

RESOLUTION NO. 2524

Introduced by All Commissioners

**ADOPTING AND SETTING NEW RATES FOR RESIDENTIAL RECYCLING SERVICES “;
ESTABLISHING July 1, 2018, AS THE EFFECTIVE DATE,
REPEALING
ANY OTHER RESOLUTION IN CONFLICT**

WHEREAS, Recology Western Oregon, the City’s Residential Recycling Service Provider is instituting an increase in the residential recycling service rates in the City of Warrenton; and

WHEREAS, this increase requires an adjustment in user rates to meet City of Warrenton recycling expenses in the City’s Sanitation Fund; and

WHEREAS, the City of Warrenton Sanitation Department is an enterprise fund and revenues must pay expenses;

NOW THEREFORE, The Warrenton City Commission of the City of Warrenton does hereby adopt the following as its Residential Recycling Rates for the City of Warrenton.:

Section 1. The Warrenton City Commission hereby adopts a rate increase for Residential Recycling Rates, listed in Exhibits A for all users of its municipal water service.

Section 2. The rate increase will be 3.5% from \$7.13 to \$7.38 monthly for Residential Recycling Services every other week

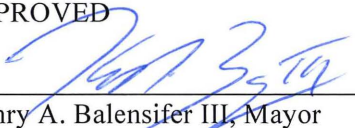
Section 3. This resolution shall effect rates July 1, 2018.

First Reading: June 12, 2018


Second Reading: June 26, 2018

ADOPTED by the City Commission of the City of Warrenton this 26th day of June, 2018.

APPROVED


Henry A. Balensifer III, Mayor

ATTEST


Dawne Shaw, Deputy City Recorder

**RECOLOGY WESTERN OREGON
WAR CITY OF WARRENTON**

**EXHIBIT A
SUMMARY RATE SHEET
EFF. DATE: 7/1/2018**

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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COLLECTION SERVICES - BILLED TO CITY MONTHLY RATES

90REC	90G COMMINGLED RECYCLING -CURB	\$ 7.13	3.50%	\$ 0.25	\$ 7.38
90RES	90G COMMINGLE-SIDE*	\$ 7.13	3.50%	\$ 0.25	\$ 7.38
1CBE	CARDBOARD CONTAINER - ALL SIZES	\$ 34.94	3.50%	\$ 1.22	\$ 36.16
2GEW	2YD WASTE WATER EOW	\$ 176.68	3.50%	\$ 6.18	\$ 182.86

*sideyard only available with City approval for customers with medical needs.

BULKY ITEM COLLECTION (SVC CHARGE + CHARGE PER ITEM)

RATES LISTED ARE FOR COLLECTION AT CURB. ADDITIONAL CHARGES MAY APPLY FOR RETRIEVAL. **RATE PER EACH**

APF	REFRIGERATOR/FREEZER	\$ 51.66	0.00%	\$ -	\$ 51.66
APPL	APPLIANCE	\$ 11.48	0.00%	\$ -	\$ 11.48
FURN	FURNITURE CHARGE	\$ 17.22	0.00%	\$ -	\$ 17.22
IRSC	IN ROUTE SERVICE CHARGE	\$ 30.65	3.50%	\$ 1.07	\$ 31.72
SC	SERVICE CHARGE	\$ 122.61	3.50%	\$ 4.29	\$ 126.90

RELATED FEES

RATE PER EACH

CORDF	CONTAINER RE-DELIVERY FEE	\$ 122.61	3.50%	\$ 4.29	\$ 126.90
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Note: Re-Delivery fees apply for resume service after suspend.

RATE PER EACH

CCF	CART CLEANING FEE	\$ 25.00	0.00%	\$ -	\$ 25.00
CRF	CART REPLACEMENT FEE	\$ 65.00	0.00%	\$ -	\$ 65.00

Note: Replacement fee is used for loss/damage beyond normal wear and tear.

RATE PER EACH

WLI	WIND LATCH INSTALLATION	\$ 15.00	0.00%	\$ -	\$ 15.00
RF	REINSTATEMENT FEE	\$ 15.00	0.00%	\$ -	\$ 15.00
NSFCF	RETURNED CHECK FEE	\$ 25.00	0.00%	\$ -	\$ 25.00

FRONT-LOAD CONTAINER SERVICE

(City provides service for container sizes 3yds & under, unless City directs RWO to service)

1 YARD CONTAINERS

MONTHLY RATES

1GE	1YD TRASH EOW	\$ 93.56	3.50%	\$ 3.27	\$ 96.83
1XP	EXTRA PICK UP-1YD TRASH	\$ 34.42	3.50%	\$ 1.20	\$ 35.62

1.5 YARD CONTAINERS

MONTHLY RATES

1HXP	EXTRA PICK UP-1.5YD TRASH	\$ 44.28	3.50%	\$ 1.55	\$ 45.83
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2 YARD CONTAINERS

MONTHLY RATES

2GW	2YD TRASH	\$ 238.74	3.50%	\$ 8.36	\$ 247.10
2GE	2YD TRASH EOW	\$ 132.28	3.50%	\$ 4.63	\$ 136.91
2GM	2YD TRASH MONTHLY	\$ 74.99	3.50%	\$ 2.62	\$ 77.61
2OC	ON CALL-2YD TRASH	\$ 54.09	3.50%	\$ 1.89	\$ 55.98
2XP	EXTRA PICK UP-2YD TRASH	\$ 54.09	3.50%	\$ 1.89	\$ 55.98

3 YARD CONTAINERS

MONTHLY RATES

3GW	3YD TRASH	\$ 316.17	3.50%	\$ 11.07	\$ 327.24
3GE	3YD TRASH EOW	\$ 170.99	3.50%	\$ 5.98	\$ 176.97
3GM	3YD TRASH MONTHLY	\$ 92.86	3.50%	\$ 3.25	\$ 96.11
3OC	ON CALL-3YD TRASH	\$ 73.76	3.50%	\$ 2.58	\$ 76.34
3XP	EXTRA PICK UP-3YD TRASH	\$ 73.76	3.50%	\$ 2.58	\$ 76.34

**RECOLOGY WESTERN OREGON
WAR CITY OF WARRENTON**
**SUMMARY RATE SHEET
EFF. DATE: 7/1/2018**

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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4 YARD CONTAINERS**MONTHLY RATES**

4GW	4YD TRASH	\$ 387.14	3.50%	\$ 13.55	\$ 400.69
4GE	4YD TRASH EOW	\$ 206.46	3.50%	\$ 7.23	\$ 213.69
4GM	4YD TRASH MONTHLY	\$ 109.26	3.50%	\$ 3.82	\$ 113.08
4OC	ON CALL-4YD TRASH	\$ 91.79	3.50%	\$ 3.21	\$ 95.00
4XP	EXTRA PICK UP-4YD TRASH	\$ 91.79	3.50%	\$ 3.21	\$ 95.00

5 YARD CONTAINERS**MONTHLY RATES**

5GW	5YD TRASH	\$ 464.56	3.50%	\$ 16.26	\$ 480.82
5GE	5YD TRASH EOW	\$ 245.18	3.50%	\$ 8.58	\$ 253.76
5GM	5YD TRASH MONTHLY	\$ 127.15	3.50%	\$ 4.45	\$ 131.60
5OC	ON CALL-5YD TRASH	\$ 111.45	3.50%	\$ 3.90	\$ 115.35
5XP	EXTRA PICK UP-5YD TRASH	\$ 111.45	3.50%	\$ 3.90	\$ 115.35

6 YARD CONTAINERS**MONTHLY RATES**

6GW	6YD TRASH	\$ 542.01	3.50%	\$ 18.97	\$ 560.98
6GE	6YD TRASH EOW	\$ 283.90	3.50%	\$ 9.94	\$ 293.84
6GM	6YD TRASH MONTHLY	\$ 145.02	3.50%	\$ 5.08	\$ 150.10
6OC	ON CALL-6YD TRASH	\$ 131.15	3.50%	\$ 4.59	\$ 135.74
6XP	EXTRA PICK UP-6YD TRASH	\$ 131.15	3.50%	\$ 4.59	\$ 135.74

8 YARD CONTAINERS**MONTHLY RATES**

8GW	8YD TRASH	\$ 632.34	3.50%	\$ 22.13	\$ 654.47
8GE	8YD TRASH EOW	\$ 329.07	3.50%	\$ 11.52	\$ 340.59
8GM	8YD TRASH MONTHLY	\$ 165.89	3.50%	\$ 5.81	\$ 171.70
8OC	ON CALL-8YD TRASH	\$ 154.08	3.50%	\$ 5.39	\$ 159.47
8XP	EXTRA PICK UP-8YD TRASH	\$ 154.08	3.50%	\$ 5.39	\$ 159.47

CONTAINER MONTHLY RENT (CHARGED TO WILL-CALL CUSTOMERS, SAME FOR ALL SIZES)

RNT1	1YD RENT - TRASH	\$ 20.00	0.00%	\$ -	\$ 20.00
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FRONT-LOAD COMPACTOR RATE FACTORS - For all compacted material, including pre-compacted waste.

Compactor Rating	4 : 1	3 : 1	2 : 1
Factor applied to container rate of same size	1.5	1.3	1.12

MEDICAL WASTE COLLECTION SERVICES**RATE PER EACH**

M4HSC	4.7 QT SHARPS CONTAINER	\$ 20.93	0.00%	\$ -	\$ 20.93
M10SC	10 QT SHARPS CONTAINER	\$ 24.24	0.00%	\$ -	\$ 24.24
M23SC	23 QT SHARPS CONTAINER	\$ 46.82	0.00%	\$ -	\$ 46.82
9CDBC	9GAL CONFIDENTIAL DOCUMENT BOX	\$ 33.58	0.00%	\$ -	\$ 33.58
M21BX	21 GAL MEDICAL WASTE BOX	\$ 43.34	0.00%	\$ -	\$ 43.34
M48BX	48 GAL MEDICAL WASTE BOX	\$ 49.47	0.00%	\$ -	\$ 49.47
M8GBP	RX MED WASTE TUB	\$ 97.47	0.00%	\$ -	\$ 97.47

Note: Additional fees may apply for overweight tubs. Improperly prepared materials cannot be collected.

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DEBRIS BOX SERVICES
SET HAUL FEES (BASED ON AVERAGE TRUCK TIMES)
RATE PER HAUL

DEL	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
DEL	DELIVERY CHARGE	\$ 61.30	3.50%	\$ 2.15	\$ 63.45
10HG	10 YD TRASH BOX HAUL	\$ 122.60	3.50%	\$ 4.29	\$ 126.89
20HG	20 YD TRASH BOX HAUL	\$ 122.60	3.50%	\$ 4.29	\$ 126.89
30HG	30 YD TRASH BOX HAUL	\$ 122.60	3.50%	\$ 4.29	\$ 126.89
47HG	47 YD TRASH BOX HAUL	\$ 122.60	3.50%	\$ 4.29	\$ 126.89
40CG	COMPACTOR HAUL FEE (ALL SIZES)	\$ 146.39	3.50%	\$ 5.12	\$ 151.51

DEBRIS BOX DISPOSAL FEES (\$\$/TON)
RATE PER TON

DFDM	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
DFDM	DISPOSAL FEE - DEMOLITION	\$ 94.00	0.00%	\$ -	\$ 94.00
DFG	DISPOSAL FEE - GARBAGE	\$ 99.80	3.00%	\$ 2.99	\$ 102.79
DFYD	DISPOSAL FEE - YARD DEBRIS	NO CHARGE - BILLED TO CITY BY ATS			

Note: Recycling ton fees will be equal to or less than trash fees, based on current market pricing.

RELATED FEES
RATE PER DAY

RENTD	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
RENTD	DAILY RENTAL FEE	\$ 12.24	3.50%	\$ 0.43	\$ 12.67

Note: Daily Rent applies after 48 hours, excluding evenings and weekends.

RATE PER MONTH

RENTM	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
RENTM	MONTHLY RENTAL FEE	\$ 122.13	3.50%	\$ 4.27	\$ 126.40

Note: Monthly rent applies for customers who keep a box for a year or longer.

RATE PER HOUR

TIME	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
TIME	TRUCK TIME FEE	\$ 122.60	3.50%	\$ 4.29	\$ 126.89
1T1E	1 TRUCK - 1 EMPLOYEE	\$ 122.61	3.50%	\$ 4.29	\$ 126.90
1T2E	1 TRUCK - 2 EMPLOYEES	\$ 183.88	3.50%	\$ 6.44	\$ 190.32

Note: Hourly Truck Time is used for hauls to destinations outside our normal operating areas.

BULKY ITEMS - DEBRIS BOX

STANDARD FEES APPLY FOR THESE ITEMS IF DECLARED & SEPARATED ACCORDING TO INSTRUCTIONS
ADDITIONAL FEES MAY APPLY FOR ITEMS FOUND IN LOADS.

RATE PER EACH

TOFFR	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
TOFFR	TIRE CHARGE NO RIM	\$ 4.59	0.00%	\$ -	\$ 4.59
TONR	TIRE CHARGE ON RIM	\$ 9.18	0.00%	\$ -	\$ 9.18
APPL	APPLIANCE	\$ 11.48	0.00%	\$ -	\$ 11.48
APF	REFRIGERATOR/FREEZER	\$ 51.66	0.00%	\$ -	\$ 51.66

Finance Charges (0.75% monthly, 9% annually) will be assessed on any past due amount (excluding amounts in dispute over billing or service issues).

Billing Terms: Commercial Accounts are billed on a monthly basis.

Residential accounts are billed once every two months; one in advance and one in arrears.



Ms. Linda Engbretson
City Manager
City of Warrenton
PO Box 250
Warrenton, OR 97146

March 31st, 2018

Dear Linda:

Enclosed are the schedules that make up the Rate Review Report and Annual Financial Report as outlined in our Solid Waste Collection Franchise Agreement. They are as follows:

1. The Rate Review Report (attached), which includes the following:
 - a. All the actual expenses incurred in the preceding calendar year, and all allowable expenses that we reasonably anticipate will be incurred in the current year
 - b. The allocation factors and percentages used to allocate shared expenses
 - c. The actual and expected Operating Ratios for the preceding and current calendar year
2. The 2017 Reviewed Financial Statement for RWO – North Coast Collection (attached)
3. Rate sheets showing current and proposed rates (attached)
4. An explanation of any changes to rates or services offered (appears below)
5. A recap of license fees paid to the City, and a projection of future payments (appears below)
6. A summary of recent operational changes and improvements (appears below)

RECYCLING MARKETS

As of the first of this year, China has imposed new regulations on imported recyclable materials. Previously, a contamination level of 5% was acceptable, and many of the Material Recovery Facilities (MRFs) on the West Coast were designed to meet this standard. The new standard of 0.5% is beyond the capabilities of the available technology. Our local MRFs have added sorters, slowed down the feeder belts, and made other changes to how they process materials to get closer to the new standards. Many MRFs have turned to other countries in Asia to find new markets. In addition, there are many items no longer being accepted by end markets. These factors have combined to reduce the value of mixed curbside recyclables by over 90% since 2017. Until recently, mixed recycling carried a small positive value, but now we are having to pay MRFs over \$70 a ton. This decrease in market value has impacted the processing fees our transfer station charges for each ton we collect and deliver for recycling. We remain committed to providing the opportunity to recycle to our customers and have no plans for any landfilling of collected recyclable materials in the foreseen future. It is possible that the ability to market some materials may disappear entirely in the future. In the short term, our focus is on reducing contamination through customer education. We distribute information to our customers by mail, on our website, and via social media. Our drivers also file feedback reports when they see carts with unwanted materials. The drivers report to our Customer Service Reps, who reach out to the customer and explain the nature of the problem.

PROPOSED CHANGES TO COLLECTION RATES & SERVICES

The calculated projections indicate the operating ratio will be outside the range of 88% to 92% specified in our Franchise Agreement, due primarily to the changes in recycling markets. With that in mind, we



are proposing to increase collection rates by 3.5% for most rates, effective July 1st, 2018. I have separated the various rate classes below:

- a. Recycling Carts & Cardboard Containers (billed directly to the City):
 - i. Carts Current Rate: \$7.13/cart/month
New Rate: \$7.38 (3.5% increase)
 - ii. Containers Current Rate: \$34.94/container/month
New Rate: \$36.16 (3.5% increase)
- b. License Agreement – Large front-load container and drop box services (billed to customers directly, RWO remits a 7% license fee to the City). New Rates: proposed 3.5% adjustment (see attached rate sheets).
- c. Garbage tip fee for City trucks at the Astoria Transfer Station (ATS) – no written agreement, annual notice (this letter).
Current Rate: \$87.62/ton New Rate: \$90.25 (3.0% increase)
- d. Yard Debris tip fee at ATS – No written agreement, annual notice (this letter).
Current Rate: \$10.50/yard New Rate: \$10.82/yard (3.0% increase)
Notes: This rate depends in part on our vendor's pricing, which is subject to change.
- e. Medical Waste - There will be no increase to medical waste collection rates this year.

LICENSE FEE RECAP

For Calendar Year 2017, the License Fees remitted to the City totaled approximately \$39,981. We are projecting to pay the City \$42,363 in license fees in the upcoming 12 month period (including an estimated CPI adjustment). This number reflects our best estimate of the growth in drop box activity and other services, as well as the impact of the proposed rate adjustments. Please note that License Fees will fluctuate based on actual services provided.

We appreciate the opportunity to serve our customers and neighbors in the City of Warrenton. Please let me know if you would like to meet in advance or when you would like us to attend the commission meeting to review the proposed adjustment. Feel free to give me a call at 503-474-4839 if you have any questions, or if you require any additional information.

Respectfully,

A handwritten signature in black ink, appearing to read 'Carl Peters'.

Carl Peters
General Manager