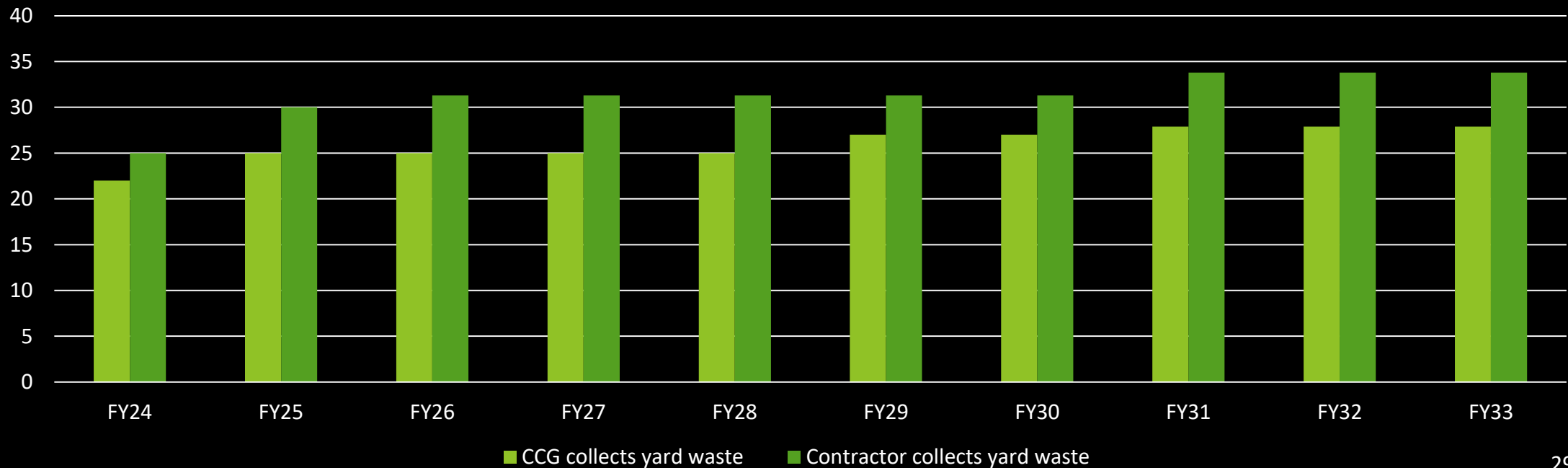
- Reduce annual personnel costs based on actual cost avoidance in FY23
- Reduce annual fuel and other operating cost based on actual cost avoidance in FY23
- Include annual cost for contractor based on actual cost in FY23
- Extend the life of solid waste vehicles by two years as new yard waste collection vehicles are used as spares for solid waste collection vehicles
- Eliminate purchases of new yard waste collection vehicles

Projected Costs for Yard Waste and Bulk Collection CCG and Contractor

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Costs										
CCG	\$3,047,384	\$2,255,119	\$2,345,324	\$2,439,137	\$2,536,703	\$2,638,171	\$2,743,698	\$2,853,445	\$2,967,583	\$3,086,287
Contractor	\$6,325,383	\$ 6,578,398	\$ 6,841,534	\$7,115,196	\$7,399,803	\$7,695,796	\$ 8,003,627	\$8,323,772	\$8,656,723	\$9,002,992
Equipment Costs										
CCG	\$0	\$1,216,800	\$0	\$73,116	\$456,245	\$1,545,159	\$2,255,444	\$2,089,055	\$1,512,269	\$0
Contractor	\$0	\$1,081,600	\$0	\$73,116	\$456,245	\$0	\$246,737	\$0	\$1,334,355	\$0
Total Costs										
CCG	\$3,047,384	\$3,471,919	\$2,345,324	\$2,512,253	\$2,992,947	\$4,183,330	\$4,999,141	\$4,942,500	\$4,479,852	\$3,086,287
Contractor	\$6,325,383	\$7,659,998	\$6,841,534	\$7,188,312	\$7,856,048	\$7,695,796	\$8,250,365	\$8,323,772	\$9,991,078	\$9,002,992

Residential Curbside Fee Projections

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
CCG collects yard waste	\$22.00	\$25.00	\$25.00	\$25.00	\$25.00	\$27.00	\$27.00	\$27.90	\$27.90	\$27.90
Contractor collects yard waste	\$25.00	\$30.00	\$31.30	\$31.30	\$31.30	\$31.30	\$31.30	\$33.80	\$33.80	\$33.80



Findings

- The City's FY24 budget to collect yard waste is less than half the contractor's fee charged in FY22
 - Contractor fees for collecting yard waste in FY23 was **\$5,275,200** (excluding fuel surcharge)
 - The City's FY24 budget to collect yard waste and bulk items is **\$3,047,000**
- The higher operating cost for the contractor to collect yard waste is not offset by the savings in equipment purchases
 - 14 new yard waste collection trucks purchased with ARP funds
- Residents would have to pay about **\$3 to \$6 more per month** to cover the revenue required for contractor collection of yard waste

Benchmark Information



Residential Services in Other Communities

City	Population	Service Provider	Solid Waste	Recyclables	Yard Waste	Bulk Items
Columbus	206,696	Local Government	Weekly	Weekly	Weekly	Weekly
Albany	67,192	Contractor	Weekly	None	2x/month	On-call
Athens-Clarke	129,875	Local Government in Urban Service District Private Haulers in General Service District	Weekly	Weekly	Every six weeks	On-call for a fee
Atlanta	499,127	Local Government	Weekly	Weekly	Weekly	On-call
Augusta-Richmond	206,640	Contractors	Weekly	Weekly	Weekly	Weekly
Macon-Bibb	156,197	Contractor	Weekly	Every other week	Every other week	Weekly
Savannah	148,004	Local Government	Weekly	2x/month	Weekly	Weekly

Solid Waste Collection Fees in Other Communities

City	Monthly Rate for 90-96 gallon can	Other Fees	Additional information
Columbus	\$18	Tree fee	
Albany	\$39		Subject to annual cost of living adjustment
Athens-Clarke	\$34.50	Large bulky items collected for additional fees. Bags that do not fit in cart requires prepaid \$2 sticker	Smaller containers offered for lower monthly fee
Atlanta	\$71.21	Extra fees for more than 12 bulk collections/year	Billed annually
Augusta-Richmond	\$26.71	\$20.03 for 35-gallon cart \$10.77 for extra garbage cart \$6.68 for extra recycling cart Fees for more than 10 cy of bulk waste and 10 cy of yard waste	Billed annually
Macon-Bibb	\$20	Fee for more than 2 cy of yard debris or 2 bulk items	Billed quarterly
Savannah	\$36.60	Fees for garbage overflow, more than 15 bags of yard waste/week or yard waste/bulk items that require more than 5 min to load. \$25 recycling cart contamination fee. \$50 per additional cart	

Conclusions

- Monthly fees for residents would need to increase to cover projected revenue required for operating costs and future capital costs
- A larger increase in residential fees would be required if residents requesting extra cart do not pay additional monthly fee
- A larger increase in residential fees is projected if contractor continues to collect yard waste rather than CCG resuming service
- Current monthly fees are the lowest among benchmark communities for the level of service provided

Fees are calculated to cover projected revenue required for each service and facility. Actual fees may be established based on other considerations



Conclusions

- Current fees for commercial curbside service sufficient to cover projected revenue requirement for next few years
- Current fees for stickers in Uptown Business District would need to increase to cover projected revenue requirement
 - unless number of customers returns to historic levels

Fees are calculated to cover projected revenue required for each service and facility. Actual fees may be established based on other considerations



Conclusions

- Tipping fees at Pine Grove would need to increase to cover projected revenue requirement at that facility
 - Would likely result in loss of tonnage leading to reduced net revenue
 - CCG may need to consider sources of capital other than revenue from tip fees
- Tipping fees at Granite Bluff would need to increase by 400 percent if CWW and other departments continue to deliver at no fee
 - Gradual increase needed if all customers, including other CCG departments, paid
- Tipping fee at recycling center in FY24 and FY25 would need to increase to cover revenue requirement and then could hold steady

Fees are calculated to cover projected revenue required for each service and facility. Actual fees may be established based on other considerations



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Questions?

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