

City Council Action Item Cover Sheet

DATE: May 2, 2018

Agenda Item:

Dahl Disposal Rate Increase & Green Waste Proposal

Question Before Council:

Opinion regarding Dahl's proposals. A rate on either proposal is item IX in the regular council meeting later in the session

Person/Group Initiating Request:

Dahl Representatives

Item Summary/Background:

Dahl's proposal attached



East County Transfer Center
5441 W. Hwy 20
PO Box 357

Toledo, OR 97391
Office: 541.336.2932
Fax: 541.336.4817

South County Transfer Center
235 SW Dahl Ave.
PO Box 1059

Waldport, OR 97394
Phone: 541.563.3888
Fax: 541.563.7373

April 14, 2018

City of Yachats
Attn: Shannon Beaucaire, City Manager
441 Hwy 101 N.
Yachats, OR 97498

2018 Rate Review Report

Enclosed please find our Annual Report of Operations as required in Section 5.10.140 (d) of the City of Yachats Code.

As required in this section, we have included an annual report of results of operations prepared by our CPA for the year ended 12/31/2017 (Exhibit A). We have also included a schedule of all additional allowable expenses that we anticipate for the current year (Exhibit B), Calculation of Operating Ratio for last year and the current year (Exhibit C) and the projected equipment and depreciation schedule for 2017 (Exhibit D).

Based on this data, our Operating Ratio is projected to be outside of the allowable range of 85% to 91%. The Operating Ratio that we project, without a rate adjustment is, is 98.55%. Based on this, we are requesting a rate adjustment to bring the Operating Ratio to the target of 88% as called for in the Code. The rate adjustment that we are requesting is 11.04%. For our most popular service of a 35-gallon cart weekly, this amounts to an additional \$3.07 per month. This adjustment which is largely due to the recycling market changes as it relates to China, is similar in both percentage and dollar amounts as the City of Portland as detailed in the attached news article. We have included a revised rate schedule for your review (Exhibit E)

The need for this rate adjustment is attributable to the following material items:

- As most people are generally aware, the markets for recycled materials has been devastated by the changes that China has implemented over the past few months. While last year at this time there was a small payment from the processors in Portland that helped to cover some of the transportation costs, we are now paying significantly more to deliver recycling to the market than we pay to deliver garbage to the landfill. This cost alone accounts for 81% of the rate adjustment, or 8.94% of the 11.04%, with all other expenses combined accounting 19% of the 11.04%, or 2.10% of the 11.04%.

Revised 4/30/2018

- The 2-year change in the CPI – U, West b/c for March of 2018 was 5.10%. Had it not been for the recycling markets collapse, the rates would have adjusted by 85% of that two-year total, or 4.33%, rather than the 2.1% that is over and above the recycling market change.

In addition, as requested by council several times, we have included a proposal to commence providing pick up of yard debris, or green waste. This service would be instrumental in reaching our state-wide and County recycling goals. Our proposal is based on an “every other week program” that would consist of providing every other week comingled recycling and every other week yard debris service. We would provide customers with a 95-gallon cart, color coded calendars notating the even and odd weeks that their recycling or yard debris would be serviced. This every other week proposal allows us to offer the service at a much lower rate as we would be utilizing the same truck and driver for both services, negating the need for an additional truck and driver. The adjustment needed to provide this additional service would be 6.30%, or \$1.75 per month for our 35-gallon weekly cart customers. We would anticipate delivering the 95-gallon carts for this service within 8 weeks of the effective date of the new rates. The customer would be able to put out recycling on one week, and green waste on the other week, all year long. This proposal would not be subscription based, but rather would become part of the standard garbage and recycling services provided.

We are happy to sit down and discuss our Annual Report of Operations with you at your convenience and ask that we be notified of any planned discussions of this report with the City Council so that we may attend.

Please let us know if you have any questions or concerns.

Respectfully,

Joseph Cook

Joseph Cook, Rate Analyst

Dahl Disposal Service

Rate adjustment effective July 1, 2018

City of Yachats

Residential Rates	Regular			
		11.04% Adjustment	Calculated	Rounded
35 gal once a week curb refuse and recycling service	\$27.80	\$3.07	\$30.87	\$30.85
35 gal once a month curb refuse and recycling service	\$21.30	\$2.35	\$23.65	\$23.65
35 gal on call curb refuse and recycling service	\$21.30	\$2.35	\$23.65	\$23.65
65 gal once a week curb refuse and recycling service	\$46.50	\$5.13	\$51.63	\$51.65
65 gal once a month curb refuse and recycling service	\$23.05	\$2.54	\$25.59	\$25.60
65 gal on call curb refuse and recycling service	\$23.05	\$2.54	\$25.59	\$25.60
95 gal once a week curb refuse and recycling service	\$67.25	\$7.42	\$74.67	\$74.65
Additional fee for refuse service curb enclosure	\$7.00	\$0.77	\$7.77	\$7.75
Additional fee for refuse service driveway (Walk In) per 100 ft				\$15.00
Additional fee for refuse service driveway (Drive In) per 100 yards	\$9.00	\$0.99	\$9.99	\$10.00
Additional fee for refuse service driveway enclosure	\$11.00	\$1.21	\$12.21	n/a
Additional fee for recycling service / YD curb enclosure	\$7.00	\$0.77	\$7.77	\$7.75
Additional fee for recycling service / YD driveway (Walk In) per 100 feet				\$15.00
Additional fee for recycling service / YD driveway (Drive In) per 100 yards	\$9.00	\$0.99	\$9.99	\$10.00
Additional fee for recycling service driveway enclosure	\$11.00	\$1.21	\$12.21	n/a
Lid up	\$3.00	\$0.33	\$3.33	\$3.35
Extras at the curb (Garbage or recycling)	\$6.00	\$0.66	\$6.66	\$6.65
Extras at enclosures and driveway (garbage or recycling)	\$6.50	\$0.72	\$7.22	\$7.20
35 gal bear cart	\$4.50			\$7.00
65 gal bear cart	\$5.00			\$8.00
95 gal bear cart	\$5.50			\$9.00
Cart change out	\$15.00	\$1.66	\$16.66	\$16.65
On call/MIn W/NO PU for the month	\$10.00	\$1.10	\$11.10	\$11.10
Reconnect fee	\$28.00	\$3.09	\$31.09	\$31.10
Off route call back fee				\$25.00

Commercial Rates				
200 gal once a week refuse and recycling service	\$125.00	\$13.80	\$138.80	\$138.80
200 gal once a month/temp cont. refuse and recycling service	\$63.25	\$6.98	\$70.23	\$70.25
200 gal extra P/U refuse and recycling service	\$38.25	\$4.22	\$42.47	\$42.45
200 gal every other week refuse and recycling service	\$101.50	\$11.21	\$112.71	\$112.70
300 gal once a week refuse and recycling service	\$170.00	\$18.77	\$188.77	\$188.75
300 gal once a month/temp cont. refuse and recycling service	\$73.75	\$8.14	\$81.89	\$81.90
300 gal extra P/U refuse and recycling service	\$48.75	\$5.38	\$54.13	\$54.15
300 gal every other week refuse and recycling service	\$122.50	\$13.52	\$136.02	\$136.00

Yard debris proposal		
6.30% Adjustment	Calculated	Rounded
\$1.75	\$32.62	\$32.60
\$1.34	\$24.99	\$25.00
\$1.34	\$24.99	\$25.00
\$2.93	\$54.56	\$54.55
\$1.45	\$27.04	\$27.05
\$1.45	\$27.04	\$27.05
\$4.24	\$78.91	\$78.90
\$0.44	\$8.21	\$8.20
		\$15.00
		\$0.00
		n/a
\$0.44	\$8.21	\$8.20
		\$15.00
		\$0.00
		n/a
\$0.19	\$3.52	\$3.50
\$0.38	\$7.04	\$7.05
\$0.41	\$7.63	\$7.65
		\$7.00
		\$8.00
		\$9.00
\$0.95	\$17.61	\$17.60
\$0.63	\$11.73	\$11.75
\$1.76	\$32.85	\$32.85
		\$25.00

\$7.88	\$146.68	\$146.70
\$3.98	\$74.21	\$74.20
\$2.41	\$44.88	\$44.90
\$6.39	\$119.10	\$119.10
\$10.71	\$199.48	\$199.50
\$4.65	\$86.54	\$86.55
\$3.07	\$57.20	\$57.20
\$7.72	\$143.74	\$143.75

Rent perm. Container dumped once a week container count customer	\$15.00	\$1.66	\$16.66	\$16.65
Placement all Cont.	\$40.00	\$4.42	\$44.42	\$44.40
Temp. container rent per day no weekly service	\$4.50/day			\$4.50/day

Drop Box Rentals (Solid Waste/Woody Debris)				
Minimum charge per box	\$450.00	\$49.68	\$499.68	\$499.70
Compactor service additional per pull				\$50.00
PLUS DISPOSAL				
- Compactor drop boxes (min. dumped twice per month)	\$.065/lb (\$130.00/ton)			\$120.00
- Loose drop box rates (solid waste)	\$.055/lb (\$110/ton)			\$120.00
- Woody debris drop box	\$10.00/yard			\$110.00
Minimum charge per woody debris box	\$345.00	\$38.09	\$383.09	\$383.10
Metal boxes	market dep.			Market
Drop box delivery fee (solid waste/woody debris)	\$135.00	\$14.90	\$149.90	\$149.90
Drop box rent after 7 days, weekends included	\$8.00	\$0.88	\$8.88	\$8.90
Drop box truck per hour	\$110.00	\$12.14	\$122.14	\$122.15

You call, We Haul				
Deposit	\$55.00			\$55.00
One employee with a pick up	\$70.00/hour			\$70.00/hour
Extra employee per hour	\$35.00/hour			\$35.00/hour
Deposit (extra employee per hour)	\$50.00			\$50.00
Minimum of two employees to enter a house	\$100.00/hour			\$100.00/hour
Deposit (two employees to enter a house)	\$50.00			\$50.00
Disposal - minimum \$25.00 (certain items incur add' charges at disposal site)	\$.06/lb (\$120/ton)		\$	120.00

\$0.95	\$17.61	\$17.60
\$2.52	\$46.94	\$46.95
		\$4.50/day

\$28.35	\$528.03	\$528.05
		\$50.00
		\$0.00
		\$120.00
		\$120.00
		\$110.00
\$21.74	\$404.83	\$404.85
		Market
\$8.51	\$158.41	\$158.40
\$0.50	\$9.38	\$9.40
\$6.93	\$129.07	\$129.05

		\$55.00
		\$70.00/hour
		\$35.00/hour
		\$50.00
		\$100.00/hour
		\$50.00
		\$
		\$ 120.00