

# Rate Study City of Powder Springs

Presentation to City Council  
July 13, 2022



Reso  
02 - 093



(OPERATING COSTS – REVENUE FROM SOURCES OTHER THAN QUARTERLY FEES ) +  
(CAPITAL COSTS – REVENUE FROM SALVAGE) =  
REVENUE REQUIRED FROM SANITATION FUND WITHDRAWALS + MONTHLY SOLID  
WASTE FEES



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# Scenario 1: Higher Curbside Recycling Costs

Assumes \$325,000 in FY23 instead of \$190,500



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# Projected Revenue Required with Higher Curbside Recycling Costs

	FY23	FY24	FY25	FY26	FY27
Projected Operating Expenses (minus misc. revenue)	\$1,856,461	\$1,971,780	\$2,066,573	\$2,165,788	\$2,265,290
Projected Capital Outlay (minus salvage value)	\$283,725	\$262,554	\$26,863	\$289,457	\$0
<b>Revenue Required</b>	<b>\$2,140,186</b>	<b>\$2,234,334</b>	<b>\$2,093,436</b>	<b>\$2,455,245</b>	<b>\$2,265,290</b>

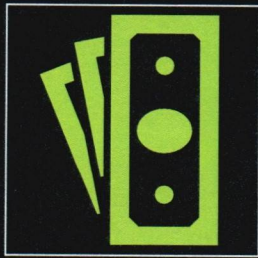
	FY28	FY29	FY30	FY31	FY32
Projected Operating Expenses (minus misc. revenue)	\$2,376,835	\$2,493,243	\$2,612,144	\$2,736,387	\$2,864,983
Projected Capital Outlay (minus salvage value)	\$318,459	\$0	\$359,995	\$0	\$389,288
<b>Revenue Required</b>	<b>\$2,695,294</b>	<b>\$ 2,493,243</b>	<b>\$2,972,139</b>	<b>\$2,736,387</b>	<b>\$3,254,271</b>



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# Sanitation Fund Withdrawals



\$1.85 million at start of FY23



Maintain at least 4 months of operating funds

\$553,261 in FY23



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Monthly fees with increased curbside recycling costs  
if 100 percent of customers pay

FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
\$22.50	\$26.00	\$30.00	\$34.00	\$34.00	\$35.00	\$35.00	\$37.00	\$37.00	\$39.50

But currently, only 80 percent of residential customers pay



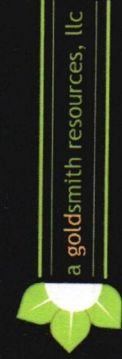
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# Monthly fees must be 25 percent higher if only 80 percent of customers pay

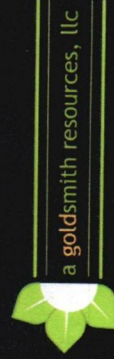
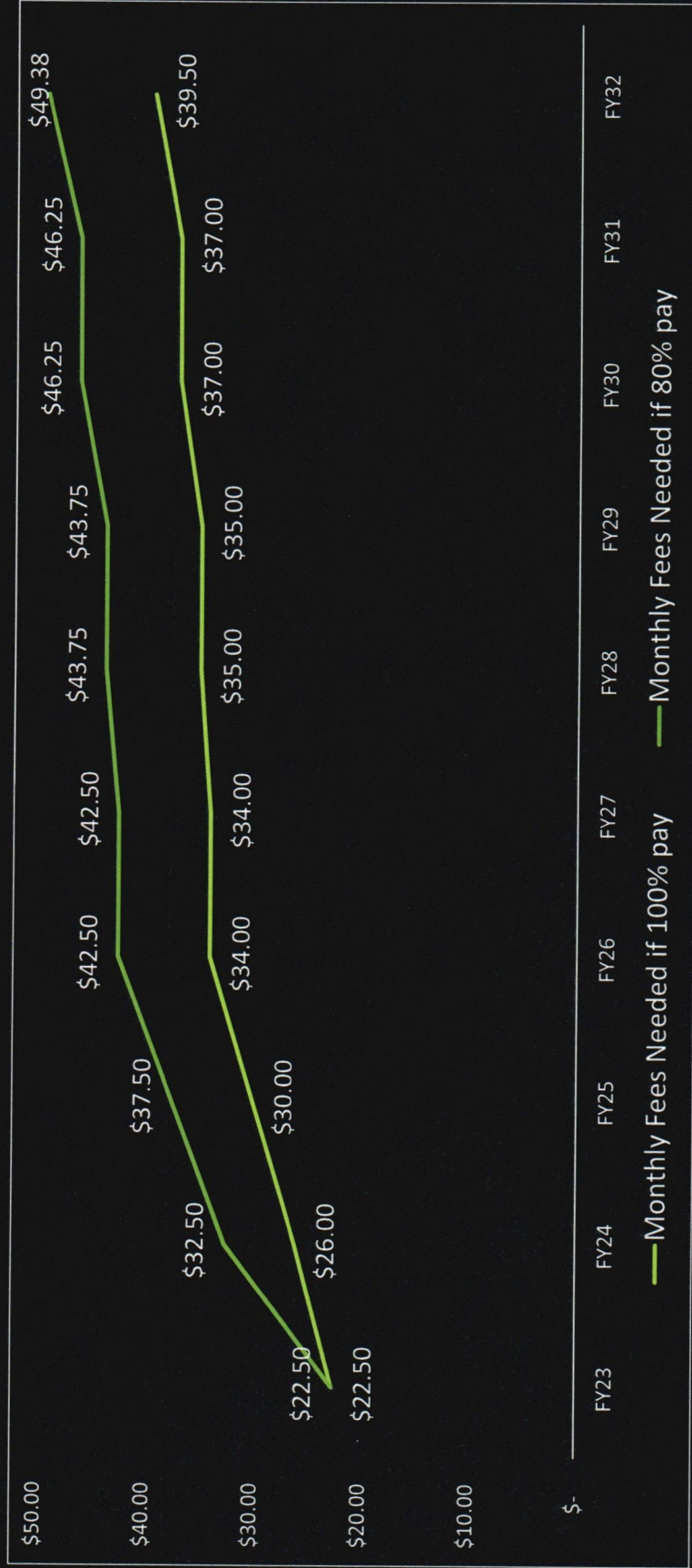
	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
If all customers paid	\$22.50	\$26.00	\$30.00	\$34.00	\$34.00	\$35.00	\$35.00	\$37.00	\$37.00	\$39.50
If 80% of customers paid <sup>1</sup>	\$22.50	\$32.50	\$37.50	\$42.50	\$42.50	\$43.75	\$43.75	\$46.25	\$46.25	\$49.38

<sup>1</sup> Current % of customers paying.





# Projected Monthly Fees with Increased Curbside Recycling Costs





# Scenario 2: Drop-Off Centers Replace Curbside Recycling



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# Projected Revenue Required with Drop-Off Center Replacing Curbside Recycling

	FY23	FY24	FY25	FY26	FY27
Projected Operating Expenses (minus misc. revenue)	\$1,640,403	\$1,744,919	\$1,827,346	\$1,913,539	\$1,999,332
Projected Capital Outlay (minus salvage value)	\$283,725	\$262,554	\$26,863	\$289,457	\$0
<b>Revenue Required</b>	<b>\$2,024,128</b>	<b>\$2,007,473</b>	<b>\$1,854,208</b>	<b>\$2,202,996</b>	<b>\$1,999,332</b>
	FY28	FY29	FY30	FY31	FY32
Projected Operating Expenses (minus misc. revenue)	\$2,096,823	\$2,198,443	\$2,301,786	\$2,409,659	\$2,521,034
Projected Capital Outlay (minus salvage value)	\$318,459	\$0	\$359,995	\$0	\$389,288
<b>Revenue Required</b>	<b>\$2,415,282</b>	<b>\$2,198,443</b>	<b>\$2,661,781</b>	<b>\$2,409,659</b>	<b>\$2,910,322</b>



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# Monthly Fees with Drop-off Center Replacing Curbside Recycling

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
If all customers paid	\$22.50	\$24.00	\$26.00	\$28.00	\$30.00	\$30.00	\$32.00	\$32.00	\$34.00	\$34.00
If 80% of customers paid <sup>1</sup>	\$22.50	\$30.00	\$32.50	\$35.00	\$37.50	\$37.50	\$40.00	\$40.00	\$42.50	\$42.50

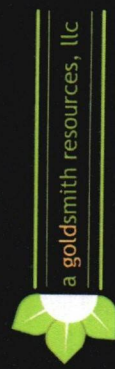
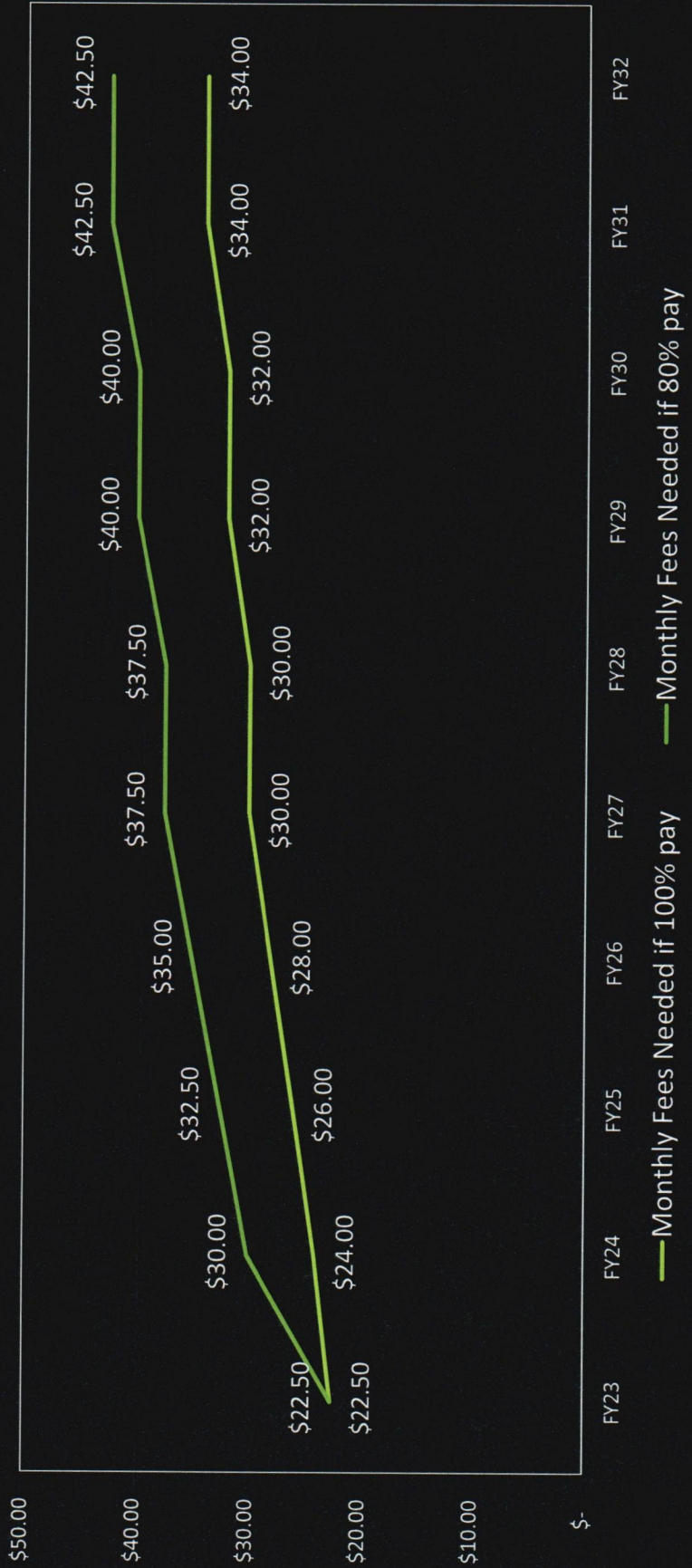
<sup>1</sup> Current % of customers paying.



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# Monthly Fees with Drop-off Center Replacing Curbside Recycling





# Scenario 3: Discount for Autopay

Drop-Off Centers Replace Curbside Recycling



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# \$5 Discount for Auto-Payment

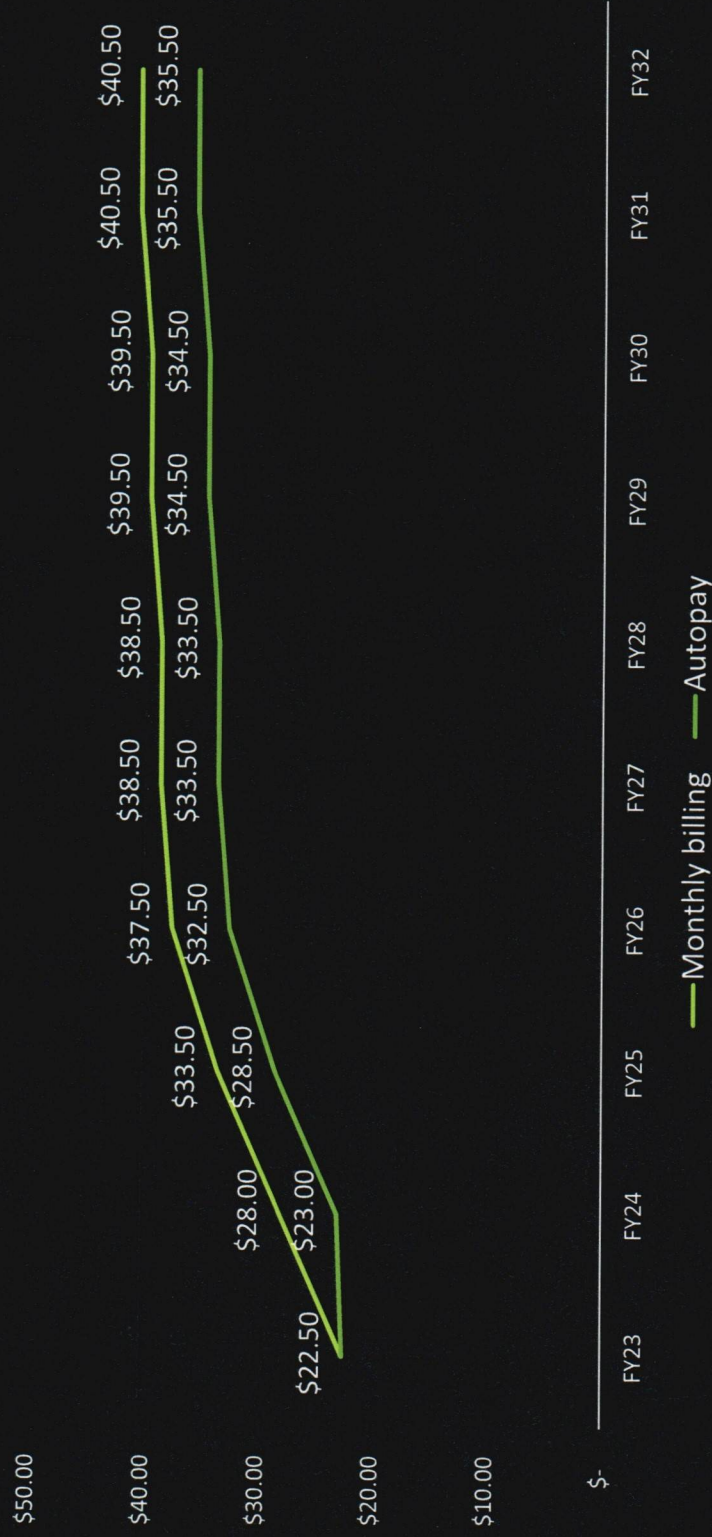
	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Monthly Fee	\$22.50	\$28.00	\$33.50	\$37.50	\$38.50	\$38.50	\$39.50	\$39.50	\$40.50	\$40.50
Autopay	\$22.50	\$23.00	\$28.50	\$32.50	\$33.50	\$33.50	\$34.50	\$34.50	\$35.50	\$35.50

- Assume 30 percent of customers choose autopay by FY25 (currently at 10 percent with no discount)
- Assume recovery of 100 percent of fees from autopay customers and continued 80 percent from all other customers





# Monthly Fees with Discount for Autopay Drop-off Center Replaces Curbside Recycling





# Conclusions



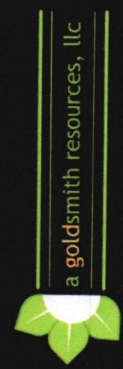
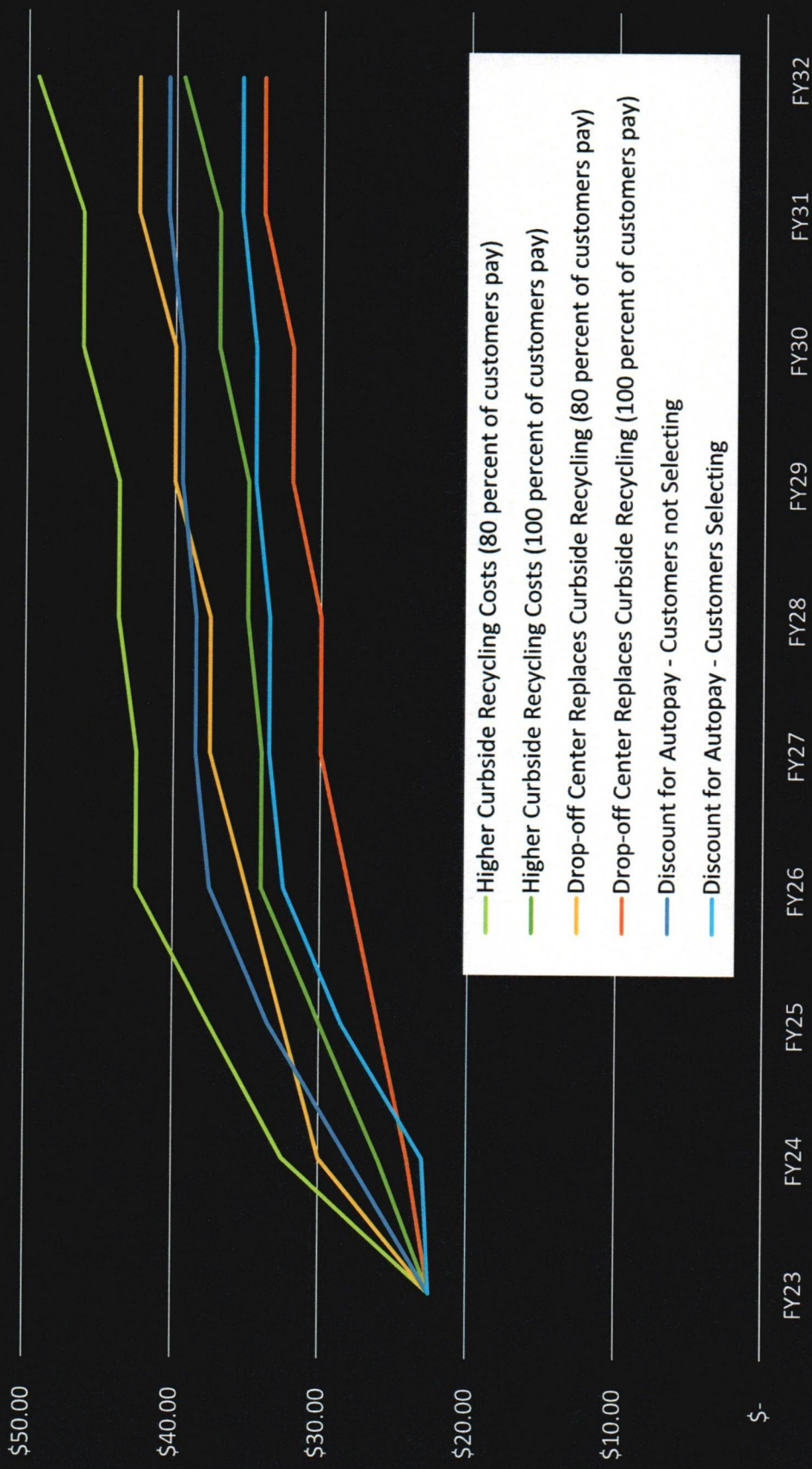
# Comparing Scenarios

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Higher Curbside Recycling Costs 80 percent of customers paying	\$22.50	\$32.50	\$37.50	\$42.50	\$42.50	\$43.75	\$43.75	\$46.25	\$46.25	\$49.38	\$49.38
Higher Curbside Recycling Costs 100 percent of customers paying	\$22.50	\$26.00	\$30.00	\$34.00	\$34.00	\$35.00	\$35.00	\$37.00	\$37.00	\$39.50	\$39.50
Drop-off Center Replaces Curbside Recycling 80 percent of customers paying	\$22.50	\$30.00	\$32.50	\$35.00	\$37.50	\$37.50	\$40.00	\$40.00	\$42.50	\$42.50	\$42.50
Drop-off Center Replaces Curbside Recycling 100 percent of customers paying	\$22.50	\$24.00	\$26.00	\$28.00	\$30.00	\$30.00	\$32.00	\$32.00	\$34.00	\$34.00	\$34.00
Discount for Autopay Customers not Selecting	\$22.50	\$28.00	\$33.50	\$37.50	\$38.50	\$38.50	\$39.50	\$39.50	\$40.50	\$40.50	\$40.50
Discount for Autopay Customers Selecting	\$22.50	\$23.00	\$28.50	\$32.50	\$33.50	\$33.50	\$34.50	\$34.50	\$35.50	\$35.50	\$35.50

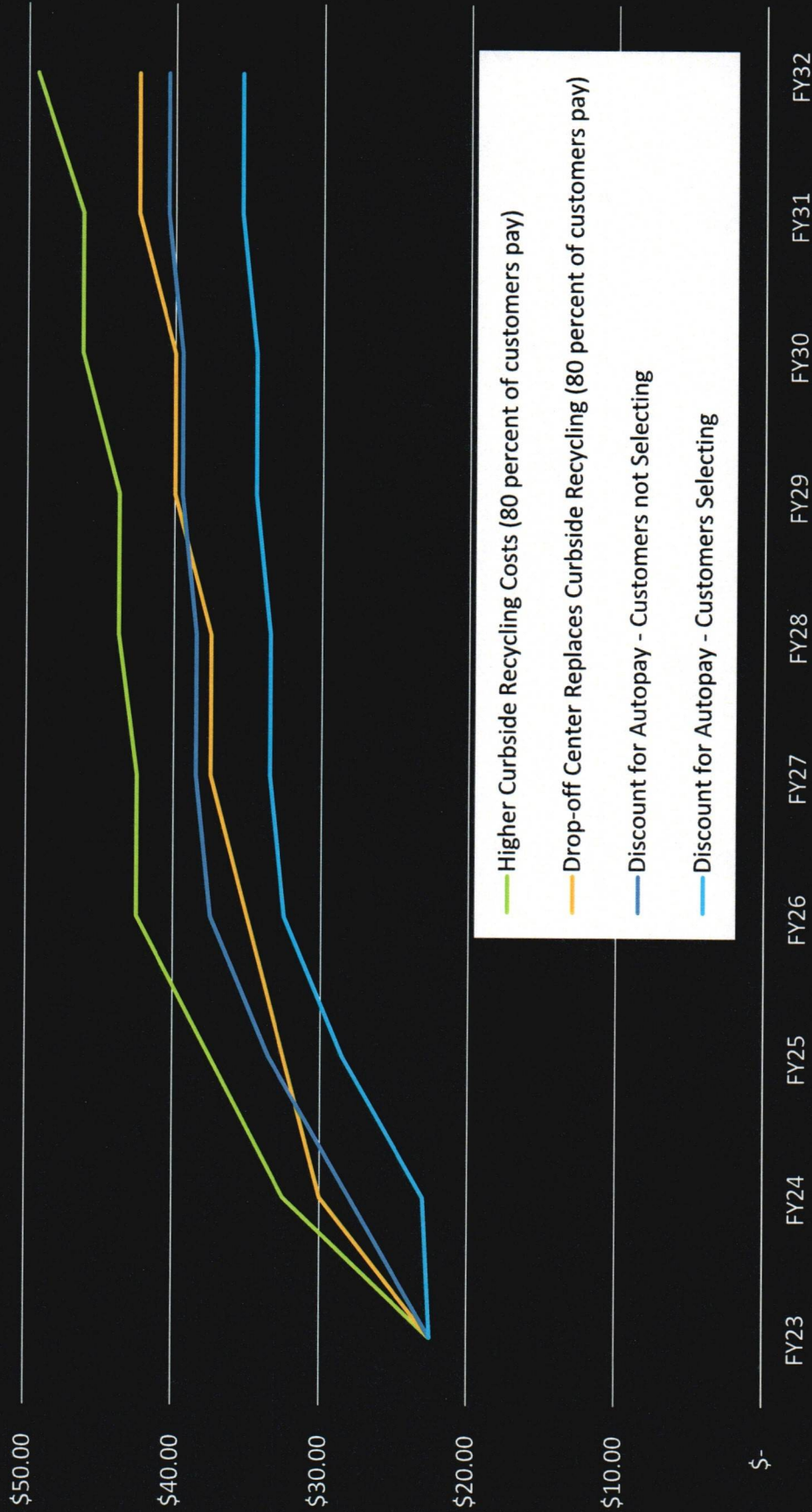


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# Conclusions

- Replacing curbside recycling with a drop-off center would reduce monthly fees needed to cover revenue required by \$4 to \$5 in FY24
  - Significantly less recycled but alternative still offered to residents
- If all customers paid for service, monthly fees could be 20 percent lower
- Offering a \$5 discount for residents that sign up for autopay is projected to lower monthly fees for all
- The scenario resulting in the lowest projected monthly fees is replacing curbside recycling with a drop-off center and offering a discount for autopay







# Questions?

Abby Goldsmith, Principal  
A. Goldsmith Resources, LLC  
(404) 277-5209  
[abby@agoldsmithresources.com](mailto:abby@agoldsmithresources.com)

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