

Council Business Meeting

March 15, 2022

Agenda Item	Recology Solid Waste & Recycling Rate Adjustment Presentation	
From	Alison Chan	Interim Finance Director
Contact	achan@ashland.or.us (541) 552-2003	

SUMMARY

Consistent with the 2013 solid waste franchise agreement, Recology Ashland is requesting a consumer price index (CPI) based rate increase for solid waste collection service fees. The CPI increase of 6.5% would become effective April 1, 2022 for all customer classes. This rate increase amounts to an increase of \$1.38 (one dollar thirty-eight cents) per month for the typical residential customer. Consistent with the Solid Waste franchise agreement and related operations and rates resolution, each February or early March, Recology provides Council with their rate adjustment projection for the upcoming rate period, which goes into effect in April of each year.

POLICIES, PLANS & GOALS SUPPORTED

N/A

PREVIOUS COUNCIL ACTION

No rate increase was proposed by Recology for the 2021 rate period. Council did approve a rate adjustment of the contractually agreed upon CPI of 2.6 percent in March 2020.

BACKGROUND AND ADDITIONAL INFORMATION

A component of the 2013 Solid Waste franchise agreement with Recology Ashland was a rate adjustment methodology intended to provide the Franchisee (Recology) an annual operating margin range of between eight and twelve percent.

FISCAL IMPACT

Recology Ashland estimates that the CPI adjustment will result in a monthly solid waste and recycling bill increase of \$1.38 (one dollar thirty-eight cents) per month for a typical residential customer, with total bill increases for commercial customers varying by size and frequency of service.

STAFF RECOMMENDATION

Staff recommends approval of the CPI rate adjustment as proposed as it is consistent with the process and calculation prescribed in the October 2013 franchise agreement. (Ord 3090)

ACTIONS, OPTIONS & POTENTIAL MOTIONS

- 1) I move to approve a resolution titled, "A resolution modifying solid waste franchise rates and fees" as presented.
- 2) I move to place this item on a future Council agenda and request the following additional information from City/Recology Ashland staff:

REFERENCES & ATTACHMENTS

Attachment 1: Recology Rate Adjustment Request Memo – Gary Blake

Attachment 2: Draft Solid Waste Adjustment Resolution



Joe Lessard, City Manager
City of Ashland
20 East Main Street
Ashland, OR 97520

February 15, 2022

Dear Joe:

Pursuant to Ashland Municipal Code 9.50.050, Section H.2, we are formally submitting our annual request for a CPI based rate increase of 6.5%, to be applied equally across all rate structures. This request is based on the Consumer Price Index—All Urban Consumers—All Items—Pacific Division, West Region (CPI-U), published in January. A copy of the index, along with our accompanying financial statement and projections for 2022, is enclosed with this letter.

The proposed CPI increase has an effective date April 1, 2022. This rate increase amounts to an increase of \$1.38 (one dollar thirty-eight cents) per month for the typical residential customer.

Despite some cost increases that are major components of our operation increasing greater than the rate of inflation (disposal increase 7/1/2021 of 18%), we're hopeful and will be working hard to find other areas of savings and efficiencies so that customers this year aren't burdened with an increase greater than the rate of inflation.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads 'Gary Blake'. The signature is written in a cursive, flowing style.

Gary Blake, General Manager
Recology Ashland Inc.

Cc: Dave Larmouth, Steve Brum

RESOLUTION NO. 2022-05

**A RESOLUTION MODIFYING SOLID WASTE FRANCHISE
RATES AND FEES**

RECITALS:

- A. The Solid Waste and Collections franchise agreement adopted by City Council as ordinance 3090 and associated Administrative Operations Standards and Rules most recently adopted by resolution 2014-23 provide a methodology for annual service rates adjustments.
- B. The City concurs with the documentation provided by Recology Ashland (Franchisee) that the rate increase provision of the ordinance and resolution dictates the approval of a service rate increase of 6.5% based on the franchise established Consumer Price Index – All Urban Consumers (Pacific)

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. Effective April 1, 2022, Resolution 2020-05 is repealed in its entirety.

SECTION 2. Effective April 1, 2022, solid waste and collection service rates increase by 6.5% as detailed in the attached service rate table.

This resolution was duly PASSED and ADOPTED this _____ day of _____, 2022, and takes effect upon signing by the Mayor.

Melissa Huhtala, City Recorder

SIGNED and APPROVED this ____ day of _____, 2022.

Julie Akins, Mayor

Reviewed as to form:

Katrina Brown, City Attorney

Recology Ashland City of
Ashland Rates
Effective April 1, 2022 [CPI = 6.5%]

Residential Rates	April 1, 2022
32 Gallon Cart	\$ 22.67
32 Gallon Bear Cart	\$ 28.55
Add'l 32 Gallon Trash Cart	\$ 25.84
64 Gallon Cart	\$ 47.33
64 Gallon Bear Cart	\$ 53.21
96 Gallon Cart	\$ 71.98
32 Gallon Trash On-Call per Setout	\$ 10.31
96 Gallon Green Waste Cart	\$ 8.70
Additional Green Waste Cart	\$ 2.48
32 Gallon Recycle Only Cart	\$ 6.21
64 Gallon Recycle Only Cart	\$ 6.21
96 Gallon Recycle Only Cart	\$ 7.44
Recycling On-Call per Setout	\$ 4.92
Additional Recycling Cart	\$ 2.48
Not on Service 1st Can	\$ 16.81
Additional No-Service Can	\$ 7.48
Extra - 1 Can/Large Bag Each	\$ 7.48
Extra - 1 Small Bag Each	\$ 3.73
Extra Service - Green Waste Cart	\$ 5.46

Go-in Rates	April 1, 2022
Off curb up to 40 Yards	\$ 7.44
40 yards to 1/2 mile	\$ 20.01
1/2 Mile to 1 Mile	\$ 39.99
Beyond 1 Mile	\$ 66.57

NOTE: Lifeline customers qualify for a 30% discount from residential rates.