

RESOLUTION NO. 3091

**A RESOLUTION OF THE CITY OF WILSONVILLE ADOPTING
THE FINDINGS AND RECOMMENDATIONS OF THE
SOLID WASTE COLLECTION RATE REPORT DATED OCTOBER 2023 AND
MODIFYING THE CURRENT REPUBLIC SERVICES RATE SCHEDULE FOR
COLLECTION AND DISPOSAL OF SOLID WASTE, RECYCLABLES, ORGANIC
MATERIALS AND OTHER MATERIALS, EFFECTIVE FEBRUARY 1, 2024**

WHEREAS, Ordinance No. 814, adopted by City Council in May 2018, created a new solid-waste franchise agreement with Republic Services (the “Franchise Agreement”); and

WHEREAS, Republic Services is the “Franchisee” under the Franchise Agreement; and

WHEREAS, as stated in Article VIII (titled “Establishment and Modification of Service Rates”), Section 4 (titled “Annual Service Rate Adjustment”) of the Franchise Agreement, the City’s goal is to allow Republic Services a permitted Operating Margin of ten percent (10%) of Gross Revenues, but no less than eight percent (8%) and no greater than twelve percent (12%) (“Operating Margin” and “Gross Revenues” are terms defined in the Franchise Agreement, and the term Operating Margin is roughly equivalent to the term profit); and

WHEREAS, the City worked with Chris Bell, CPA, of Bell and Associates, to review Republic Services’ financial data to determine its Operating Margin in accordance with the Franchise Agreement and to recommend whether Service Rates (a term defined in the Franchise Agreement) should be adjusted pursuant to the terms of the Franchise Agreement; and

WHEREAS, as stated in the Solid Waste Collection Rate Report dated October 2023 prepared by Chris Bell, attached herein as Exhibit A (referred to herein as the “Rate Report”), Chris Bell determined that Republic Services’ cumulative Operating Margin for calendar year 2023 is projected to be 5.73%, which number can be broken down by Republic Services’ three service lines of business as follows:

- 0.74% for residential Roll-Cart service;
- 6.84% for commercial Container service; and
- 7.95% for industrial Drop Box / Compactor service; and

WHEREAS, Service Rates have not increased since 2019, and were decreased in 2022;
and

WHEREAS, in accordance with Article VIII, Section 5 of the Franchise Agreement, Republic Services submitted a written request for an extraordinary rate increase dated December 7, 2023 (the “Written Request”), which includes a list of factors that Republic Services cites as justification for its request for increased Service Rates; and

WHEREAS, City Council desires to increase Service Rates pursuant to Article VIII, Section 5 (titled “Extraordinary Rate Increase”) of the Franchise Agreement, based on the following extraordinary or unanticipated events:

- The Rate Report finds that 2023 inflation rate of 3.37% for general expenses and that allowable expenses cumulatively are increasing by 6.8%
- Specific cost components higher than the rate of inflation include Union Driver Wages at 6.90%, Recycling Processing at 27.1%, Waste Disposal at 8.92% and Health Insurance at 6.90%; and

WHEREAS, in order to allow Republic Services to achieve the target Operating Margin of ten percent (10%), the Rate Report recommend increasing Service Rates as follows:

Residential Roll Cart Service (monthly rate):

- 20 gallon cart: Current rate of \$21.32 increases by 8.8% (\$1.88) to \$23.20
- 35 gallon cart: Current rate of \$27.95 increases by 9.3% (\$2.60) to \$30.56
- 65 gallon cart: Current rate of \$36.30 increases by 9.5% (\$3.45) to \$39.75

Commercial Service (monthly rate for one stop per week):

- 2 yd. weekly: Current rate of \$186.79 increases by 6.7% (\$12.42) to \$199.26
- 4 yd. weekly: Current rate of \$337.05 increases by 7.4% (\$24.86) to \$361.99
- 6 yd. weekly: Current rate of \$470.53 increases by 8.0% (\$37.28) to \$507.94
- 8 yd. weekly: Current rate of \$623.89 increases by 8.0% (\$49.72) to \$673.77

Drop Box / Roll Off Compactor Service:

- 30 Yard Haul Fee: Current rate of \$140.00 increases by 5% (\$7.00) to \$147.00.
- Mileage fee of \$4.70/mile when drop box / compactor hauls exceeding 18 miles roundtrip from Republic's truck yard at 10295 SW Ridder Road in Wilsonville.

Other rates are increasing by varying amounts, generally 5.0%, depending on the kind of service provided.

NOW THEREFORE:

- 1) The Wilsonville City Council hereby accepts and adopts the findings and recommendations of the Rate Report;
- 2) The Wilsonville City Council hereby approves an extraordinary rate increase pursuant to Article VIII, Section 5 of the Franchise Agreement, based on the extraordinary or unanticipated events outlined in this Resolution No. 3091, and the Written Request; and
- 3) The Wilsonville City Council hereby approves and adopts the Rate Sheet.

ADOPTED by the Wilsonville City Council at a regular meeting on December 4, 2023, and filed with the Wilsonville City Recorder on this date.

JULIE FITZGERALD, MAYOR

ATTEST:

Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Mayor Fitzgerald _____
Councilor Akervall _____
Councilor Linville _____
Councilor Berry _____
Councilor Dunwell _____

Exhibit A: Solid Waste Collection Rate Report dated October 2023 (the “Rate Report”)

Exhibit B: Republic Services Rate Schedule for Collection and Disposal of Solid Waste,

Recyclables, Organics and Other Materials, Effective: February 1, 2024 (the “Rate Sheet”)