

RESOLUTION NO. 3004

A RESOLUTION OF THE CITY OF WILSONVILLE ADOPTING THE FINDINGS AND RECOMMENDATIONS OF THE “SOLID WASTE COLLECTION RATE REPORT, OCTOBER 2022” AND MAINTAINING THE CURRENT REPUBLIC SERVICES RATE SCHEDULE, EFFECTIVE JANUARY 1, 2022.

WHEREAS, Ordinance No. 814, adopted by City Council in May 2018, created a new solid-waste franchise agreement with Republic Services; and

WHEREAS, Ordinance No. 814, Article VIII, Establishment and Modification of Service Rates, 3. Second Service Rate Adjustment provided for City’s ability to “undertake a review of Franchisee’s books, records, and accounts to adjust the Service Rate to set a new Service Rate that achieves an Operating Margin equal to ten percent (10%) of Gross Revenues”; and

WHEREAS, the City contracted with Chris Bell, CPA, of Bell and Associates of Camas, WA, to undertake a solid waste franchise rate review of Republic Services’ operations and make a determination the firm’s operating margin; and

WHEREAS, the “Solid Waste Collection Rate Report, October 2022,” attached herein as Exhibit 1, found for the following years:

- Adjusted 2021 Wilsonville Results:
 - 13.6% margin for residential Roll-Cart service;
 - 15.9% margin for commercial Container service; and
 - 17.2% margin for industrial Drop Box service; and
 - Cumulatively resulting in a Composite margin of 15.8%; and
- Projected 2022 Financial Performance for Wilsonville:
 - 6.3% margin for residential Roll-Cart service;
 - 7.5% margin for commercial Container service; and
 - 14.4% margin for industrial Drop Box service; and
 - Cumulatively resulting in a Composite margin of 9.8%; and

WHEREAS, during the October 3, 2022, City Council work session the City Council reviewed and agreed with the findings and recommendations of the draft “Solid Waste Collection Rate Report, September 2022”; and

WHEREAS, Ordinance No. 814, Article VIII, Establishment and Modification of Service Rates, 4. Annual Service Rate Adjustment, states that it “is the goal of this Franchise to provide Franchisee with a target Operating Margin of ten percent (10%) of Gross Revenues, but no less than eight percent (8%) and no greater than twelve percent (12%). * * * the Service Rate will be adjusted annually * * *.”

WHEREAS, the “Solid Waste Collection Rate Report, October 2022,” finds that the Franchisee’s composite operating margin for all customer classes of service is in line with the franchise target margin of 10% and within the 8% to 12% acceptable rate-of-return range, and therefore recommends maintaining the current rate schedule until the actual 2022 results are submitted and reviewed in 2023; and

NOW THEREFORE:

- 1) The Wilsonville City Council hereby accepts and adopts the findings and recommendations of the “Solid Waste Collection Rate Report, October 2022,” attached hereto as Exhibit 1; and
- 2) The Wilsonville City Council hereby maintains the current “Republic Services Rate Schedule for Collection and Disposal of Solid Waste, Recyclables, Yard Debris, Organic Materials and Other Materials,” effective January 1, 2022, attached hereto as Exhibit 2.

ADOPTED by the Wilsonville City Council at a regular meeting on November 7, 2022, and filed with the Wilsonville City Recorder on this date.

JULIE FITZGERALD, MAYOR

ATTEST:

Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Mayor Fitzgerald

Council President Akervall

Councilor Lehan

Councilor West

Councilor Linville

EXHIBITS:

- A. "Solid Waste Collection Rate Report, October 2022"
- B. "Republic Services Rate Schedule for Collection and Disposal of Solid Waste, Recyclables, Yard Debris, Organic Materials and Other Materials, Effective January 1, 2022"