

RESOLUTION NO. 462

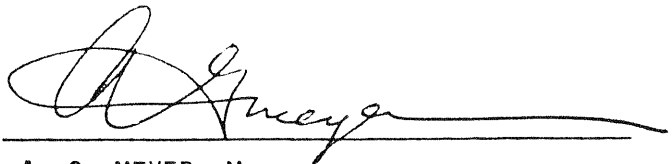
A RESOLUTION ESTABLISHING SOLID WASTE DISPOSAL RATES  
FOR UNITED DISPOSAL SERVICE, INC. OPERATION IN THE  
CITY OF WILSONVILLE.

WHEREAS, under Ordinance No. 204, passed February 3, 1982, the City of Wilsonville renewed the franchise for solid waste management and service with United Disposal Service, Inc., and continued the maximum rate approved June 15, 1981, and

WHEREAS, Section 13 of said Ordinance No. 204 provides that rates may be changed from time to time by the City Council approving a resolution. The Franchisee has applied to the City for a rate increase to cover the increased cost of disposal and franchise fees approved by Marion County on January 30, 1985, as a result of the garbage burner being built in Marion County. The disposal fees will be increased from \$4 per ton to \$12 per ton. The Franchisee has submitted satisfactory evidence to the City Council to justify the requested rates.

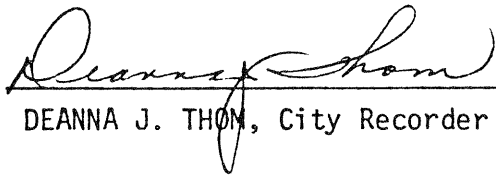
NOW, THEREFORE, BE IT RESOLVED, that the City Council does hereby adopt this Resolution and incorporates by reference the attached Exhibit "A" of two pages setting forth the maximum rates to be charged by the Franchisee for the services set forth, with such rates to be effective March 1, 1985.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 4th day of March, 1985, and filed with the Wilsonville City Recorder this same date.



A. G. MEYER, Mayor

ATTEST:



DEANNA J. THOM, City Recorder

UNITED DISPOSAL SERVICE, INC.  
180 S. Pacific Hwy.  
Woodburn, Oregon, 97071  
PH. 981-1278

CITY OF WILSONVILLE

Effective Date: March 1, 1985

I. RESIDENTIAL RATE ON MONTHLY BASIS:

<u>1 STOP PER WEEK - 32 Gallon Can</u>	1 CAN	2 CANS	3 CANS
	\$6.60	\$11.20	\$15.70

NOTES ON RESIDENTIAL SERVICE: (1) IN TRAILER COURTS WHERE OWNER OF PARK IS RESPONSIBLE FOR PAYMENT, THE CHARGE WILL BE \$5.75 PER CAN. (2) OCCASIONAL EXTRA CAN FOR A REGULAR CUSTOMER SHALL BE \$1.70. (3) THE MINIMUM CHARGE FOR ANY STOP FOR AN OCCASIONAL CUSTOMER SHALL BE \$3.15. (4) STATE ACCIDENT INSURANCE FUND SAFETY RECOMMENDATIONS SHALL BE FOLLOWED. THESE ARE THE CAN SHALL NOT EXCEED 32 GALLONS AND 60 POUNDS. CANS TO BE OF RECOMMENDED TYPE AND LOCATED IN ACCORDANCE WITH S.A.I.F. RECOMMENDATIONS.

II. COMMERCIAL CAN RATE ON MONTHLY BASIS - 32 GALLON CAN:

1 STOP PER WEEK			2 STOPS PER WEEK			3 STOPS PER WEEK		
1 Can	2 Cans	3 Cans	1 Can	2 Cans	3 Cans	1 Can	2 Cans	3 Cans
\$7.15	\$12.55	\$17.85	\$14.20	\$25.05	\$35.65	\$21.45	\$37.55	\$53.50

NOTES ON COMMERCIAL SERVICE: (1) ADDITIONAL CANS SHALL BE \$5.40 PER MONTH MULTIPLIED BY THE NUMBER OF STOPS PER WEEK. (2) AN EXTRA CHARGE OF 25% WILL BE MADE FOR EACH ADDITIONAL FLIGHT OF STAIRS. (3) EXTRA CHARGE MAY BE MADE FOR GARBAGE WHICH IS NOT READILY AVAILABLE ON COLLECTION DAY OR WHICH NEEDS ADDITIONAL JANITORIAL SERVICE. (4) BRUSH OR LIMBS ARE TO BE BUNDLED AND AT THE CURB. (5) THE CHARGE FOR MULTIPLE UNITS OF ANY TYPE SHALL BE TO THE OWNER OF THE UNITS. (6) AN EXTRA CHARGE MAY BE MADE FOR SERVICE THAT INCURS ADDITIONAL DISPOSAL COSTS SUCH AS TIRES, MAJOR APPLIANCES, ETC. OR FOR HANDLING OVERSIZED, ODOROUS, DANGEROUS OR LIQUID ARTICLES. (7) WHEN A STOP USES 7 OR MORE 32 GALLON CANS, THE COLLECTOR MAY REQUIRE THAT THE SERVICE BE SHIFTED TO A CONTAINER TYPE SERVICE.

III. CONTAINER RATES ON A MONTHLY BASIS: (a) FOR LOOSE MATERIAL

<u>STOPS PER WEEK:</u>	<u>ONE</u>	<u>TWO</u>	<u>THREE</u>
ONE YARD	\$41.70	\$76.80	\$112.05
ONE-ONE/HALF YARD	55.40	102.45	149.50
TWO YARD	71.20	131.70	192.40

(b) FOR COMPACTED MATERIAL

WHERE THE COMPACTED CONTAINER CAN BE DUMPED INTO THE COLLECTION TRUCK, THE CHARGE WILL BE DOUBLE THE ABOVE LOOSE RATE, AND THE COMPACTOR SHALL BE COMPATIBLE WITH THE EQUIPMENT OF THE COLLECTOR.

(c) CHARGE FOR LARGER CONTAINERS AND ADDITIONAL STOPS

FOR LARGER CONTAINERS, THE CHARGE SHALL BE A MULTIPLE OF THE PRICE FOR THE TWO YARD CONTAINER FOR THE RELEVANT NUMBER OF STOPS PER WEEK. FOR MORE THAN THREE STOPS PER WEEK, THE RATE SHALL BE THE DIFFERENCE BETWEEN THE SECOND AND THIRD STOP PER WEEK FOR EACH ADDITIONAL STOP, MODIFIED AS NECESSARY FOR CONTAINERS LARGER THAN TWO YARDS.

III. CONTAINER RATES ON A MONTHLY BASIS: (CONTINUED)

(d) MISCELLANEOUS PROVISIONS  
FOR CONTAINERS

THE CHARGE FOR THE USE OF THE CONTAINER IS INCLUDED IN THE PRICE FOR SERVICE. THE MINIMUM CHARGE FOR A CONTAINER SHALL BE THE ONE STOP PER WEEK RATE. WHILE NO RENTAL CHARGE WILL BE MADE ON CONTAINERS, WHERE CONTAINERS ARE USED IN HANDLING MATERIAL THAT CAUSES EXCESSIVE WEAR OR DAMAGE, AN ADDITIONAL CHARGE MAY BE MADE FOR SUCH WEAR OR DAMAGE. THE CHARGE FOR DELIVERY OF A CONTAINER TO AN OCCASIONAL CUSTOMER SHALL BE \$13.10. THE CHARGE FOR EMPTYING SAID OCCASIONAL CONTAINER SHALL BE BASED ON THE FIRST STOP PER WEEK RATE.

IV. DROP BOX SERVICE RATES:

(a) FOR LOOSE MATERIAL

THE CHARGE SHALL BE \$2.70 PER YARD FOR 20 AND 30 YARD DROP BOXES, AND \$2.55 PER YARD FOR 40 YARD DROP BOXES. IN ADDITION, THERE SHALL BE A \$46.10 PER MONTH RENTAL CHARGE ON A BOX. FOR BOXES LEFT ON AN OCCASIONAL BASIS, THERE SHALL BE A RENTAL CHARGE OF \$3.45 PER DAY AFTER 48 HOURS ON A LOCATION. THE COST OF DISPOSAL SHALL BE CHARGED IN ADDITION TO THE YARDAGE AND RENTAL CHARGES.

(b) FOR COMPACTED MATERIALS

THE CHARGE SHALL BE \$4.10 PER YARD PLUS COST OF DISPOSAL WHERE THE CUSTOMER FURNISHES THE COMPACTOR DROP BOX. HOWEVER, FOR A 15 YARD OR SMALLER COMPACTED DROP BOX, A COMPACTOR OF ANY KIND THAT HAS TO BE HAULED TO THE LANDFILL AND RETURNED TO THE CUSTOMER, THE SERVICE FEE SHALL BE \$66.30 PLUS COST OF DISPOSAL. IF THE COLLECTOR AGREES TO FURNISH THE COMPACTOR, THE RENTAL SHALL BE THE CURRENT RATE THE COLLECTOR WOULD PAY ON A LEASE-PURCHASE. BEFORE ACQUIRING A COMPACTOR, THE CUSTOMER MUST MAKE CERTAIN THE COMPACTOR TO BE ACQUIRED IS COMPATIBLE WITH THE EQUIPMENT OF THE COLLECTOR OR THE EQUIPMENT THE COLLECTOR IS WILLING AND ABLE TO ACQUIRE.

V. MISCELLANEOUS SERVICES AND PROVISIONS:

(a) HOURLY HAULING RATES  
(Plus Cost of Disposal)

ONE TRUCK AND ONE MAN - \$38.20 PER HOUR  
ONE TRUCK AND TWO MEN - \$52.20 PER HOUR

(b) EACH LOCATION OF CANS WILL BE

BILLED AS A SEPARATE ACCOUNT UNDER THIS SCHEDULE.

(c) WHEN MATERIALS OR CUSTOMER ABUSE

CAUSES EXCESSIVE WEAR OR DAMAGE TO THE DROP BOX, THE COST OF REPAIR OR REPLACEMENT MAY BE CHARGED TO THE CUSTOMER.

(d) THE WEIGHT OF MATERIAL PUT INTO

A CONTAINER OR DROP BOX, WHETHER COMPACTED OR UNCOMPACTED, SHALL NOT EXCEED THE LIFTING CAPACITY OF THE COLLECTOR'S EQUIPMENT NOR SHALL THE WEIGHT PUT THE COLLECTOR OVER THE WEIGHT LIMIT FOR THE LOADED VEHICLE. THE COLLECTOR SHALL FURNISH THE CUSTOMER WITH INFORMATION CONCERNING LIMITATIONS ON HIS EQUIPMENT, UPON REQUEST.

CITY OF WILSONVILLE

# MEMO

March 4, 1985

DATE

TO: Mayor and City Council

FROM: Daniel O. Potter, City Administrator

SUBJECT: United Disposal Service, Rate Increase to Cover Pass  
Through Marion County Garbage Burner Costs

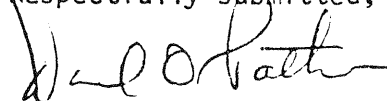
United Disposal Services have requested that the City of Wilsonville approve an increase in garbage rates. This increase is to compensate for the increase in costs of operation by reason of the pass through costs occasioned by the Marion County garbage burner.

These additional costs will increase the disposal rate from \$4 per ton to \$12 per ton. This cost will be less than the cost of disposal at the Clackamas Transfer and Recycling Center which is currently \$15.73 per ton.

The Marion County fee of \$12 per ton, plus the Metro fee of \$2.85 per ton equals \$14.85 or \$0.88 less per ton by going to Marion County.

Recommendation: Based on my review of the attached, and of other material, I recommend that the Council adopt the increased rates, and specifically that Council adopt the resolution proposed, effective as of March 1, 1985.

Respectfully submitted,



Daniel O. Potter

DOP/fr

Attachments

HARLAN BUSINESS CONSULTANTS, INC.  
 2202 S.E. LAKE RD.  
 MILWAUKIE, OREGON 97222  
 (503) 654-9533

ESTLE HARLAN  
 CONSULTANT

February 11, 1985

TO: CITY COUNCIL, CITY OF WILSONVILLE.

Subject: Request for UNITED DISPOSAL SERVICE, INC. For Rate Increase Effective March 1, 1985, to Cover Pass-Through of Increase in Disposal Costs and Attendant Costs as a Result of Garbage Burner in Marion County.

Honorable Members of the City Council:

Every cent for which we are asking is as a result of the garbage burner that is being built in Marion County.

It is necessary for them to have a \$2 million trust fund before the burner can open, and that means there will be an increase in disposal costs from \$4 per ton to \$12 per ton. That increase was approved by Marion County on January 30, 1985. The timing of the disposal fee increase and the amount of the increase was not known to your collector when we came before you for the rate increase that was effective August 1, 1984. Even though your city is in Clackamas County, it is to your advantage that your collector is using the Marion County disposal site. The disposal fee at Clackamas Transfer & Recycling Center (CTRC) is \$15.73 per ton. Even with the increase to \$12 per ton in Marion County (plus \$2.85 Metro User Fee paid on solid waste collected in Wilsonville because the city is within the Metro boundaries), that fee is still less than current CTRC disposal fees.

I am attaching a copy of the Income Statement for United Disposal Service, Inc. that gives the actual figures for the year ending June 30, 1984. This statement, also, includes a pro-forma column for the current 12 month period. That pro-forma column reflects the 13% rate increase that was effective August 1, 1984. The pro-forma statement, also, reflects the projected increase in disposal cost and resultant increase in franchise fees.

The breakdown in increased costs for which we are requesting a pass-through rate increase is as follows:

1. <u>Disposal Fees</u>		
Pro-Forma FYE 1985	\$550,285	
Actual FYE 1984	(223,268)	
Increase	<u>\$327,017</u>	
Divided by Pro-Forma Sales \$2,739,253 =		14% Increase
2. <u>Franchise Fees</u>		
Pro-Forma FYE 1985	\$ 62,049	
Increased Franchise Fees	8,705	
Adjusted Pro-Forma FYE 1985	<u>\$ 70,754</u>	
Actual FYE 1984	( 55,280)	
Increase	<u>\$ 15,474</u>	
Divided by Pro-Forma Sales \$2,379,253 =		1% Increase

The rate increase we are requesting is 16%. The increase in disposal costs and franchise fees amounts to 15%. The additional 1% we are requesting is to cover projected loss of accounts due to the necessity of raising the garbage collection rates. This 16% rate increase would apply to residential, commercial can, and container rates.

The drop-box rate structure calls for disposal fees to be charged on top of the base approved rate. Thus, there is an automatic pass-through of the 14% increase in disposal costs for the drop-box customers. The increase we are requesting in the base approved rate for drop-box would be 2% to cover the increase in franchise fees and the loss of accounts. This 2% base rate increase would, also, apply to the Miscellaneous Services set forth under Item V. of the Rate Schedule.

Attached is a proposed Resolution with the Rate Schedule included as Exhibit "A".

Finally, we are enclosing a summary of comparable rates for surrounding jurisdictions in Marion County, Clackamas County, and Washington County. Even with this requested rate increase, your collector will have the lowest rates of the collectors in these surrounding jurisdictions.

We do appreciate the promptness with which your city allowed us to be placed on the council agenda, so that this crisis situation could be acted upon by you.

Sincerely,



ESTLE HARLAN, Consultant for  
UNITED DISPOSAL SERVICE, INC.

EH:e

Copy: R.F. BRENTANO

SUMMARY OF COMPARATIVE RATES

(Monthly Rates for Residential One-Can Service/One Stop Per Week)

<u>JURISDICTION</u>	<u>EFFECTIVE DATE</u>	<u>PRESENT RATE</u>	<u>REQUESTED* RATE</u>	<u>Footnote Explanation</u>
Clackamas County (urban)	5/1/83	7.28	8.00	(1)
Gladstone	1/3/84	7.00	-	
Marion County (Rural)	9/1/82	6.25	8.15	(2)
Milwaukie	9/1/83	6.00	6.60	(3)
Molalla	5/1/84	7.10	-	
Salem	9/1/82	5.20	6.75	(4)
Sandy	5/1/84	6.40	6.90	(5)
Tigard	1/1/83	6.95	-	
Washington Co. (urban)	1983	7.15	-	
Your City	8/1/84	5.70	6.60	(6)

\*Denotes Rate Increase in Progress

Footnote Explanations:

(1) The Solid Waste Administrator for Clackamas County has approved the rate request. It is anticipated that it will be passed by the Solid Waste Commission on February 7, and by the Board of County Commissioners on February 14.

(2) The Collectors in Marion County have requested a 30% increase.

(3) The Collectors in Milwaukie are in the process of requesting a 10% increase. They have no disposal cost increase and already have rates well above your rates.

(4) The Collectors in Salem have requested a 30% increase.

(5) The Collector in Sandy is in the process of requesting approximately an 8% increase. He has no disposal cost increase and his rates already are substantially above your rates.

(6) The Salem and Marion County Collectors have had a higher rate for several years than your collector had prior to the 8/1/84 increase in your city, and they are now asking a percentage increase on that higher rate that totals 30%.



UNITED DISPOSAL SERVICE, INC.  
WOODBURN, OREGON

STATEMENT OF INCOME  
JULY 1, 1983-JUNE 30, 1984  
AND PROFORMA 12 MONTHS

	ACTUAL	PROFORMA
REVENUES		
SALES	\$ 2,117,616	2,379,253
RECYCLING	100,206	104,214
TOTAL	2,217,822	2,483,468
DIRECT OPERATING EXPENSES		
SCHEDULE 1	1,591,485	1,995,194
GROSS PROFIT	626,417	488,274
ADMINISTRATIVE EXPENSES-		
SCHEDULE 2	554,244	571,596
OPERATING PROFIT	72,173	-83,322
OTHER INCOME (EXPENSE)	61,737	18,000
INCOME BEFORE TAX	133,910	-65,322
INCOME TAX	27,678	-26,129
NET INCOME	\$ 106,232	-39,193

UNITED DISPOSAL SERVICE, INC.  
 WOODBURN, OREGON  
 SCHEDULE OF ADMINISTRATIVE EXPENSES  
 JULY 1, 1983-JUNE 30, 1984  
 AND PROFORMA 12 MONTHS

	ACTUAL	PROFORMA
<u>GENERAL &amp; ADMINISTRATIVE</u>		
SALARIES	\$ 157,437	163,734
PAYROLL TAXES & BENEFITS	24,458	25,436
ADVERTISING	2,543	2,645
AMORTIZATION	55,371	55,699
BAD DEBTS	10,856	11,290
CONTRIBUTIONS	1,024	1,255
DEPRECIATION	26,977	28,056
DUES & SUBSCRIPTIONS	7,094	7,378
INSURANCE & DAMAGES	27,536	28,741
INTEREST	65,767	65,199
MANAGEMENT SERVICES	77,166	77,166
MISCELLANEOUS	7,546	7,848
OFFICE SUPPLIES	8,042	8,364
POSTAGE	9,971	10,370
PROFESSIONAL SERVICES	13,577	14,120
PROPERTY TAXES	12,181	12,668
RENT OFFICE BUILDING	7,050	9,702
REPAIRS OFFICE BUILDING	2,298	2,390
REPAIRS OFFICE EQUIPMENT	4,473	4,652
TELEPHONE	17,248	17,938
TRAVEL & PROMOTION	13,712	14,260
UTILITIES	1,817	1,874
TOTAL	\$ 554,244	571,596

UNITED DISPOSAL SERVICE, INC.  
WOODBURN, OREGON

SCHEDULE OF DIRECT EXPENSES  
JULY 1, 1983-JUNE 30, 1984  
AND PROFORMA 12 MONTHS

	ACTUAL	PROFORMA
<u>DIRECT OPERATING EXPENSES</u>		
LABOR	\$ 562,420	584,917
PAYROLL TAXES & BENEFITS	193,655	201,401
GAS & OIL	106,020	110,261
TIRES & REPAIR	26,343	27,397
REPAIRS & MAINTENANCE	91,555	95,633
RENT OPERATING EQUIPMENT	96,132	96,132
SUPPLIES	2,973	3,092
UNIFORMS & LAUNDRY	3,230	3,359
FRANCHISE FEES	55,200	62,049
LICENSES & USE TAXES	14,766	15,357
RENT-SHOP BUILDING	42,576	65,616
REPAIRS & MAINT SHOP BLD	2,366	2,461
UTILITIES SHOP	4,720	4,909
DUMPING CHARGES	223,268	550,285
DEPRECIATION	113,246	117,776
PURCHASES FOR RECYCLE	50,716	52,742
SUBCONTRACTORS	1,739	1,809
TOTAL DIRECT EXPENSES	\$ 1,591,405	1,995,194