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BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR TILLAMOOK COUNTY, OREGON

TASSI O'NEIL
COUNTY CLERK

SITTING AS THE BOARD OF THE SOLID WASTE SERVICE DISTRICT

In the Matter of Increasing Customer Rates)	
for Solid Waste Disposal for Solid Waste)	ORDER #19- <u>031</u>
Collection Franchisee, Walker Waste)	
Solutions, dba City Sanitary Service)	SWSD #19 <u>004</u>

This matter came before the Tillamook County Board of Commissioners, sitting as the governing body of the Solid Waste Service District (SWSD), on May 22, 2019, at the request of David McCall, Solid Waste Program Manager.

The Board of Commissioners, being fully apprised of the representations of the above-named person, and the records and files herein, finds as follows:

1. Walker Waste Solutions, dba City Sanitary Service has requested to increase rates charged by a collection franchisee to their customers.
2. Customer rates for this collection franchisee were last adjusted in Board Order #18-051, SWSD #18-009 and Board Order #18-072, SWSD #18-014.
3. The curbside commingled recycling collection service is organized and undertaken independently of the County's infrastructure and City Sanitary Service assumes responsibility for all costs and responsibilities associated with this service.
4. The Tillamook County Solid Waste Advisory Committee recommended at their meeting on May 7, 2019 that the requested rate increases be approved.
5. The Tillamook County Board of Commissioners finds that the proposed rates will be just, fair, reasonable, and sufficient to provide the proper service to the public.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

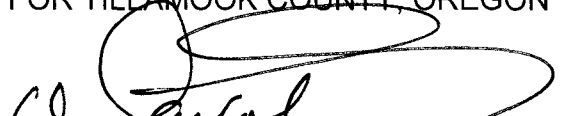
6. The City Sanitary rates as outlined on Exhibit "A" become effective July 1, 2019.

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DATED this 22nd day of May, 2019.

THE BOARD OF COMMISSIONERS
FOR TILLAMOOK COUNTY, OREGON



David Yamamoto, Chair

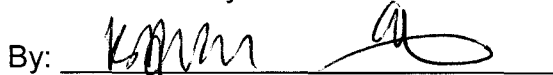


Bill Baertlein, Vice-Chair




Mary Faith Bell, Commissioner


ATTEST: Tassi O'Neil
County Clerk


By: 

Special Deputy


Aye Nay Abstain/Absent

 _____ _____ / _____

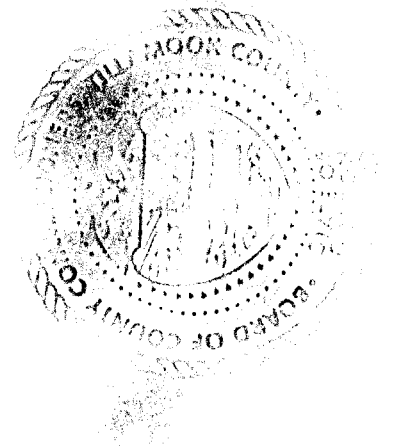
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APPROVED AS TO FORM:



Joel Stevens, County Counsel





3/29/2019

Dear Tillamook County Commissioners,

City Sanitary Service had a great 2018 celebrating serving Tillamook for 60 years. We did not have as profitable a year as we expected but remained a financially healthy business. We are requesting a rate increase of approximately 4% for the upcoming period from July 2019 to July 2020. Trash tipping fees will increase on July 1, dramatically increasing our largest expense. The requested rate increase combined with a drop in some of our expenses next year should bring our profit margin up to 10% in 2019-2020. This will put us comfortably in the allowable 8-12% range.

We added to our customer base by over 400 and increased tonnage volume in both trash and recycling in 2018. City Sanitary Service and Nestucca Valley Sanitary Service continued to bring cardboard recycling to south Tillamook County. We expanded commingled recycling to selected high population density pockets in the county and hope to open it up to our entire customer base in 2019 with your approval. We would also like to start a commercial cardboard recycling route in the Netarts area with commissioner approval. The annual recycling survey showed participation at our lot depot stayed steady and gave valuable information for the ban the bag effort. We plan to raise the rate for curbside commingled recycling service to \$4 per month as part of our two year plan to reach \$5 per month in 2020. City Sanitary Service made capital investments of roughly \$138,000 in trucks, carts, containers, and drop boxes in 2018 to meet the needs of our customers. The procurement of a cart washing truck in 2018 will help keep all customer garbage and recycling carts clean in the future. "Squishy Washy" as the drivers call the truck automatically washes carts and reuses the water after going through a filtration system. The system is environmentally friendly and 100% self contained. See our cart washing video on Youtube: www.youtube.com/watch?v=ITeLRL9TxOM&t=8s

We continue to see an increase in customers paying bills online and setting up to receive electronic bills. Roughly a quarter of our monthly revenue comes from online payments. We continue to make updates to our website, publish a quarterly newsletter called WastEd, and post to our Facebook page to communicate with the over 400 customers that follow us. Thank you for allowing us to serve the citizens of central Tillamook County in 2018. We hope to expand our recycling programs to more areas of the county this year, keep customer carts clean, and continue to give a consistently high level of customer service in 2019.

Respectfully,

Robert Poppe
Co-owner

Tillamook County Franchise Hauler Rate Review Report

edited March 2019

Franchisee:

City Sanitary Service

	Total				Allocation method	Tillamook County franchise				Allocation method/comments
	2018 actual	7/1/19-6/30/20 projected w/o rate change	7/1/19-6/30/20 projected w/ 4% rate change	% change		2018 actual	7/1/19-6/30/20 projected w/o rate change	7/1/19-6/30/20 projected w/ 4% rate change	% change	
REVENUE										
Route collection Services	\$2,078,980	\$2,099,770	\$2,183,761	5%	Actual	\$1,056,605	\$1,067,171	\$1,109,858	5%	
Drop Box Services										
Rental revenue	\$80,648	\$81,000	\$81,000	0%	56% cust. Count	\$45,163	\$45,360	\$45,360	0%	
Non-franchised revenue & pass-through revenue	\$330,239	\$353,356	\$353,356	7%	56% cust. Count	\$184,934	\$197,879	\$197,879	7%	
Recycling revenues	\$10,076	\$10,000	\$10,000	-1%	Actual	\$1,014	\$1,000	\$1,000	-1%	
Other revenue (med waste, interest, Bay City, SCCR)	\$25,475	\$26,000	\$27,040	6%	Actual	\$16,524	\$17,000	\$17,680	7%	
Total revenue	\$2,525,419	\$2,570,126	\$2,655,157	5%		\$1,304,240	\$1,328,411	\$1,371,777	5%	
Number of regular route customers as of January 1, 2018*	3121				Actual	1637				
Number of regular route customers as of July 1, 2018*	3417				Actual	1793				
Number of regular route customers as of January 1, 2019*	3574				Actual	1818				
Regular route tonnage for 2018:	5271.15 tons				50% truck weights	2635.58 tons				
<i>*Regular route customers are usually cans, carts, dumpsters, based on service listings.</i>										
Number of drop box pulls in 2018:	1783				56% cust. Count	998.48				
Drop box tonnage for 2018:	4372.24 tons				50% truck weights	2186.12 tons				
EXPENSES										
Operational expenses										
Disposal expense (franchised) 9643 tons up 425	\$755,609	\$836,451	\$836,451	11%	50% truck weights	\$377,804	\$418,226	\$418,226	11%	
Disposal expense (other) med waste	\$3,745	\$6,000	\$6,000		60% all city					#DIV/0!
Recycling collection expense (all in labor)					#DIV/0! n/a					#DIV/0!
Recycling processing expense	\$4,872	\$6,000	\$6,000		23% 35% ccr CC	\$1,705	\$2,100	\$2,100	23%	
Labor-related expenses										
Labor expense	\$407,812	\$416,000	\$416,000	2%	53% labor hours	\$216,140	\$220,480	\$220,480	2%	
Taxes, insurance	\$219,935	\$224,000	\$224,000	2%	53% labor hours	\$116,565	\$118,720	\$118,720	2%	
Other labor-related expense	\$72,760	\$84,000	\$84,000	15%	53% labor hours	\$38,563	\$44,520	\$44,520	15%	
Operations-related expenses										
Fuel	\$68,085	\$69,500	\$69,500	2%	53% labor hours	\$36,085	\$36,835	\$36,835	2%	
Repairs and Maintenance	\$5,669	\$6,000	\$6,000	6%	53% labor hours	\$3,005	\$3,180	\$3,180	6%	
Depreciation and Amortization	\$195,558	\$190,000	\$190,000	-3%	53% labor hours	\$103,645	\$100,700	\$100,700	-3%	
Equipment Lease and/or Rent	\$60,000	\$0	\$0	-100%	53% labor hours	\$31,800	\$0	\$0	-100%	
Property Lease and/or Rent	\$38,068	\$40,000	\$40,000	5%	53% labor hours	\$20,176	\$21,200	\$21,200	5%	
Equipment expense (eg. short-term rental) Truck Repairs	\$106,541	\$110,000	\$110,000	3%	53% labor hours	\$56,467	\$58,300	\$58,300	3%	
Insurance expense	\$43,895	\$45,000	\$45,000	3%	53% labor hours	\$23,264	\$23,850	\$23,850	3%	
Other operational expense (incl. franchise fees)	\$47,519	\$48,000	\$50,000	5%	Actual	\$1,541	\$1,500	\$1,500	-3%	
Total operational expenses	\$2,030,067	\$2,080,951	\$2,082,951	3%		\$1,026,761	\$1,049,611	\$1,049,611	2%	
Number of route collection trucks as of January 1, 2018	11					11				
Number of route collection trucks as of January 1, 2019	12					12				
Number of drop box collection trucks as of January 1, 2018	5					5				
Number of drop box collection trucks as of January 1, 2019	5					5				
Administrative expense										
Management services	\$170,000	\$170,000	\$170,000	0%	56% cust. Count	\$95,200	\$95,200	\$95,200	0%	
Administrative services	\$9,173	\$11,000	\$11,000	20%	56% cust. Count	\$5,137	\$6,160	\$6,160	20%	
Postage, phones, office supplies, utilities, etc.	\$66,150	\$68,000	\$68,000	3%	56% cust. Count	\$37,044	\$38,080	\$38,080	3%	
Advertising and outreach expenses	\$22,149	\$22,000	\$22,000	-1%	56% cust. Count	\$12,403	\$12,320	\$12,320	-1%	
Education, Training, Publications, dues	\$4,213	\$5,000	\$5,000	19%	56% cust. Count	\$2,359	\$2,800	\$2,800	19%	
Bad debts	\$5,887	\$8,000	\$8,000	36%	Actual	\$2,735	\$4,000	\$4,000	46%	
Other admin. Expenses	\$34,349	\$36,000	\$37,000	8%	56% cust. Count	\$19,235	\$20,160	\$20,720	8%	
Total administrative expenses	\$311,921	\$320,000	\$321,000	3%		\$174,113	\$178,720	\$179,280	3%	
Return on income before taxes (revenue - allowable costs)	\$183,431	\$169,175	\$251,206	37%		\$103,366	\$100,080	\$142,887	38%	
Operating margin	7.3%	6.6%	9.5%	30%		7.9%	7.5%	10.4%	31%	

Tillamook County franchise data only!

Current and Proposed Rates

Trash Cans/Rollcarts

	Current	Proposed
(32-36 gallon cans/rollcarts)		
Curbside weekly pickup	\$18.70	\$19.45
Curbside twice weekly pickup	\$37.40	\$38.90
Curbside every Other Week pickup	\$17.30	\$18.00
Curbside Once a Month pickup	\$8.65	\$9.00
Each Additional Can	\$5.75	\$6.00

In Yard weekly pickup	\$22.60	\$23.50
In Yard twice weekly pickup	\$45.20	\$47.00
In Yard every Other Week pickup	N/A	N/A
In Yard Once a Month pickup	N/A	N/A
Each Additional Can	\$5.75	\$6.00

Rental Fees

Trash Cans/Rollcarts (per month)	\$3.00	\$3.00
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Current Proposed
(60-65 gallon cans/rollcarts)

	\$34.65	\$36.05
	\$69.30	\$72.10
	N/A	N/A
	N/A	N/A
	N/A	N/A

	\$41.85	\$43.50
	\$83.70	\$87.00
	N/A	N/A
	N/A	N/A
	N/A	N/A

Current Proposed
(90-95 gallon cans/rollcarts)

	\$50.60	\$52.65
	\$101.20	\$105.30
	N/A	N/A
	N/A	N/A
	N/A	N/A

	\$61.10	\$63.50
	\$122.20	\$127.00
	N/A	N/A
	N/A	N/A
	N/A	N/A

Containers

	Current	Proposed
1 cubic yard container		
Weekly pickup	\$89.80	\$93.40
Each additional stop per week	\$89.80	\$93.40
Rental Fees	\$18.60	\$18.60

3 cubic yard container		
Weekly pickup	N/A	
Each additional stop per week		
Rental Fees		

6 cubic yard container		
Weekly pickup	N/A	
Each additional stop per week		
Rental Fees		

	Current	Proposed
1 1/2 cubic yard container		
Weekly pickup	\$129.95	\$135.15
Each additional stop per week	\$129.95	\$135.15
Rental Fees	\$18.60	\$18.60

4 cubic yard container		
Weekly pickup	N/A	
Each additional stop per week		
Rental Fees		

8 cubic yard container		
Weekly pickup	N/A	
Each additional stop per week		
Rental Fees		

	Current	Proposed
2 cubic yard container		
Weekly pickup	\$165.90	\$172.50
Each additional stop per week	\$165.90	\$172.50
Rental Fees	\$18.60	\$18.60

5 cubic yard container		
Weekly pickup	N/A	
Each additional stop per week		
Rental Fees		

10 cubic yard container		
Weekly pickup	\$180.00	\$180.00
Each additional stop per week	\$180.00	\$180.00
Rental Fees	\$18.60	\$18.60

Roll-off/Drop Box containers (please list charges)

10-15 yd drop boxes	Current \$106 per hour proposed \$110.25	Drop Box Rent \$13 per day \$200 per month
20-30 yd drop boxes	Current \$112 per hour proposed \$116.50	

Extra/Additional charges (eg. Go Back, On Call, Extra Stop, NSF check, replacement, etc.): Please list!

- 1 Medical Waste \$15 minimum charge \$15/gallon Large bins \$90 max weight 60 lbs
- 2 On call service \$9 per can \$25.25 per yard
- 3 \$10 NSF fee, \$15 OTP restart fee, \$25 cart return fee, \$5 refund processing fee, Minimum two weeks of no service before crediting account.
- 4 Lost roll cart replacement fee \$60
- 5 Distance charge of \$116.50 per hour for truck time if less than 3 customers per road mile or for unscheduled or extra pick ups



Dear Tillamook County Customers,

City Sanitary Service will be increasing rates by approximately 4% starting July 1, 2019, pending the approval of the Tillamook County Commissioners. Trash tipping fees will be increasing to \$84.49 per ton for haulers and \$102.40 per ton for the general public at the Tillamook transfer station on July 1st. The minimum charge at all County transfer stations will be increasing to \$22.

Regular weekly service customers who bring their can or cart to the curb will see the rate go from \$18.70 per month to \$19.45. Extra cans will go from \$5.75 per can to \$6.00. Garbage cart, recycling cart, and container rent will stay the same at \$3, \$3, and \$18.60 per month respectively. The rate for curbside commingled recycling service will go from \$3 per month to \$4. We now provide this service to all customers upon request. Call today to set up recycling service. Truck labor for 10-15yd boxes will go from \$106 per hour to \$110.25 and 20-30yd box truck labor will go from \$112 per hour to \$116.50. Drop box rent will stay the same at \$13 per day or \$200 per month. The on-call or one time pick up rate will go from \$8.65 per can to \$9.00 per can.

Payments on an account that are returned could be subject to a \$10 non-sufficient funds (NSF) fee for each returned payment. Accounts that have service suspended due to non payment are subject to a \$15 return to service fee. Please keep your contact information up to date to avoid your account being viewed as abandoned. If your cart/container was removed due to apparent abandonment or delinquency a return to service fee of \$25 could be charged.

As a reminder for those with weekly service, if you are going to be gone for two weeks or more, you can contact us ahead of time to temporarily stop service and avoid being charged. If your can is not out but you did not call ahead, no credit will be extended.

For a full list of rates go to our website at:
citysanitaryservice.com or call us at 503-842-6262.

Respectfully,

A handwritten signature in black ink, appearing to be 'R Poppe', with a long horizontal line extending to the right.

Robert Poppe
Co-owner