



City of Tualatin

## CITY OF TUALATIN Staff Report

**TO:** Honorable Mayor and Members of the City Council  
**THROUGH:** Sherilyn Lombos, City Manager  
**FROM:** Lindsay Marshall, Management Analyst II  
**DATE:** December 12, 2022

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**SUBJECT:**  
Republic Services Request for a Rate Adjustment, Effective January 1, 2023

**RECOMMENDATION:**  
Staff recommends that Council review the request from Republic Services and provide further direction.

**EXECUTIVE SUMMARY:**  
City of Tualatin has an exclusive franchise with Republic Services to provide solid waste and recycling services for the City.

They have requested a rate adjustment due to a number of factors, including increased Metro fees regarding wet waste tonnage allocation, to be effective January 2023. Republic has proposed that a revenue increase is necessary to continue providing the quality services within their franchise agreement with the City.

Per the request, Republic Services cites a number of factors that have impacted their rate of return for which the company has had little control, such as:

- Increased disposal costs, including - tonnage charges, regional system fees, host fees, excise taxes, and DEQ fees.
- Inflation – increases of 6.58% in 2022, projected 3.70% in 2023
- Fuel costs – increases of 10% in 2022, projected 5% in 2023
- Labor and wages – increases of 4.90% in 2022, projected 4% in 2023

The City last approved a rate adjustment of 4.6% for these services effective January 1, 2022. Proposed rates for 2023 are shown in Schedule A.

**OUTCOMES OF DECISION:**  
Council may approve the requested 7.8% increase, negotiate a different percentage, or not approve the request.

**FINANCIAL IMPLICATIONS:**  
If approved, the agreed upon rates and changes would be effective January 1, 2023 for the collection of solid waste, refuse, and recycling material within the corporate limits of the City of Tualatin.

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**ATTACHMENTS:**

- Republic Services Presentation
- Schedule A Proposed 2023 Rate Sheet