

RESOLUTION NUMBER 685

A RESOLUTION AUTHORIZING A GARBAGE COLLECTION RATE INCREASE AND ESTABLISHING A NEW RATE SCHEDULE AND REPEALING RESOLUTION NUMBER 661:

Under Ordinance Number 439 for the City of Aurora, REPUBLIC SERVICES 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 REPUBLIC SERVICES, 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 June 1, 2014.

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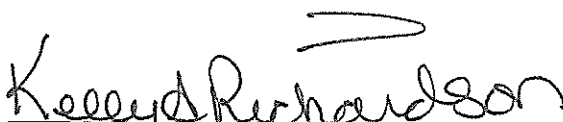
Republic Services Rate Increase
Resolution Number 685
May 13, 2014
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ADOPTED by the Aurora City Council at a regular meeting of the City Council
on the 13th day of May, 2014.



Bill Graupp, Mayor

ATTEST:



Kelly Richardson, City Recorder



**Republic Services of Marion County
City of Aurora**

2014 Rate Proposal

Presented by

**Derek Ruckman – General Manager
Eric Anderson – Division Controller
Ray Phelps – Regulatory Affairs Manager
Matt Cofer – Operations Manager**



Republic Services of Marion County
 City of Aurora
 Proforma Statement of Income
 For the twelve months ended December 31, 2013, and projected 2014

	2012	2013	2014 Projected No Rate Change	% Change	2014 Projected With Proposed Rate Change	% Change	12 Month Annualized With Proposed Rate Change	% Change
Revenue	179,139	194,429	194,429	0.0%	203,502	4.7%	209,983	8.0%
Cost of Operations	148,844	157,797	164,002	3.9%	164,274	4.1%	164,796	4.3%
Gross Profit	30,295	36,632	30,427	-16.9%	39,228	7.1%	45,188	28.1%
Salaries, General and Administrative	19,043	19,114	19,496	2.0%	19,496	2.0%	19,496	2.0%
Operating Income	11,252	17,518	10,931	-37.6%	19,732	12.6%	25,691	74.8%
Provision for Income Taxes	4,501	7,007	4,372	-37.6%	7,893	12.6%	10,277	74.8%
Income	6,751	10,511	6,559	-37.6%	11,839	12.6%	15,415	74.8%
Income as a Percentage of Revenue	3.8%	5.4%	3.4%		5.8%		7.3%	



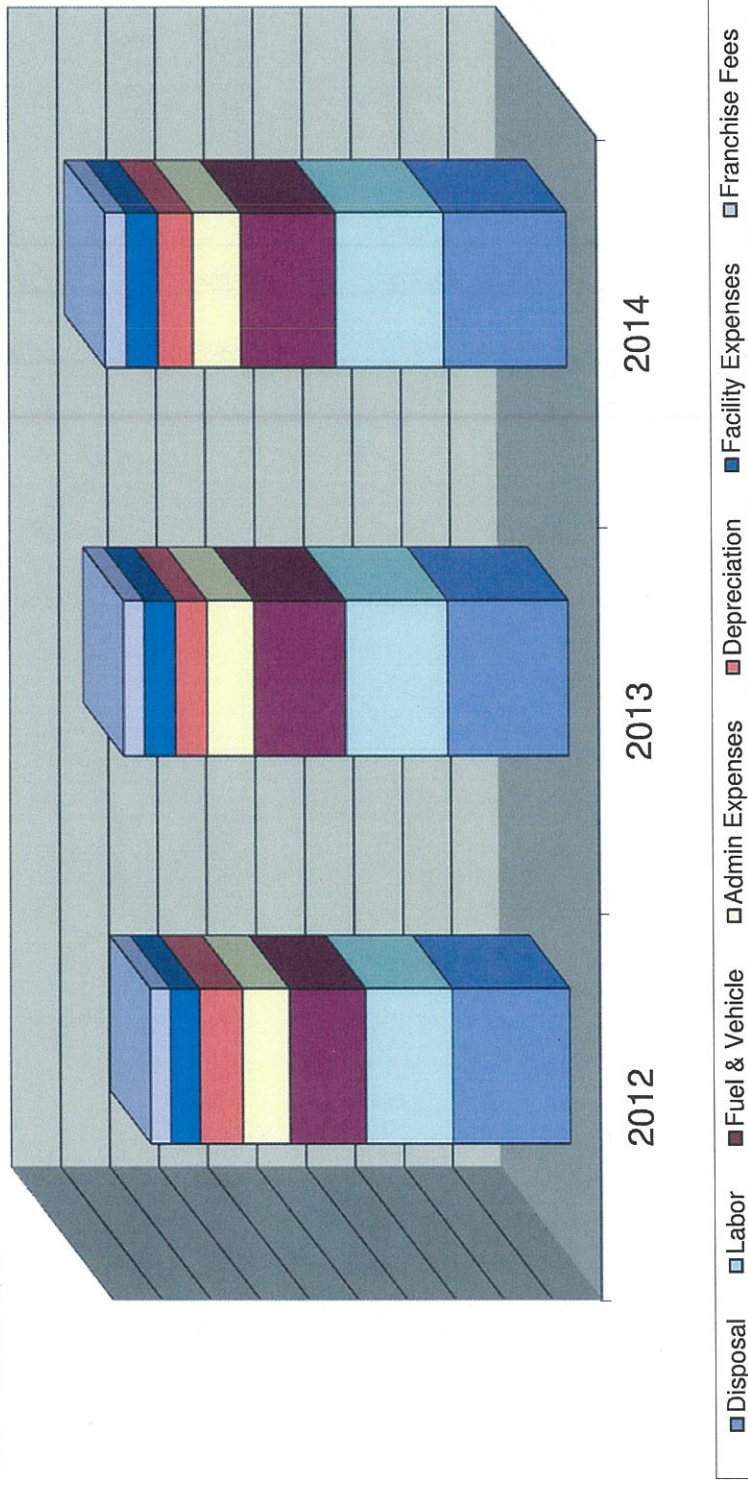
Republic Services of Marion County
 City of Aurora
 Proforma Schedule of Direct Expenses
 For the twelve months ended December 31, 2013, and projected 2014

	2012	2013	2014 Projected No Rate Change	%	2014 Projected With Proposed Rate Change	%
				Change		Change
COST OF OPERATIONS						
Labor	35,634	41,809	44,318	6.0%	44,318	6.0%
Repairs and Maintenance	12,696	14,751	15,061	2.1%	15,061	2.1%
Vehicle Operating Costs	13,315	16,319	16,972	4.0%	16,972	4.0%
Facility	8,093	8,627	8,791	1.9%	8,791	1.9%
Insurance	5,051	6,285	6,662	6.0%	6,662	6.0%
Disposal	44,486	44,391	45,057	1.5%	45,057	1.5%
Franchise Fees	8,273	8,586	8,586	0.0%	8,858	3.2%
Other Operating Costs	3,806	3,981	4,073	0.0%	4,073	0.0%
Depreciation	17,490	13,048	14,483	11.0%	14,483	11.0%
TOTAL COST OF OPERATIONS	148,844	157,797	164,002	3.9%	164,274	4.1%
TOTAL SALARIES, GENERAL & ADMINISTRATIVE	19,043	19,114	19,496	2.0%	19,496	2.0%

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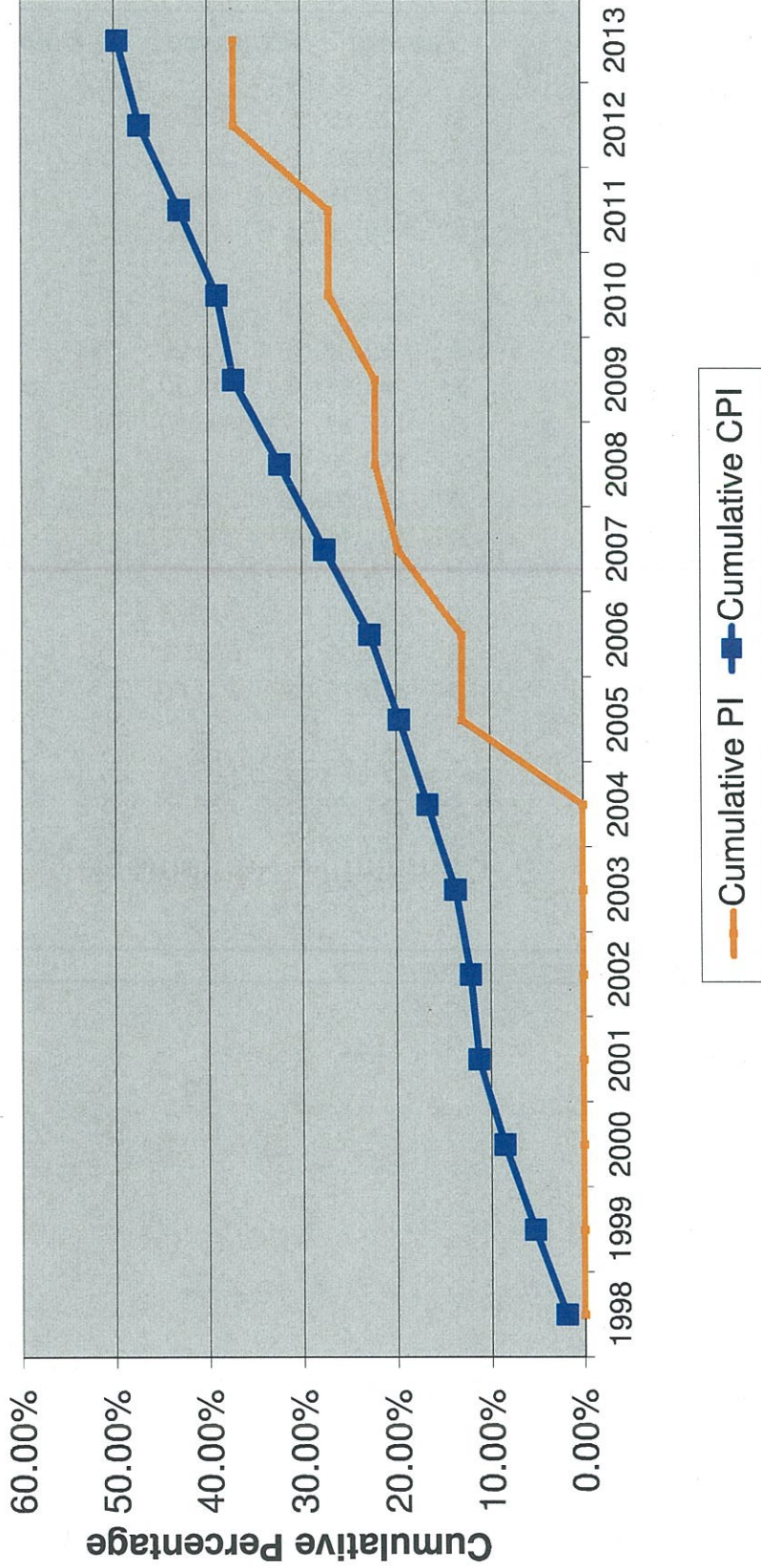


Republic Services of Marion County - 2012-2014 Cost Structure





Cumulative Price Increases v. Inflation - 1998-2013





Republic Services of Marion County
2014 Rate Proposal
Proposed rates, effective 6/1/14

	Current	Proposed	% Change	\$ Change
Residential Cart Rates - Monthly				
20 gallon	\$ 22.15	\$ 23.95	8%	\$ 1.80
35 gallon	\$ 24.90	\$ 26.90	8%	\$ 2.00
65 gallon	\$ 28.05	\$ 30.30	8%	\$ 2.25
90 gallon	\$ 33.05	\$ 35.70	8%	\$ 2.65
Commercial Rates - Monthly				
35 gallon	\$ 20.25	\$ 21.90	8%	\$ 1.65
65 gallon	\$ 30.15	\$ 32.60	8%	\$ 2.45
90 gallon	\$ 40.25	\$ 43.50	8%	\$ 3.25
1 yard	\$ 117.10	\$ 126.50	8%	\$ 9.40
1.5 yard	\$ 159.20	\$ 172.00	8%	\$ 12.80
2 yard	\$ 202.20	\$ 218.40	8%	\$ 16.20
3 yard	\$ 304.35	\$ 328.70	8%	\$ 24.35
4 yard	\$ 403.95	\$ 436.30	8%	\$ 32.35
5 yard	\$ 506.20	\$ 546.70	8%	\$ 40.50
6 yard	\$ 607.05	\$ 655.70	8%	\$ 48.65
8 yard	\$ 809.75	\$ 874.60	8%	\$ 64.85
Industrial Rates - per haul				
10 yard	\$ 142.80	\$ 154.30	8%	\$ 11.50
20 yard	\$ 161.70	\$ 174.70	8%	\$ 13.00
30 yard	\$ 182.70	\$ 197.40	8%	\$ 14.70
40 yard	\$ 202.65	\$ 218.90	8%	\$ 16.25

Residential Tiered rate increases are structured to encourage recycling



Republic Services of Marion County

2014 Rate Proposal

Proposed rates, effective 6/1/14

	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	\$ 22.15	\$ 23.95	\$ 21.10	\$ 20.00	\$ 26.75	\$ 19.50	\$ 20.80
35 gallon	\$ 24.90	\$ 26.90	\$ 23.65	\$ 22.75	\$ 27.50	\$ 21.95	\$ 24.50
65 gallon	\$ 28.05	\$ 30.30	\$ 27.50	\$ 32.30	\$ 34.35	\$ 27.10	\$ 33.30
90 gallon	\$ 33.05	\$ 35.70	\$ 31.30	\$ 36.50	\$ 41.85	\$ 29.85	\$ 37.30
Commercial Rates - Monthly							
35 gallon	\$ 20.25	\$ 21.90	\$ 18.65	\$ 19.90	\$ 22.75	\$ 17.35	\$ 17.95
65 gallon	\$ 30.15	\$ 32.60	\$ -	\$ -	\$ 34.25	\$ -	\$ -
90 gallon	\$ 40.25	\$ 43.50	\$ 36.70	\$ 38.75	\$ 44.15	\$ 28.10	\$ 39.20
1 yard	\$ 117.10	\$ 126.50	\$ 107.80	\$ 87.05	\$ 77.20	\$ 92.20	\$ 94.60
1.5 yard	\$ 159.20	\$ 172.00	\$ 143.10	\$ 115.65	\$ 103.45	\$ 122.35	\$ 117.45
2 yard	\$ 202.20	\$ 218.40	\$ 185.25	\$ 148.65	\$ 132.75	\$ 157.45	\$ 154.45
3 yard	\$ 304.35	\$ 328.70	\$ 278.35	\$ 222.90	\$ 199.50	\$ 222.70	\$ 219.45
4 yard	\$ 403.95	\$ 436.30	\$ 370.80	\$ 297.15	\$ 265.80	\$ 298.35	\$ 274.20
5 yard	\$ 506.20	\$ 546.70	\$ 433.65	\$ 371.40	\$ 333.00	\$ 366.05	\$ 317.65
6 yard	\$ 607.05	\$ 655.70	\$ 555.80	\$ 439.15	\$ 356.80	\$ 433.70	\$ 352.30
8 yard	\$ 809.75	\$ 874.60	\$ 741.10	\$ 585.60	\$ 475.00	\$ 508.20	\$ 461.30
Industrial Rates - Per Haul							
10 yard	\$ 142.80	\$ 154.30	\$ 140.10	\$ 129.50	\$ 148.50	\$ 126.70	\$ 169.80
20 yard	\$ 161.70	\$ 174.70	\$ 158.60	\$ 146.00	\$ 148.50	\$ 139.05	\$ 169.80
30 yard	\$ 182.70	\$ 197.40	\$ 179.20	\$ 165.00	\$ 169.40	\$ 156.35	\$ 169.80
40 yard	\$ 202.65	\$ 218.90	\$ 198.80	\$ 183.50	\$ 218.00	\$ 178.20	\$ 169.80



AURORA RATE SHEET

Proposed rates, effective 6/1/14

COMMERCIAL RATES

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

SIZE	CART	EXTRA TRIP (EXT)	Request to change or switch container: \$45.00 Contaminated yard or recycle cart: \$15.00/cart Additional Recycle Cart (after 1st one): \$6.00 Container re-delivery/re-start due to non-payment: \$35.00 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: \$18.00/cart Garbage cart off-route return: \$18.00
35 gallon	\$21.90	\$23.50	
65 Gallon	\$32.60	\$26.15	
90 Gallon	\$43.50	\$28.90	
CBB	\$6.00		
YARD CART	\$11.50		

*Extra Trip (EXT)-OFF ROUTE: 1/4 MONTHLY RATE + \$18 (round to nearest \$.05)

SIZE (loose)	ONE X/WEEK	TWO X/ WEEK	EXTRA TRIP (EXT)	EXTRA YARDAGE (EXY): \$26.00 per yard
1 yard	\$126.50	\$265.65	\$43.63	*Compacted containers: 3 x's the loose rate
1.5 yard	\$172.00	\$361.20	\$55.00	
2 yard	\$218.40	\$458.64	\$66.60	
*3 yard	\$328.70	\$690.27	\$94.18	
*4 yard	\$436.30	\$916.23	\$121.08	
*5 yard	\$546.70	\$1,148.07	\$148.68	
*6 yard	\$655.70	\$1,376.97	\$175.93	
*8 yard	\$874.60	\$1,836.66	\$230.65	
Manual Service Rate: 1-2 empties per week: \$20.00/month/container 3-6 empties per week: \$25.00/month/container				

TEMPORARY/SPECIAL CONTAINERS

SIZE	TOTAL*	DELIVERY	DISPOSAL	EXTRA YARDAGE (EXY): \$26.00 per yard
*3 yard	\$136.00	\$50.00	\$86.00	
RENT (charges apply 7 days from delivery date); Day: \$9.00 Month: \$95.00				

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 6/1/14

INDUSTRIAL-DROP BOX RATES

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

Rent Charge (applies 4 days from delivery date):

Temporary:	Permanent:
Day: \$15.00	Day: \$9.00
Month: \$140.00	Month: \$95.00

Screen box, per haul: \$18.00
Relocate, per box: \$55.00
Dry run: \$55.00
Box liner: \$55.00
Overweight: \$135.00 (per box)

SIZE	TOTAL	DELIVERY	HAUL	DISPOSAL
*weight limit is 10 tons/ 20,00 pounds				
GARBAGE				
10 yard	\$300.50	\$45.00	\$154.30	\$101.20
20 yard	\$422.10	\$45.00	\$174.70	\$202.40
30 yard	\$546.00	\$45.00	\$197.40	\$303.60
40 yard	\$668.70	\$45.00	\$218.90	\$404.80

Unacceptable items:

Hazardous materials, televisions, computer monitors and modems.

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

Passenger without rims	\$5.00
Passenger with rim	\$6.00
Truck without rims	\$10.00
Truck with rims	\$17.00
Tractor-falls under hourly labor rate	

Large appliances that contain Freon	\$35.00
Large appliances <i>without</i> Freon	N/C

COMPACTOR HAUL
*Disposal: 111% of WTEF rate (\$67.45)
15 yard
\$141.00
Haul + Disposal
20 yard
\$170.00
Haul + Disposal
30 yard
\$195.00
Haul + Disposal
40 yard
\$282.00
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 6/1/14

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	\$23.95	\$18.00	\$8.00
HANDICAPPED	\$24.95		
35 gallon			
REGULAR	\$26.90		\$8.00
HANDICAPPED	\$27.90		
65 gallon			
REGULAR	\$30.30		\$8.00
HANDICAPPED	\$31.30		
90 gallon			
REGULAR	\$35.70		\$8.00
HANDICAPPED	\$36.70		

Contaminated yard or recycle cart: \$15.00/cart
 Return fee:\$14.00/cart
 On-call pick-up:\$14.00
 Sharps: \$17.50
 Recycle only: \$12.00, Cart & Bin (Bi-weekly)
 Extra can/bag/box: \$7.00
 Request to change or switch container: \$20.00
 (after allowed one change @ n/c)
 Senior discount upon approval: N/A
 Premium drive-in service (per cart): \$10.00/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	\$25.00	\$26.00
35 Gallon	\$27.00	\$28.00
65 Gallon	\$35.00	\$36.00
90 Gallon	\$40.00	\$41.00

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 6/1/14

TYPE OF SERVICE	RATE
Rates are disposal only, must add hourly labor cost (minimum labor charge of \$30.00)	
Driver time port to port, \$135/hour (one person, one truck)	
Driver time port to port, \$189/hour (two persons, one truck)	
Appliances:	
Large appliances that contain Freon	\$35.00
Large appliances <i>without</i> Freon	N/C
Large appliances <i>without</i> Freon (accessible @ curb)	\$10.00
Fiberglass tub/shower	\$15.00
Cast iron tub/shower	\$ negotiable
Toilet	\$15.00
Sinks	\$15.00
Car Batteries:	
Return to place or purchase or call recycle hotline for drop off locations, 503.588.5169	
For Hauler to pick up at curb	\$15.00
Carpets:	
Wet/dry	\$30.00/yard
Christmas Trees:	
No tinsel or flocked trees-garbage disposal rates would apply	\$15.00
Commercial Green-picked up at curb	\$15.00
Large furniture:	\$30.00
Small furniture:	\$20.00
Hide-a-bed:	\$30.00
Mattresses:	
Twin mattress	\$10.00
Twin box spring	\$10.00
Double/queen mattress	\$15.00
Double/queen box spring	\$15.00
King mattress	\$20.00
King box spring	\$20.00

Tires:

Passenger without rims	\$6.00
Passenger with rim	\$7.00
Truck without rims	\$10.00
Truck with rims	\$15.00
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:	\$85.00 Each
Bin	\$15.00 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.



April 25, 2014

Honorable Bill Graupp, Mayor
Members of City Councilor
City of Aurora
21420 Main Street
Aurora, OR 97002

RE: Request for Price Increase for Current Solid Waste Collection Services

Dear Mayor Graupp and Councilors:

Republic Services of Marion County is requesting approval of an 8% price increase, effective June 1, 2014. Our goal with this request is to limit the amount of increase in rates we need to provide solid waste collection services at our industry's highest standard while maintaining a fair and reasonable rate of return. The city last approved a 5.5% price increase for our company effective October 1, 2012.

Republic serves 381 residential customers in the City of Aurora. The largest number of residential customers, 205, or 54%, use 35-gallon carts for collection. Approval of this request would increase the current collection rate for these customers by \$2.00 per month (\$24.90 to \$26.90).

Our company's rate of return for 2013 under current collection rates was 5.4%. We project our rate of return for 2014, with the approval of our request for this price increase, will be 5.8%. Alternatively, our rate of return without this price increase would slip to 3.4%, resulting in a 37.6% decline in income. In summary, this request for a price increase allows Republic Services of Marion County to remain whole.

A number of changes have occurred since your approval of our current collection service rates in 2012. These changes negatively impacted our rate of return.

- Inflation increased 3.9%
- Labor costs increased 18% due to increases in wages and health care benefits. This increase includes a one-time equity wage increase of 4.2% for drivers and shop mechanics.
- The price of a gallon of fuel increased 19%
- Depreciation on equipment increased 11%
- Declining recycling commodity revenues

Our company absorbed part of these operating expense increases by changing routing of our collection vehicles for greater operating efficiency. This change dedicates resources to the City of Aurora rather than combining the Aurora service area other areas on the 99E corridor. We are now seeing reductions in driver hours, labor cost per route, vehicle mileage plus overall improvement in customer experience.

Our company has 9 full-time employees and 4 collection vehicles dedicated to serve our residential, commercial and industrial customers in the City of Aurora. These employees consist of managers, collection vehicle drivers, and mechanics and customer service representatives. This employee count does not include our general and administrative employees, such as accounting, customer billing, purchasing, etc., who provide support services for this operation.

Respectfully,

Derek Ruckman, General Manager

cc: Matt Cofer, Operations Manager
Eric Anderson, Controller
Ray Phelps, Regulatory Affairs Manager

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