

Resolution No. 3162: Adoption of the 2024 Solid Waste Collection Rate Report and 2025 Solid Waste Rate Schedule

Wilsonville City Council Meeting

Dec 2, 2024

Mark Ottenad, Public/Government Affairs Director

Chris Bell, CPA, Bell & Associates



Resolution No. 3162: Adoption of the 2024 Solid Waste Collection Rate Report and 2025 Solid Waste Rate Schedule

Three Exhibits:

1. 2025 Solid Waste Rate Modification Options
2. 2024 Rate Report (to be amended)
3. 2025 Rate Schedule (to be amended)



2024 Solid Waste Collection Rate Report

- October 21 City Council Work Session Review of Draft Solid Waste Collection Rate Report
- City Council direction to advance Solid Waste Franchise Ordinance No. 883 requirements
- City Council members' concerns over residential rate equity for smaller size carts



2024 Solid Waste Collection Rate Report

2024 Rate Review Process and Results

- Annual Cost Report - Adjusted Results for 2023
- Projected Results for 2024
- Rate Recommendations and Options for 2025



2024 Solid Waste Collection Rate Report

Republic Services' Three Lines of Business:

1. Roll Cart: Residential customers
2. Container: Commercial business customers
3. Drop Box: Industrial business customers

Total of all three equals Composite Revenue



2024 Rate Review Process and Results

2023 Republic Services Financial Performance

Table 1: Adjusted 2023 Wilsonville Results

Description	Roll Cart	Container	Drop Box	Composite
Revenues	\$2,175,941	\$2,825,024	\$3,095,244	\$8,096,209
Allowable Costs for Rates	\$2,151,671	\$2,350,075	\$2,988,418	\$7,490,164
Franchise Income	\$24,270	\$474,949	\$106,826	\$606,045
Margin (Income / Revenue)	1.1%	16.8%	3.5%	7.5%

2024 Rate Review Process and Results

2024 Projected Primary Expense Increases

Table 2: Line Item Inflation Assumptions for 2024

Expense	Change
Union Driver Wages	1.70%
Health Insurance	4.00%
Waste Disposal	6.02%
CPI Inflation	2.60%
Yard Debris Disposal	2.60%

2024 Rate Review Process and Results

2024 Projected Financial Performance

Table 4: Estimated 2024 Financial Results for Collection Services in Wilsonville

Description	Roll Cart	Container	Drop Box	Composite
Revenues	\$2,361,114	\$3,015,996	\$3,245,703	\$8,622,813
Allowable Costs for Rates	\$2,231,678	\$2,438,754	\$3,117,427	\$7,787,859
Franchise Income	\$129,436	\$577,242	\$128,276	\$834,954
Return on Revenues	5.5%	19.1%	4.0%	9.7%

2024 Rate Review Process and Results

Solid Waste Franchise Ordinance No. 883 – Operating Margin

- Franchise allows standard rate-of-return (ROR) margin range of 8% to 12%, with target of 10%
- Projected 2024 results are below ROR range and target rate-of-return with 9.7% margin



2024 Rate Review Process and Results

Solid Waste Franchise Ordinance No. 883 – Operating Margin

- Article VIII of Ordinance No. 883 provides that if the operating margin (ROR), is 8% up to, but not including, 10%, then 100% of the CPI will be applied to the service rates.
- Franchise indicates CPI 2.6% inflation rate increase



2024 Rate Review Process and Results

2025 Solid Waste Rate Modification Options

Three Residential Rate Options for Consideration:

1. 2.6% uniform across-the-board CPI rate increase
2. Differentiated rate increase by size of cart, with smallest size having *smallest increase*
3. Differentiated rate increase by size of cart, with smallest size having *no increase*



2024 Rate Review Process and Results

2025 Solid Waste Rate Modification Options

- All Three Residential Rate Options Maintain Overall 2.6% CPI Inflation Rate Increase for Composite Revenue
- City Council Selected Option to Amend Content of both 2024 Rate Report and 2025 Rate Schedule, with effective date of Feb. 1, 2025



2024 Rate Review Process and Results

2025 Solid Waste Rate Modification Options

Residential Solid Waste Service includes all services:

- *Garbage*: 20, 35, 65 or 90 gallon cart
- *Mixed Recycling*: 65 gallon cart
- *Glass Recycling*: 18 gallon bin
- *Yard Debris/Organics/Food Waste*: 65 gallon cart
(Charbonneau District exempt/optional)



2024 Rate Review Process and Results

2025 Solid Waste Rate Modification Options

SERVICE	Current Rate/Mo	OPTION 1 - Rate Per Month					OPTION 2 - Rate Per Month					OPTION 3 - Rate Per Month				
		% Δ	\$ Δ	New Rate	Per Gal Garbage	Per Gal ALL	% Δ	\$ Δ	New Rate	Per Gal Garbage	Per Gal ALL	% Δ	\$ Δ	New Rate	Per Gal Garbage	Per Gal ALL
Residential																
20 gallon	\$23.20	2.6%	\$0.60	\$23.80	\$1.19	\$0.14	0.9%	\$0.20	\$23.40	\$1.17	\$0.14	0.0%	\$0.00	\$23.20	\$1.16	\$0.14
35 gallon	\$30.56	2.6%	\$0.79	\$31.35	\$0.90	\$0.17	2.6%	\$0.80	\$31.41	\$0.90	\$0.17	2.9%	\$0.90	\$31.46	\$0.90	\$0.17
65 gallon	\$39.75	2.6%	\$1.03	\$40.78	\$0.63	\$0.19	2.9%	\$1.15	\$40.85	\$0.63	\$0.19	2.9%	\$1.15	\$40.90	\$0.63	\$0.19
90 gallon	\$44.90	2.6%	\$1.17	\$46.07	\$0.51	\$0.19	2.9%	\$1.30	\$46.15	\$0.51	\$0.19	3.0%	\$1.35	\$46.25	\$0.51	\$0.19
Charbonneau																
20 gallon	\$20.21	2.6%	\$0.53	\$20.74	\$1.04	\$0.20	1.0%	\$0.20	\$20.41	\$1.02	\$0.20	0.0%	\$0.00	\$20.21	\$1.01	\$0.20
35 gallon	\$23.95	2.6%	\$0.62	\$24.57	\$0.70	\$0.21	3.5%	\$0.85	\$24.80	\$0.71	\$0.21	3.8%	\$0.90	\$24.85	\$0.71	\$0.21
65 gallon	\$33.67	2.6%	\$0.88	\$34.55	\$0.53	\$0.23	3.3%	\$1.10	\$34.77	\$0.54	\$0.24	3.4%	\$1.15	\$34.82	\$0.54	\$0.24
Add 65 gallon organics cart	\$8.52	2.6%	\$0.22	\$8.74			2.6%	\$0.22	\$8.74			2.6%	\$0.22	\$8.74		
Condominium																
20 gallon	\$23.20	2.6%	\$0.60	\$23.80	\$1.19	\$0.14	0.9%	\$0.20	\$23.40	\$1.17	\$0.14	0.0%	\$0.00	\$23.20	\$1.16	\$0.14
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2024 Rate Review Process and Results

SERVICE		OPTION 1 - Rate Per Month					OPTION 2 - Rate Per Month					OPTION 3 - Rate Per Month					
		Current Rate/Mo	% Δ	\$ Δ	New Rate	Per Gal Garbage	Per Gal ALL	% Δ	\$ Δ	New Rate	Per Gal Garbage	Per Gal ALL	% Δ	\$ Δ	New Rate	Per Gal Garbage	Per Gal ALL
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35 gallon	\$23.95	2.6%	\$0.62	\$24.57	\$0.70	\$0.21	3.5%	\$0.85	\$24.80	\$0.71	\$0.21	3.8%	\$0.90	\$24.85	\$0.71	\$0.21	
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2024 Rate Review Process and Results

Proposed 2025 Commercial Rates: 2.6% CPI Inflation Rate Increase

Table 7: Proposed Rate Increases for Commercial Container Service

	2 yd. weekly	4 yd. weekly	6 yd. weekly	8 yd. weekly
Current Rate	\$196.96	\$347.36	\$482.51	\$635.55
CPI Increase	\$5.12	\$9.03	\$12.55	\$16.52
Proposed Rates	\$202.08	\$356.39	\$495.06	\$652.07
% Increase	2.6%	2.6%	2.6%	2.6%

2024 Rate Review Process and Results

Proposed 2025 Industrial Rates : 2.6% CPI Inflation Rate Increase

Table 8: Proposed Rate Increase for Drop Box / Roll-Off Compactor Haul Rates

Container Size	Current Rate	% Increase	\$ Increase	2025 Rate
10-29 yard drop box	\$131.00	2.60%	\$3.41	\$134.41
30 yard drop box	\$147.00	2.60%	\$3.82	\$150.82
40 yard drop box	\$166.00	2.60%	\$4.32	\$170.32
10-19 yard compactor	\$131.00	2.60%	\$3.41	\$134.41
20-29 yard compactor	\$147.00	2.60%	\$3.82	\$150.82
30-39 yard compactor	\$204.00	2.60%	\$5.30	\$209.30
40+ yard compactor	\$271.00	2.60%	\$7.05	\$278.05

2024 Rate Review Process and Results

2025 Proposed Rates New Fees

Two New Cost-Recovery Fees Proposed that Require City Council Approval for Industrial Customers that Request Special Disposal:

1. Drop Box Distance Fee
2. Landfill Fee



2024 Rate Review Process and Results

2025 Proposed Rates New Fees

1. Drop Box Distance Fee:

- When collected waste material requires disposal at distant locations, such as Coffin Butte Landfill near Corvallis or the Hillsboro Landfill, the drive time exceeds the allotted time embedded in the haul fee.



2024 Rate Review Process and Results

2025 Proposed Rates New Fees

1. Drop Box Distance Fee:

- For 2025, the proposed mileage fee is \$4.70. The fee would be assessed for drop box / compactor hauls exceeding 12 miles from the point of collection to the disposal facility.



2024 Rate Review Process and Results

2025 Proposed Rates New Fees

2. Landfill Fee:

- When disposal is required at a landfill, the time expended on-site ranges from 20 to 30 minutes compared to an average dump time at WRI of 10 minutes.



2024 Rate Review Process and Results

2025 Proposed Rates New Fees

2. Landfill Fee:

- Because the drop box rate is calculated on average times, the cost of the additional time expended on site at the landfill over the average time at WRI will be recovered by assessing a Landfill Fee of \$48.00.



2024 Rate Review Process and Results

Summary of Net Results

- Cumulative overall rate increase at CPI inflation rate of 2.6%
- Two new cost-recovery fees (Drop Box Distance Fee and Landfill Fee) for industrial customers that request special disposal
- Rate Schedule change effective Feb. 1, 2025



2024 Rate Review Process and Results

Public and Customer Notification

- Republic Services notice to all customers
 - Direct contact with industrial customers on new fees
- City news release for *Wilsonville Spokesman*
- Notice to subscribers of City's eNotify service
- Articles in *The Boones Ferry Messenger* all-city newsletter



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2024 Rate Review Process and Results

Special Recycling Services Introduced in 2024

- **Recycle + New Program:**
 - Opt-in service for hard-to-recycle products like clamshells and old linens not collected as part of regular recycling service
- **Batteries Recycling:**
 - Placed in plastic bags in glass recycling bin



2024 Rate Review Process and Results

Metro Business Food Waste Program:

- Gradual expansion over 3 years of “back of the house” food-scrap composting service for smaller businesses
- All major Wilsonville businesses participate
- Clackamas County Sustainability staff and City Ec-Dev Manager works with businesses

