



## COUNCIL AGENDA ITEM COVER SHEET

**Meeting Type:** Council - Regular

**Meeting Date:** October 17, 2024

**Agenda Item Type:** New Business

**Staff Contact:** Brandon Perkins, Town Manager

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### STAFF REPORT

#### AGENDA ITEM:

Consideration of a request from AMWaste to implement a rate increase, based on the Consumer Price Index, from \$63.87 per quarter to \$65.85 per quarter.

#### BACKGROUND:

AMWaste's contract provides them the ability to request rate adjustments on an annual basis when submitted by October 1st. These requests must be "reviewed against the rate of inflation as reported by the Department of Labor's Consumer Price Index for All Urban Consumers – U.S. City Average – Garbage and Trash Collection." AMWaste submitted a written request for a rate increase on September 30, 2024 (attached) that indicates a CPI increase of 3.1%, which would raise the quarterly rate from \$63.87 to \$65.85.

In preparation for this item, Staff conducted some limited research on local sanitation fees and found the following:

- If they serviced Tyrone, Pollard Sanitation advised us that their rate would be \$73.00 per quarter.
- Newnan's AMWaste price is currently \$99.12 per quarter.
- Fairburn's AMWaste price is currently \$86.52 per quarter.
- Peachtree City residents who choose GFL pay \$72.00 per quarter.

It should be noted that AMWaste's letter to the Town requesting this rate increase also stated that they would be implementing a fuel surcharge. The contract allows them to implement a fuel surcharge without Council approval under the following condition: "The base rate for fuel will be based on the average, on highway, price of diesel over the most recent 12 month period as reported by the U.S. Energy Information Administration for the Lower Atlantic Region. In the event that the average cost of fuel increases over 10% a fuel surcharge may be added. Once the rate drops below the 10% threshold the surcharge will be removed. Calculations and adjustments shall occur quarterly."

I reviewed the EIA's numbers for the last 12 months and they indicate that diesel fuel actually decreased by 21% between September 2023 and September 2024 and pointed this out to AMWaste. Based on that analysis, they have agreed to take the fuel surcharge off the table.

If approved, this increase would be effective for Q1 2025 and AMWaste would send notifications to customers the first week of December 2024.

**FUNDING:**

1. This item does not require funding from the Town.

**STAFF RECOMMENDATION:**

Staff recommends approval based on the request meeting the provisions of the Town's contract with AMWaste.

**ATTACHMENTS:**

1. AMWaste Rate Increase Request Letter
2. AMWaste Contract Section 3.20 – Rate Adjustments
3. CPI Data – August 2023 – August 2024 (Pertinent Data is Highlighted on Page 7 of that document)
4. Emails between Town Staff and AMWaste discussing Fuel Surcharge
5. Fuel Pricing Analysis Spreadsheet

**PREVIOUS DISCUSSIONS:**

N/A