

Solid Waste Rate Adjustments

Overview



- Provide background on DPW solid waste services
- Discuss the rationale for needing to adjust solid waste rates
- Provide an overview and gather feedback on the identified options

The Department of Public Works Solid Waste Services (SWS) operates as an enterprise fund of the City and currently services approximately **97,400 residential solid waste and recycling accounts and 350 multifamily and City accounts**. The revenue comes from solid waste fees charged on the property tax bills.

The City's current assessment and rate structure includes 3 components:

- 1. Solid Waste Collection** – The charge to collect and dispose of solid waste from cans and dumpsters in the City. The City does not provide solid waste collection service to all parcels. Collection services are offered to residential parcels and certain multifamily parcels. The City does not provide solid waste collection service to commercial parcels outside of City/government properties. This fee includes the costs of yard trimming collection and processing, bulk rubbish collection, and bin/cart delivery.
- 2. Recycling** – The charge to collect recyclables and deliver them to a facility for processing. This service is only provided to customers who have cans; it is not provided for any customers that have dumpster service, including most multifamily properties. This fee includes the costs of recycling bin/cart delivery.
- 3. Special Services** – There are certain solid waste sanitary services the City provides that are in addition to solid waste collection and disposal services. They are provided for the benefit of all the parcels in the City. These services include street sweeping, collection of waste in public trash cans on sidewalks along roadways, removal of signs placed along roadways illegally, collection of dead animals in and along roadways, mowing in public rights-of-way, clearing of parcels that are overgrown or that have had illegal dumping of trash or other items, code enforcement and education, and programs to encourage City beautification and cleanup.

Outside of these services, the **DPW SWS also provides solid waste collection services when there are permitted special events and provides fortification services at large City events** using trucks as a physical crowd barrier.

Solid Waste Collection	Recycling	Special Services
<ul style="list-style-type: none">✓ Garbage Collection✓ Multi-Family / Dumpster Collection✓ Backyard Collection Solid Waste✓ Yard Trimming Collection✓ Bulk Rubbish Collection✓ Bin Delivery Solid Waste✓ Yard Trimming Processing✓ Post-Closure Care	<ul style="list-style-type: none">✓ Recycling✓ Backyard Collection Recycling✓ Bin Delivery Recycling	<ul style="list-style-type: none">✓ Street Sweeping✓ Trash Receptacle Collection✓ Illegal Sign Removal✓ Dead Animal Collection✓ Right of Way Grass Mowing✓ Lot Clearing✓ Illegal Dumping✓ Solid Waste Education & Enforcement Team (SWEET)✓ Keep Atlanta Beautiful✓ Community Cleanup✓ Fortification✓ Special Event Cleanup

- The City last updated its solid waste sanitary assessments and rates in 2019.
- Both before and after the update, front footage fees have been assessed for street sweeping and other common goods services performed by DPW.
- 18-O-1300 and 19-O-1297 both became effective April 1, 2019.
 - 18—0-1300 removed the front footage fee charged to residential properties, multi-family properties, and vacant lots (front footage fees against commercial and industrial properties were left intact); multi-family properties continue to be charged a flat rate even where solid waste collection services were not performed by DPW.
 - 19-O-1297 added back in a front footage fee charged to **multi-family properties** (based on zoning and parcel size); multi-family properties continue to be charged a flat rate even where solid waste collection services were not performed by DPW.

- In two separate actions, the City of Atlanta was sued in 2019 for improper solid waste rates.
- The first of the two solid waste lawsuits combined to create the settlement was filed in 2019. In 2021, The City of Atlanta settled the 2 class action lawsuits with plaintiffs for \$19,000,000.
- The underlying basis for the case was that the City of Atlanta was overcharging some customers, undercharging some customers, charging a tax, and not having a legally defensible rate study.
- In order to prevent additional litigation, the City of Atlanta must adjust the solid waste rates based upon a legally defensible solid waste rate study.
- The City of Atlanta initiated a new solid waste rate study in April 2020. The study was completed in late 2021.
- The new rates need to be put in place for the next bill cycle to prevent additional litigation.

Additional findings of the most recent solid waste rate study included:

- Solid waste services have **historically collected insufficient revenue** to cover the expenses and capital investments (*i.e., ongoing operations, capital program, debt service and coverage requirements, and working capital reserves*) needed to provide all of the services that are offered.
- Exemptions and **services such as fortification and city dumpster collection** must be paid for by the general fund.
- Residential customers must also pay for **special services**

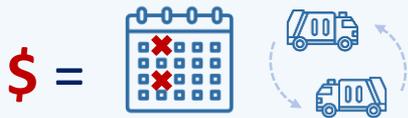
Rate studies and a review of solid waste services should be conducted on a more frequent basis, likely annually.

Proposed Options – Overview

Options	Overview
Option 1: Trip generation-based fee for street-based services and equivalent residential unit fee for common good sanitary services	<p>A trip generation-based fee is calculated on the average number of trips generated from a residential property that receives the benefit of the special services provided by Solid Waste Services. Residences would be charged a baseline fee based on average residential trip generation, while multi-family will be charged the residential fee based on the number of units, and commercial will be charged based on land use code trip generation tables.</p> <p>A common good sanitary services fee is calculated on a fixed residential/multi-family per unit fee and equivalent fee for commercial/industrial parcels based on under-roof square footage</p>
Option 2: Ad valorem assessment for street based and common good sanitary services	<p>This option is a single assessment per property that is calculated based on the value of the property that benefits from the special services provided by Solid Waste Services.</p>
Option 3: General fund funded street-based and common good sanitary services	<p>The General Fund makes up the largest portion of the City's funds and is a source for basic services such as public safety, health and human services. In this option, all special services would be paid out of the General Fund at an approximate cost of \$20M, that is currently unbudgeted.</p>

Trip generation-based fee for street-based services AND Equivalent residential unit fee for common good sanitary services

A **trip generation-based fee** is calculated on the average number of trips generated from a residential property that receives the benefit of the special services provided by Solid Waste Services.



Residential would be charged a baseline fee based on *average residential trip generation*



Multi-family will be charged the residential fee based on *the number of units*

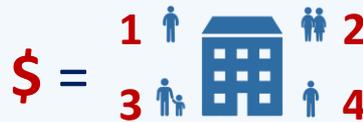


Commercial will be charged based on *land use code trip generation tables*

A **common good sanitary services fee** is calculated on a fixed residential/multi-family per unit fee and equivalent fee for commercial/industrial parcels based on under-roof square footage.



Residential



Multi-family



Commercial

Ad valorem assessment for street based AND common good sanitary services

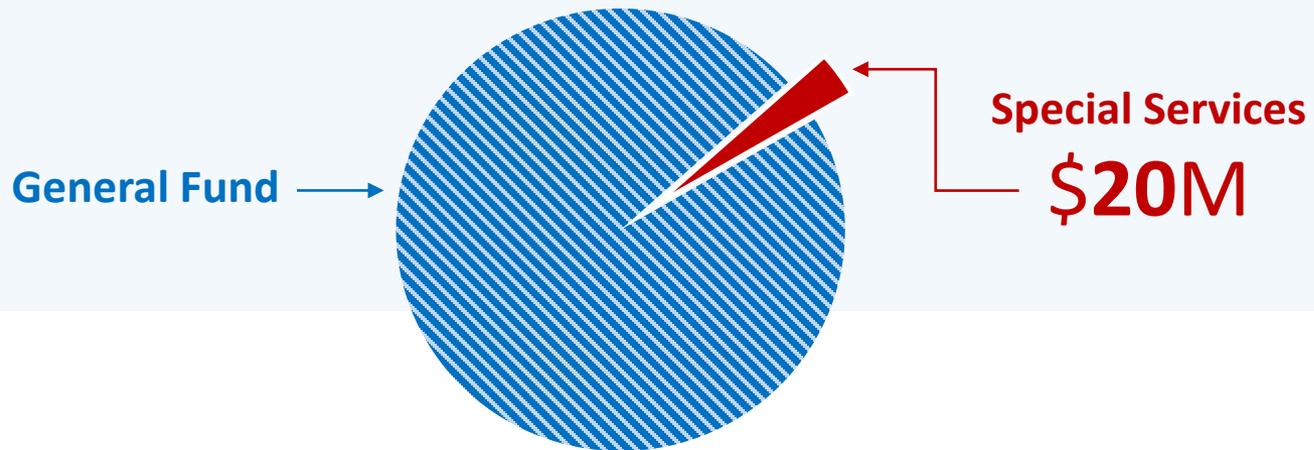
Option 2 is a single assessment per property that is calculated based on the value of the property that benefits from the special services provided by Solid Waste Services.



General fund funded *street-based AND common good sanitary services*

The General Fund makes up the largest portion of the City's funds and is a source for basic services such as public safety, health and human services.

In this option, all special services would be paid out of the General Fund at an approximate cost of \$20M, that is currently unbudgeted.



Key Points

Adjusted rates for Solid Waste Collection and Recycling are the **same for all 3 options**

Trip Generation Based Fee is a fee based upon a trip generation methodology

Ad-Valorem Tax is additional property tax millage set aside specifically for solid waste services

General Fund Funded would place the burden on the general fund to cover the expenses



Appendix

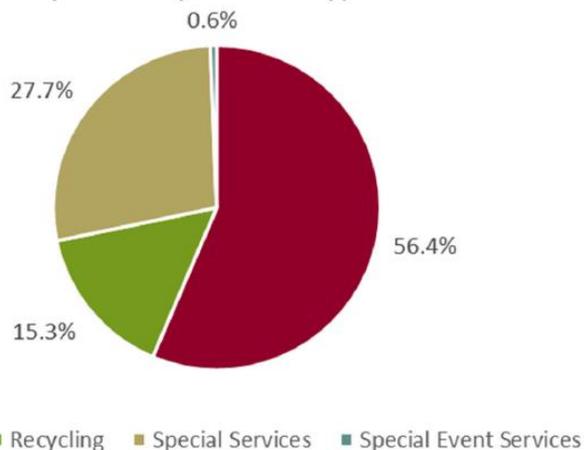
Proposed Options – Overview of Average Residential Bill

		Special Services Revenue Collection Options		
Rate Components	Current Bill	#1 - Trip Generation Based Fee	#2 - Ad-Valorem Tax	#3 - General Fund Funded
Solid Waste Collection	\$365.81	\$409.45		
Recycling	\$88.00	\$120.18		
Special Services	\$0.00	\$32.21	\$87.10	\$87.10
Total	\$453.81	\$561.84	\$616.73	\$616.63

Home Value	\$ 250,000.00	\$ 300,000.00	\$ 350,000.00	\$ 400,000.00	\$ 450,000.00	\$ 500,000.00	\$ 1,000,000.00
Taxable Assessed Value	\$ 100,000.00	\$ 120,000.00	\$ 140,000.00	\$ 160,000.00	\$ 180,000.00	\$ 200,000.00	\$ 400,000.00
Taxable Value Less Homestead Exemption	\$ 70,000.00	\$ 90,000.00	\$ 110,000.00	\$ 130,000.00	\$ 150,000.00	\$ 170,000.00	\$ 370,000.00
Millage Rate Impact (67¢ per \$1,000)	\$ 46.90	\$ 60.30	\$ 73.70	\$ 87.10	\$ 100.50	\$ 113.90	\$ 247.90

Background - Overview of DPW Cost to Provide Services

Expenses by Service Type



Cost to Provide Services

Service	Expenses	%
Garbage Collection	20,954,318	26.3%
Multi-Family / Dumpster Collection	3,128,831	3.9%
Backyard Collection Solid Waste	1,822,738	2.3%
Yard Trimming Collection	7,083,763	8.9%
Bulk Rubbish Collection	4,052,029	5.1%
Bin Delivery Solid Waste	183,525	0.2%
Yard Trimming Processing	4,265,479	5.3%
Post-Closure Care	6,271,067	7.9%
Recycling	10,795,881	13.5%
Backyard Collection Recycling	261,704	0.3%
Bin Delivery Recycling	201,283	0.3%
Street Sweeping	4,180,571	5.2%
Trash Receptacle Collection	2,780,806	3.5%
Illegal Sign Removal	1,712,468	2.1%
Dead Animal Collection	1,386,256	1.7%
ROW Grass Mowing	3,863,035	4.8%
Lot Clearing	777,161	1.0%
Illegal Dumping	1,032,853	1.3%
SWEET	3,915,523	4.9%
Keep Atlanta Beautiful	602,172	0.8%
Community Cleanup	74,231	0.1%
Fortification	103,168	0.1%
Special Event Cleanup	359,944	0.5%
Total Cost of Services	\$ 79,808,804	100.0%