

RESOLUTION NO. 1405

A RESOLUTION AUTHORIZING A RATE INCREASE AND ESTABLISHING A NEW RATE SCHEDULE FOR GARBAGE COLLECTION BY CANBY DISPOSAL WITHIN THE CITY OF CANBY.

WHEREAS, CANBY DISPOSAL COMPANY has applied to the Canby City Council for approval of an over-all rate increase in accordance with Section 7.3 of the Franchise Agreement between City of Canby, Oregon, and Canby Disposal for Solid Waste, Recyclable Materials and Yard Debris Collection Services granted in Canby Ordinance No. 1328, dated June 16, 2010;

WHEREAS, CANBY DISPOSAL COMPANY has furnished sufficient evidence to the Council concerning the changes in costs and fees sufficient to calculate the aforementioned over-all rate increase using the agreed upon methodology;

WHEREAS, the City Council has considered the evidence and information furnished by the Franchisee, and the Council is satisfied that the request is reasonable and justified.

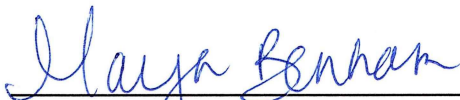
NOW, THEREFORE, BE IT RESOLVED BY the City of Canby City Council that the application by CANBY DISPOSAL COMPANY for an over-all garbage collection rate increase as set forth in the attached EXHIBIT "A" is hereby approved, and said rates shall apply to services performed under the Franchise Agreement between City of Canby, Oregon, and Canby Disposal for Solid Waste, Recyclable Materials, and Yard Debris Collection Services effective July 1, 2024.

ADOPTED this 15th day of May, 2024, by the Canby City Council.



Brian Hodson
Mayor

ATTEST:



Maya Benham, CMC
City Recorder



3/29/2024

Eileen Stein
Canby City Manager
222 NE 2nd Ave.
Canby, OR 97013

Re: Proposed July 1, 2024, Rate Adjustment - City of Canby Solid Waste and Recycling Services

Dear Eileen,

As a result of increases in tipping fees and inflation, Canby Disposal Company proposes to make rate adjustments for solid waste and recycling services delivered to Canby customers effective July 1, 2024. The net effect of these cost increases to the typical 35-gallon cart single family customer in Canby is \$1.40 per month.

We propose to carry out the interim year methodology described in Section 7.3 of the franchise agreement between The City of Canby and Canby Disposal Company that lays out the formula for calculating annual rate adjustments. For the purposes of this calculation, rates shall be composed of three (3) components: a monthly collection rate, a monthly disposal rate, and a franchise fee. Itemized below are the relevant subsections that explain the calculations required to arrive at the rate as delineated in section 7.3 of the agreement. Section 4.1.1 of the agreement explains the calculations required to arrive at the franchise fee component of the rate.

7.3 Annual Adjustment of Rates

7.3.1 Annual Adjustment

Subject to the terms herein, the Company shall be entitled to an annual adjustment of all rates. Each rate includes and operating component and tipping fee component, which are annually adjusted. The City Council shall make a good faith effort to approve adjusted rates by May 15 of each year, and such rates shall be effective on July 1. If rate adjustments are not approved by May 15, then prior rates remain in effect until such adjustment is made.

7.3.2 Adjustment of the Operating Component

The original contract utilizes a Half1 component of the Portland-Salem CPI-U index. When the Bureau of Labor and Statistics stopped producing this index in 2019, we migrated to the CPI-U West B/C index, which is published monthly. We are utilizing the annual change in the revised index as of the most recent December.

The operating component of the rates specified in Exhibit 2 shall be adjusted annually, using the method below, to reflect 80% of the change in the Index, or by 5%, whichever is less.



7.3.3 Adjustment of the Tipping Fee Component

The solid waste disposal and yard debris processing tipping fee component of each rate will be adjusted to reflect any percentage change in the per-ton tipping fees charged at the approved transfer station and the approved yard debris processing site, as appropriate. There shall be no adjustment to the recyclable materials processing tipping fee component of each rate over the term of the Agreement.

7.3.4 Calculation of the Adjusted Rates

Adjusted Rates shall be calculated as follows:

Adjusted Rate = Adjusted Operating Component + Adjusted Tipping Fee Component

4.1 City Franchise Fee

4.1.1 Franchise Fee Amount

Beginning on July 1, 2011, company shall pay to City five (5) percent (or another amount as provided in Section 4.1.3) of the gross revenues collected by Company from services provided in City.

Finally, as we have done in the past, shown in the following table are the sequence of calculations that start with current rates, and work through the process to arrive at the rates that are proposed to be in effect on July 1, 2024.

The table on the following page lays out the calculation sequence that is itemized in the franchise agreement. We have applied this methodology for the development of the new monthly rate for the standard level of residential service (i.e., the 35-gallon roll-cart weekly service) and a basic level of commercial service (1 loose yard collected weekly). A weighted average 6.98% increase on disposal at our primary disposal locations impacts the disposal portion of this rate increase. The contract methodology also calculates an increase on operating costs based upon 80% of the CPI-U West(B/C) index. The annual change in the index was 4.21%, resulting in a 3.37% increase in our model. The combination of these two factors increases the 35 Gallon Weekly Cart service by 4.25%. Other rates increase similarly; a complete schedule of the proposed rates as of July 1, 2024, is attached to this letter.

We have also attached a comparative rate study of solid waste and recycling rates for 16 other rate jurisdictions throughout the Metro Region. Studies like this should be viewed with caution, as variations in programs, rate design and geography can result in differences in rates. Furthermore, some comparative rates do not consider increases in the current year. Given this disclaimer, Canby's proposed 35-gallon weekly rate of \$34.34 compares favorably to the average of \$35.75 for the other jurisdictions.



Interim Years (Section 7.3.1)

Rate Adjustment Methodology

	Line-Item Description	Source	Residential	Commercial	Drop Box
A	Current Rate - Effective July 1, 2023	Current Canby rate schedule	\$32.94	\$188.08	\$121.87
B	Disposal Portion	7.3 Annual Adjustment of Rates	23.53%	23.53%	0.00%
C	Current Disposal Rate	A * B	\$7.75	\$44.25	\$0.00
D	Franchise Fee %	Section 4.1.1.	5.00%	5.00%	5.00%
E	Current Franchise Fee	A * D	\$1.65	\$9.40	\$6.09
F	Current Collection Rate	A - C - E	\$23.54	\$134.43	\$115.78
G	80% of Change in CPI	Section 7.3.2	3.37%	3.37%	3.37%
H	Proposed Collection Rate	F * (1 + G)	\$24.33	\$138.96	\$119.68
I	<i>Change in Total Tipping Fee</i>	Canby Transfer Station	6.98%	6.98%	6.98%
J	Proposed Disposal Rate	C * (1 + I)	\$8.29	\$47.34	\$0.00
K	Proposed Franchise Fee	(H + J) / 0.95) - (H + J)	\$1.72	\$9.81	\$6.30
L	July 2024 Total Rate	H + J + K	\$34.34	\$196.11	\$125.98

Percentage increase from current rates	4.25%	4.27%	3.37%
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If you have any questions, please feel free to contact me at your earliest convenience. My office number is 503.504.6457.

Sincerely,

Kris Wright

Kris Wright
Canby Disposal Company

Attachments: Proposed Rates, Effective July 1, 2024
Comparative Rate Study as of February 2024
CPI Index Worksheet

Canby Disposal Company
City Rates (Residential includes weekly yard debris collection)
Rates effective date July 1, 2024

Residential Service:

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
20-gallon cart weekly curbside	\$ 27.66	Residential	\$ 28.83	4.25%
20-gallon cart weekly w/in 50' of road	\$ 32.27	Residential	\$ 33.64	4.25%
32-gallon cart weekly curbside	\$ 32.94	Residential	\$ 34.34	4.25%
32-gallon cart weekly w/in 50' of road	\$ 37.59	Residential	\$ 39.18	4.25%
32-gallon cart monthly curbside	\$ 16.46	Residential	\$ 17.16	4.25%
32-gallon cart monthly w/in 50' of road	\$ 18.77	Residential	\$ 19.56	4.25%
65-gallon cart weekly curbside	\$ 52.73	Residential	\$ 54.97	4.25%
65-gallon cart weekly w/in 50' of road	\$ 57.34	Residential	\$ 59.78	4.25%
95-gallon cart weekly curbside	\$ 58.46	Residential	\$ 60.94	4.25%
95-gallon cart weekly w/in 50' of road	\$ 63.08	Residential	\$ 65.76	4.25%
Yard Debris Subscription	\$ 7.40		\$ 7.71	4.25%

Commercial Service:

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
32-gallon cart weekly curbside	\$ 30.89	Commercial	\$ 32.20	4.27%
32-gallon cart weekly w/in 50' of road	\$ 30.89	Commercial	\$ 32.20	4.27%
65-gallon cart weekly curbside	\$ 46.32	Commercial	\$ 48.30	4.27%
65-gallon cart weekly w/in 50' of road	\$ 46.32	Commercial	\$ 48.30	4.27%
95-gallon cart weekly curbside	\$ 50.96	Commercial	\$ 53.14	4.27%
95-gallon cart weekly w/in 50' of road	\$ 50.96	Commercial	\$ 53.14	4.27%

Mobile Home Courts and Apartments

(Four or more units , where owner accepts and pays billing)

Extra Hauling

Extra trash	\$7.72		\$ 8.05	4.27%
Extra yard debris	\$2.26		\$ 2.36	4.27%

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
21-gallon cart weekly curbside	\$ 22.32		\$ 23.27	4.27%
32-gallon cart weekly curbside	\$ 25.25	Residential	\$ 26.33	4.27%
65-gallon cart weekly curbside	\$ 43.44		\$ 45.30	4.27%
95-gallon cart weekly curbside	\$ 49.89		\$ 52.02	4.27%

*Note: If billed separately, regular residential rates apply.

Canby Disposal Company
City Rates (Residential includes weekly yard debris collection)
Rates effective date July 1, 2024

Container Service - Loose:

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
1.5-yard picked up 1x/week	\$ 188.08	Commercial	\$ 196.11	4.27%
1.5-yard picked up 2x/week	\$ 362.28		\$ 377.74	4.27%
1.5-yard picked up 3x/week	\$ 536.48		\$ 559.39	4.27%
1.5-yard picked up 4x/week	\$ 710.68		\$ 741.02	4.27%
1.5-yard picked up 5x/week	\$ 871.47		\$ 908.68	4.27%
1.5-yard picked up 6x/week	\$ 1,059.08		\$ 1,104.29	4.27%
2-yard picked up 1x/week	\$ 250.67	Commercial	\$ 261.37	4.27%
2-yard picked up 2x/week	\$ 486.85		\$ 507.63	4.27%
2-yard picked up 3x/week	\$ 723.02		\$ 753.88	4.27%
2-yard picked up 4x/week	\$ 959.17		\$ 1,000.13	4.27%
2-yard picked up 5x/week	\$ 1,195.36		\$ 1,246.39	4.27%
2-yard picked up 6x/week	\$ 1,431.54		\$ 1,492.66	4.27%
3-yard picked up 1x/week	\$ 338.82	Commercial	\$ 353.29	4.27%
3-yard picked up 2x/week	\$ 663.74		\$ 692.08	4.27%
3-yard picked up 3x/week	\$ 988.68		\$ 1,030.89	4.27%
3-yard picked up 4x/week	\$ 1,313.60		\$ 1,369.68	4.27%
3-yard picked up 5x/week	\$ 1,638.52		\$ 1,708.48	4.27%
3-yard picked up 6x/week	\$ 1,963.39		\$ 2,047.21	4.27%
4-yard picked up 1x/week	\$ 431.31	Commercial	\$ 449.73	4.27%
4-yard picked up 2x/week	\$ 848.72		\$ 884.96	4.27%
4-yard picked up 3x/week	\$ 1,270.16		\$ 1,324.39	4.27%
4-yard picked up 4x/week	\$ 1,683.58		\$ 1,755.46	4.27%
4-yard picked up 5x/week	\$ 2,100.99		\$ 2,190.69	4.27%
4-yard picked up 6x/week	\$ 2,518.42		\$ 2,625.95	4.27%
Additional 1.5-yard picked up 1x/week	\$ 174.20	Commercial	\$ 181.63	4.27%
Additional 1.5-yard picked up 2x/week	\$ 348.47		\$ 363.35	4.27%
Additional 1.5-yard picked up 3x/week	\$ 516.01		\$ 538.04	4.27%
Additional 1.5-yard picked up 4x/week	\$ 683.56		\$ 712.75	4.27%
Additional 1.5-yard picked up 5x/week	\$ 851.10		\$ 887.43	4.27%
Additional 1.5-yard picked up 6x/week	\$ 1,058.84		\$ 1,104.05	4.27%
Additional 2-yard picked up 1x/week	\$ 236.17	Commercial	\$ 246.25	4.27%
Additional 2-yard picked up 2x/week	\$ 473.29		\$ 493.49	4.27%
Additional 2-yard picked up 3x/week	\$ 702.92		\$ 732.93	4.27%
Additional 2-yard picked up 4x/week	\$ 932.51		\$ 972.32	4.27%
Additional 2-yard picked up 5x/week	\$ 1,162.12		\$ 1,211.73	4.27%
Additional 2-yard picked up 6x/week	\$ 1,391.73		\$ 1,451.14	4.27%
Additional 3-yard picked up 1x/week	\$ 324.92	Commercial	\$ 338.79	4.27%
Additional 3-yard picked up 2x/week	\$ 659.02		\$ 687.15	4.27%
Additional 3-yard picked up 3x/week	\$ 981.65		\$ 1,023.56	4.27%
Additional 3-yard picked up 4x/week	\$ 1,304.23		\$ 1,359.91	4.27%
Additional 3-yard picked up 5x/week	\$ 1,626.81		\$ 1,696.27	4.27%
Additional 3-yard picked up 6x/week	\$ 1,879.22		\$ 1,959.45	4.27%
Additional 4-yard picked up 1x/week	\$ 417.41	Commercial	\$ 435.23	4.27%
Additional 4-yard picked up 2x/week	\$ 851.46		\$ 887.82	4.27%
Additional 4-yard picked up 3x/week	\$ 1,270.23		\$ 1,324.46	4.27%
Additional 4-yard picked up 4x/week	\$ 1,688.99		\$ 1,761.10	4.27%
Additional 4-yard picked up 5x/week	\$ 2,107.73		\$ 2,197.72	4.27%
Additional 4-yard picked up 6x/week	\$ 2,526.50		\$ 2,634.37	4.27%

*Note: Compacted container rates shall be 2.5 times the loose rate
Source Separated Food Waste: 90% of Commercial Rates

Canby Disposal Company
City Rates (Residential includes weekly yard debris collection)
Rates effective date July 1, 2024

Cleanup Containers:

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
3-yard container	\$ 103.24	Commercial	\$ 107.65	4.27%
4-yard container	\$ 132.09	Commercial	\$ 137.73	4.27%

**Note: Price is per dump*

Drop Box Services - Loose:

Permanent Accounts

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
10-yard haul fee	\$ 121.87	Drop Box	\$ 125.98	3.37%
20-yard haul fee	\$ 121.87	Drop Box	\$ 125.98	3.37%
30-yard haul fee	\$ 158.85	Drop Box	\$ 164.21	3.37%
40-yard haul fee	\$ 173.99	Drop Box	\$ 179.86	3.37%

Occasional Accounts

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
10-yard haul fee	\$ 161.27	Drop Box	\$ 166.71	3.37%
20-yard haul fee	\$ 161.27	Drop Box	\$ 166.71	3.37%
30-yard haul fee	\$ 199.60	Drop Box	\$ 206.33	3.37%
40-yard haul fee	\$ 216.93	Drop Box	\$ 224.25	3.37%

**Note: Price is for haul fee only; disposal and franchise fees are extra*

Drop Box Services - Compacted:

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
Under 20 yards (rate per haul)	\$ 139.11	Drop Box	\$ 143.80	3.37%
20-29 yards (rate per yard)	\$ 8.54	Drop Box	\$ 8.83	3.37%
30-39 yards (rate per yard)	\$ 7.65	Drop Box	\$ 7.91	3.37%
40 yards or more (rate per yard)	\$ 6.73	Drop Box	\$ 6.96	3.37%

**Note: Price is for haul fee only; disposal and franchise fees are extra*

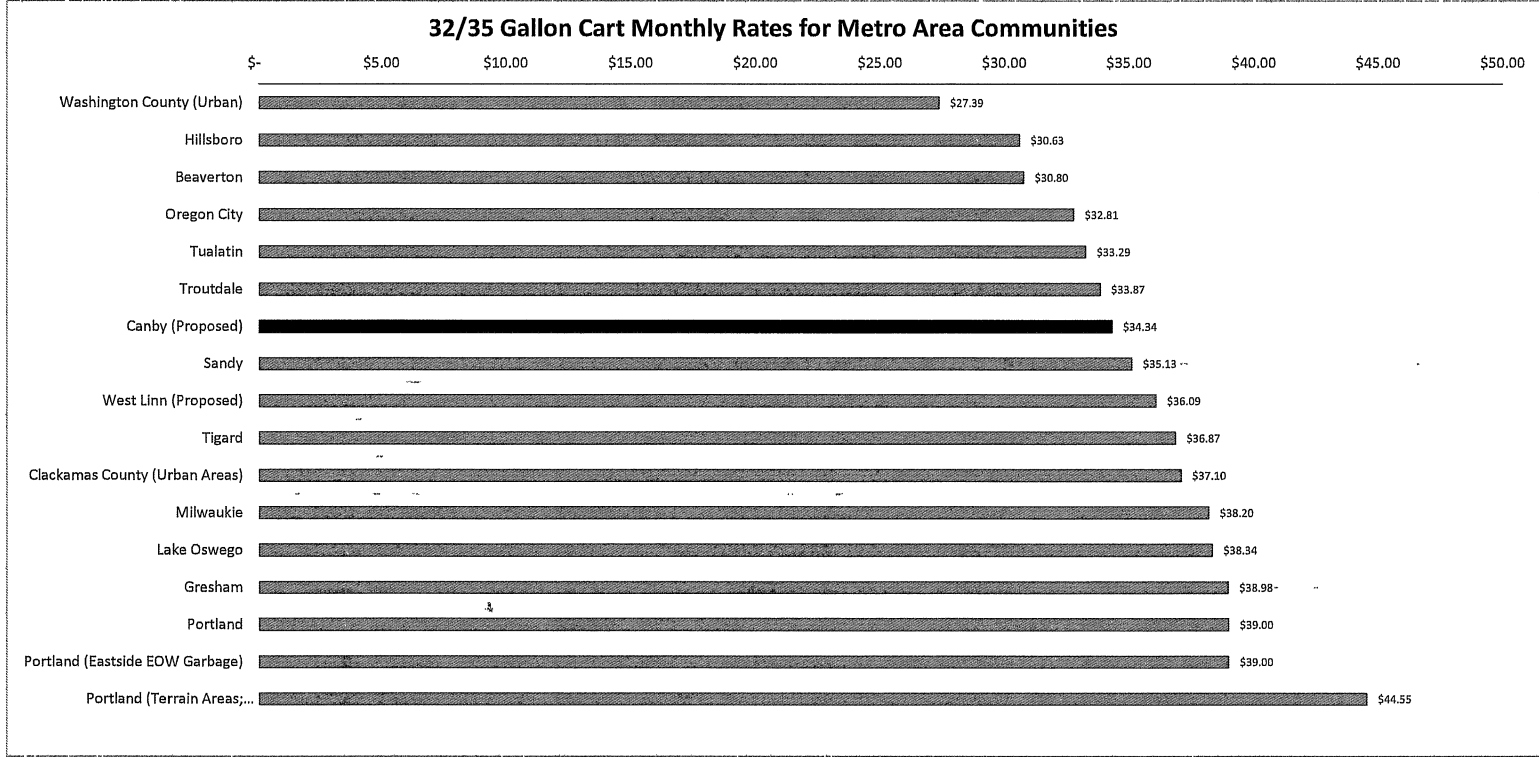
Demurrage Charge:

<u>Service Type</u>	Current Rate July 1, 2023	Method	Proposed Rate July 1, 2024	Percent Increase
Permanent accounts (per month)	\$ 93.77	Drop Box	\$ 96.93	3.37%

Solid Waste/Recycling Rate and Service Comparisons of Communities in the Metro Area as of February 2024

Container Size & Service	Beaverton	Sandy	Washington County (Urban)	Canby (Proposed)	Hillsboro	Tigard	West Linn (Proposed)	Tualatin	Lake Oswego	Troutdale	Gresham	Milwaukie	Clackamas County (Urban Areas)	Oregon City	Portland	Portland (Terrain Areas; West Hills)	Portland (Eastside EOW Garbage)
20-gallon Cart	\$ 26.70	\$ 29.51	\$ 25.22	\$ 28.83	\$ 26.44	\$ 33.25	\$ 30.29	\$ 28.36	\$ 28.45	\$ 28.19	\$ 33.66	\$ 32.95	\$ 32.00	\$ 26.66	\$ 33.95	\$ 39.50	\$ 33.95
32/35-gallon Can																\$ 44.55	
32/35-gallon Cart	\$ 30.80	\$ 35.13	\$ 27.39	\$ 34.34	\$ 30.63	\$ 36.87	\$ 36.09	\$ 33.29	\$ 38.34	\$ 33.87	\$ 38.98	\$ 38.20	\$ 37.10	\$ 32.81	\$ 39.00	\$ 44.55	\$ 39.00
60/65 gallon Can/Cart	\$ 46.19	\$ 56.21	\$ 41.08	\$ 54.97	\$ 42.55	\$ 42.67	\$ 57.80	\$ 44.40	\$ 56.99	\$ 40.05	\$ 51.21	\$ 49.80	\$ 48.55	\$ 44.17	\$ 43.55	\$ 49.10	\$ 43.55
90/95 gallon Can/Cart	\$ 54.08	\$ 62.53	\$ 48.83	\$ 60.94	\$ 54.32	\$ 47.94	\$ 63.56	\$ 49.89	\$ 59.71	\$ 48.69	\$ 57.82	\$ 59.00	\$ 57.60	\$ 47.76	\$ 49.90	\$ 55.45	\$ 49.90
Yard Debris: Cart Size	60-gallon	65-gallon	60-gallon	65-gallon	60-gallon	60-gallon	65-gallon	90-gallon	60-gallon	60-gallon	60-gallon	65-gallon	65-gallon	65-gallon	60-gallon	60-gallon	60-gallon
Yard Debris: Frequency	Weekly	Weekly	EOW	Weekly	EOW	EOW	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Recycling: Container	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Carts	Cart	Cart	Cart	Cart
Recycling: Size	60 gallon	95-gallon	96 gallon	95-gallon	95 gallon	90 gallon	95-gallon	65-gallon	60-gallon	60 gallon	60-gallon	60-gallon	65-gallon	95 gallon	60 gallon	60 gallon	65/95 gallon
Recycling: Glass	Weekly	Weekly	EOW	Weekly	EOW	Monthly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Effective Date	10/1/2023	3/1/2023	8/1/2023	7/1/2024	8/1/2023	1/1/2024	7/1/2024	1/1/2024	1/1/2024	8/1/2023	7/1/2023	7/1/2023	7/1/2023	9/1/2023	7/1/2023	7/1/2023	7/1/2023
Information Source	Waste Management Website	City of Sandy Rate Schedule	Washington County Website	City of Canby Rate Schedule	Waste Management Website	Waste Management Website	Waste Management Website	City of Tualatin Website	City of Lake Oswego Website	Waste Management Website	City of Gresham Rate Schedule	City of Milwaukie Rate Schedule	Clackamas County Rate Schedule	Confirmed via Oregon City Garbage 2/20/2023	City of Portland Website	City of Portland Website	City of Portland Rate Schedule

32/35 Gallon Cart Monthly Rates for Metro Area Communities



Bureau of Labor Statistics

CPI for All Urban Consumers (CPI-U)

Original Data Value

Series Id: CUURN400SA0,CUUSN400SA0

Not Seasonally Adjusted

Series Title: All items in West - Size Class B/C, all urban consumers, not seasonally adjusted

Area: West - Size Class B/C

Item: All items

Base Period: DECEMBER 1996=100

Years: 2013 to 2023

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2013	139.865	141.072	141.573	141.788	141.838	141.805	141.940	142.228	142.277	141.954	141.736	141.751	141.652	141.324	141.981
2014	141.998	142.120	142.813	143.077	144.253	144.522	144.435	144.317	144.506	144.214	143.398	142.669	143.527	143.130	143.923
2015	142.022	143.005	143.887	144.426	145.346	145.198	144.917	144.752	144.507	144.379	143.595	143.398	144.119	143.981	144.258
2016	143.932	144.128	144.264	145.128	145.942	145.866	145.850	145.829	146.130	146.328	146.004	145.918	145.443	144.877	146.010
2017	146.469	147.451	147.880	148.496	148.789	148.792	148.691	149.255	149.954	150.336	150.003	149.920	148.836	147.980	149.693
2018	150.564	151.200	151.702	152.350	153.201	153.546	153.464	153.797	154.158	154.729	154.625	154.228	153.130	152.094	154.167
2019	154.328	154.671	155.178	156.523	157.488	157.564	157.465	157.654	157.738	158.635	158.482	158.496	157.019	155.959	158.078
2020	158.599	159.183	159.129	158.824	158.301	158.857	159.752	160.528	160.846	161.141	161.069	160.840	159.756	158.816	160.696
2021	161.199	162.042	163.257	165.088	166.813	168.425	169.267	169.477	169.977	171.226	172.214	172.722	167.642	164.471	170.814
2022	174.269	175.890	178.019	179.339	180.810	182.790	183.277	183.543	184.088	185.410	184.626	183.686	181.312	178.520	184.105
2023	184.717	185.968	187.301	188.008	188.833	189.295	189.737	190.368	191.238	191.321	190.409	190.095	188.941	187.354	190.528

3.49% 4.21% 2023 Annual Change

2.79% 3.37% 80% of Annual Change