

RESOLUTION NO. 3091

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

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 in order to make a determination the firm’s operating margin and recommend any rate modifications in order to achieve the target operating margin of ten percent 10%;

WHEREAS, the “Solid Waste Collection Rate Report, October 2023,” attached herein as **Exhibit A**, found for the following years:

- Adjusted 2022 Wilsonville Results:
 - 6.2% margin for residential Roll-Cart service;
 - 13.3% margin for commercial Container service;
 - 9.5% margin for industrial Drop Box service;
 - Cumulatively resulting in a Composite margin of 10.0%; and
- Projected 2023 Financial Performance for Wilsonville:
 - 0.74% margin for residential Roll-Cart service;
 - 6.84% margin for commercial Container service;
 - 7.95% margin for industrial Drop Box service;
 - Cumulatively resulting in a Composite margin of 5.73%; and

WHEREAS, during the November 6, 2023, City Council meeting the City Council reviewed and agreed with the findings and recommendations of the “Solid Waste Collection Rate Report, October 2023”; 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 2023,” finds that the Franchisee’s composite operating margin for all customer classes of service is lower than the franchise target margin of ten percent (10%) and lower than the minimum eight percent (8%) acceptable rate-of-return, and therefore recommends modifying the current rate schedule effective January 1, 2024; and

WHEREAS, in order to provide franchisee with revenues to achieve the target operating margin of 10%, the City Council adopts the “Solid Waste Collection Rate Report, October 2023” recommendations that find the following rate modifications are needed based on customer class, servicing requirements and size of container for collection and disposal:

Residential Roll Cart Service (monthly rate):

- 20 gallon cart: Current rate of \$21.32 increases by 8.8% or \$1.88 to \$23.20
- 35 gallon cart: Current rate of \$27.95 increases by 9.3% or \$2.60 to \$30.55
- 65 gallon cart: Current rate of \$36.30 increases by 9.5% or \$3.45 to \$39.75

Commercial Service:

- 2 yd. weekly: Current rate of \$186.79 increases by 6.6% or \$12.42 to \$199.21
- 4 yd. weekly: Current rate of \$337.05 increases by 7.4% or \$24.86 to \$361.91
- 6 yd. weekly: Current rate of \$470.53 increases by 7.9% or \$37.28 to \$507.81
- 8 yd. weekly: Current rate of \$623.89 increases by 8.0% or \$49.72 to \$673.61

Drop Box / Roll Off Compactor Service:

- Cost per Haul: Current rate of \$6.86 increases by 102% or \$7.00 to \$13.86.

- Mileage fee assessed for drop box/compactor hauls exceeding 18 miles roundtrip from Republic's truck yard at 10295 SW Ridder Road in Wilsonville is \$4.70

NOW THEREFORE:

- 1) The Wilsonville City Council hereby accepts and adopts the findings and recommendations of the "Solid Waste Collection Rate Report, October 2023," attached hereto as **Exhibit A**; and
- 2) The Wilsonville City Council hereby modifies the "Republic Services Rate Schedule for Collection and Disposal of Solid Waste, Recyclables, Organic Materials and Other Materials," as reflected in **Exhibit B** attached hereto, effective January 1, 2024.

ADOPTED by the Wilsonville City Council at a regular meeting on November 6, 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

EXHIBITS:

- A. Solid Waste Collection Rate Report, October 2023
- B. Republic Services Rate Schedule for Collection and Disposal of Solid Waste, Recyclables, Organics and Other Materials, Effective January 1, 2024