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P.O. Box 1540 • Thomasville, GA 31799 • 229-227-7001 • [www.thomasville.org](http://www.thomasville.org)

## **WHY UTILITIES ARE IMPORTANT TO THE CITY OF THOMASVILLE BUDGET**

Utilities services are the backbone of the City of Thomasville's operating budget. The City offers a variety of utilities services including electric, natural gas, water, solid waste, wastewater, compressed natural gas, landfill and telecommunications (which includes CNSNext digital television, telephone and high-speed Internet). The revenues generated from utilities accounts for 60 percent of the General Fund, which is the fund that includes many traditional governmental services. This means that the revenues from the City's utilities services are used to pay for things like public safety (police and fire services), highways and streets, economic development and administration.

In most households, your budget will have income (such as your salary for your job) instead of revenues. Your household budget also contains expenses each month, such as rent or your house payment, utilities, groceries, car payments and insurance. The City's budget is the same in that our budget contains revenue that comes in to cover the expenses of operation. In the City's case, there are both fixed and variable costs associated with operating our utilities. The variable costs can be higher or lower depending on the sales for that utility. For example, if the City sells more water, there are certain costs that will go up with the increase in sales. Other costs are fixed. That means that these costs are the same and must be covered whether or not there are any sales.

While our electric utility is the City's largest revenue source, it also carries the largest amount of fixed costs. The City of Thomasville secures our power supply through our membership in the Municipal Electric Authority of Georgia. Through this membership, we are part owners of power generation plants throughout the state. Along with this ownership comes some fixed costs. Think of it the same as purchasing a car - even if you don't drive the car, you still have to make the car payment and carry insurance (fixed costs). Some of the other fixed costs associated with our utilities services include maintenance of infrastructure like pipes, utility poles, vehicles, electric lines and personnel.

So, what happens to the revenues that are generated? Once the City's costs are covered, many of these utilities then make transfers of income to cover other expenses related to governmental services. Transfers of funds to the City's General Fund are necessary for the operation of services that don't generate revenue like public safety and the building and maintenance of highways and streets. These transfers of funds also allow Thomasville residents not to pay property taxes. We discussed the City's General Fund and the importance of utility transfers in last week's blog. You can access it by clicking the link below.

<https://thomasville.org/uploads/files/b5/c2/b5c252a78a95411e7df6be01b065e816.pdf>

In order to be able to transfer the funding needed to cover these essential governmental services, the City depends upon the utility loads created by large industrial customers. This is why the



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City of Thomasville supports economic development activities through our partnership with the Payroll Development Authority. While all of our customers are important, the revenue generated by large industrial customers helps to provide the revenue we need to keep our streets and parks maintained and to support services such as police and fire protection.

The City staff is always looking for ways to save money when it comes to the City's budget. We continually seek out grants to completely or partially finance many needed improvements to our infrastructure in order to keep our services operating as efficiently as possible at the lowest cost to our citizens. We also utilize low interest financing for capital improvement projects. We try to maximize coordination among departments when completing large city projects so that we are as efficient as possible, which often results in overall savings to our budget. An example would be South Pinetree Boulevard. Work is being completed near the intersection of Magnolia Street now to replace lift stations and water and wastewater pipes prior to the addition of sidewalks and resurfacing. The cost and efficiency of doing the work at one time is much less than completing these projects separately.

You may be wondering about the utility rates you pay for your services and how these compare to other providers. It is important to us to provide the best possible service at the most competitive rate we can so that our customers pay a fair price for the utilities they receive. Did you know that the City's rates for our utilities is among the lowest in the state? Our electric rate, for example, is lower than 60% of the providers across the state. You can check this out for yourself online through the Georgia Public Service Commission's website, available by clicking the link. (<https://psc.ga.gov/utilities/electric/residential-rate-surveys/>)

Keeping our rates competitive is just part of our mission; we also want to make sure we are providing the best service possible. That means that we invest in the latest technology to serve our customers. One of the areas we've invested in is our metering and outage detection services. The use of Advanced Metering Infrastructure (AMI) for electric and water services and our automated electric outage reporting system allow for efficiencies in time, fuel, vehicle maintenance and personnel which allows us to offer competitive rates and save our customers money.

Speaking of saving money, we know that while having new technology is great, the impact to your bottom line is what is most important. The City of Thomasville has many programs to help our customers save money on their utility accounts, including free home energy audits and flexible payment programs like Budget Billing. We even offer on-bill financing options to give you the flexibility to make much-needed energy efficiency improvements to your home without large up-front costs that can sometimes make these improvements out of reach for our customers.



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We also recognize that our customers' needs have changed, particularly in response to the COVID-19 pandemic. That is why we are excited to bring you an enhanced Utilities Online experience in 2021. You'll be able to manage your account and your utility payments online and have access to many additional features when our new Utilities Online system launches next year. Stay tuned...we are excited to bring you more information!

We hope you can see the importance of the City of Thomasville utilities services for our customers and community. We are a unique City because we provide traditional governmental services as well as all of the reliable and essential utilities needed for residents and businesses at affordable and competitive prices. Should you have any questions about your utilities, please give us a call at 229-227-7001. We are waiting to serve you.