

2021 Solid-Waste Collection Rate Report for Adoption via Resolution No. 2931

Wilsonville City Council Work Session

October 18, 2021

- Chris Bell, CPA, Bell & Associates, Inc.
- Mark Ottenad, Public Affairs Director



2021 Solid-Waste Collection Rate Report

Tonight's City Council Presentation

1. 2021 Rate Review Process and Results
2. City Council Preference for Proposed Rate Modifications and Services



2021 Solid-Waste Collection Rate Report

2021 Rate Review Process and Results

- Annual Cost Report - Adjusted Report for 2020
- Projected Results for 2021
- Additional Special Bulky Waste and Recycling Services During 2020
- Rate Recommendation



2021 Rate Review Process and Results

2020 Republic Services Financial Performance

Table 1: Adjusted 2020 Wilsonville Results

Description	Roll Cart	Container	Drop Box	Composite
Revenues	2,091,199	2,775,970	2,500,518	7,367,687
Allowable Costs for Rates	1,806,130	2,363,290	2,007,727	6,177,147
Franchise Income	285,069	412,680	492,791	1,190,540
Margin (Income / Revenue)	13.6%	14.9%	19.7%	16.2%



2021 Rate Review Process and Results

2021 Projected Primary Expense Changes

Expense	Change
Recycling Processing	-84.30%
Driver Wage	2.40%
Administrative Wage	4.54%
Health Insurance	5.00%
Inflation	4.54%
Fuel	10.00%
Solid Waste Disposal	3.13%



2021 Rate Review Process and Results

2021 Projected Financial Performance without Rate Modification

Table 3: Projected 2021 Financial Performance for Wilsonville

Description	Roll Cart	Container	Drop Box	Composite
Revenues	2,091,199	2,775,970	2,588,525	7,455,694
Allowable Costs for Rates	1,749,749	2,228,846	2,103,673	6,082,268
Franchise Income	341,450	547,124	484,852	1,373,426
Margin (Income / Revenue)	16.3%	19.7%	18.7%	18.4%

2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

1. Residential Food-Scraps Collection
2. Bulky Waste Pick-up for ADA/Senior Citizens
3. Business Fluorescent Tube/Battery Recycling
4. Residential/Commercial Polystyrene Collection
5. Metro Commercial Food Waste Program
6. Public Works Dept. Street-Sweepings Disposal



2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

1. Residential Food-Scraps Collection

- Permanent on-going program started March 2020
- Popular for single-family residences
- Inquiries from multi-family communities
- Wilsonville-Metro Community Enhancement Program (CEP) “Compost Buckets” Project



2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

1. Residential Food-Scraps Collection

COMING THIS OCTOBER

COMPOST BUCKET GIVEAWAY

Learn about composting, and receive your very own compost bucket! (while supplies last)

Learn more at:

WilsonvilleParksandRec.com/Compost

This project was funded by the Wilsonville-Metro
Community Enhancement Program



WILSONVILLE
OREGON

2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

2. Bulky Waste Pick-up for ADA/Senior Citizens

- Limited-duration program
- Based on popular “Bulky Waste Days”
- Low ‘real demand’; residential remodeling, ease of use of ‘free’ service
- Other senior pick-up services to consider



2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

3. Business Fluorescent Tube/Battery Recycling

- Limited-duration program paused in 2020
- Modeled on prior 2016 CEP-funded program
- COVID-19 business-calls interruption, County staff EOC wildfires, City economic-development staff turnover



2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

4. Residential/Commercial Polystyrene Collection

- Pilot-program to gauge community interest
- Clean Styrofoam™ processed by Agilyx in Tigard
- High percentage of contamination requires labor cost to bag and sort out garbage

2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

5. Metro Commercial Food Waste Program

- Phase 1 for “Large Generators” postponed for 2 years, from planned start in March 2020 to March 2022 (tentative)
- Phases 2 and 3 for smaller generators also delayed 2 years, starting in March 2023 (tentative)



2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

6. Public Works Dept. Street-Sweepings Disposal

- Republic Services corporate headquarters did not wish to take on additional DEQ regulations and potential liability

2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

- 2021 Solid Waste Collection Rate Review recommends Not continuing these programs due to cost inefficiency.

2021 Rate Review Process and Results

2020 Special Bulky Waste and Recycling Services

Annual Costs to Continue Potential Programs

Table 4: Limited Recycling Program Annual Cost and Rate Payer Impact

Recycling Programs	Annual Cost	Rate Payer Impact
Senior Bulky Waste Collection	\$7,500	\$1.40 per residential customer
Commercial Battery and Florescent Tube Recycling	\$7,500	\$0.05 per collected yard of commercial waste
Residential and Commercial Polystyrene Recycling	\$12,000	\$1.12 per residential customer and \$0.04 per collected yard of waste

2021 Rate Review Process and Results

Solid Waste Franchise – Operating Margin

- Margin range of 8% to 12%, with target of 10%
- Projected 18.4% is over range and over target
- Rate modifications recommended

Table 3: Projected 2021 Financial Performance for Wilsonville

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Margin (Income / Revenue)	16.3%	19.7%	18.7%	18.4%

2021 Rate Review Process and Results

Solid Waste Franchise – Operating Margin

- Margin range of 8% to 12%, with target of 10%
- Growth, markets, CNG fuel efficiency

Table 5: Republic Services Financial Performance from 2018 to 2021

Year	Return	Revenue	Fran Income	Income over 12%	Income over 10%
Adjusted 2018	15.13%	\$7,049,692	\$1,066,698	\$250,835	\$401,921
Adjusted 2019	16.12%	\$7,294,475	\$1,176,230	\$341,924	\$496,425
Adjusted 2020	16.16%	\$7,367,687	\$1,190,540	\$348,202	\$504,190
Projected 2021	18.42%	\$7,455,694	\$1,373,426	\$544,026	\$697,618
Totals				\$1,484,987	\$2,100,154

2021 Rate Review Process and Results

2021 Rate Recommendations

- Rate Modifications Vary Based on Line of Business
- Removal of Temporary Recycling Surcharge

Table 6: Proposed Rate Adjustments by Line of Business

Description	Roll Cart Service	Container	Roll Off
Revenue	\$2,091,199	\$2,775,970	\$2,759,531
Allowable Costs	\$1,794,259	\$2,316,595	\$2,233,516
Revenue @ 10%	\$1,993,621	\$2,573,994	\$2,481,684
Revenue Adjustment	\$(97,578)	\$(201,976)	\$(277,847)
% Decrease	-4.7%	-7.6%	-10.1%

2021 Rate Review Process and Results

2021 Rate Recommendations

- Rate modifications for Residential Customers
- Removal of Recycling Surcharge

Table 7: Proposed Rate Adjustment for Residential Cart Service

Service	Current Rate	Rate Adjustment	Proposed Rate	Recycling Surcharge
Res On Call	\$12.26	\$ 0	\$12.26	\$(1.25)
Res 20 gallon	\$21.32	\$ 0	\$21.32	\$(1.25)
Res 35 gallon	\$28.11	\$(0.07)	\$28.04	\$(1.25)
Res 60 gallon	\$36.89	\$(0.48)	\$36.41	\$(1.25)
Res 90 gallon	\$41.84	\$(0.72)	\$41.12	\$(1.25)

2021 Rate Review Process and Results

2021 Rate Recommendations

- Rate modifications for Commercial Customers
- Removal of Recycling Surcharge

Table 8: Proposed Rate Adjustment for Commercial Container Service

Service	Current Rate	Rate Adjustment	Proposed Rate	Recycling Surcharge
1 yard	\$108.96	\$ 0	\$108.96	\$(12.00)
2 yard	\$186.79	\$(1.64)	\$185.15	\$(12.00)
4 yard	\$337.04	\$(12.60)	\$324.44	\$(12.00)
6 yard	\$470.54	\$(22.35)	\$448.19	\$(12.00)
8 yard	\$623.92	\$(33.55)	\$590.37	\$(12.00)

2021 Rate Review Process and Results

2021 Rate Recommendations

- Rate modifications for Industrial Customers

Table 9: Proposed Rate Adjustment for Drop Box and Compactor Service

Open Drop Box	Current Rate	Rate Adjustment	Proposed Rate
20 Yard Drop Box	\$123.66	\$ 0.34	\$124.00
30 Yard Drop Box	\$155.65	\$(15.65)	\$140.00
40 Yard Drop Box	\$176.97	\$(17.97)	\$159.00
10 to 19 Yard Compactor	\$123.66	\$ 0.34	\$124.00
20 to 29 Yard Compactor	\$155.65	\$(15.65)	\$140.00
30 to 39 Yard Compactor	\$219.61	\$(22.61)	\$197.00
40 to 49 Yard Compactor	\$294.23	\$(30.23)	\$264.00

City Council Preference for Proposed Rate Modifications and Services

1. Modify rates for residential, commercial and industrial customers - Report, pp. 5-7
2. Eliminate the temporary recycling surcharge - Report, p. 6
3. Not continue the additional recycling services - Report, pp 3-6
 - Senior Bulky Waste Collection
 - Business Battery and Florescent Tube Recycling
 - Residential/Commercial Polystyrene Collection



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