

Additional Information on the Cost of Solid Waste and Recycling Collection

- Consultant Experience
- Wilsonville Customers and Five-Year Changes
- Increased Collection Costs
- Rates
- Questions

December 4, 2023

Consultant & Process Background

Chris Bell, CPA

- 30 years in accounting
- 24 years in solid waste
- Rate Setting, Costing, Planning, and Auditing
- Worked for most Metro area jurisdictions
- Assisted Wilsonville since 2019 / Clackamas County since 2001

Rate Review Process

- Local governments regulate waste
 - Issue Franchise & Regulate Rates
 - Disposal is regulated by **Metro**
- Rate Review is the examination of the financial and operational performance of the franchisee
- Annual Report submitted to Clackamas County for all company results – Including Wilsonville

Five Year Customer Count

Service	2018	2019	2020	2021	2022	% ▲
20 gal	796	826	810	791	777	
35 gal	2,975	2,960	3,097	2,959	2,952	
65 gal	1,494	1,599	1,777	1,914	2,021	
95 gal	109	78	87	90	90	
Total Carts	5,374	5,463	5,771	5,754	5,840	8.7%
Commercial	459	518	443	446	449	-2.2%
R/O Hauls	5,834	5,894	5,568	5,863	6,241	7.0%

Residential Collection Rate Composition

2022 Collection Costs

- Disposal
 - Garbage
 - Recycling
 - Yard Debris

Total Cost	Rate Cost	% of Rate
\$ 529,236	\$ 7.55	25%
\$ 118,027	\$ 1.72	6%
\$ 162,369	\$ 3.12	8%

Disposal Expense Accounts for 39%

- Labor
- Truck & Equipment
- Mgmt. & Admin
- Franchise Fee
- Operating Margin

\$ 522,270	\$ 8.22	25%
\$ 362,671	\$ 5.71	16.0%
\$ 191,037	\$ 3.01	9.0%
\$ 106,098	\$ 1.67	5.0%
\$ 123,564	\$ 1.94	6.0%
\$ 2,115,272	\$ 31.27	100%

Solid Waste Disposal Expense

Metro Regulates Solid Waste Disposal

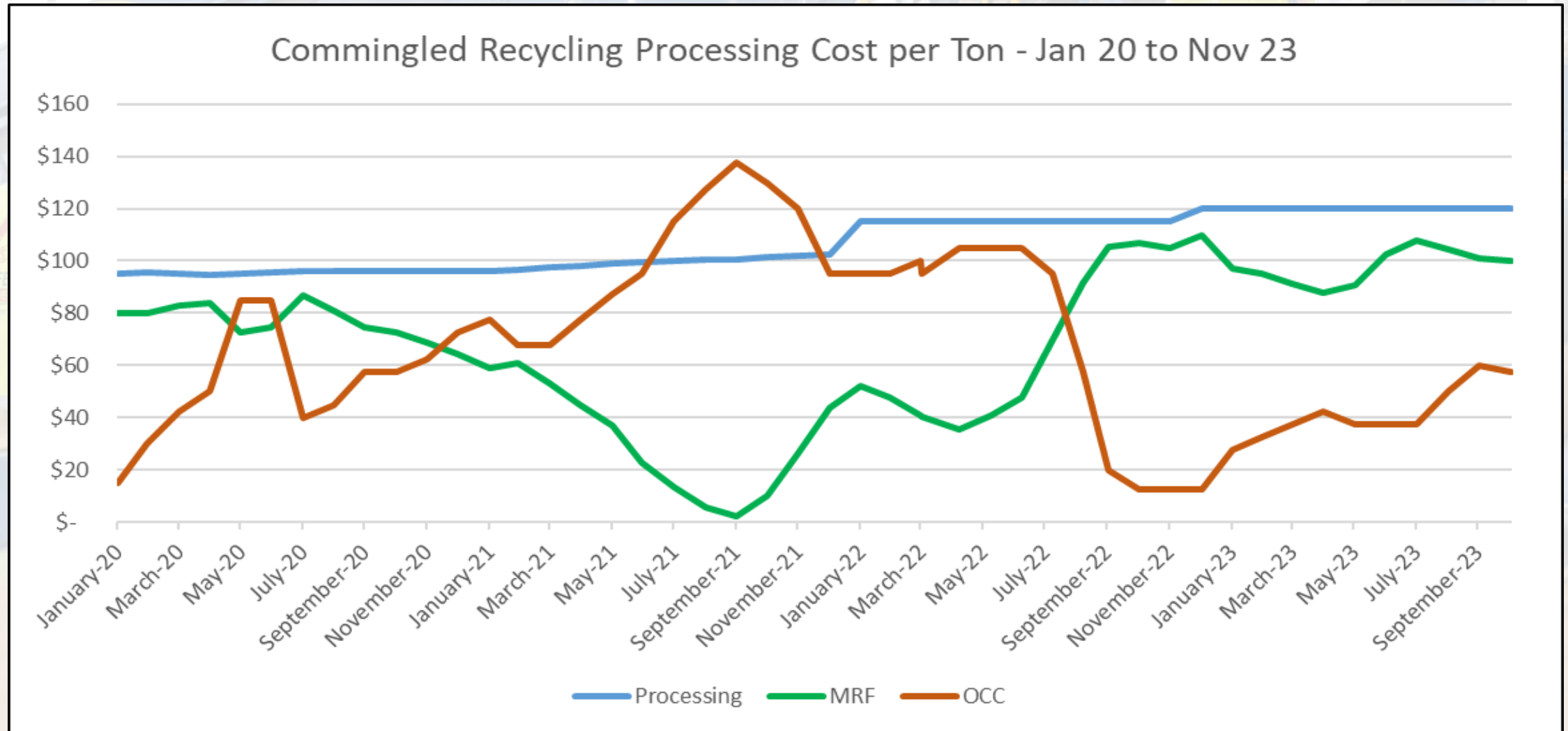
Sets Taxes on Waste Disposal

Regulates the Flow of Waste to the Regional Transfer Stations

Metro Competes with the Regional Transfer Stations

Tip Fee Cost	2018	2019	2020	2021	2022	2023	% ▲
Disposal Cost	\$ 63.20	\$ 64.41	\$ 64.41	\$ 72.81	\$ 78.39	\$ 89.72	42.0%
Metro Fees	\$ 28.93	\$ 30.22	\$ 31.05	\$ 39.45	\$ 42.17	\$ 44.69	54.5%
DEQ / Host Fee	\$ 2.82	\$ 2.82	\$ 2.89	\$ 2.89	\$ 2.89	\$ 2.89	2.5%
Disposal Fee	\$ 94.95	\$ 97.45	\$ 98.35	\$ 115.15	\$ 123.45	\$ 137.30	44.6%
% ▲		2.6%	0.9%	17.1%	7.2%	11.2%	
Metro's Rate 35 gallon cart	\$5.32	\$5.46	\$5.51	\$6.45	\$6.92	\$7.69	▲ \$2.37

Commingled Recycling Processing Cost



Collection Labor Cost – Union Agreements

Republic Services has two union contracts with the Teamsters

Legacy Rossman – Clackamas County Sanitary Truck Drivers

Legacy Keller Drop Box / United Disposal Services

Year	2018	2019	2020	2021	2022	2023	% ▲
Hourly Wage	\$ 26.24	\$ 26.89	\$ 27.54	\$ 28.19	\$ 28.82	\$ 30.82	17.5%

Inflation and Indexed Rate Analysis

	2018	2019	2020	2021	2022	2023	% ▲
CPI (West - Class A)	3.90%	2.80%	1.90%	4.70%	8.10%	3.40%	23.0%
Value of \$1	\$ 1.00	\$ 1.03	\$ 1.05	\$ 1.10	\$ 1.19	\$ 1.23	

Service	2018	2019	2020	2021	2022	2023	% ▲
35 gal rate	\$ 30.61	\$ 31.47	\$ 32.35	\$ 33.26	\$ 34.19	\$ 35.15	14.8%
3 yard weekly	\$ 278.22	\$ 286.01	\$ 294.02	\$ 302.25	\$ 310.71	\$ 319.41	
20 yd. drop box	\$ 123.66	\$ 127.12	\$ 130.68	\$ 134.34	\$ 138.10	\$ 141.97	

Wilsonville's Rate Changes 2018 to 2023

Service	2018	2019	2020	2021	2022	2023	% ▲
35 gal rate	\$ 30.61	\$ 29.36	\$ 29.36	\$ 29.36	\$ 27.95	\$ 27.95	-8.7%
3 yard weekly	\$ 278.22	\$ 258.73	\$ 258.73	\$ 258.73	\$ 251.07	\$ 251.07	-9.8%
20 yd. drop box	\$ 123.66	\$ 123.66	\$ 123.66	\$ 123.66	\$ 124.00	\$ 124.00	0.3%

Service	2023	2024	% ▲
35 gal rate	\$ 27.95	\$ 30.55	9.3 %
3 yard weekly	\$ 251.07	\$ 267.83	6.7 %
20 yd. drop box	\$ 124.00	\$ 131.00	5.6 %

Agreement CPI Adjusted Rates

Projected Results	CPI	Rate
2023 Projected ROR: 5.73%	3.40%	3.40%
2022 Projected ROR: 9.79%	8.10%	7.50%
2021 Projected ROR: 16.81%	4.70%	4.70%
2020 Projected ROR: 11.26%	1.90%	1.90%

Service	2022 base	2023 CPI	2024 CPI	2024 ROR
% Increase		7.50%	3.40%	varies
35 gal rate	\$ 27.95	\$ 30.05	\$ 31.07	\$ 30.55
3 yard weekly	\$ 251.07	\$ 269.90	\$ 279.08	\$ 267.83
20 yd. drop box	\$ 124.00	\$ 133.30	\$ 137.83	\$ 131.00