



LAWRENCEVILLE

GEORGIA

1ST COUNCIL BUDGET WORK SESSION MINUTES

Monday, April 26, 2021
5:00 PM

Council Assembly Room
70 S. Clayton St, GA 30046

Call to Order

PRESENT

Mayor David Still

Council Member Glenn Martin

Mayor Pro Tem Victoria Jones

Council Member Bob Clark

Council Member Keith Roche

Agenda Additions / Deletions

Motion to approve the agenda as presented made by Council Member Roche, Seconded by Mayor Pro Tem Jones.

Voting Yea: Mayor Still, Council Member Martin, Mayor Pro Tem Jones, Council Member Clark, Council Member Roche

Discussion of General City Business

There is no public comment during this section of the agenda unless formally requested by the Mayor and the Council.

1. Solid Waste & Recycle Discussion

Finance Director Keith Lee delivered the presentation as well as Assistant City Manager, Public Works Director Barry Mock.

Final Adjournment

Motion to adjourn made by Council Member Clark, Seconded by Mayor Pro Tem Jones.
Voting Yea: Mayor Still, Council Member Martin, Mayor Pro Tem Jones, Council Member Clark,
Council Member Roche

Minute Signatures

David R. Still, Mayor

Karen Pierce, City Clerk



LAWRENCEVILLE
— BICENTENNIAL —

1821-2021

FY2022 Proposed Budget
April 26, 2021

LAWRENCEVILLE, GEORGIA

Topics

- Sanitation Fund
- Gas Fund
- Wrap-Up

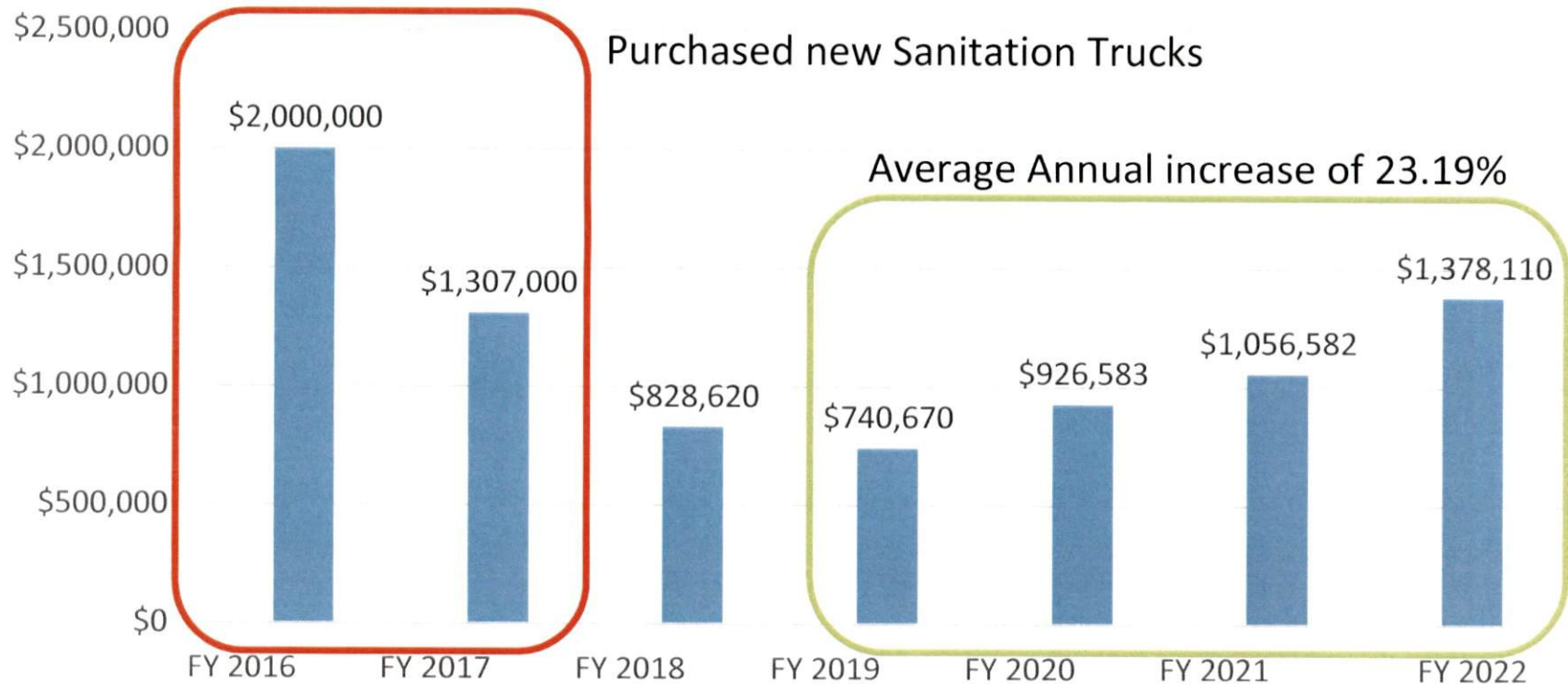


Sanitation Fund

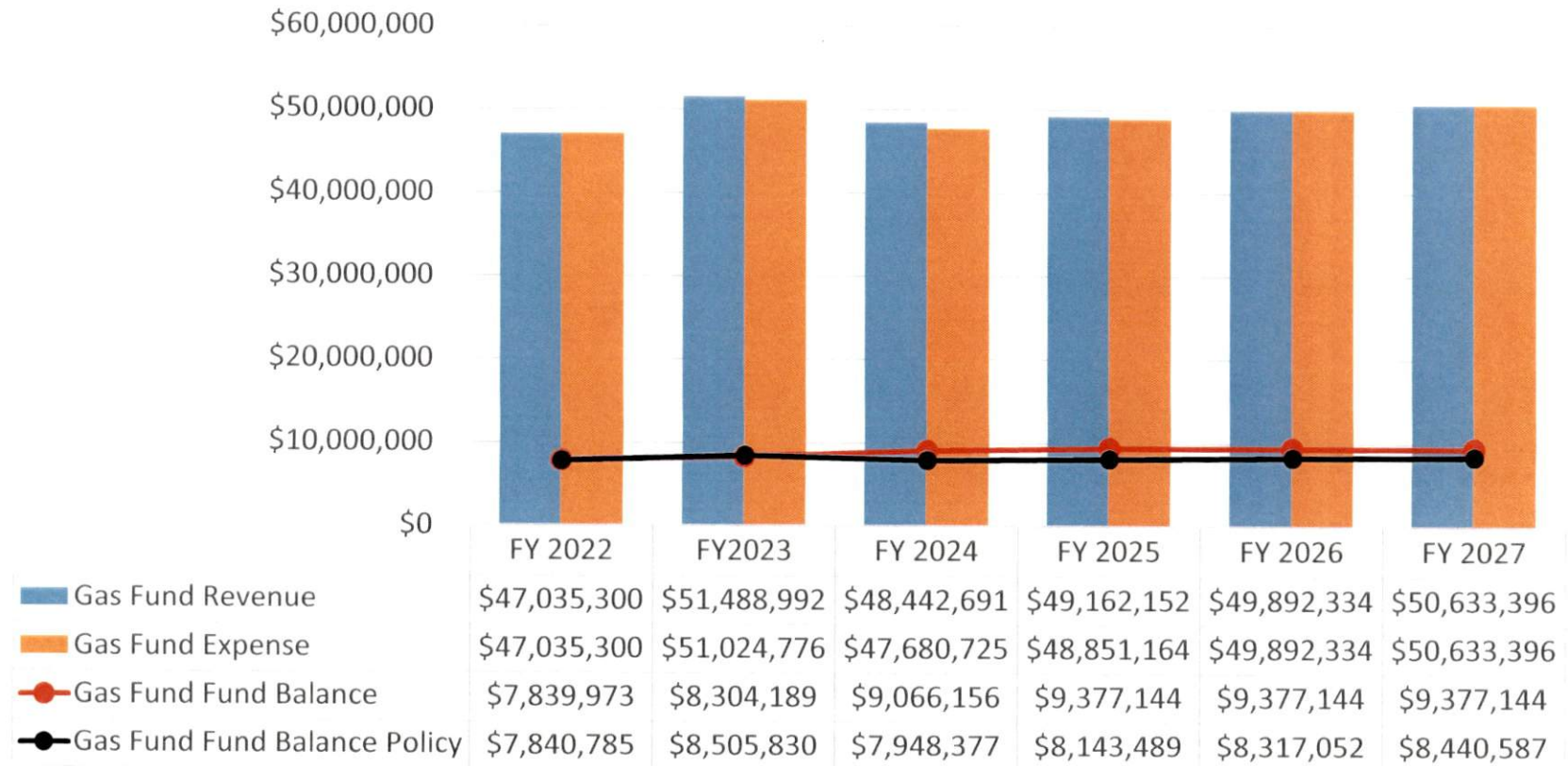
- **Enterprise Fund**
 - Used to account for sanitation services operations that are financed and operated in a manner similar to a Waste Management Company
 - The intent of the enterprise fund is that the costs of providing sanitation to the general public on a continuing basis be financed or recovered primarily through user charges
 - Georgia Law 36-81-2(7) Enterprise Fund

Sanitation Fund

- The Sanitation Fund is not self-supporting

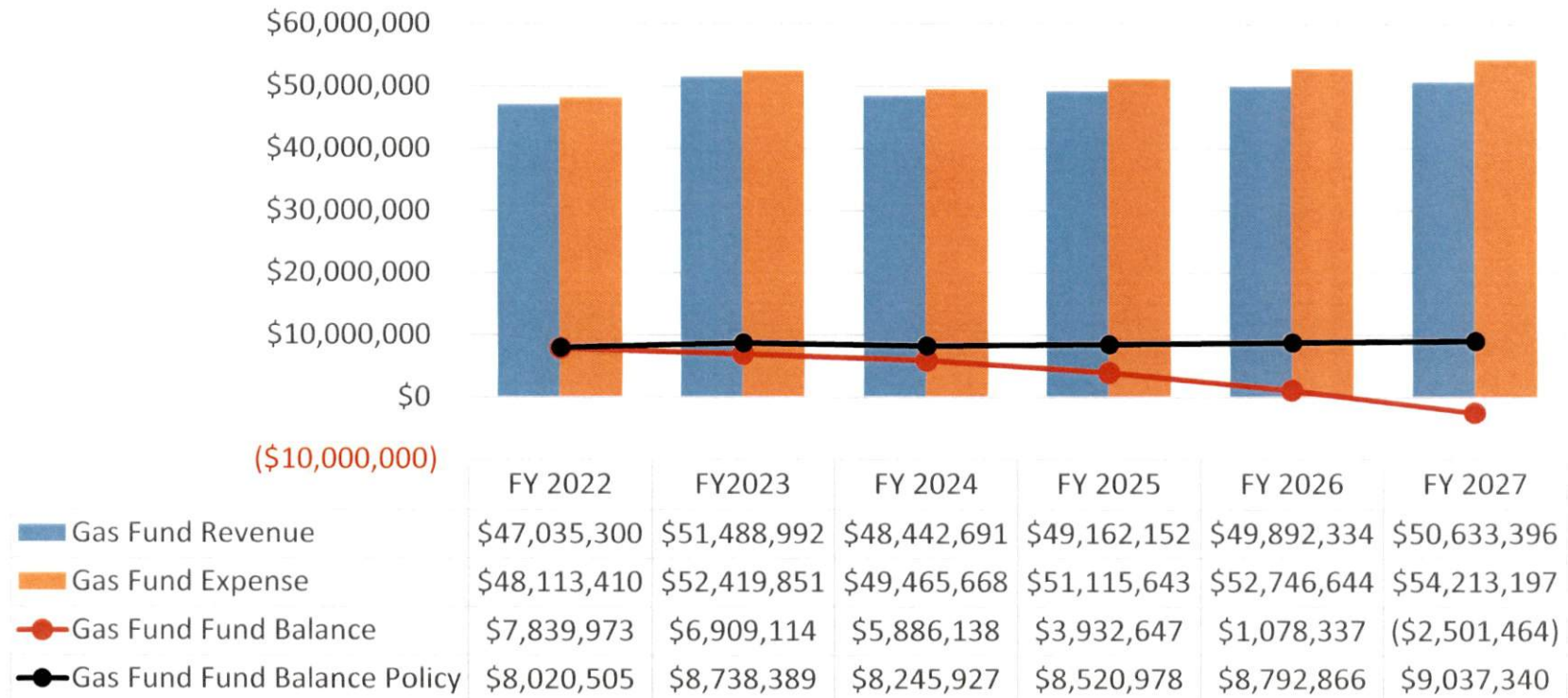


Projected Budgets – Gas Fund



- FY 2022 includes \$300,000 subsidy to Sanitation
- The assumption of \$300,000 carries through the model

Projected Budgets – Gas Fund Without Sanitation Fee Changes



- FY 2022 would increase subsidy by \$1,078,110 for Sanitation
- The assumption of 23% annual increase carries through the model

Wrap Up

- Sanitation Fund should be self supporting based on Georgia Law and GAAP
- Gas Fund Supports:
 - General Fund Operations (\$7.6M for FY 2022)
 - General Fund Capital (\$3.9M for FY 2022)
 - Gas Capital (\$3.1M for FY 2022)
- Gas Fund is unable to continue subsidy without an average increase of 2.4% to every customer.
 - Residential, Commercial and Large Customer
 - The increase would be in addition to the base rate increases already planned for the next two years
 - An increase would have to occur each year of the model
- General Fund Revenue Budget: \$33,673,428
 - Gas and Electric Indirect Costs: \$5,895,971
 - Gas and Electric Transfers: \$14,820,660
 - 61.5% of the General Fund is supported by Enterprise Funds



Questions





LAWRENCEVILLE
— BICENTENNIAL —

1821-2021

**Trash & Recycle Discussion
FY2022**

LAWRENCEVILLE, GEORGIA

Overview

- Costs are increasing
- Revenues are flat
- Resulting Enterprise fund deficit
- Possible solutions

Industry trends - recycle

- The recycle industry struggles with too much contamination
 - This has resulted in increased sorting/separation costs
- China's exit from the global recycling commodity market
 - At one point recycle material could be sold as a commodity
 - Now companies must pay to dispose of recycle material
- Shopping at home has created significantly more cardboard recyclables that need to be collected

Cost increases - recycle

- Disposal costs (January 2020)
 - Tipping costs increased from \$0 to \$57.00/ton
 - Approximate annual cost increase = \$75,000
 - *For comparison, solid waste disposal was \$32.73/ton in 2020*
 - 2021 tipping costs have increased 3% (per GFL contract)
- Collection costs (December 2020)
 - Residential recycle is collected for us by a 3rd party
 - Currently paying \$13,446/mo (\$160,000/yr)
 - Received notice that collection fees will be increasing
 - Proposed increase to approx. \$23,500/mo (\$282,000/yr)
 - Approximately 75% increase
 - City would need to rebid this 3rd party collection

Recycle Cost Summary

- Disposal costs increasing by \$75,000
- Collection costs increasing by \$122,000
- FY2020 Total recycle costs = \$160,000
- FY2021 Total recycle costs = \$357,000
 - 125% increase FY2020-FY2021

Recycle Deficit

- FY2022 Total recycle costs = \$395,000
- FY2022 Total recycle revenue = \$0
 - All recycle collection is free to residential accounts
- Deficit of \$395,000 and growing each year

Solid Waste Revenue

- Residential
 - Solid waste collection – blue carts
 - 8,443 total carts in service
 - 6,259 houses = free (changed in Sept 2015)
 - 308 senior accounts = free
 - 1,742 duplex/apartments = \$20/mo
 - 122 residences with 2 carts (\$20/mo/cart)
 - 186 apartments w/ dumpster (\$20/mo/unit)
 - Revenue from residential carts = \$492,000/yr
 - 75% of our residents do NOT pay for trash collection
 - September 2015 elimination of charge



Solid Waste Revenue

- Residential
 - Bulk item pick up – \$5, \$10 per item
 - Generates approx. \$50,000/yr
- Limb & leaf pickup is free
 - Service provided by the Street Department



Solid Waste Revenue

- Commercial
 - Solid waste collection – blue carts
 - \$20/cart (1x/week)
 - Revenue from commercial carts (approx. \$100,000/year)
 - Solid waste collection – dumpsters
 - 1x fee for dumpster = \$250 (was \$725)
 - \$25/week/dumpster/collection
 - 1 dumpster 1x/week = \$100/mo
 - 1 dumpster 2x/week = \$200/mo
 - 2 dumpsters 1x/week = \$200/mo
 - Revenue from commercial dumpsters (\$550,000/yr)
 - Total Commercial revenue = \$650,000/yr

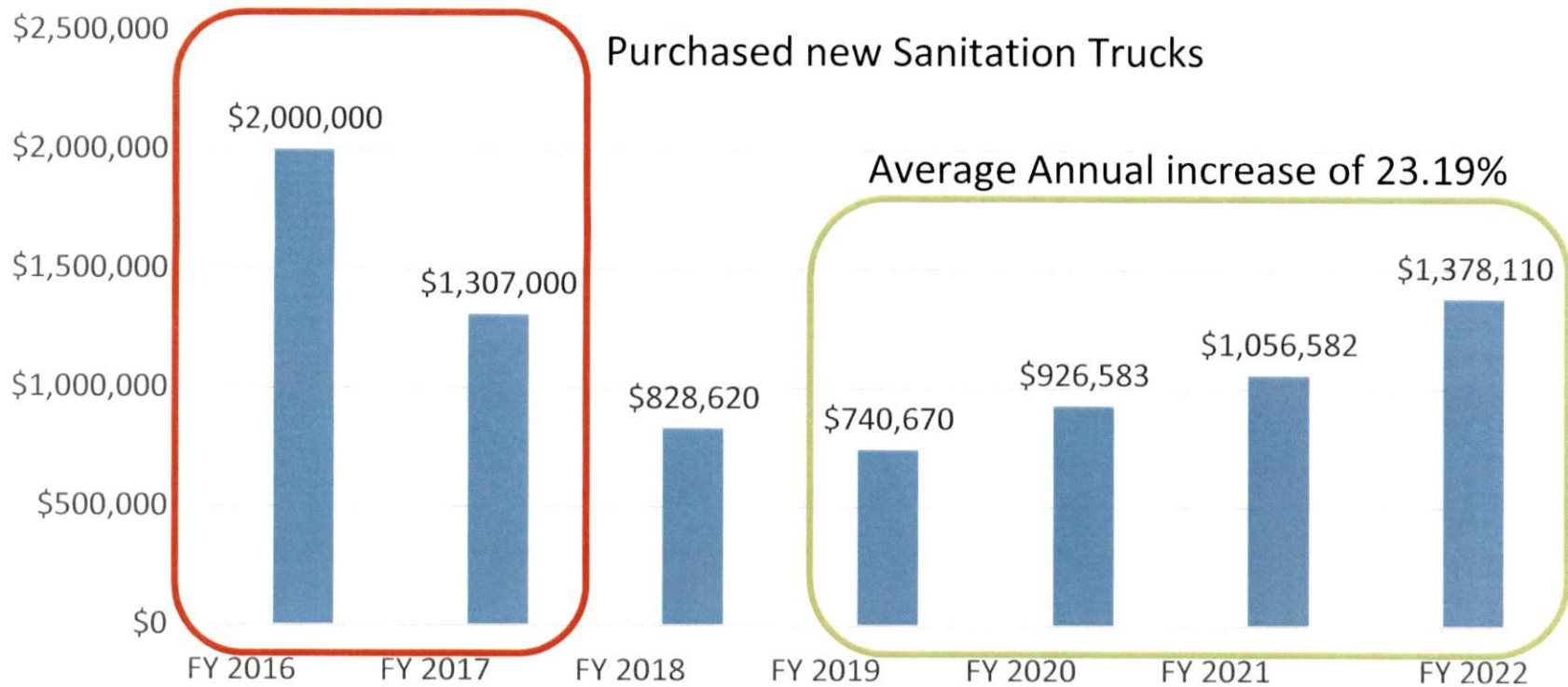
Revenue Summary

RESIDENTIAL	
Recycle Collection	\$0
Solid Waste Collection	\$492,000
Bulk Items	\$50,000
Subtotal Residential	\$542,000
COMMERCIAL	
Carts	\$100,000
Dumpsters	\$550,000
Subtotal Commercial	\$650,000
TOTAL REVENUE	\$1,192,000

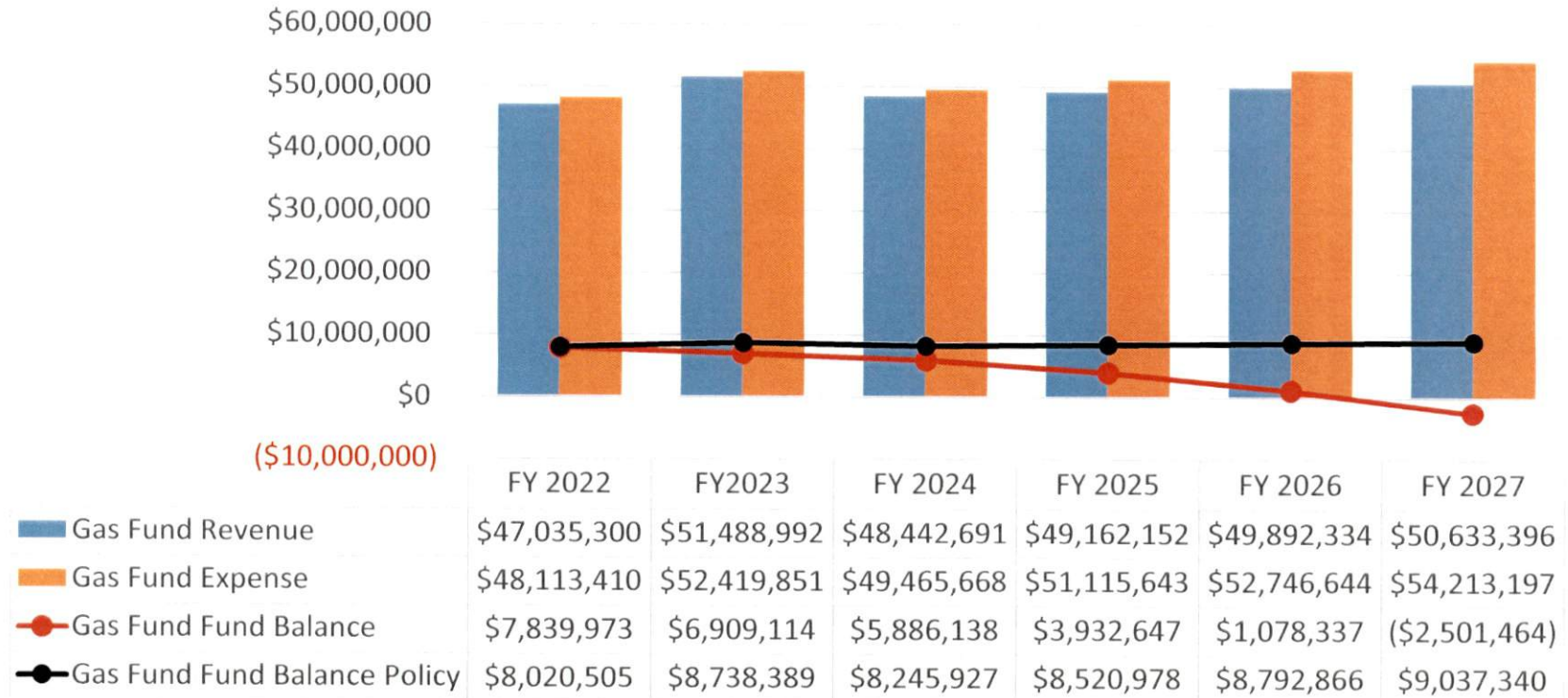
General Budget info

- FY2022 total budget = \$2,443,860
 - \$1,190,000 collected in fees/revenue
 - \$1,300,000 shortfall
 - \$300,000 transfer from Gas Fund
 - \$1,000,000 remaining shortfall

Historical Transfers into Solid Waste Fund



Projected Budgets – Gas Fund Without Sanitation Fee Changes



- FY 2022 would increase subsidy by \$1,078,110 for Sanitation
- The assumption of 23% annual increase carries through the model

Discussion:

How can we make up this deficit?



Options

1. Continue current Trash & Recycle services with no changes
 - FY2022 deficit of \$1.3 M/year
 - Growing 24% each year
 - Will need to continue to supplement from Gas Fund or other source(s)
 - Current transfer from Gas = \$300,000
 - Would need another \$1,000,000 transfer

Options

2. Eliminate Residential Recycle

- This would save \$350-400k/annually
- Recycling is 2x as expensive as normal disposal
 - \$58.71/ton vs \$33.71/ton (2021 costs)
- Political concerns
- Environmental concerns
- Would still have a funding shortfall and need another \$1,000,000 transfer

Options

3. Establish a centralized Recycle Facility

- Would need to acquire property & build facility
- Would need to hire employee to run the facility
- Would allow for voluntary recycle for those who want to continue recycling
- Estimated startup cost \$1M
 - Equivalent to 3 yrs of current recycle costs
- Would still have a funding shortfall and need another \$1,000,000 transfer

Options

4. Charge all residential customers for trash & recycle collection

- Gwinnett charges \$220/year/address (\$18.33/mo)
- Lawrenceville residential accounts not currently paying: 6,259 accounts
 - \$20/mo = \$1.5M/yr
 - \$15/mo = \$1.12M/yr
 - \$10/mo = \$750k/yr
- Could phase in the increase over 2 years:
 - \$10/mo year 1
 - \$20/mo year 2 and beyond

Other Opportunities

1. Cleaned Bins service

- Frequency options (yearly, semi, quarterly, monthly)
- \$6/bin (quarterly) = \$204,000/year
- \$6/bin (semi-annually) = \$102,000/year

2. Start offering commercial recycling

- We currently do not have a commercial option
- Would provide additional revenue stream

3. Targeted expansion of Commercial Dumpster service



Questions?

