

RESOLUTION NUMBER 560


A RESOLUTION AUTHORIZING A GARBAGE COLLECTION RATE INCREASE AND ESTABLISHING A NEW RATE SCHEDULE AND APPEALING ORDINANCE NUMBER 525:

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 August 1, 2008.

ADOPTED by the Aurora City Council at a regular meeting of the City Council on the 8th day of July, 2008.



Charles Donald, Mayor



ATTEST:



Laurie Boyce, City Recorder



EXHIBIT A
RATE SHEET

RESIDENTIAL RATES ON MONTHLY BASIS:

1 STOP PER WEEK FOR 35 GALLON	1 CAN PER WEEK \$22.70
1 STOP PER WEEK FOR 65 GALLON	1 CAN PER WEEK \$25.50
1 STOP PER WEEK FOR 90 GALLON	1 CAN PER WEEK \$30.00
DRIVE IN CHARGE	\$9.50
RETURN FEE	\$10.00
ON-CALL PICK-UP	\$8.50
EXTRA GARBAGE CAN/BAG/BOX	\$6.00

COMMERICAL RATES ON MONTHLY BASIS:

1 STOP PER WEEK FOR 20 GALLON	1 CAN PER WEEK \$21.85	EXTRA TRIP (EXT) \$14.55
1 STOP PER WEEK FOR 35 GALLON	1 CAN PER WEEK \$24.25	EXTRA TRIP (EXT) \$19.00



1 STOP PER WEEK
FOR 65 GALLON

1 CAN PERWEEK
\$29.85

EXTRA TRIP (EXT)
\$19.00

1 STOP PER WEEK
FOR 90 GALLON

1 CAN PER WEEK
\$35.50

EXTRA TRIP (EXT)
\$19.00



City of Aurora
Schedule of Monthly Refuse fees

Residential –curbside cart service packages cont.:

Other fees and charges-Residential:

Contamination fee: applies to all recycling commodities.

\$9.50/cart

On call pick up (customer supplies own 35 gallon can):

\$8.70

Medical waste (sharps): Includes drop off and pick up at residential garbage service address.

Hauler supplied container-

\$15.70

Non-hauler supplied-

\$5.00-\$20.00

Recycle only: Includes 90g commingle cart and basket/bin. Bi-weekly pick up.

\$5.00

Additional 90-gallon yard debris cart: bi-weekly pick up.

\$5.60/month

Return trip fee-off route:

\$10.00

Service interruption fee: outstanding invoices older than 60 days from invoice date.

\$25.00

Late fee: charged for non-payment after 45 days from invoice date.

\$5.00

Damaged or unretrieved carts/bins:

\$75.00/cart, \$7.00/bin

Request to change or switch cart:

\$15.00

Drive-in charge:

\$5.00/month

City of Aurora
Schedule of Monthly Refuse fees

Special services and fees:

Appliances: service fee for large appliances (includes Freon removal) +plus hourly labor to remove item
\$25.00 +

Miscellaneous items (+plus disposal and hourly labor to remove item):
negotiable +

Christmas trees (flocked acceptable-no tinsel):
\$5.00/5 feet, \$1.00/foot thereafter

Front/Rear load lock and bar charges:

one time charge.
\$30.00

Hauler supplied lock:
\$12.00

Hourly labor rate:

One person, one truck-port to port- (base location is 2215 N. Front St, Woodburn) \$80.00/hr

Two persons, one truck-port to port- \$105.00/hr

Janitorial services: (+plus any disposal cost).
\$80.00/hr +

Disposal: charged per yard (based upon Covanta disposal price per ton/yard)

Late Fee: 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

Service Interrupt Fee: Outstanding invoices older than 60 days are subject to a service interrupt fee.
\$25.00

City of Aurora
Schedule of Monthly Refuse fees

Endnotes:

a-Multi family complex- 4 or more single family dwellings structure. If owner has multiple duplexes or triplexes clustered together they may request multi-family services.

b-Cart- The collector will supply a cart as part of the service price. Customers will not place larger items or overfill the cart such that the lid cannot close properly. Carts must be placed at the curb or street edge with clear automated access within manageable reach from the street on service day. Maximum weight limits are: 180 lbs/90gallon, 120 lbs/65 gallon, 60 lbs/35 gallon and 40 lbs/ 20 gallon carts/can. Customers will not place hazardous materials; paints; corrosive materials; hot ashes and dirt/rocks into the roll carts.

c-Curbside- receptacles must be placed at curb or street edge with clear automated access within manageable reach from the street on service day.

d-Commingle recycling-the process where two or more recyclable materials are collected together (i.e. not separated), in the combination of recyclable materials allowed by the director.

e-Contamination- consists of depositing materials in the designated recycle or yard debris receptacles that are not compatible for recycling and that requires contaminated recyclable material to be disposed of as garbage.

f-Pull out- container requiring front load driver to open enclosure and/or pull out or move container to be serviced.

g-Accessible definition- Container(s) must be located in single location with acceptable vehicle turning radius and adequate drive-up access. There must be no tree limbs adjacent to container(s) and it must be accessible without manual movement.

2007 Financial Statement
City of Aurora

TOTAL REVENUE

\$143,261.45

Direct Costs

WAGES	\$23,505.23
REPAIRS AND MAINT	\$6,883.10
VEHICLE OPS COST	\$7,522.45
EQUIP RENT	\$159.00
FACILITY OPS COST	\$3,040.69
SAFETY,INS,CLAIMS	\$3,434.93
TIPPING DISPOSAL	\$53,380.26
COST OF PRODUCTS	\$0.00
TRANSPORTATION	\$0.00
FRANCHISE FEES	\$7,227.71
OTHER OPS COST	-\$167.14
subtotal	<u>\$104,986.23</u>

Indirect Costs

SALARIES	\$4,796.49
RENT AND OFFICE EXP	\$1,570.98
TRAVEL AND ENTERTAINMENT	\$209.59
PROFESSIONAL FEES	\$418.30
BAD DEBT	\$737.55
OTHER EXP	\$2,182.36
INTEREST EXPENSE	\$4,358.77
MANAGEMENT EXPENSE	\$3,860.70
DEPRECIATION	\$6,801.09
subtotal	<u>\$24,935.83</u>

TOTAL EXPENSE

\$129,922.06

IBT	\$13,339.39
Tax	\$5,335.76

GROSS PROFIT

\$8,003.64

Actual

5.59%

TO: Mayor, Staff and members of the Aurora City Council

FROM: Allied Waste of Marion County

DATE: July 1, 2008

SUBJECT: Rate Increase for the City of Aurora

Enclosed is a request for an increase in garbage and collection rates in the City of Aurora.

The new rates represent an overall increase of 2%. This proposal also includes a floating fuel recovery fee that rolls with the increases and decreases for the price of fuel.

This request is the result of several factors:

- The last rate increase was based on a fuel price of \$2.75 per gallon and the cost of fuel is rising faster than inflation.
- An annual COLA increase for most expenses; wages, health insurance, metal, excluding escalating fuel costs.
- The cost of containers, carts and equipment have increased substantially over the last year due to fuel prices.

Included in the attached information is the following:

- Financial statements showing actual 2007 results.
- Proposed rate sheets for the services offered in Aurora.
- Detailed rate schedule for all services.
- A table comparing the City of Aurora current and proposed rates with those in other Cities in Oregon.

I appreciate the opportunity to present this proposed rate change and look forward to your comments and questions.

Best Regards,

Robin Murbach
General Manager
Allied Waste of Marion County



What is the Purpose of the Fee?

The fee will help offset the significant increases in the cost of diesel being consumed to operate our fleet. In addition to the waste stream management industry, some other examples of business/industries charging this kind of fee are FedEx, UPS, landscaping, florists and fuel oil companies, to name a few.

Like other transportation companies, higher fuel costs are affecting our cost structure. The purpose of this fee is simply to cover a portion of the significant increase in fuel costs for trucks used to service our customers. Fuel expense is running at a rate of over 50% from last year. The fee is being created to offset this increase in our expenses.

A fee based approach is preferred over the "normal" rate adjustment process due to the volatility and unpredictability of diesel prices. This approach allows for a quicker response to increased costs while also allowing a decrease in price to our customers should fuel prices begin to fall in the coming months.

What is Allied Currently Doing to Mitigate the Affects of Rising Fuel Costs?

Allied Waste constantly reviews equipment usage and monitors truck and driver fuel economy. Continuous re-routing helps us optimize our route efficiency and decrease fuel consumption. Allied Waste leverages it's nationwide volume consumption to secure the lowest possible fuel prices. Meanwhile, fuel prices/quotes are monitored daily to achieve the very best fuel prices and to maintain a fuel inventory that allows for uninterrupted service to our customers.

How Will the Fuel Recovery Fee Work?

The fee will be added to the customer's monthly invoice. The fee will increase at every 25 cent increment in average fuel rate for the most recent fiscal quarter over the baseline rate of \$2.75. A separate fee rate schedule has been established for Commercial, Industrial and Residential customers.

How was the Baseline Rate Established?

The baseline rate was established by taking Allied's Oregon operations average fuel rate for the year 2007. Therefore, the fee only applies to the increase in costs incurred in 2008. All fuel price increases in 2007 that were not recovered would be included in the calculation of "normal" rate adjustments.

Commercial Fee Schedule:

The Commercial Fuel Recovery Fee will be a single line-item charge on each customer's invoice. To service the average commercial customer, Allied's trucks consume 3.1 gallons of fuel per month. Therefore, every 25 cent increase in fuel rate results in \$0.78 of additional cost per customer, per month.

Fuel Rate	Fee	Fuel Rate	Fee	Fuel Rate	Fee
\$ 3.00	\$ 0.78	\$ 5.25	\$ 7.80	\$ 7.50	\$ 14.82
3.25	1.56	5.50	8.58	7.75	15.60
3.50	2.34	5.75	9.36	8.00	16.38
3.75	3.12	6.00	10.14	8.25	17.16
4.00	3.90	6.25	10.92	8.50	17.94
4.25	4.68	6.50	11.70	8.75	18.72
4.50	5.46	6.75	12.48	9.00	19.50
4.75	6.24	7.00	13.26	9.25	20.28
5.00	7.02	7.25	14.04	9.50	21.06

Industrial Fee Schedule:

The Industrial Fuel Recovery Fee will be charged on a haul by haul basis. To service the average rolloff haul, Allied's trucks consume 4.3 gallons of fuel. Therefore, every 25 cent increase in fuel rate results in \$1.09 of additional cost per haul.

Fuel Rate	Fee
\$ 3.00	\$ 1.09
3.25	2.18
3.50	3.27
3.75	4.36
4.00	5.45
4.25	6.54
4.50	7.63
4.75	8.72
5.00	9.81

Fuel Rate	Fee
\$ 5.25	\$ 10.90
5.50	11.99
5.75	13.08
6.00	14.17
6.25	15.26
6.50	16.35
6.75	17.44
7.00	18.53
7.25	19.62

Fuel Rate	Fee
\$ 7.50	\$ 20.71
7.75	21.80
8.00	22.89
8.25	23.98
8.50	25.07
8.75	26.16
9.00	27.25
9.25	28.34
9.50	29.43

Residential Fee Schedule:

The Residential Fuel Recovery Fee will be a single line-item charge on each customer's invoice. To service the average residential customer, Allied's trucks consume 0.36 gallons of fuel per month. Therefore, every 25 cent increase in fuel rate results in \$0.09 of additional cost per customer, per month.

Fuel Rate	Fee
\$ 3.00	\$ 0.09
3.25	0.18
3.50	0.27
3.75	0.36
4.00	0.45
4.25	0.54
4.50	0.63
4.75	0.72
5.00	0.81

Fuel Rate	Fee
\$ 5.25	\$ 0.90
5.50	0.99
5.75	1.08
6.00	1.17
6.25	1.26
6.50	1.35
6.75	1.44
7.00	1.53
7.25	1.62

Fuel Rate	Fee
\$ 7.50	\$ 1.71
7.75	1.80
8.00	1.89
8.25	1.98
8.50	2.07
8.75	2.16
9.00	2.25
9.25	2.34
9.50	2.43

2007 Financial Statement
City of Aurora

TOTAL REVENUE

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IBT	\$13,339.39
Tax	\$5,335.76

GROSS PROFIT

\$8,003.64

Actual

5.59%

City of Corvallis
Rate Comparisons

Hauler Name	Current City of Aurora	Proposed City of Aurora	City of Hubbard	City of Woodburn	City of Mt. Angel	Marion County	City of Sweet Home	City of Springfield	City of Salem	City of Gresham
	AW of Marion County	AW of Marion County	AW of Marion County	AW of Marion County	AW of Marion County	AW of Marion County	Sweet Home	Sanipac	AW of Salem	Gresham Sanitary
Service Type										
32 gallon can service	N/A	N/A	N/A	N/A	N/A	\$20.60	\$17.97	N/A	N/A	\$20.55
35 gallon cart	\$22.25	\$22.70	\$21.45	\$21.05	\$20.50	\$21.20	\$20.00	\$11.80	\$20.10	\$21.90
65 gallon cart	\$25.00	\$25.50	\$25.00	\$29.90	\$24.45	\$25.65	n/a	\$16.75	\$26.95	\$28.75
90 gallon cart	\$29.45	\$30.00	\$28.45	\$35.80	\$27.00	\$32.80	\$24.70	\$20.15	N/A	\$32.55

AURORA RATE SHEET AREA 10

INDUSTRIAL-DROP BOX RATES

*All boxes C.O.D

Line of business: 20

Rent charge (after 4 days):

Day:\$5.00

Month: \$75.00 (\$152.08)

*Compacted rates charged @ 3 X's loose rate

Dry Run Charge: \$35.00

Screen box, per haul: \$10.50

Relocate, per box: \$35.00

Overweight, per box: \$100.00

Liner, per box:\$35.00

SIZE *weight limit is 10 tons/ 20,00 pounds	TOTAL	DELIVERY	HAUL	DISPOSAL	TAX/FRAN. FEE	
10 yard*						
GARBAGE	\$266.20	\$35.00	\$130.00	\$101.20		
WOOD						
COMPOST						
CONCRETE/BRICK/ DIRT		\$35.00	\$130.00	\$5.00/yard		
METAL						
SHEETROCK						
20 yard*						
GARBAGE	\$385.40	\$35.00	\$148.00	\$202.40		
WOOD						
COMPOST		\$35.00	\$148.00	\$5.80 per yd		
CONCRETE/BRICK/ DIRT						
METAL						
SHEETROCK						
30 yard*						
GARBAGE	\$505.60	\$35.00	\$167.00	\$303.60		
WOOD		\$35.00	\$167.00	\$2.00/yard		
COMPOST		\$35.00	\$167.00	\$5.80 per yd		
CONCRETE/BRICK/ DIRT						
METAL		\$35.00	\$167.00			
SHEETROCK		\$35.00	\$167.00	\$5.00		
40 yard*						
GARBAGE	\$624.80	\$35.00	\$185.00	\$404.80		
WOOD		\$35.00	\$185.00	\$2.00/yard		
COMPOST		\$35.00	\$185.00	\$5.80 per yd		
CONCRETE/BRICK/ DIRT						
METAL		\$35.00	\$185.00			
SHEETROCK						

EFFECTIVE 4/1/07 AH

revised 6/2008 ah

City of Aurora
Schedule of Monthly Refuse fees

TYPE OF SERVICE

Commercial--Multiple Family complexes (a) and mobile home parks:

<u>Each 20-gallon cart (b)</u> - curbside(c) only. Service consists of one 20-gallon garbage cart collected weekly	\$21.85
With 90g commingle cart/bin-biweekly service.	N/A
With 90g commingle cart/bin (bi-weekly) and 90g yard debris (bi-weekly service). Hauler determines commingle recycling service based on accessibility.	\$22.30
<u>Each 35-gallon cart</u> - curbside only. Service consists of one 35-gallon garbage cart collected weekly	\$24.25
With 90g commingle cart/bin-biweekly service.	N/A
With 90g commingle cart/bin (bi-weekly) and 90g yard debris (bi-weekly service). Hauler determines commingle recycling service based on accessibility.	\$24.75
<u>Each 65-gallon cart</u> - curbside only. Service consists of one 65-gallon garbage cart collected weekly	\$29.85
With 90g commingle cart/bin-biweekly service.	\$
With 90g commingle cart/bin (bi-weekly) and 90g yard debris (bi-weekly service). Hauler determines mixed recycling service based on accessibility.	\$30.45
<u>Each 90-gallon cart</u> - curbside only. Service consists of one 90-gallon garbage cart collected weekly	\$35.50
With 90g commingle cart/bin-biweekly service.	\$
With 90g commingle cart/bin (bi-weekly) and 90g yard debris (bi-weekly service). Hauler determines mixed recycling service based on accessibility.	\$36.25
<u>Each occasional extra can/bag/box/overflow</u> (equivalent to 35g/60 lbs)	\$6.00
<u>Contamination fee (e)</u> - applies to all recycling commodities	\$9.50/cart
<u>Extra pick-up/off-route return:</u>	monthly rate divided by four, plus \$10.00.
<u>Additional 65g yard debris cart:</u>	\$10.50
<u>Additional Commingle, 90g, recycle cart:</u>	\$5.00/month per cart

City of Aurora
Schedule of Monthly Refuse fees

Commercial business:

Each 35-gallon cart- Service consists of one 35-gallon garbage cart collected weekly and one 90g mixed recycling cart collected biweekly. The service does not include yard debris, glass, motor oil, dry cell battery, latex paint recycling or other extra services.
Hauler determines commingle recycling service based on accessibility

\$18.60

Each 65-gallon cart- Service consists of one 65-gallon garbage cart collected weekly and one 90g mixed recycling cart collected biweekly. The service does not include yard debris, glass, motor oil, dry cell battery, latex paint recycling or other extra services.
Hauler determines commingle recycling service based on accessibility

\$27.65

Each 90-gallon cart- Service consists of one 90-gallon garbage cart collected weekly and one 90g mixed recycling cart collected biweekly. The service does not include yard debris, glass, motor oil, dry cell battery, latex paint recycling or other extra services.
Hauler determines commingle recycling service based on accessibility

\$36.70

Each occasional extra can/bag/box/overflow (equivalent to 35g/60 lbs)

\$6.00

One 65g yard debris cart- Bi-weekly service

\$10.50/month per cart

Extra pick up/off route return:

monthly rate divided by four, plus \$10.00.

Additional Commingle, 90g, recycle cart:

\$5.00/month per cart

City of Aurora
Schedule of Monthly Refuse fees

Commercial Container Service-weekly (front load):

Loose Garbage:

SIZE	1 x week	2 x week	Each additional weekly pick up per week
1 yard	\$107.45	\$215.00	\$107.45
1.5 yard	\$145.75	\$292.00	\$145.75
2 yard	\$185.00	\$375.00	\$185.00
3 yard	\$278.00	\$556.00	\$278.00
4 yard	\$369.00	\$740.00	\$369.00
5 yard	\$462.00	\$924.00	\$462.00
6 yard	\$554.00	\$1108.00	\$554.00
8 yard	\$738.00	\$1476.00	\$738.00

Extra pick-up/off-route return:

monthly rate divided by four, plus \$10.00.

Pull out (f) rates: Customers must have container/enclosure unlocked and accessible (g) for front load access on service day-front load container requiring pull out/additional service before empty will be charged the monthly pull out fee. Pull out service is limited to no more than 4 yd containers.

\$15.00/month, per container

Compacted containers: Customer supplies the compactor and/or the container. Supplied receptacles must be: clearly labeled with owner's name and phone number; compatible with hauler equipment; and safe and operable meeting OSHA and ANSI safety standards. For mechanically or manually compacted, manually altered or shredded waste.

Rate is *three times the LOOSE* rate identified in this exhibit based on receptacle size.

Request to change or switch container:

\$35.00/instance

Extra yardage:

\$21.00/yard

Cardboard containers: available with weekly garbage service.

No charge w/weekly garbage service.

Commingle cart: available with weekly garbage service, serviced bi-weekly. One 90g commingle cart per customer.

No charge w/weekly garbage service for first cart

Additional 90g commingle recycling cart:

Bi-weekly service.

\$5.00/cart

City of Aurora
Schedule of Monthly Refuse fees

Temporary/special commercial container:

3-yard temporary container:

Delivery:

\$35.00

Disposal: per empty/service.

\$75.00

Rent: charged seven days from delivery date.

\$5.00/day, \$25.00/month

Extra Yardage:

\$21.00/yard

City of Aurora
Schedule of Monthly Refuse fees

Drop box service-company supplied box/loose material:

Garbage

10 yard	\$130.00/haul
20 yard	\$148.00/haul
30 yard	\$167.00/haul
40 yard	\$185.00/haul

Disposal: based on Covanta price per yard.

Delivery

\$35.00/box

Rental: Per day after first 4 days (96 hours)

\$5.00/day, \$75.00 month

Overweight: per box, weight limit of 10 tons/20,000lbs.

\$100.00/box

Dry run charge: Hauler is on site and unable to haul box due to accessibility or overfill.

\$35.00

Relocate:

\$35.00

Liner:

\$35.00 each

Screen box:

\$10.50/box

Drop box service-customer supplied box/compacted material:

Compacted disposal rates charged at 3 times the loose rate (based on Covanta price per yard rate).

Overweight: per box, weight limit of 10 tons or 20,000 lbs.

\$100.00/box

Dry run charge: Hauler is on site and unable to haul box due to accessibility or overfill.

\$35.00

Relocate:

\$35.00/box

City of Aurora
Schedule of Monthly Refuse fees

Residential –curbside cart service packages:

20 gal. garbage cart service w/o yard & rec.cart (OPT OUT): Service consists of one 20 gal. garbage cart collected weekly and one commingle recycle basket/bin collected bi-weekly
This service does not include a commingled cart or other extra services.

\$14.70

20 gallon garbage cart service: Service consists of one 20 gallon garbage cart collected weekly, one 90g yard debris cart collected bi-weekly, one 90g commingle cart and one commingle recycle basket/bin collected bi-weekly. This service does not include other extra services

\$20.30

35 gallon garbage cart service: Service consists of one 35 gallon garbage cart collected weekly, one 90g yard debris cart collected bi-weekly, one 90g commingle cart and one commingle recycle basket/bin collected bi-weekly. This service does not include other extra services

\$22.70

65 gallon garbage cart service: Service consists of one 65 gallon garbage cart collected weekly, one 90g yard debris cart collected weekly, one 90g commingle cart and one commingle recycle basket/bin collected bi-weekly. This service does not include other extra services

\$25.50

90 gallon garbage cart service: Service consists of one 90 gallon garbage cart collected weekly, one 90g yard debris cart collected weekly, one 90g commingle cart and one commingle recycle basket/bin collected bi-weekly. This service does not include other extra services

\$30.00

Each occasional extra can/bag/box/overfill cart pick up (35gal-60lbs):

\$5.00