

RESOLUTION NUMBER 661

A RESOLUTION AUTHORIZING A GARBAGE COLLECTION RATE INCREASE AND ESTABLISHING A NEW RATE SCHEDULE AND REPEALING RESOLUTION NUMBER 593:

Under Ordinance Number 439 for the City of Aurora, UNITED DISPOSAL SERVICE, INC., has the exclusive franchise to provide Solid Waste Management in the City, including collecting, transporting, and conveying Solid Waste over the streets of the City, disposal of said waste, or recovery of materials or energy from said Solid Waste.

The Franchisee has applied to the City for a Rate Increase and has submitted satisfactory evidence to the City Council to justify the requested Rates.

NOW, THEREFORE, BE IT RESOLVED that the maximum rates charged by UNITED DISPOSAL SERVICE, INC., in the City of Aurora shall be those Rates set forth in the attached "Exhibit A" which is incorporated by a rate sheet that is attached to this Resolution. These new Rates shall become affective after the close of business on OCTOBER 1, 2012.

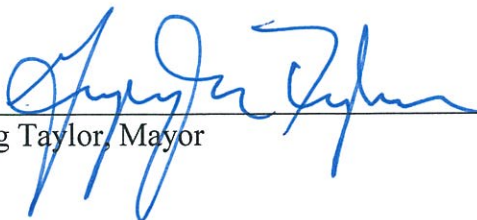
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ADOPTED by the Aurora City Council at a regular meeting of the City Council
on the 11th day of September, 2012.



Greg Taylor, Mayor

ATTEST:



Kelly Richardson, City Recorder



REPUBLIC SERVICES, INC.

Allied Waste Services of Marion County

2012 DRAFT Rate Proposal

Proposed rates, effective 10/1/12

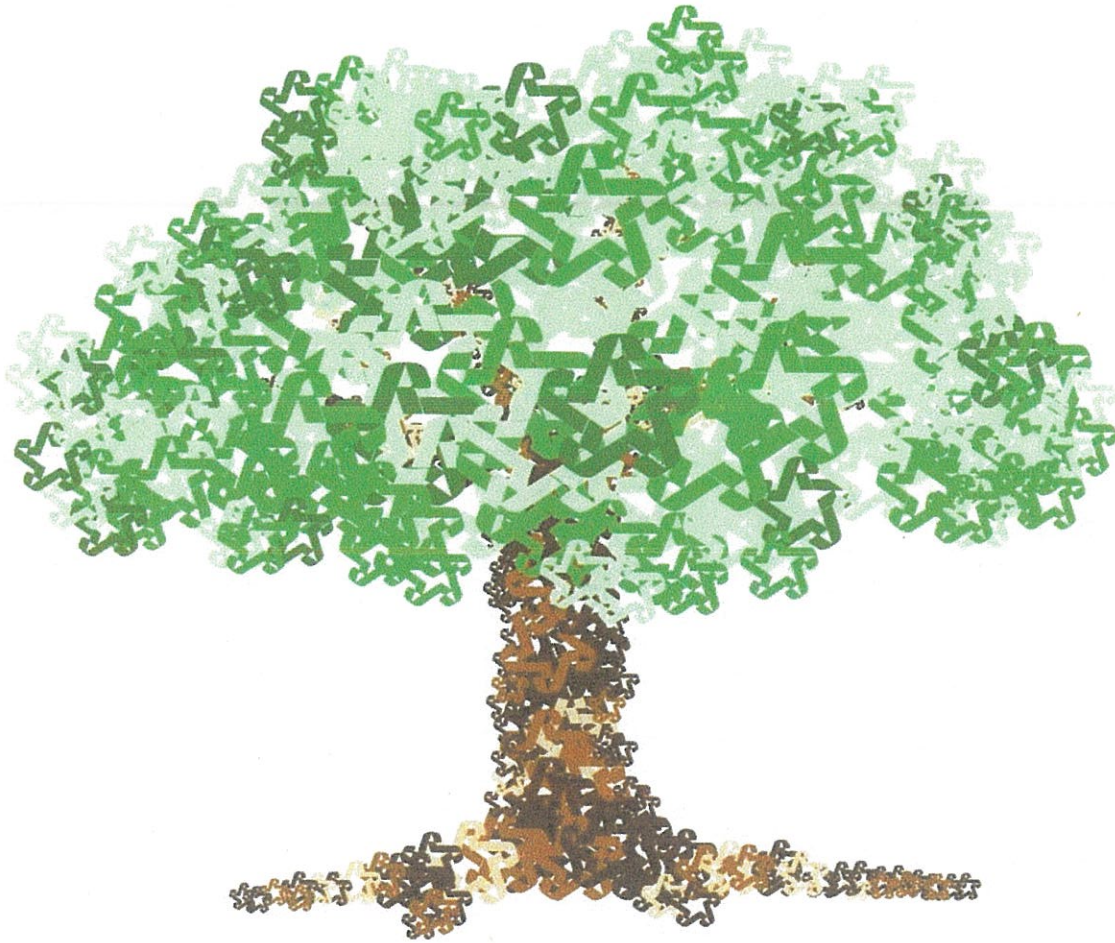


Exhibit A



September 5, 2012

Mayor Taylor & Members of Council
21420 Main Street
Aurora, OR 97002

Mayor Taylor, Members of Council, and City Staff:

Enclosed is a packet of information regarding the rate proposal for waste and recycling collection services performed by Republic Services in Aurora.

This proposal includes a 5.5% rate increase that will cover inflationary costs for the last two years, primarily fuel and labor. Financial statements include actual results for 2010 and 2011, and projected results for 2012 with the price increase approved, as well as the financial impact of no price increase.

We have also included charts that identify our cost structure, as well as a history of past price increases relative to the rate of inflation.

The rate sheets identify our current rates, by type of service, as well as the projected rate structure for the same.

We are proud to provide the recycling and waste collection services to the residents of Aurora. I look forward to this discussion, and hope you will all feel free to call with questions or concerns regarding this proposal.

Best Regards,

Carol Dion
General Manager
Allied Waste Services of Marion County



Allied Waste of Marion County
City of Aurora
Proforma Statement of Income
For the twelve months ended December 31, 2011, and projected 2012

| | 2010 | 2011 | 2012 Projected No Rate Change | % Change | 2012 Projected With Proposed Rate Change | % Change | 12 Month Annualized With Proposed Rate Change | % Change |
|--------------------------------------|---------|---------|----------------------------------|-------------|------------------------------------------------|-------------|--------------------------------------------------------|-------------|
| Revenue | 169,528 | 176,291 | 177,256 | 0.5% | 179,169 | 1.6% | 184,907 | 4.9% |
| Cost of Operations | 133,811 | 141,947 | 139,452 | -1.8% | 139,510 | -1.7% | 139,797 | -1.5% |
| Gross Profit | 35,717 | 34,345 | 37,803 | 10.1% | 39,659 | 15.5% | 45,110 | 28.5% |
| Salaries, General and Administrative | 18,268 | 21,096 | 21,396 | 1.4% | 21,396 | 1.4% | 21,396 | 1.4% |
| Operating Income | 17,449 | 13,249 | 16,408 | 23.8% | 18,263 | 37.8% | 23,715 | 63.8% |
| Provision for Income Taxes | 5,980 | 5,300 | 6,563 | 23.8% | 7,305 | 37.8% | 9,486 | 63.8% |
| Income | 10,469 | 7,949 | 9,845 | 23.8% | 10,958 | 37.8% | 14,229 | 63.8% |
| Income as a Percentage of Revenue | 6.2% | 4.5% | 5.6% | | 6.1% | | 7.7% | |



Allied Waste of Marion County
City of Aurora
Proforma Schedule of Direct Expenses
For the twelve months ended December 31, 2011, and projected 2012

| | 2010 | 2011 | 2012 Projected No Rate Change | % Change | 2012 Projected With Proposed Rate Change | % Change |
|-----------------------------------------------------|----------------|----------------------------|----------------------------------|--------------|------------------------------------------------|--------------|
| COST OF OPERATIONS | | | | | | |
| Labor | 36,366 | 38,514 | 39,284 | 2.0% | 39,284 | 2.0% |
| Repairs and Maintenance | 12,385 | 11,715 | 11,949 | 2.0% | 11,949 | 2.0% |
| Vehicle Operating Costs | 9,986 | 12,617 ¹ | 14,211 | 12.6% | 14,211 | 12.6% |
| Facility | 6,549 | 6,867 | 7,005 | 2.0% | 7,005 | 2.0% |
| Insurance | 6,168 | 5,698 | 5,812 | 2.0% | 5,812 | 2.0% |
| Disposal | 43,475 | 45,761 | 40,160 | -12.2% | 40,160 | -12.2% |
| Franchise Fees | 7,553 | 7,956 | 7,956 | 0.0% | 8,013 | 0.7% |
| Other Operating Costs | 1,384 | (3) ² | (3) | 0.0% | (3) | 0.0% |
| Depreciation | 9,945 | 12,822 ³ | 13,078 | 2.0% | 13,078 | 2.0% |
| TOTAL COST OF OPERATIONS | 133,811 | 141,947 | 139,452 | -1.8% | 139,510 | -1.7% |
| TOTAL SALARIES, GENERAL & ADMINISTRATIVE | 18,268 | 21,096 ⁴ | 21,396 | 1.4% | 21,396 | 1.4% |

¹ Fuel cost increases

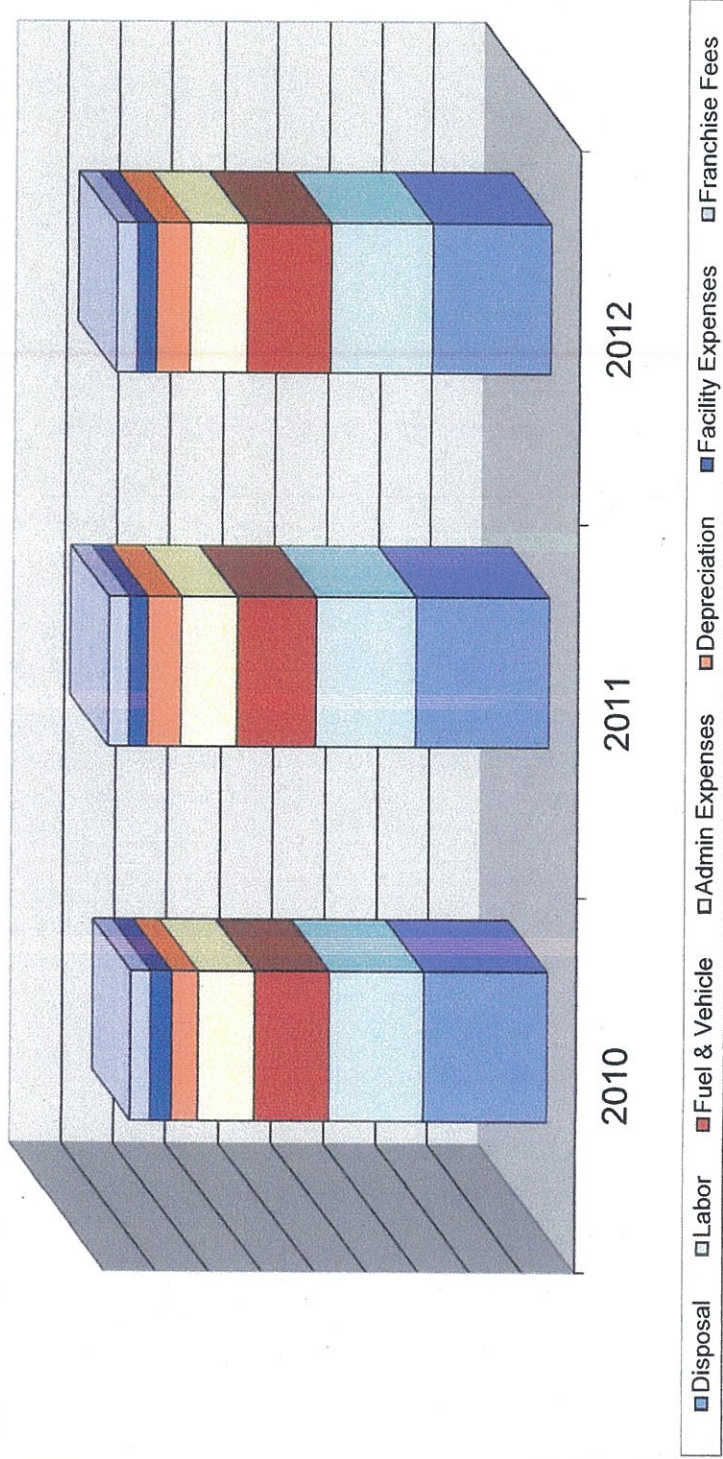
² Reclassification of Freon Disposal Costs

³ Aurora allocation of six new route vehicles

⁴ Wage Changes, Additional Customer Service Staff, increases in benefits costs higher than inflation

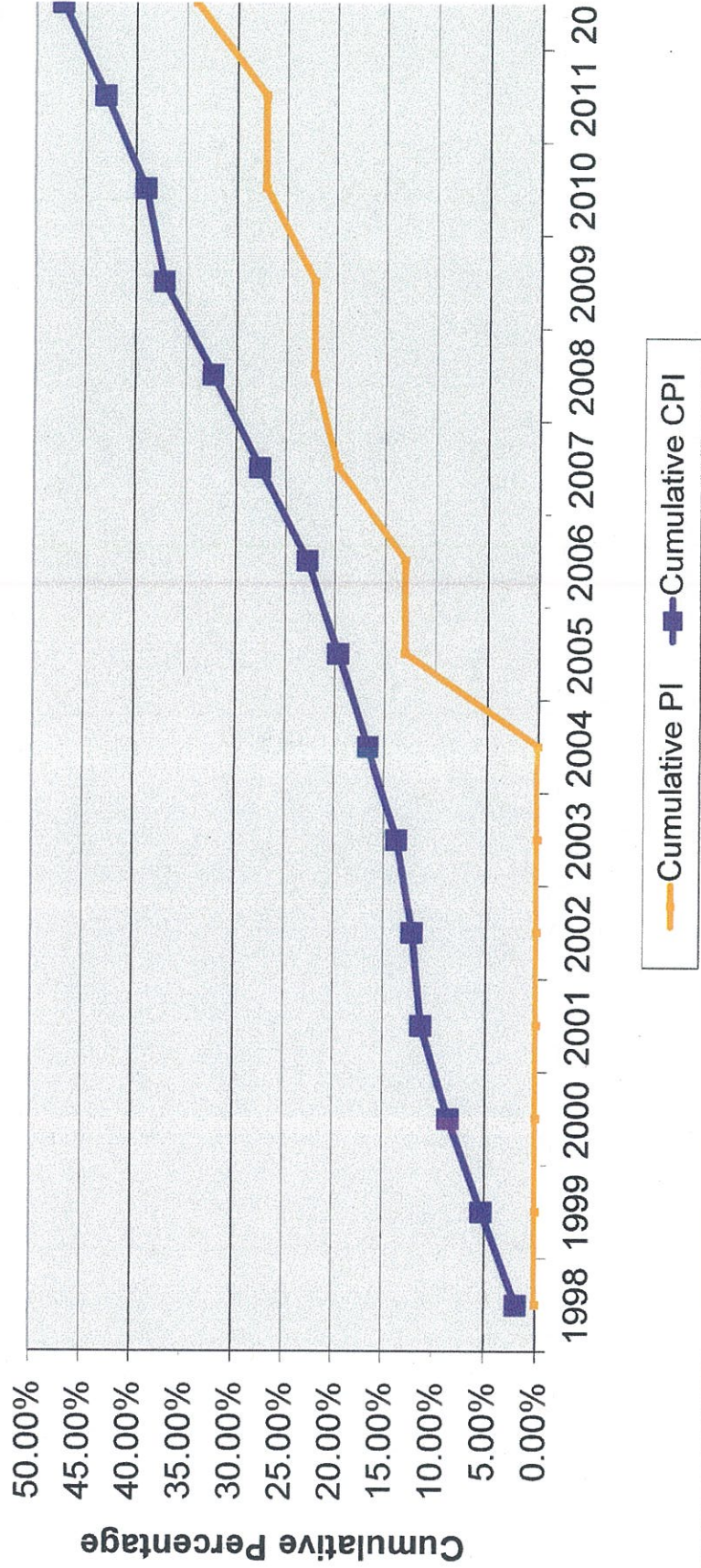


Allied Waste of Marion County - 2010-2012 Cost Structure





Cumulative Price Increases v. Inflation - 1998-2012





Allied Waste Services of Marion County

2012 Rate Proposal

Proposed rates, effective 10/1/12

| | Current | Proposed | % Change | \$ Change |
|-----------------------------------------|-----------|-----------|----------|-----------|
| Residential Cart Rates - Monthly | | | | |
| 20 gallon | \$ 21.10 | \$ 22.15 | 5.0% | \$ 1.05 |
| 35 gallon | \$ 23.60 | \$ 24.90 | 5.5% | \$ 1.30 |
| 65 gallon | \$ 26.50 | \$ 28.05 | 5.8% | \$ 1.55 |
| 90 gallon | \$ 31.20 | \$ 33.05 | 5.9% | \$ 1.85 |
| Commercial Rates - Monthly | | | | |
| 35 gallon | \$ 19.35 | \$ 20.25 | 4.6% | \$ 0.90 |
| 65 gallon | \$ 28.75 | \$ 30.15 | 4.9% | \$ 1.40 |
| 90 gallon | \$ 38.20 | \$ 40.25 | 5.4% | \$ 2.05 |
| 1 yard | \$ 111.75 | \$ 117.10 | 4.8% | \$ 5.35 |
| 1.5 yard | \$ 151.60 | \$ 159.20 | 5.0% | \$ 7.60 |
| 2 yard | \$ 192.40 | \$ 202.20 | 5.1% | \$ 9.80 |
| 3 yard | \$ 289.15 | \$ 304.35 | 5.3% | \$ 15.20 |
| 4 yard | \$ 383.80 | \$ 403.95 | 5.3% | \$ 20.15 |
| 5 yard | \$ 480.50 | \$ 506.20 | 5.3% | \$ 25.70 |
| 6 yard | \$ 576.20 | \$ 607.05 | 5.4% | \$ 30.85 |
| 8 yard | \$ 767.55 | \$ 809.75 | 5.5% | \$ 42.20 |
| Industrial Rates - per haul | | | | |
| 10 yard | \$ 136.00 | \$ 142.80 | 5.0% | \$ 6.80 |
| 20 yard | \$ 154.00 | \$ 161.70 | 5.0% | \$ 7.70 |
| 30 yard | \$ 174.00 | \$ 182.70 | 5.0% | \$ 8.70 |
| 40 yard | \$ 193.00 | \$ 202.65 | 5.0% | \$ 9.65 |

Residential Tiered rate increases are structured to encourage recycling



Allied Waste Services of Marion County
 2012 Rate Proposal
 Proposed rates, effective 10/1/12

| | Current | Proposed | Hubbard | Woodburn | Marion Co. | Mt. Angel | Stayton |
|-----------------------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|
| Service Level | | | | | | | |
| 65gR=65g Mixed Recycle Cart/Bin | 90gR B | 90gR B | 90gR B | 65gR B | 90gR B | 90gR B | 90gR B |
| 90gR=90g Mixed Recycle Cart/Bin | 90gY B | 90gY B | 90gY B | 65gY W | (no Bin) | 90gY B | 65gY W |
| 65gY=65g Yd Debris Cart | | | | | | | |
| 90gY=90g Yd Debris Cart | | | | | | | |
| B = Bi-Weekly | | | | | | | |
| W = Weekly | | | | | | | |
| Residential Cart Rates - Monthly | | | | | | | |
| 20 gallon | \$ 21.10 | \$ 22.15 | \$ 20.25 | \$ 19.95 | \$ 26.75 | \$ 18.95 | \$ 19.80 |
| 35 gallon | \$ 23.60 | \$ 24.90 | \$ 22.75 | \$ 22.55 | \$ 27.50 | \$ 21.30 | \$ 23.30 |
| 65 gallon | \$ 26.50 | \$ 28.05 | \$ 26.45 | \$ 32.30 | \$ 34.35 | \$ 26.30 | \$ 31.70 |
| 90 gallon | \$ 31.20 | \$ 33.05 | \$ 30.10 | \$ 36.60 | \$ 41.85 | \$ 29.00 | \$ 35.50 |
| Commercial Rates - Monthly | | | | | | | |
| 35 gallon | \$ 19.35 | \$ 20.25 | \$ 18.10 | \$ 19.75 | \$ 22.75 | \$ 16.85 | \$ 17.10 |
| 65 gallon | \$ 28.75 | \$ 30.15 | \$ - | \$ 29.10 | \$ 34.25 | \$ 22.15 | \$ 28.20 |
| 90 gallon | \$ 38.20 | \$ 40.25 | \$ 35.65 | \$ 38.50 | \$ 44.15 | \$ 27.30 | \$ 37.35 |
| 1 yard | \$ 111.75 | \$ 117.10 | \$ 104.65 | \$ 86.40 | \$ 77.20 | \$ 89.50 | \$ 90.10 |
| 1.5 yard | \$ 151.60 | \$ 159.20 | \$ 138.95 | \$ 114.80 | \$ 103.45 | \$ 118.80 | \$ 111.85 |
| 2 yard | \$ 192.40 | \$ 202.20 | \$ 179.85 | \$ 147.60 | \$ 132.75 | \$ 152.85 | \$ 147.10 |
| 3 yard | \$ 289.15 | \$ 304.35 | \$ 270.25 | \$ 221.30 | \$ 199.50 | \$ 216.20 | \$ 209.00 |
| 4 yard | \$ 383.80 | \$ 403.95 | \$ 360.00 | \$ 295.00 | \$ 265.80 | \$ 289.65 | \$ 261.15 |
| 5 yard | \$ 480.50 | \$ 506.20 | \$ 421.00 | \$ 368.75 | \$ 333.00 | \$ 355.40 | \$ 302.50 |
| 6 yard | \$ 576.20 | \$ 607.05 | \$ 539.60 | \$ 436.00 | \$ 356.80 | \$ 421.05 | \$ 335.50 |
| 8 yard | \$ 767.55 | \$ 809.75 | \$ 719.50 | \$ 581.40 | \$ 475.00 | \$ 493.40 | \$ 439.30 |
| Industrial Rates - Per Haul | | | | | | | |
| 10 yard | \$ 136.00 | \$ 142.80 | \$ 136.00 | \$ 129.40 | \$ 148.50 | \$ 123.00 | \$ 161.70 |
| 20 yard | \$ 154.00 | \$ 161.70 | \$ 154.00 | \$ 145.95 | \$ 148.50 | \$ 135.00 | \$ 161.70 |
| 30 yard | \$ 174.00 | \$ 182.70 | \$ 174.00 | \$ 164.55 | \$ 169.40 | \$ 151.80 | \$ 161.70 |
| 40 yard | \$ 193.00 | \$ 202.65 | \$ 193.00 | \$ 183.20 | \$ 218.00 | \$ 173.00 | \$ 161.70 |



AURORA RATE SHEET

Proposed rates, effective 10/1/12

COMMERCIAL RATES

**Mixed Recycle and Yard Debris Carts are serviced Bi-Weekly.

| SIZE | CART | EXTRA TRIP (EXT) | |
|-----------|---------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 35 gallon | \$20.25 | \$17.70 | Request to change or switch container: \$35.00 Contaminated yard or recycle cart: \$10.00/cart Additional Recycle Cart (after 1st one): \$5.00 Container re-delivery/re-start due to non-payment: \$25.00 1-90g RC CART available with weekly garbage service - no BIN service Cardboard: Container available with weekly service for NO CHARGE Recycle Return Trip Fee: \$11.55/cart Garbage cart off-route return: \$15.00 |
| 65 Gallon | \$30.15 | \$20.15 | |
| 90 Gallon | \$40.25 | \$22.65 | |
| CBB | \$6.00 | | |
| YARD CART | \$10.50 | | |

*Extra Trip (EXT)-OFF ROUTE: 1/4 MONTHLY RATE + \$12 (round to nearest \$.05)

| SIZE (loose) | ONE X/WEEK | TWO X/ WEEK | EXTRA TRIP (EXT) | EXTRA YARDAGE (EXY): \$23.00 per yard |
|-------------------------------------------------------------------------------------------------------------------------------|------------|-------------|------------------|---------------------------------------------|
| 1 yard | \$117.10 | \$247.00 | \$41.30 | *Compacted containers: 3 x's the loose rate |
| 1.5 yard | \$159.20 | \$335.45 | \$51.80 | |
| 2 yard | \$202.20 | \$430.80 | \$62.55 | |
| *3 yard | \$304.35 | \$638.80 | \$88.10 | |
| *4 yard | \$403.95 | \$850.10 | \$113.00 | |
| *5 yard | \$506.20 | \$1,061.60 | \$138.55 | |
| *6 yard | \$607.05 | \$1,272.90 | \$163.80 | |
| *8 yard | \$809.75 | \$1,695.65 | \$214.45 | |
| Manual Service Rate: 1-2 empties per week: \$17.00/month/container 3-6 empties per week: \$20.00/month/container | | | | |

TEMPORARY/SPECIAL CONTAINERS

| SIZE | TOTAL* | DELIVERY | DISPOSAL | EXTRA YARDAGE (EXY): \$23.00 per yard |
|-----------------------------------------------------------------------------------------|----------|----------|----------|------------------------------------------|
| *3 yard | \$118.00 | \$40.00 | \$78.00 | |
| RENT (charges apply 7 days from delivery date); Day: \$6.00 Month: \$85.00 | | | | |

FRF (Fuel Recovery Fee): Baseline rate is \$3.75, increases with each .25 cent increment of the average fuel rate for the most recent fiscal quarter. This increase is .78 per .25 increase in fuel rate. Only applies to garbage services, this is a monthly fee.

Proposed rates, effective 10/1/12

INDUSTRIAL-DROP BOX RATES

***All boxes C.O.D**

Rent Charge (applies 4 days from delivery date):

| <u>Temporary:</u> | <u>Permanent:</u> |
|-------------------|-------------------|
| Day: \$10.00 | Day: \$6.00 |
| Month: \$125.00 | Month: \$85.00 |

| |
|--------------------------------|
| Screen box, per haul: \$12.00 |
| Relocate, per box: \$40.00 |
| Dry run: \$50.00 |
| Box liner: \$40.00 |
| Overweight: \$125.00 (per box) |

| SIZE | TOTAL | DELIVERY | HAUL | DISPOSAL |
|-------------------------------------------|----------|----------|----------|----------|
| *weight limit is 10 tons/ 20,00 pounds | | | | |
| GARBAGE | | | | |
| 10 yard | \$279.00 | \$35.00 | \$142.80 | \$101.20 |
| 20 yard | \$399.10 | \$35.00 | \$161.70 | \$202.40 |
| 30 yard | \$521.30 | \$35.00 | \$182.70 | \$303.60 |
| 40 yard | \$642.45 | \$35.00 | \$202.65 | \$404.80 |

Unacceptable items:

Hazardous materials, televisions, computer monitors and modems.

Tires and appliances will incur additional disposal costs (per item);

| | |
|---------------------------------------|----------------|
| Passenger without rims | \$3.00 |
| Passenger with rim | \$4.00 |
| Truck without rims | \$8.50 |
| Truck with rims | \$14.00 |
| Tractor-falls under hourly labor rate | |

| | |
|---------------------------------------|----------------|
| Large appliances that contain Freon | \$25.00 |
| Large appliances <i>without</i> Freon | N/C |

COMPACTOR HAUL

*Disposal: 111% of
WTEF rate (\$67.45)

| |
|-----------------|
| 15 yard |
| \$135.00 |
| Haul + Disposal |
| 20 yard |
| \$155.00 |
| Haul + Disposal |
| 30 yard |
| \$175.00 |
| Haul + Disposal |
| 40 yard |
| \$270.00 |
| Haul + Disposal |

FRF (Fuel Recovery Fee): Baseline rate is \$3.75, increases with each .25 cent increment of the average fuel rate for the most recent fiscal quarter. This increase is \$1.09/haul per .25 increase in fuel rate--*this is a per haul fee, every commodity.*



AURORA RATE SHEET-AREA 12

Proposed rates, effective 10/1/12

RESIDENTIAL RATES

Pick-up dates: Thursday
 Included with service weekly: Garbage
 Bi-weekly: 90G Mixed Recycle Cart, 90G Yard Debris Cart and Glass Bin

| SIZE | PKG PRICE | NO REC or YARD CARTS | ADD'L YARD CART |
|------------------|-----------|----------------------|-----------------|
| 20 gallon | | | |
| REGULAR | \$22.15 | \$15.00 | \$6.00 |
| HANDICAPPED | \$23.15 | | |
| 35 gallon | | | |
| REGULAR | \$24.90 | | \$6.00 |
| HANDICAPPED | \$25.90 | | |
| 65 gallon | | | |
| REGULAR | \$28.05 | | \$6.00 |
| HANDICAPPED | \$29.05 | | |
| 90 gallon | | | |
| REGULAR | \$33.05 | | \$6.00 |
| HANDICAPPED | \$34.05 | | |

Contaminated yard or recycle cart: \$10.00/cart
 Return fee: \$11.00/cart
 On-call pick-up: \$9.75
 Sharps: \$16.50
 Recycle only: \$9.00, Cart & Bin (Bi-weekly)
 Extra can/bag/box: \$5.50
 Request to change or switch container: \$15.00
 (after allowed one change @ n/c)
 Senior discount upon approval: N/A
 Premium drive-in service (per cart): \$5.25/cart *garbage only & select addresses.

MFC Apts & Mobile Home Parks:

(4 or more adjoining units under one billing)

| SIZE | GARB. ONLY | PKG PRICE |
|-----------|------------|-----------|
| 20 Gallon | \$22.95 | \$23.40 |
| 35 Gallon | \$25.45 | \$26.00 |
| 65 Gallon | \$31.35 | \$31.95 |
| 90 Gallon | \$37.30 | \$38.05 |

FRF (FUEL RECOVERY FEE):

Baseline fuel rate is \$3.75, increases with each .25 cent increment of the average fuel rate for the most recent fiscal quarter. This increase is .09 cents per .25 cent increase in fuel rate, *only for garbage service, this is a monthly fee.*



Aurora SUPPLEMENTAL SERVICES
Proposed rates, effective 10/1/12

| <u>TYPE OF SERVICE</u> | <u>RATE</u> |
|----------------------------------------------------------------------------------------------|-------------------|
| Rates are disposal only, must add hourly labor cost (minimum labor charge of \$20.00) | |
| Driver time port to port, \$125/hour (one person, one truck) | |
| Driver time port to port, \$170/hour (two persons, one truck) | |
| <u>Appliances:</u> | |
| Large appliances that contain Freon | \$25.00 |
| Large appliances <i>without</i> Freon | N/C |
| Large appliances <i>without</i> Freon (accessible @ curb) | \$5.00 |
| Fiberglass tub/shower | \$11.00 |
| Cast iron tub/shower | \$ negotiable |
| Toilet | \$10.00 |
| Sinks | \$6.00 - \$10.00 |
| <u>Car Batteries:</u> | |
| Return to place or purchase or call recycle hotline for drop off locations, 503.588.5169 | |
| For Hauler to pick up at curb | \$10.00 |
| <u>Carpets:</u> | |
| Wet/dry | \$25.00/yard |
| <u>Christmas Trees:</u> | |
| No tinsel or flocked trees-garbage disposal rates would apply | \$9.00 |
| Commercial Green-picked up at curb | \$9.00 |
| Large furniture: | \$10.00 - \$25.00 |
| Small furniture: | \$5.00 - \$15.00 |
| Hide-a-bed: | \$15.00 - \$25.00 |
| <u>Mattresses:</u> | |
| Twin mattress | \$5.00 |
| Twin box spring | \$5.00 |
| Double/queen mattress | \$8.00 |
| Double/queen box spring | \$8.00 |
| King mattress | \$10.00 |
| King box spring | \$10.00 |

Tires:

| | |
|---------------------------------------|---------|
| Passenger without rims | \$3.00 |
| Passenger with rim | \$4.00 |
| Truck without rims | \$8.50 |
| Truck with rims | \$14.00 |
| Tractor-falls under hourly labor rate | |

Customers shall not place hazardous chemicals, paints, corrosive materials, hot ashes or dirt/rocks into the carts or bins.

Damaged carts or bins due to noncompliance with the above restrictions, or unretrieved carts or bins may be replaced by the hauler the below cost to the customers:

Damaged or unretrieved carts or bin:

| | |
|-------|--------------|
| Cart: | \$75.00 Each |
| Bin | \$10.00 Each |

Vacation credit:

There will be a prorated credit allowed on the regular monthly charge for service which is canceled for two weeks or more, when Hauler is notified no later than noon on the business day, excluding weekends, prior to the date of discontinuance.

No credit will be allowed for service which is canceled for less than two weeks.

Return trip fee:

Where the customer does not have the cart, container or drop box at the regular location ready to be emptied when the hauler's truck arrives is subject to a return trip fee as detailed on the rate structure spreadsheets.

Manual Service Charge:

Receptacle(s) must be located in a single location with acceptable vehicle turning radius and adequate drive up access. Receptacle(s) must be accessible without manual movement, if manual movement by driver is required in order to service receptacle(s), a monthly manual service charge will apply.

Bankruptcy and account closures for failure to pay:

Payment of service provided and two months advance payment required for residential and commercial service. Payment is due at delivery of service for industrial service.

Service interrupt fee/late fees:

A late fee of 18% per annum with a \$5.00 monthly minimum will be charged for non-payment after 45 days from invoice date for all lines of business.

Flat fee of \$25.00 will charged after 60 days of non-payment for all lines of business.

Special services not listed:

Hauler will charge the reasonable cost of collection and disposal.
Charge to be related to a similar schedule fee where possible.