



*Newnan City Council Meeting*  
*July 17, 2018 – 5:00 pm*  
**A G E N D A**

**CALL TO ORDER – Mayor Keith Brady**

I Downtown Sanitation Program Six Month Report

**ADJOURNMENT**



## City of Newnan, Georgia - Mayor and Council

Date: July 17, 2018

Agenda Item: Downtown Sanitation Program Six Month Report

Prepared and Presented by: Hasco Craver, Assistant City Manager

**Purpose:** Newnan City Council may consider items related to the current and future management of the downtown sanitation program.

**Background:** Beginning in May 2017, Newnan City Council collectively analyzed the feasibility and viability of developing a downtown sanitation service program.

The following list illustrates conditions in the downtown commercial district prior to the establishment of the downtown sanitation program:

- Increasing number of waste producing businesses and residences;
- Inconsistent waste removal from numerous private waste contractors;
- Numerous establishments without waste removal service;
- Large quantity of cans in alleyways are obtrusive;
- Disposal of household waste, furniture and construction materials in alleyways;
- Decorative cans and recycling receptacles designed for passersby use oftentimes overflow;
- Unkempt alleyways (litter)

In September 2017, after hosting three (3) public meetings, Newnan City Council adopted an Ordinance Amendment creating a downtown sanitation program.

Items included in the Ordinance Amendment are:

- Service is required for all customer types (residential, commercial, office/professional and industrial) in the Central Business District; and
- Combined billing will be made available for multi-tenant facilities whereby eight (8) or more units/customers are present, excluding those situations in which a residential and/or restaurant use in one of the included tenants/customers; and
- Existing dumpsters in place prior to the amendment adoption and in adherence to the current ordinance will be permitted to remain in place; and
- New dumpsters may be permitted upon adherence to the City's Code of Ordinances and upon receiving approval from the Public Works Director; and
- Public agencies will be made exempt from the ordinance amendment; and
- Restaurants utilizing grease must maintain a collection facility on private property; and
- Bulk collection will be made available upon request, utilizing a unique fee; and
- City of Newnan will make available all waste receptacles; and
- The collection schedule will be determined by the Public Works Director according to need; and
- No private collectors shall be permitted to collect waste without obtaining permission from the Public Works Director

Newnan City Council was presented a program analysis and report at an August 2017 Meeting and unanimously voted to proceed with the creation of an ordinance amendment to codify regulations for the collection of solid waste in the Central Business District.

Newnan City Council was presented numerous fee schedule examples at the August 2017 meeting and unanimously voted to proceed with the fee schedule shown below (please note that revenue estimates assume 100% collection).

ADOPTED	Number	Total Fee	Estimated Total Monthly Billing	
<b>Residential</b>	24	\$ 29.92	\$ 718.08	
<b>Office/Professional &lt;2000 ft</b>	79	\$ 29.92	\$ 2,363.68	
<b>Office/Professional &gt;2000 ft</b>	41	\$ 54.83	\$ 2,248.03	
<b>Retail &lt;1500 ft</b>	19	\$ 54.83	\$ 1,041.77	
<b>Retail 1500 -2999 ft</b>	20	\$ 79.75	\$ 1,595.00	
<b>Retail &gt;3000 ft</b>	9	\$ 154.50	\$ 1,390.50	
<b>Restaurant &lt;1500 ft</b>	6	\$ 129.58	\$ 777.48	
<b>Restaurant 1500 -2499 ft</b>	4	\$ 254.17	\$ 1,016.68	
<b>Restaurant 2500 -3499 ft</b>	5	\$ 378.75	\$ 1,893.75	
<b>Restaurant &gt;3500 ft</b>	5	\$ 503.33	\$ 2,516.65	
	212		\$ 15,561.62	Monthly Revenue
			\$ 186,739.44	Annual Revenue

Newnan City Council, in January 2018, voted to reduce downtown sanitation program fees by fifty percent for a six (6) month period. In addition, Newnan City Council requested that City staff collect information related to service delivery efficiencies, program costs, and program impact. Newnan City Council requested that City staff present findings at the June 2018 Council Meeting.

The following table illustrates the fee schedule employed during a time period between January 2018 and June 2018 (please note that revenue estimates assume 100% collection).

50% SUBSIDY	Number	Total Fee	Estimated Total Monthly Billing	
<b>Residential</b>	24	\$ 14.96	\$ 359.00	
<b>Office/Professional &lt;2000 ft</b>	79	\$ 14.96	\$ 1,181.71	
<b>Office/Professional &gt;2000 ft</b>	41	\$ 27.42	\$ 1,124.08	
<b>Retail &lt;1500 ft</b>	19	\$ 27.42	\$ 520.92	
<b>Retail 1500 -2999 ft</b>	20	\$ 39.88	\$ 797.50	
<b>Retail &gt;3000 ft</b>	9	\$ 77.25	\$ 695.25	
<b>Restaurant &lt;1500 ft</b>	6	\$ 64.79	\$ 388.75	
<b>Restaurant 1500 -2499 ft</b>	4	\$ 127.08	\$ 508.33	
<b>Restaurant 2500 -3499 ft</b>	5	\$ 189.38	\$ 946.88	
<b>Restaurant &gt;3500 ft</b>	5	\$ 251.67	\$ 1,258.33	
	212		\$ 7,780.75	Monthly Revenue
			\$ 93,369.00	Annual Revenue

In response to the direction provided by Newnan City Council, City staff has collected numerous relevant data and is making the information available for review and consideration.

The following represents actual revenue and expenses for the time period between January 2018 and June 2018:

Actual Revenue (January 1, 2018 – June 11, 2018)

- \$34,138.92- YTD Revenue
- Total amount billed – \$39,806.46
  - 1-29 days past due – \$1,499.29
  - 30-59 days past due – \$1,584.04
  - 60-89 days past due – \$1,100.86
  - 90+ days past due – \$1,353.80
  - Total outstanding receivables -- \$5,537.99

Actual Operating Expenses (January 1, 2018 – June 11, 2018)

- Payroll – \$55,386.00
- Tipping Fees – \$11,627.75
- Fuel – \$3,012.81
- Total – \$64,192.57

Program Estimated Financial Forecast (January 2018 – December 2018)

- As of June 2018, the Sanitation Fund (Enterprise Fund) had a cash balance of \$425,000
- Estimated annual program revenue for FY 2018 is \$68,400 (utilizing 50% fee schedule)
- Estimated annual program expense for FY 2018 is \$128,400 (utilizing 50% fee schedule)
- Estimated program shortfall is \$60,000 (utilizing 50% fee schedule)

Actual Capital Expenses

- Small Garbage Truck - \$47,000
- Large Garbage Truck - \$151,200
- Roll-Out Cans - \$17,000

The following represents collection details:

- Currently serving 192 accounts;
- Currently utilizing 255 containers;
- Currently collecting twelve tons per week (average);
- Six out of eight top volume producers are restaurants;
- Monday, Tuesday and Friday are strongest collection days (by volume);
- Generally, program employees are spending 65% of time collecting waste from containers and alleyways, 15% of time beautifying alleyways (weed control), 20% emptying decorative cans and providing front door service

The following table illustrates program customers by type and number:

Customer Type	Number
Office 1	73
Office 2	37
Residential	24
Restaurant 1	5
Restaurant 2	4
Restaurant 3	4
Restaurant 4	4
Retail 1	16
Retail 2	18
Retail 3	6

The following represents ongoing concerns:

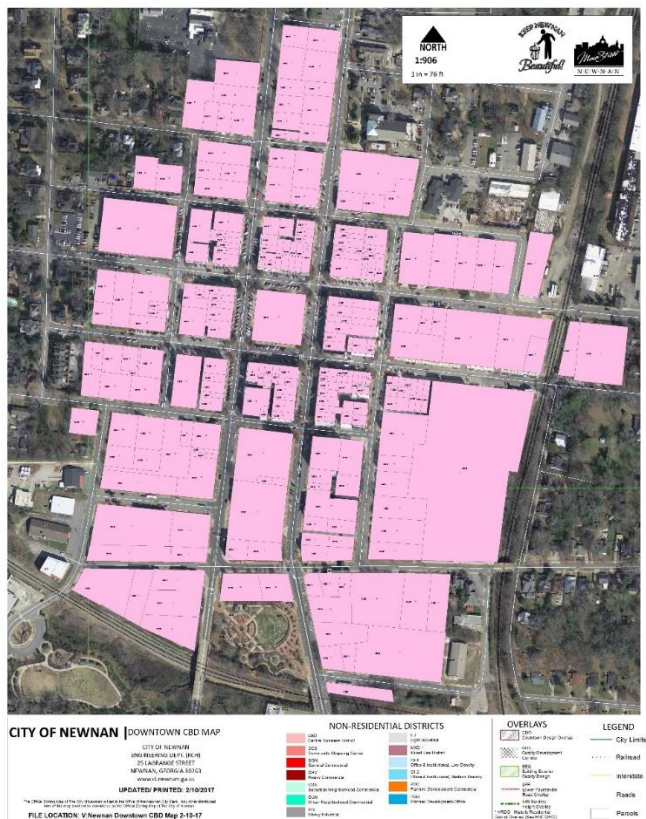
- Customers continuing to place items in alleyways requiring added staff attention (cardboard, bulk items);
- Inability to schedule dedicated streetscape maintenance due to current program demands
- There exist certain customers who have yet to fully comply with the ordinance (non-payment for six months, maintaining grease collection on public right-of-way)

The following represents impacts of program:

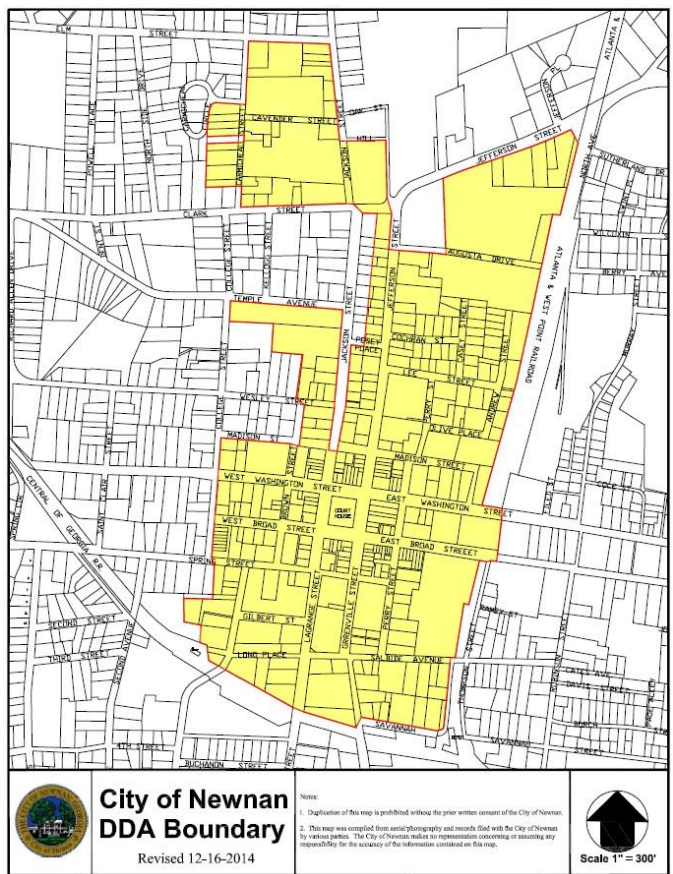
- Main Street Newnan and Keep Newnan Beautiful have partnered with downtown sanitation program to improve Wadsworth Alleyway;
- Keep Newnan Beautiful to place cardboard recycling station in off-street parking lot along Perry Street;
- Success of program has created interest to add customers outside/adjacent to current district

The following represents a list of potential considerations:

- Potential expansion or reduction, of required service area;
- Potential creation of optional service area(DDA District, may utilize unique fee schedule)
- Modification of ordinance to allow for additional options regarding multi-tenant billing (ex, potential to decrease from 8 to 6 for combined billing);
- Potential rate increase for higher volume customers



Above figure represents current program service area (Central Business District)



Above figure represents DDA District (potential expanded district)



Above figure represents potential reduced district

	Number	Total Fee	Estimated Total Monthly Billing	
Residential	24	\$ 14.96	\$ 359.04	
Office/Professional <2000 ft	79	\$ 14.96	\$ 1,181.84	
Office/Professional >2000 ft	41	\$ 27.42	\$ 1,124.22	
Retail <1500 ft	19	\$ 27.42	\$ 520.98	
Retail 1500 -2999 ft	20	\$ 39.88	\$ 797.60	
Retail >3000 ft	9	\$ 77.25	\$ 695.25	
Restaurant <1500 ft	6	\$ 129.58	\$ 777.48	
Restaurant 1500 -2499 ft	4	\$ 254.17	\$ 1,016.68	
Restaurant 2500 -3499 ft	5	\$ 378.75	\$ 1,893.75	
Restaurant >3500 ft	5	\$ 503.33	\$ 2,516.65	
	212		\$ 10,883.49	Monthly Revenue
			\$ 130,601.88	Annual Revenue

Above figure represents a potential fee schedule that increases fees for restaurants and produces annual revenues that more closely cover estimated annual expenses

**Funding:** The program is being managed utilizing the existing Sanitation Fund, which operates as an Enterprise Fund. The program, as amended in January 2018, requires a General Fund subsidy. It is important to note that future subsidies may be required to manage the program.

**Recommendation:** City staff is prepared to manage the program as directed by Newnan City Council

**Attachments:** None

**Previous Discussions with Council:** Newnan City Council, beginning in 2017, has considered and discussed numerous programmatic components related to the successful employment of a comprehensive downtown sanitation program.