

April 5, 2012

## OXFORD CONSIDERING CONTRACTING OUT SANITATION SERVICES

The city of Oxford is examining whether or not it should continue to provide garbage and recyclables pickup with city employees and equipment or contract with a private firm to provide the service.

Last year the two full-time sanitation department employees retired and this year the driver of the sanitation vehicle will retire. The city has used temps to replace the retired employees. This service is provided three days a week.

The city's auditors have reported that over the last six years the city has received an average of \$141,252.00 in sanitation revenue and expenses for that department have averaged \$276,304.00 annually. The average annual loss from operating the sanitation department five days a week has been \$135,052 per year. The city will continue to pickup yard waste and provide chipper service two days a week even if the garbage and recyclables are contracted out.

This action is a continuation of the city's effort to provide full value for the citizens' tax dollars. Recently the council voted to change the city's retirement program for new hires from a defined benefit to a defined contribution plan. Costs had gotten to more than 15% of the payroll and with the changes the retirement costs will eventually level off at about 6 percent of payroll.

Last year Oxford was able to save its electric customers 16 percent on their bills by using reserve funds to absorb the increase. The city also refunded utility deposits to customers with good payment histories. This year a \$10,000 homestead exemption for Oxford home owners goes into effect. These actions by the city council were possible only because of the council's diligence in seeking ways to provide equal or better service at a lower cost.

Employee health insurance will be provided by a different company with the city paying 95 percent of the cost and employees paying 5 percent. Employees will receive improved benefits and the city will realize a 31.4 percent savings. This savings of \$28,000 came about by the city seeking competitive bids.

Contract sanitation service is nothing new and cities such as Walnut Grove and Social Circle have used contracted sanitation service for years. The savings vary from city to city but smaller cities (under 25,000 population) usually experience the larger savings as a percentage of their budget. No full-time city of Oxford employee will lose their job because of the council's decision to change to a contractor service or to keep the present service.

Georgia law requiring cities to provide a minimum number of services includes the contracting of services. Oxford contracts with Newton County to provide it with professional fire and emergency medical personnel and equipment. Oxford exceeds all requirements in providing essential services and will continue to do so.

Oxford residents are encouraged to attend a city council work session at 6:00pm on Monday April 16 where the sanitation issue will be fully discussed.

Jerry Roseberry

Mayor