

RESOLUTION NO. 23-21

**A RESOLUTION ADJUSTING SOLID WASTE COLLECTION AND DISPOSAL RATES
EFFECTIVE SEPTEMBER 1, 2023**

WHEREAS, Ordinance No. 06-1001 was adopted February 1, 2006. Under said Ordinance, an agreement was entered into between the City of Oregon City and Oregon City Garbage Company, Inc. (dba B&B Leasing) for a Solid Waste Collection and Disposal Franchise; and

WHEREAS, Chapter 8.20.130 of the Oregon City Municipal Code, provides that rates shall be approved by the City Commission and established by resolution; and

WHEREAS, the Franchisee is currently requesting a rate increase due to increased costs of metro disposal fees and labor cost; and

NOW, THEREFORE, BE IT RESOLVED that the Rate for Solid Waste Services provided by Oregon City Garbage Company, Inc. (dba B&B Leasing), an Oregon Corporation, shall be set forth in the attached Exhibit A and said rates shall be the maximum rates chargeable by the Franchisee.

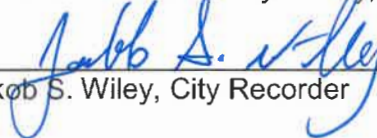
BE IT FURTHER RESOLVED that the new Rate Schedule set forth in Exhibit A shall be effective September 1, 2023.

Adopted, signed and approved this 19th day of July, 2023.



DENYSE C. MCGRIFF, Mayor

Attested to this 19th day of July, 2023



Jakob S. Wiley, City Recorder

Approved as to legal sufficiency:



City Attorney

Post Office Box 1840
Oregon City, OR 97045
503-656-8403
Fax: 503-656-0320
www.oregoncitygarbageco.com



OREGON CITY
GARBAGE
Company, Inc.

May 19th, 2023

John M. Lewis
Public Works Director
City of Oregon City
13895 Fir Street
Oregon City, OR 97045

RE: Oregon City Garbage Rate Adjustment

Dear Mr. Lewis,

Oregon City Garbage Company is privileged to provide solid waste services to the City of Oregon City. Since 1935, we have been a community partner, providing trash, recycling, and yard debris collection to residential customers, trash and recycling services to commercial customers, and Drop Box services to customers in Oregon City. We are committed to providing the best quality of service in the industry. Our company is headquartered in Oregon City, many of our employees live here, and we take pride in being a part of this community.

Each year the Clackamas County Solid Waste & Sustainability Department reviews the financial results of each franchise in the County in partnership with an outside consulting firm that specializes in solid waste financial analysis to examine and pressure test the data submitted. Expenses are adjusted to eliminate costs that are allowed for tax purposes but not allowed for determining collection fees.

The County's policy, and the general policy in this area, is to measure the health of the solid waste collection system within a range of 8% to 12% return on revenues, often targeting a 10% return. The 10% is intended to pay income taxes, to be allocated to reserves to run operations, to pay for capital purchases, and then to provide a return to owners. With a 10% return on revenues, the business owner generally nets approximately 4% in returns. In 2022, the City of Oregon City fell below this standard range, underscored by three straight years of increased disposal costs at Metro Transfer Stations, increased recycling costs, increased fuel costs, and a higher-than-usual inflationary environment. More specifically, disposal is our highest cost component, and those costs have increased from \$98.35 a ton in 2020 to \$137.30 a ton (taking effect July 1st, 2023), an increase of 39.6% from July 2019 to July 2023.

We are requesting a rate adjustment of 9.5% to cover these higher costs, which are itemized in the *Rate Adjustment Breakdown* attachment. We believe the proposed rates, detailed in the *Proposed Rate Schedules* attachment, are reasonable based on comparative rates and increased costs and are sufficient to meet our company's present needs.

Most Oregon City residents use 35-gallon carts and would see an increase of \$2.85 a month, taking their monthly bill from \$29.96 to \$32.81. These rates remain highly favorable compared to other nearby city and county jurisdictions, as outlined in the *City/County Comparison of Rates* and *10-Year Comparison of County Rate Increases, CPI Increases, and Oregon City Rate Increases* attachment.

We appreciate your consideration of this rate adjustment.

Respectfully,

A handwritten signature in black ink, appearing to read 'Will Mathias', with a long horizontal flourish extending to the right.

Will Mathias
Oregon City Garbage Company

Attachments:

- (1) Rate Adjustment Breakdown
- (2) City/County Comparison of Rates
- (3) 10-Year Comparison of County Rate Increases, CPI Increases, and Oregon City Rate Increases
- (4) Proposed Rate Schedules

Attachment #1

Rate Adjustment Breakdown

Rate Adjustment Breakdown	
Disposal & Processing Costs	5.17%
Fuel	1.97%
Inflation	1.51%
Franchise Costs	0.34%
Labor	0.31%
Look Back Adjustment	0.21%
Total	9.50%

Attachment #2

City/County Comparison of Rates

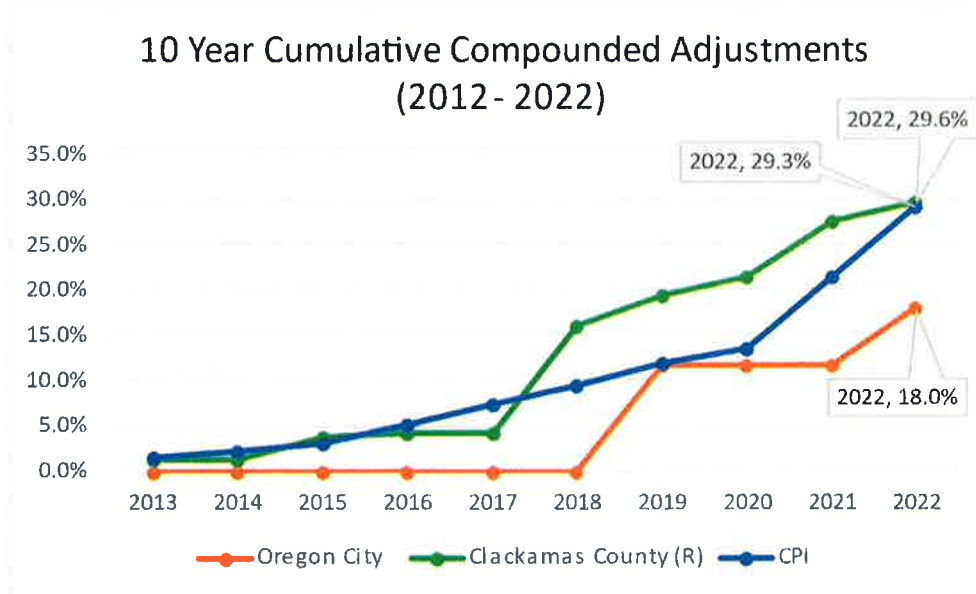
	Oregon City +9.5%	Gladstone Proposed **	Clackamas Co. (R) Proposed *	Milwaukie 09/01/22	Portland Proposed *	Lake Oswego 01/01/23	West Linn 07/01/22
20G Cart	26.66	27.29	28.85	31.35	33.95	26.84	27.00
35G Cart	32.81	33.66	33.70	35.95	38.95	36.17	32.18
65G Cart	44.17	45.76	46.85	46.55	43.60	53.76	51.54
95G Cart	47.76	49.50	54.25	54.75	49.90	56.33	56.57

* Proposed rates, expected to increase on 7/1/23

** Proposed rates, expected to increase this year (exact date TBD)

Attachment #3

10-Year Comparison of County Rate Increases, CPI Increases, and Oregon City Rate Increases



2012 to 2022 Comparison (Current Rates)	2012	2022	\$ Δ	% Δ
	35 Gal Rate	35 Gal Rate		
Oregon City	25.38	29.96	4.58	18.0%
Clackamas County (R)	25.30	32.80	7.50	29.6%

2012 to 2023 Comparison (Proposed Rates)	2012	2023 *	\$ Δ	% Δ
	35 Gal Rate	35 Gal Rate		
Oregon City	25.38	32.81	7.43	29.3%
Clackamas County (R)	25.30	33.70	8.40	33.2%

* Proposed Rates

Attachment #4

Proposed Rate Increases

Service	Current Rates	Proposed Adjustment	Proposed Rates	Proposed Increase
Residential Cart				
20 Gal Weekly	\$ 24.35	\$ 2.31	\$ 26.66	9.50%
35 Gal Weekly	\$ 29.96	\$ 2.85	\$ 32.81	9.50%
65 Gal Weekly	\$ 40.34	\$ 3.83	\$ 44.17	9.50%
95 Gal Weekly	\$ 43.62	\$ 4.14	\$ 47.76	9.50%
35 Gal Monthly	\$ 14.28	\$ 1.36	\$ 15.64	9.50%
35 Gal Will Call	\$ 12.11	\$ 1.15	\$ 13.26	9.50%
Extra - 35 Gal Equivalent	\$ 7.30	\$ 0.69	\$ 7.99	9.50%
Extra - Yard Debris	\$ 3.15	\$ 0.30	\$ 3.45	9.50%
Yard Debris - Yearly	\$ 67.00	\$ 6.37	\$ 73.37	9.50%
Recycle Only	\$ 4.50	\$ 0.43	\$ 4.93	9.50%
Residential Central Billing				
20 Gal Weekly	\$ 22.70	\$ 2.16	\$ 24.86	9.50%
35 Gal Weekly	\$ 28.31	\$ 2.69	\$ 31.00	9.50%
65 Gal Weekly	\$ 38.69	\$ 3.68	\$ 42.37	9.50%
95 Gal Weekly	\$ 41.97	\$ 3.99	\$ 45.96	9.50%
Commercial Cart				
35 Gal Weekly	\$ 29.96	\$ 2.85	\$ 32.81	9.50%
65 Gal Weekly	\$ 40.34	\$ 3.83	\$ 44.17	9.50%
95 Gal Weekly	\$ 43.62	\$ 4.14	\$ 47.76	9.50%
Commercial Container				
1-1/3 Yard Weekly	\$ 156.93	\$ 14.91	\$ 171.84	9.50%
1-1/2 Yard Weekly	\$ 172.69	\$ 16.41	\$ 189.10	9.50%
2 Yard Weekly	\$ 229.58	\$ 21.81	\$ 251.39	9.50%
3 Yard Weekly	\$ 316.36	\$ 30.05	\$ 346.41	9.50%
4 Yard Weekly	\$ 420.48	\$ 39.95	\$ 460.43	9.50%
5 Yard Weekly	\$ 525.60	\$ 49.93	\$ 575.53	9.50%
6 Yard Weekly	\$ 630.72	\$ 59.92	\$ 690.64	9.50%
8 Yard Weekly	\$ 795.96	\$ 75.62	\$ 871.58	9.50%

Attachment #4 (Continued)

Commercial Rate Schedule - Proposed Rates

Pickups Per Week	1	2	3	4	5
1-1/3 Yard Weekly	\$ 171.84	\$ 321.78	\$ 471.72	\$ 621.65	\$ 771.59
Each Additional	\$ 141.18	\$ 282.36	\$ 423.54	\$ 564.71	\$ 705.89
Will Call	\$ 74.23				
Extra Pick Up	\$ 53.91				
1-1/2 Yard Weekly	\$ 189.10	\$ 356.29	\$ 523.49	\$ 690.68	\$ 857.88
Each Additional	\$ 158.44	\$ 316.87	\$ 475.31	\$ 633.74	\$ 792.18
Will Call	\$ 79.92				
Extra Pick Up	\$ 58.22				
2 Yard Weekly	\$ 251.39	\$ 480.88	\$ 710.37	\$ 939.86	\$ 1,169.35
Each Additional	\$ 220.73	\$ 441.46	\$ 662.19	\$ 882.92	\$ 1,103.65
Will Call	\$ 104.86				
Extra Pick Up	\$ 73.80				
3 Yard Weekly	\$ 346.41	\$ 670.93	\$ 995.44	\$ 1,319.96	\$ 1,644.47
Each Additional	\$ 315.75	\$ 631.51	\$ 947.26	\$ 1,263.02	\$ 1,578.77
Will Call	\$ 136.22				
Extra Pick Up	\$ 97.55				
4 Yard Weekly	\$ 460.43	\$ 898.95	\$ 1,337.48	\$ 1,776.00	\$ 2,214.53
Each Additional	\$ 429.77	\$ 859.53	\$ 1,289.30	\$ 1,719.06	\$ 2,148.83
Will Call	\$ 173.84				
Extra Pick Up	\$ 126.06				
5 Yard Weekly	\$ 575.53	\$ 1,129.16	\$ 1,682.80	\$ 2,236.43	\$ 2,790.06
Each Additional	\$ 544.87	\$ 1,089.74	\$ 1,634.62	\$ 2,179.49	\$ 2,724.36
Will Call	\$ 211.83				
Extra Pick Up	\$ 154.83				
6 Yard Weekly	\$ 690.64	\$ 1,359.38	\$ 2,028.12	\$ 2,696.85	\$ 3,365.59
Each Additional	\$ 659.98	\$ 1,319.96	\$ 1,979.94	\$ 2,639.91	\$ 3,299.89
Will Call	\$ 249.81				
Extra Pick Up	\$ 183.61				
8 Yard Weekly	\$ 871.58	\$ 1,721.25	\$ 2,570.93	\$ 3,420.60	\$ 4,270.28
Each Additional	\$ 840.92	\$ 1,681.83	\$ 2,522.75	\$ 3,363.66	\$ 4,204.58
Will Call	\$ 309.52				
Extra Pick Up	\$ 228.84				

Attachment #4 (Continued)

Service	Current Rates	Proposed Adjustment	Proposed Rates	Proposed Increase
Drop Box				
10 Yard <4 Haul/Site	\$ 152.00	\$ 14.44	\$ 166.44	9.50%
20 Yard <4 Haul/Site	\$ 162.00	\$ 15.39	\$ 177.39	9.50%
30 Yard <4 Haul/Site	\$ 192.00	\$ 18.24	\$ 210.24	9.50%
40 Yard <4 Haul/Site	\$ 222.00	\$ 21.09	\$ 243.09	9.50%
10-15 Yard Compactor	\$ 147.00	\$ 13.97	\$ 160.97	9.50%
20 Yard Compactor	\$ 157.00	\$ 14.92	\$ 171.92	9.50%
30 Yard Compactor	\$ 172.00	\$ 16.34	\$ 188.34	9.50%
40 Yard Compactor	\$ 187.00	\$ 17.77	\$ 204.77	9.50%
Contaminated Box (Hillsboro)	\$ 500.00	\$ 47.50	\$ 547.50	9.50%
20 Yard LEED Box (Wilsonville)			\$ 225.00	
30 Yard LEED Box (Wilsonville)			\$ 255.00	
40 Yard LEED Box (Wilsonville)			\$ 285.00	
<i>* 15% Surcharge on all Drop Box Disposal Fees (effective 1//1/19)</i>				

REJECTED LOAD:	\$50.00	DISPOSAL SITE REJECTED LOAD. LOAD RETURNED TO CUSTOMER
STAND BY TIME:	\$7.00	PER 5 MINUTE INCREMENT. CHARGED WHEN WAITING FOR THE BOX TO BE CLEARED, CARS TO BE MOVED, ETC.
LEVELING LOAD:	\$7.00	PER 5 MINUTE INCREMENT. CHARGED IF A DRIVER HAS TO SPEND TIME GETTING THE LOAD LEVEL TO HAUL IT SAFELY.
WASH OUT:	\$30.00	ASSESSED WHEN CUSTOMER REQUESTS THE SERVICE. ALSO ASSESSED WHEN DROP BOX IS CONTAMINATED AND REQUIRES CLEANING BEFORE DELIVERING TO A NEW SITE.
COMPACTOR TURN-AROUND:	\$40.00	FOR COMPACTORS REQUIRING REPOSITIONING ON TRUCK TO ENABLE COLLECTION AND TIP.
DRY RUN:	\$30.00	CHARGED WHEN THE SCHEDULED COLLECTION IS PREVENTED BECAUSE THE BOX IS BLOCKED OR CUSTOMER IS NOT READY.
DEADHEAD ROUND TRIP:	\$25.00	TO BE USED FOR SPECIALIZED BOXES THAT CANNOT BE EXCHANGED.
BOXES WITH LIDS:	\$20.00	PER MONTH BILLED ON 1 ST DAY OF DELIVERY FOR BOXES WITH AN ATTACHED LID

DEMURRAGE AFTER 2 WORKING DAYS: \$ 7.00 PER DAY OR \$70/MONTH **WHICHEVER IS LESS AND ONLY IF LESS THAN ONE LOAD PER WEEK IS HAULED. DELIVERY DAY, PULLOUT DAY, SATURDAY, SUNDAY AND FEDERAL HOLIDAYS DO NOT COUNT AS DEMURRAGE/RENTAL DAYS.
ALL PERMANENT CUSTOMERS SHALL BE CHARGED RENT OF \$70/Month if they have less than 3 empties