

APPROVING AN INCREASE OF FRANCHISE FOR) RESOLUTION NO. 13
ALLIED WASTE SERVICES OF ALBANY-LEBANON) FOR 2009

WHEREAS, the cost of providing garbage collection services by Allied Waste Services (the franchisee) has, or likely will, increase the next two year.

WHEREAS, the franchisee has experienced increases in landfill fees and a decline in revenues for recycled materials.

WHEREAS, the franchisee has the necessity of a reasonable return on their investment,

WHEREAS, the proposed rates in Exhibit "A" are similar to other cities for similar services,

WHEREAS, a rate increase is in the public interest in order to meet basic service needs,

THEREFORE BE IT RESOLVED, that the City of Lebanon approves the proposed refuse collection rates as shown in Exhibit "A".

Section 1. Effective July 1, 2009.

Passed by the Lebanon City Council and signed by the Mayor this 13th day of May 2009 by a vote of 5 for and 0 against.

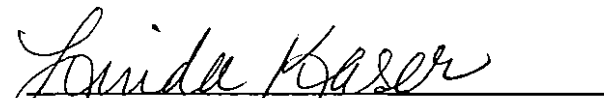
CITY COUNCIL OF LEBANON, OREGON



Kenneth I. Toomb, Mayor

Bob Elliott, Council President

ATTEST:


Linda Kaser, City Clerk/Recorder

Allied Waste of Albany-Lebanon

Proposed Monthly Residential Service Rates for Lebanon

		Proposed
1 Can		\$ 18.75
Each add can		\$ 13.75
20 gal cart		\$ 14.00
32 gal cart		\$ 15.70
90 gal cart		\$ 24.50
2 can special		\$ 10.90
Up-drive fee		\$ 15.00
Enclosure fee		\$ 20.00

Additional 32 gallon carts are \$ 15.70 per month
 Additional 90 gallon carts are \$ 24.50 per month
 \$3.00/day beyond original seven days or \$25.00 maximum per month

Yard Carts/Composters

One 90 gallon cart with every other week collection or a home composter available at no extra charge when on weekly garbage service

Current Cost- \$7.00 per month for additional carts or composters; or if not on weekly service

~~Proposed Cost- No change~~

Curbside Recycling

Carts with weekly collection available upon request at no extra charge

Carts provided at residents even if no garbage collection service

Temporary Containers

3 cubic yards

Current Cost - \$66.00 per dump (includes delivery, pickup, and seven days use)

~~Proposed Cost- \$76.00~~

Current Rent = \$3.00/day beyond original seven days or \$25.00 maximum per month

~~Proposed Rent- \$3.00/day beyond original seven days or \$29.80 maximum per month~~

Excessive Weight = Containers loaded with heavy debris (dirt, concrete, asphalt, shingles) weighing more than 500lbs/yard may be subject to an additional \$15.00/500lbs fee per dump.

Yard Debris Tubs

300 gallon tub

(Current) Cost = \$29.50 per dump (includes delivery, pickup and seven day's use)

~~Proposed \$34.00~~

Rent = \$21.00 per month

Allied Waste of Albany-Lebanon

Proposed Commercial Manual Container Rates for Lebanon

Size	Current 1/Week	Proposed 1/Week	Current 2/Week	Proposed 2/Week	Current 3/Week	Proposed 3/Week	Current 4/Week	Proposed 4/Week	Current 5/Week	Proposed 5/Week
1.5 yd	\$ 110.20	\$ 121.80	\$ 209.20	\$ 231.20	\$ 303.20	\$ 340.60	\$ 403.10	\$ 449.80	\$ 506.10	\$ 559.10
2 yd	\$ 149.00	\$ 149.20	\$ 257.00	\$ 284.10	\$ 370.00	\$ 419.00	\$ 501.20	\$ 553.90	\$ 620.30	\$ 688.70
3 yd	\$ 190.40	\$ 190.40	\$ 323.20	\$ 362.70	\$ 461.00	\$ 541.80	\$ 641.30	\$ 708.60	\$ 800.50	\$ 884.60
4 yd	\$ 227.40	\$ 227.40	\$ 392.70	\$ 433.90	\$ 552.00	\$ 638.90	\$ 764.60	\$ 844.90	\$ 950.10	\$ 1,049.90
6 yd	\$ 283.00	\$ 316.00	\$ 493.00	\$ 607.00	\$ 789.00	\$ 894.80	\$ 1,070.30	\$ 1,182.90	\$ 1,330.90	\$ 1,470.60
8 yd	\$ 352.00	\$ 383.10	\$ 623.00	\$ 731.80	\$ 970.00	\$ 1,074.10	\$ 1,281.60	\$ 1,416.20	\$ 1,585.30	\$ 1,751.80

Locking Containers

Current- One time setup fee of \$60 applies to all locking containers

~~Proposed: No change~~

Excessive Weight

Current- Material weighing more than 500lbs/yard may be subject to an additional \$15.00/500lbs fee per dump

~~Proposed: No change~~

Off route service fee

Current - \$25.00 service fee will be applied to all requests not on scheduled routes

~~Proposed: No change~~

Proposed Commercial Stab Container Rates for Lebanon

Size	Current 1/Week	Proposed 1/Week	Current 2/Week	Proposed 2/Week	Current 3/Week	Proposed 3/Week	Current 4/Week	Proposed 4/Week	Current 5/Week	Proposed 5/Week
1.5 yd	\$ 92.00	\$ 102.80	\$ 172.20	\$ 191.40	\$ 253.00	\$ 279.90	\$ 333.60	\$ 368.60	\$ 413.80	\$ 457.20
2 yd	\$ 123.00	\$ 124.90	\$ 211.30	\$ 234.00	\$ 304.20	\$ 332.90	\$ 409.40	\$ 452.40	\$ 508.20	\$ 561.60
3 yd	\$ 155.00	\$ 155.60	\$ 261.00	\$ 292.60	\$ 383.00	\$ 429.60	\$ 512.80	\$ 566.60	\$ 636.70	\$ 703.60
4 yd	\$ 187.00	\$ 185.40	\$ 310.00	\$ 350.20	\$ 450.00	\$ 514.90	\$ 615.70	\$ 679.70	\$ 764.20	\$ 844.40
6 yd	\$ 231.00	\$ 255.50	\$ 380.00	\$ 487.00	\$ 630.00	\$ 718.60	\$ 859.80	\$ 950.10	\$ 1,069.20	\$ 1,181.60
8 yd	\$ 292.00	\$ 311.90	\$ 467.00	\$ 594.20	\$ 780.00	\$ 876.50	\$ 1,057.70	\$ 1,158.80	\$ 1,329.20	\$ 1,468.80

On Call Containers:

Size	Current Dump Fee	Proposed Dump Fee	Current Rent	Proposed Rent
1.5 yd	\$ 31.00	\$ 34.40	\$ 26.00	\$ 25.40
2 yd	\$ 37.40	\$ 41.30	\$ 25.00	\$ 27.60
3 yd	\$ 46.70	\$ 51.60	\$ 27.00	\$ 29.80
4 yd	\$ 58.50	\$ 64.80	\$ 29.00	\$ 32.00
6 yd	\$ 84.40	\$ 93.30	\$ 31.00	\$ 34.30
8 yd	\$ 108.00	\$ 120.20	\$ 33.00	\$ 36.50

Commercial Compactor Rates

Size	Current 1/Week	Proposed 1/Week	Current 2/Week	Proposed 2/Week	Current 3/Week	Proposed 3/Week	Current 4/Week	Proposed 4/Week	Current 5/Week	Proposed 5/Week
2 yd	\$ 70.00	\$ 298.40	\$ 514.20	\$ 568.20	\$ 758.20	\$ 838.00	\$ 1,002.60	\$ 1,107.80	\$ 1,246.60	\$ 1,377.40
3 yd	\$ 74.50	\$ 380.80	\$ 656.40	\$ 725.40	\$ 980.60	\$ 1,083.60	\$ 1,282.60	\$ 1,417.20	\$ 1,601.00	\$ 1,769.20
4 yd	\$ 118.00	\$ 454.80	\$ 785.40	\$ 867.80	\$ 1,156.40	\$ 1,277.80	\$ 1,529.20	\$ 1,689.80	\$ 1,901.20	\$ 2,099.80
5 yd	\$ 188.00	\$ 1,086.80	\$ 1,384.00	\$ 2,081.80	\$ 2,347.00	\$ 3,146.00	\$ 3,970.20	\$ 4,055.60	\$ 4,552.00	\$ 5,041.00
6 yd	\$ 222.00	\$ 632.00	\$ 1,098.00	\$ 1,214.00	\$ 1,519.00	\$ 1,789.60	\$ 2,141.00	\$ 2,365.80	\$ 2,661.80	\$ 2,941.20
8 yd	\$ 298.00	\$ 766.20	\$ 1,324.00	\$ 1,463.60	\$ 1,944.00	\$ 2,148.20	\$ 2,563.20	\$ 2,832.40	\$ 3,170.60	\$ 3,503.60

Allied Waste of Albany-Lebanon Proposed Industrial Drop Box Rates for Lebanon

Size	Current and proposed temporary rent rates		Current Delivery Fee	Proposed Delivery Fee	Current Daily Rent	Proposed Daily Rent	Current Monthly Rent	Proposed Monthly Rent
	Current Haul Fee	Proposed Haul Fee						
10	\$ 184.00	\$ 208.00	\$ 38.00	\$ 42.00	\$ 13.00	\$ 15.00	\$ 390.00	\$ 120.00
20	\$ 184.00	\$ 208.00	\$ 38.00	\$ 42.00	\$ 13.00	\$ 15.00	\$ 390.00	\$ 120.00
30	\$ 194.00	\$ 219.00	\$ 38.00	\$ 42.00	\$ 13.00	\$ 15.00	\$ 390.00	\$ 120.00
40	\$ 204.00	\$ 231.00	\$ 38.00	\$ 42.00	\$ 13.00	\$ 15.00	\$ 390.00	\$ 120.00

Size Compactor	Current Haul Fee	Proposed Haul Fee
15	\$ 220.00	\$ 249.00
20	\$ 220.00	\$ 249.00
30	\$ 245.00	\$ 277.00
40	\$ 245.00	\$ 277.00

Compactor pullout rate is the same as an open top haul fee

Roll Lidded Boxes	Current Rent	Proposed Rent
10	\$ 136.00	\$ 136.00
20	\$ 136.00	\$ 136.00
30	\$ 136.00	\$ 136.00
40	\$ 137.00	\$ 141.00

Current and proposed permanent rent rates			
Current Daily Rental	Proposed Daily Rental	Current Monthly Rental	Proposed Monthly Rental
\$ 13.00	\$ 15.00	\$ 390.00	\$ 120.00
\$ 13.00	\$ 15.00	\$ 390.00	\$ 120.00
\$ 13.00	\$ 15.00	\$ 390.00	\$ 120.00
\$ 13.00	\$ 15.00	\$ 390.00	\$ 120.00

Crank Lidded Boxes	Current Monthly Rental	Proposed Monthly Rental
10	\$ 113.00	\$ 113.00
20	\$ 113.00	\$ 113.00
30	\$ 113.00	\$ 113.00
40	\$ 115.00	\$ 118.00

Notes

- All drop box rates pay current disposal fees at Coffin Butte Landfill.
- All industrial rates are maximum allowable rates charged
- All drop box rates pay current Environment Fee per load at Coffin Butte

Asbestos Haul

\$100.00 additional haul charge per box plus current disposal rate

	Current Hourly	Proposed Hourly
Loader Charges	\$ 75.00	\$ 100.00
Labor Charges	\$ 75.00	\$ 75.00

Allied Waste of Albany- Lebanon
Rate Comparison

2009 Rate Comparisons	Current City of Lebanon	Proposed City of Lebanon	Current City of Albany	Current City of Corvallis	Proposed City of Corvallis	City of Bend	City of Medford	City of Sweet Home	City of Springfield	City of Salem	City of Tualatin	City of Beaverton	Canby	City of Gresham
Hauler Name	AW of Albany Lebanon	AW of Albany Lebanon	AW of Albany Lebanon	AW of Corvallis	AW of Corvallis	Cascade Disposal	Rogue Waste Systems Inc	Sweet Home	Sanipac	Capital	Rossmann/ Keller DB	Valley Garbage	Canby Disposal	Gresham Sanitary
Service Type														
32 gallon can service	17.25	18.75	17.25	20.30	22.25	18.60	12.47	20.00	n/a	n/a	n/a	18.00	21.36	n/a
32 gallon cart	14.40	15.70	14.40	15.90	15.90	15.60	14.96	20.00	19.70	20.10	20.90	18.00	21.36	26.60
90 gallon cart	22.80	24.50	22.80	27.70	27.70	28.80	35.18	24.70	44.20	n/a	n/a	37.00	37.91	39.05
2 yd front load slab container 1x/week	113.00	124.90	113.00	114.90	124.10	138.52	130.52	n/a	127.20	110.85	135.50	n/a	162.40	139.00
30 yd drop box (haul only)	194.00	219.00	169.00	247.00	265.00	449.50	409.29+	190.00+	181.40+	449.50+	146.00+	n/a	134.99+	185.75+

* drop box prices with a + include various other fees including: disposal, delivery, rent, mileage and environmental fees.

Miscellaneous Charges

	Current	Proposed
T-special/not on regular route day	\$ 21.00	\$ 24.00
Extra 32 gal can/garbage	\$ 7.00	\$ 8.00
Extra can larger than 32 gal can	\$ 9.00	\$ 10.00
55 gal drum dump & leave \$30	\$20.00 dump & take	\$20.00 dump & take
Heavy can/dirt/rock/cement	\$ 7.00	\$ 8.00
Extra box/garbage (no larger than a 32 gal can)	\$ 7.00	\$ 8.00
Extra loose garbage per yard	\$ 18.00	\$ 20.00
Time per minute to pick up loose	\$ 1.25/per minute	\$ 1.25/per minute
Wash Cart	\$ 18.00	\$ 20.00
Wash Container	\$ 33.50	\$ 37.00
Cart exchange (service change one time per year free)	\$ 16.00	\$ 18.00
Lock & Key Deposit for container	\$ 19.00	\$ 21.00
Late Fee will be 1.5% or a minimum charge of \$5.00, whichever is greater		
Service interrupt Fee(fee assessed for non-payment)	\$ 30.00	\$ 30.00
Account Origination Fee	\$ 10.00	\$ 10.00

Single Items

Bathtub	\$ 29.00	\$ 31.00
Chair – recliner or large chair	\$ 19.00	\$ 21.00
Couch	\$ 25.00	\$ 28.00
Couch (Hide-a-bed)	\$ 28.00	\$ 31.00
Dishwasher	\$ 19.00	\$ 21.00
Dryer	\$ 19.00	\$ 21.00
Freezer	\$ 31.00	\$ 34.00
Mattress or boxspring – queen or king	\$ 22.00	\$ 24.00
Mattress or boxspring – twin or double	\$ 19.00	\$ 22.00
Refrigerator	\$ 30.00	\$ 34.00
Stove or Range (electric or gas)	\$ 26.00	\$ 28.00
Car Tires	\$ 10.00	\$ 12.00
with rim	\$ 15.00	\$ 18.00
Truck Tires	\$ 22.00	\$ 26.00
with rim	\$ 32.00	\$ 37.00
TV – console	\$ 23.00	\$ 26.00
Washing Machine	\$ 25.00	\$ 28.00
Water Heater	\$ 19.00	\$ 21.00

Allied Waste of Albany-Lebanon
City of Lebanon
Proforma Schedule of Direct Expenses
For the twelve months ended December 31, 2008, 2009 and 2010

	2008	2009 Projected	2010 Projected	Annualized % Increase
COST OF OPERATIONS				
Labor	387,746	394,927	405,090	2.2%
Repairs and Maintenance	128,887	130,992	134,557	2.2%
Vehicle Operating Costs ¹	152,813	108,947	114,312	-12.6%
Equipment Rent	(1,399)	(1,413)	(1,455)	2.0%
Facility Operating	50,053	50,553	52,074	2.0%
Safety, Insurance and Claims	41,856	42,274	43,543	2.0%
Disposal ²	419,497	458,523	472,397	6.3%
Recycling Purchases	6,835	6,903	7,110	2.0%
Franchise Fees	77,068	78,652	82,262	3.4%
Other Operating Costs	24,943	25,504	26,113	2.3%
Depreciation and Interest	131,617	132,934	134,928	1.3%
TOTAL COST OF OPERATIONS	1,419,916	1,428,797	1,470,929	1.8%
SALARIES, GENERAL & ADMINISTRATIVE				
Salaries	94,463	96,322	98,807	2.3%
Rent and Office Expense	33,088	33,419	34,424	2.0%
Travel and Entertainment	4,161	4,202	4,329	2.0%
Professional Fees	2,667	2,694	2,775	2.0%
Bad Debt Expense	12,214	12,336	12,706	2.0%
Management Services	124,042	133,444	135,596	4.7%
Other Expenses	46,608	47,074	48,486	2.0%
Depreciation	630	636	646	1.3%
TOTAL SALARIES, GENERAL & ADMINISTRATIVE	317,873	330,128	337,769	3.1%

Explanation of Significant Inflationary Costs:

1) Fuel rates averaged \$3.36 per gallon in 2008. Year-to-date 2009 the fuel rate has averaged \$1.78 per gallon. We are projecting fuel rates to average \$2.19 in 2009.

2) Effective March 1, 2009, disposal rates at Coffin Butte increased to \$33.00/ton, up from \$31.75. Process Recovery Center fees for yard waste composting increased from \$22.00/ton to \$23.00/ton effective March 1, 2009. Source Recycling is Allied's recycling facility where our recycling material is baled for transport. Since late 2008, commodity prices have plummeted and Source began to pass on their cost to bale and transport the material to market.

Allied Waste of Albany-Lebanon
City of Lebanon
Proforma Statement of Income
For the twelve months ended December 31, 2008, 2009 and 2010

	2008	2009 Projected	2010 Projected	Annualized % Increase
Revenue	1,876,073	1,966,305	2,056,538	4.8%
Cost of Operations	1,419,916	1,428,797	1,470,929	1.8%
Gross Profit	456,157	537,508	585,609	14.2%
Salaries, General and Administrative	317,873	330,128	337,769	3.1%
Operating Income	138,284	207,380	247,840	39.6%
Provision for Income Taxes	47,708	71,546	85,505	39.6%
Net Income	90,576	135,834	162,335	39.6%
Net Income as a Percent of Sales	4.83%	6.91%	7.89%	