



MARION COUNTY BOARD OF COMMISSIONERS

## Board Session Agenda Review Form

Meeting date: November 30, 2022

Department: Public Works

Agenda Planning Date: Nov. 17, 2022

Time required: 30 min

☒ Audio/Visual aids

Contact: Brian May

Phone: (503) 365-3147

Department Head Signature:

### TITLE

Public Hearing for Solid Waste Collection Rate Changes

### Issue, Description & Background

The collection rates in the county have not been increased since January 1, 2019. During the ensuing four years, the haulers have been able to absorb some of the increased costs.

Based upon the annual Cost of Service Analysis (COSA) performed by the franchised garbage and recycling haulers, they have determined that there is a need to make adjustments in the collection rates for urban and rural customers. The adjustments proposed, for roll cart services in urban and rural, are 2.8% and 1.1% respectively. There are also proposed rural containers adjustments for the 1, 1.5, and 2 yard container rates. Proposed drop box service fees impact service rates, mileage zones, rental, and delivery fees. For medical waste customers, the haulers are requesting a new rate structure that would eliminate the additional box rate to help simplify the billing process for customers. They have requested that these rate adjustments be effective January 1, 2023.

This public hearing was set, as required by Marion County's Solid Waste Management Ordinance (MC Code Section 8.05), in order to consider the proposed changes to the solid waste collection rates charged by the franchised haulers.

Public Works staff and Bell & Associates, LLC reviewed the submitted COSA from the franchised haulers. The proposed rates are reasonable and would bring the haulers within the appropriate rate of return on investment allowed within their franchises.

### Financial Impacts:

The changes will bring the franchised haulers to a rate of return near the targeted 10% before taxes. This will impact customers with roll cart service, commercial container service inside the UGB, and all drop box and medical waste customers.

### Impacts to Department & External Agencies

County departments and other garbage customers would see an increase in garbage collections costs if they have roll cart garbage service, container garbage service or utilize drop box services or medical waste services.

### Options for Consideration:

1. Approve the proposed changes to the solid waste collection rates charged by the franchised haulers.
2. Do not approve the proposed changes at this time.

### Recommendation:

It is recommended that the Board of Commissioners approve the proposed changes to the solid waste collection rates charged by the franchised haulers.

### List of attachments:

Marion County Rate Memo, Marion County Rate Sheet, Board Order, Presentation



MARION COUNTY BOARD OF COMMISSIONERS

## Board Session Agenda Review Form

Presenter:

Brian May and Dennis Mansfield, Marion County Public Works  
Chris Bell, Bell & Associates, LLC  
Kevin Hines, Mid-Valley Garbage & Recycling Association

*Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)*

Copies to:

Brian May - bmay@co.marion.or.us  
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## Marion County Rate Memo

Waste and recycling collection services are provided to Marion County's (County) residential and commercial customers through an exclusive franchise system where eight private collection companies are assigned exclusive service territories. As the regulator of waste and recycling, the Marion County Commissioners are responsible for ensuring reasonable and adequate rates to provide necessary public service.

There are three types of collection services provided within the county: roll cart, which is primarily residential customers; container, which is offered to commercial customers; and roll-off drop box service.

An annual rate review is completed by the Environmental Services division of the Public Works Department. The franchised companies submit an annual report to the County that provides detailed costs and revenues associated with providing service within their franchised territory and combined total company operations. The report format provides the capacity to calculate the cost of service for each line of business (roll cart, container, and dropbox). Reported results were analyzed, and the following tasks were completed by Bell & Associates, the County's contracted solid waste rate consultant:

- a. Analyze and compare the reported route collection hours to the reported customer counts for each line of business.
- b. Using a predictive test of revenue for each line of business, ensure the revenues are reasonable for the number of reported customers.
- c. By thoroughly reviewing the reported direct cost line items, determine if the expense is reasonable in relation to the customer and operational data entered from the detailed cost report.
- d. Utilize a predictive test of disposal to determine if the reported disposal expense is reasonable.
- e. Using the reported administrative line items, determine if the expense is reasonable for the operational data entered from the detailed cost report.
- f. Review the costs between the County and the company's other franchised collection operations to determine if the allocations are reasonable.

Once the reports were reviewed and adjustments made, estimating the financial performance for 2023 was completed by applying the following assumptions to the 2021 adjusted expenses:

The driver wage was escalated due to the increased costs reported by the franchised companies required to retain and attract drivers. Over the last three years, labor costs have increased due to the scarcity of people who can operate a waste collection truck. To drive the trucks used to collect waste, an individual must have a Commercial Driver's License (CDL), which is regulated at the federal level. There are several reasons for the scarcity of drivers, but two contributing factors are retirements within the industry and the legalization of marijuana. Any level of marijuana detected in the regular urine testing of commercial drivers will result in the immediate suspension of their CDL. Oregon's legalization of marijuana doesn't subordinate to federal transportation regulations.

Health insurance premiums increased by 7.5% in the current year and are expected to increase by an additional 15.3% in 2023 for a combined 23.9% compared to 2021.

The fuel cost in 2023 is estimated to increase by 57.3%. The cost of diesel fuel increased from \$2.64 per gallon in December 2021 to over \$5 a gallon in August 2022. However, according to US Energy Information Administration, diesel fuel prices are expected to decrease by 14% in 2023 compared to the current cost.

During the latter part of 2021, the value of the collected recyclable materials exceeded the cost to process, which generated revenue for the first time since 2018. However, the value of recycling has significantly decreased in the current year and are expected to remain low in 2023.

Yard debris disposal expense will increase in 2023 with the increased cost of reloading and transport.

Other expenses influenced by inflation were increased by 7.51% in 2022 and 3.80% in 2023. According to the US Bureau of Labor Statistics. (All items in West - Size Class A, urban wage earners, and clerical workers, not seasonally adjusted), inflation is 7.51% through September 2022.

To set uniform collection rates, the County is segregated into two regions, urban, located within the Salem urban growth boundary, and the rest of the unincorporated county, identified as rural. For reporting purposes, the financial results of all three services are combined to generate a composite report; however, setting collection rates at or near the cost of service for all three service types is the objective of the County. Table 1 summarizes the increased cost by region and the percentage increase to the respective expense used to calculate the rates. The estimated increase at the bottom of the table is the expected increase compared to the total cost of collection operations for each region.

**Table 1: Estimated Increased Expenses from 2021 to 2023 by Region**

Urban Collection Region			Rural Collection Region		
Expense	Amount	% ▲	Expense	Amount	% ▲
Labor	\$77,465	8.2%	Labor	\$147,318	8.3%
Health	\$50,596	23.9%	Health	\$85,230	23.9%
Fuel	\$98,675	57.4%	Fuel	\$182,608	57.3%
Truck	\$32,693	7.4%	Truck	\$56,198	7.1%
Recycling	\$67,890	175.4%	Recycling	\$78,650	161.4%
Yard Debris	\$28,891	7.8%		\$-	0.0%
Admin Labor	\$43,310	8.1%	Admin Labor	\$50,749	8.2%
Other	\$48,978	1.7%	Other	\$57,892	1.4%
<b>Totals</b>	<b>\$448,498</b>	<b>7.7%</b>	<b>Totals</b>	<b>\$658,645</b>	<b>8.0%</b>

## Urban Region

Financial data was consolidated by service, showing the collection system's total revenues and expenses. This consolidated report allows the calculation of the system's return-on-revenue and provides a measure of the adequacy of rates. Table 2 details the estimated 2023 return for each collection service provided within the County's urban region.

**Table 2: Projected 2023 Urban Region Rate of Return**

Cost Component	Roll Cart	Container	Drop Box	Composite
Revenues	\$3,899,586	\$1,698,142	\$568,186	\$6,165,914
Collection Costs	\$3,706,240	\$1,417,931	\$516,766	\$5,640,937
Franchise Income	\$193,346	\$280,211	\$51,420	\$524,977
Return on revenues	4.96%	16.50%	9.05%	<b>8.51%</b>

When the composite results are above 10%, no rate adjustment is required; however, roll cart service pulls down the composite while container service partially subsidizes urban operations. Therefore, rather than recalibrating the rates by increasing roll cart and drop box services to ten percent and reducing container service to the same margin, County staff is recommending a small increase to roll cart service to increase the composite to a ten percent return. Table 3 summarizes the proposed increase in roll cart collection services.

**Table 3: Proposed 2023 Rate Increases to Urban Roll Cart Service**

Service	Current Rate	\$ Increase	Proposed Rate	% Increase
Residential 20-gallon cart	\$25.64	\$0.72	\$26.36	2.8%
Residential 35-gallon cart	\$28.16	\$0.79	\$28.95	2.8%
Residential 60-gallon cart	\$37.45	\$1.05	\$38.50	2.8%
Residential 90-gallon cart	\$44.00	\$1.23	\$45.23	2.8%
Commercial 35-gallon cart	\$20.30	\$0.57	\$20.87	2.8%
Commercial 65-gallon cart	\$32.16	\$0.90	\$33.06	2.8%
Commercial 95-gallon cart	\$41.07	\$1.15	\$42.22	2.8%



## Rural Region

Table 4 shows the estimated results by line of business and the composite results for the rural service region.

**Table 4: Projected 2023 Rural Region Rate of Return**

Cost Component	Roll Cart	Container	Drop Box	Composite
Revenues	\$5,119,261	\$1,793,781	\$2,377,372	\$9,290,414
Collection Costs	\$4,655,032	\$1,866,931	\$2,341,938	\$8,863,901
Franchise Income	\$464,229	\$(73,150)	\$35,434	\$426,513
Return on revenues	9.07%	- 4.08%	1.49%	4.59%

Unlike the urban region, container collection services will operate at a loss in the county's rural areas. The reason for the loss is the rates for the small-volume containers are set lower than the cost of service, while the rates for the larger containers exceeded the cost. As a result, the number of customers with a small container, either 1, 1 ½, or 2-yards (78%), far exceeds those with a container larger than 3 yards.

The composite cost to operate a front-load collection truck is approximately \$134 per hour. The reported collection performance in the rural areas is 12 container pick-ups per hour. Dividing the \$134 operational cost by the collected container per hour is \$11.17 per pick-up. A container collected once a week costs \$48.37 (\$11.17 x 4.33 pick-ups per month). Recycling, included with garbage service, is collected in rural areas less frequently and has a monthly collection cost of \$22.74. Combining the cost of collection only for garbage and recycling costs \$71.11 (\$48.37 + \$22.74).

The current rate for a 1-yard container is \$78.17; however, getting the truck to the customer's location to pick up the containers is \$71.11. Once the cost of garbage disposal, recycling processing, administration, operating margin, and franchise fee are accounted for, the cost of service for a 1-yard container collected once a week has a price of \$133.06. Table 5 summarizes the service cost compared to the current rates for rural container collection.

**Table 5: Rural Collection Rates Compared to the Cost of Service Rates**

Service	Current Rate	Collection Cost	\$ ▲	Containers
1 yard	\$78.17	\$133.06	\$(54.89)	348
1-1/2 yard	104.75	\$145.80	\$(41.05)	140
2 yard	134.42	\$158.49	\$(24.07)	228
3 yard	202.01	\$183.95	\$18.06	94
4 yard	269.15	\$209.39	\$59.76	49
5 yard	337.20	\$234.85	\$102.35	3
6 yard	361.30	\$260.29	\$101.01	48
8 yard	480.99	\$311.18	\$169.81	14

Adjusting the commercial rates to the cost of service is a significant increase for customers with a small container; therefore, it is recommended by County staff that the increase be implemented over two years. While it is still a significant increase, the alternative is to increase rates on other customers, which is not equitable for setting service rates. The proposed increase for commercial collection service is summarized in Table 6.

**Table 6: Proposed Rate Increase for Rural Commercial Collection Service**

Service	Current	\$ ▲	2023	\$ ▲	2024
1 yard	\$78.17	\$27.45	\$105.62	\$27.45	\$133.07
1-1/2 yard	\$104.75	\$20.53	\$125.28	\$20.53	\$145.81
2 yard	\$134.42	\$12.04	\$146.46	\$12.04	\$158.50
3 yard	\$202.01	No change	\$202.01	No change	\$202.01
4 yard	\$269.15	No change	\$269.15	No change	\$269.15
5 yard	\$337.20	No change	\$337.20	No change	\$337.20
6 yard	\$361.30	No change	\$361.30	No change	\$361.30
8 yard	\$480.99	No change	\$480.99	No change	\$480.99

An area of concern is that urban commercial collection has a similar rate structure; however, the ratio of small containers (1, 1½, and 2) is only 50% of the total containers. Therefore, the rates for all container services will need to be adjusted to the cost of service.

### **Drop Box Service**

Drop box / roll-off compactor service is a delivery and rental service. The box is delivered to the customer's location and filled with waste or recyclable materials. If the customer uses the box for an extended period, the customer pays a rental fee for the use of the box. Once filled, the franchised hauler delivers the box to the disposal site. The service provided was drop box delivery, pick-up, and rental. The drop box service fee is calculated on the average time to collect a box plus the margin and franchise fee.

All collected materials can be traced back to the customer. A separate entity provides the disposal service. The hauling company provides a service by facilitating the transaction by acting as an agent for the customer. The amount of material collected in the drop box is either weighed or measured based on the volume, and the waste generator pays the disposal cost.

The County's current rate structure for drop box and roll-off compactor service is segregated into the two collection regions plus a "sparse" rate. As a result, a few rates vary; however, most of the haul rates are the same regardless if the customer is in the county's urban, rural, or sparse areas. Therefore, the proposed drop box / roll-off compactor service rates have been consolidated and calculated at the average time for the required service. The proposed rates for drop box / roll-off compactor services are detailed in Table 7 on the following page.

**Table 7: 2023 Proposed Drop Box / Roll-Off Compactor Service**

Service	Current	\$ ▲	Proposed
10-yard drop box	\$149.90	\$8.10	\$158.00
20-yard drop box	\$149.90	\$33.10	\$183.00
30-yard drop box	\$174.95	\$8.05	\$183.00
40-yard drop box	\$233.25	\$(35.25)	\$198.00
Roll Off Compactor	\$186.25	\$44.75	\$231.00
Roll Off Compactor >26 yds.	\$223.50	\$7.50	\$231.00
Zone 2 (5 to 15 miles)	\$28.20	\$5.80	\$34.00
Zone 3 (15 to 25 miles)	\$56.35	\$27.65	\$84.00
Zone 4 (25 to 35 miles)	\$84.55	\$19.45	\$104.00
Zone 5 (35 to 50 miles)	\$133.10	\$15.90	\$149.00
Box Rental (daily)	\$9.30	\$2.70	\$12.00
Box Rental (monthly)	\$92.90	\$25.10	\$118.00
Delivery Fee	\$30.00	\$6.00	\$36.00

The projected rate of return for rural cart collection service requires a modest increase to reach the 10% target rate of return. Table 8 summarizes the proposed increase for rural cart service.

**Table 8: Proposed 2023 Rate Increases to Rural Roll Cart Service**

Service	Current Rate	\$ Increase	Proposed Rate	% Increase
Residential 35-gallon cart	\$30.42	\$0.33	\$30.75	1.1%
Residential 60-gallon cart	\$38.00	\$0.42	\$38.42	1.1%
Residential 90-gallon cart	\$46.29	\$0.51	\$46.80	1.1%
Commercial 35-gallon cart	\$25.17	\$0.28	\$25.45	1.1%
Commercial 65-gallon cart	\$37.89	\$0.42	\$38.31	1.1%
Commercial 95-gallon cart	\$48.83	\$0.54	\$49.37	1.1%



**BEFORE THE BOARD OF COMMISSIONERS  
FOR MARION COUNTY, OREGON**

In the matter of considering adjustment                     )  
of collection rates for haulers within the                     )  
unincorporated areas of Marion County                     )

**ORDER**

This matter came before the Board of Commissioners at its regular scheduled public meeting of November 30, 2022, to consider updated collection rates for collection franchises within the unincorporated areas of Marion County.

WHEREAS, under Marion County Code section 8.05.480, the Marion County Board of Commissioners shall conduct a public hearing before any collection and disposal rates may be adjusted, following an investigation conducted by the Director of the Marion County Department of Public Works; and

WHEREAS, the Director of the Marion County Department of Public Works has conducted an investigation and recommends the adjustment of collection rates for solid waste haulers within the unincorporated areas of Marion County; and

WHEREAS, the Marion County Board of Commissioners has conducted a public hearing on November 30, 2022 and, after hearing all testimony and considering all evidence presented, concludes that collection rates for solid waste haulers within the unincorporated areas of Marion County should be adjusted; now, therefore

IT IS HEREBY ORDERED that the Board of Commissioners approves the adjustment of solid waste collection rates in the unincorporated areas of Marion County as described on Exhibit A attached hereto.

DATED at Salem, Oregon, this \_\_\_\_\_ day of November, 2022.

MARION COUNTY  
BOARD OF COMMISSIONERS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

	Marion County Approved Rates 01-01-22			Marion County Proposed Rates 01-01-23		
ROLL CART SERVICE	UGB	Rural	Sparse	UGB	Rural	Sparse
<b>I. Residential Curbside - Monthly rate for weekly service. ~ see definitions</b>						
A) <u>Type of Service</u>						
20 gallon roll cart service - (without mixed organics)	\$17.47	\$29.59	\$33.68	\$17.96	\$29.92	\$34.06
20 gallon roll cart service	\$25.64	N/A	N/A	\$26.36	N/A	N/A
35 gallon roll cart service	\$28.16	\$30.42	\$34.46	\$28.95	\$30.75	\$34.84
65 gallon roll cart service	\$37.45	\$38.00	\$42.53	\$38.50	\$38.42	\$43.00
95 gallon roll cart service	\$44.00	\$46.29	\$50.27	\$45.23	\$46.80	\$50.82
B) <u>Hardship Service [meeting criteria]</u>						
20 gallon roll cart service - (without mixed organics)	\$18.88	\$30.70	\$34.79	\$19.41	\$31.04	\$35.17
20 gallon roll cart service	\$27.06	N/A	N/A	\$27.82	N/A	N/A
35 gallon roll cart service	\$29.64	\$31.53	\$35.56	\$30.47	\$31.88	\$35.96
C) <u>Residential - Other Cart Charges</u>						
Occasional extra's - (35 gallon equivalent)	\$5.41	\$5.53	\$6.30	\$5.57	\$5.59	\$6.37
Each additional garbage cart - Monthly rate for weekly service						
35 gallon roll cart	\$15.13	\$16.14	\$18.24	\$15.55	\$16.32	\$18.44
65 gallon roll cart	\$24.41	\$24.71	\$27.64	\$25.09	\$24.98	\$27.94
95 gallon roll cart	N/A	\$32.83	\$35.71	N/A	\$33.19	\$36.10
95 gallon mixed organics additional cart - with existing garbage service	\$8.91	N/A	N/A	\$9.16	N/A	N/A
95 gallon mixed organics - without existing garbage service UGB only up to 25% Food Waste	\$16.72	N/A	N/A	\$17.19	N/A	N/A
95 gallon mixed recycling - without existing garbage service	\$10.88	\$15.20	\$17.25	\$11.19	\$15.37	\$17.44
Residential on-call customer - 35 gallon cart	\$11.56	\$11.72	\$14.81	\$11.89	\$11.85	\$14.98
Premium service	\$8.05	\$13.27	\$13.27	\$8.28	\$13.41	\$13.41
<b>II. Multi-Family &amp; Mobile Home Parks Curbside - Monthly rate for weekly service. ~ see definitions</b>						
A) <u>Type of Service</u>						
35 gallon roll cart service	\$18.94	\$25.12	\$28.10	\$19.47	\$25.39	\$28.41
65 gallon roll cart service	\$28.65	\$36.78	\$41.09	\$29.45	\$37.18	\$41.54
B) <u>Multi-Family &amp; Mobile Home Parks - Other Cart Charges</u>						
Occasional extra's - (35 gallon equivalent)	\$5.41	\$5.53	\$6.30	\$5.57	\$5.59	\$6.37
95 gallon mixed organics cart - (up to 25%) food waste, with regular service	\$16.72	N/A	N/A	\$17.19	N/A	N/A
35 gallon food waste cart	\$9.78	N/A	N/A	\$10.05	N/A	N/A
65 gallon food waste cart	\$15.01	N/A	N/A	\$15.43	N/A	N/A
95 gallon food waste cart	\$20.23	N/A	N/A	\$20.80	N/A	N/A
Premium service	\$7.37	\$13.27	\$13.27	\$7.58	\$13.41	\$13.41
<b>III. Commercial Cart- Monthly rate for weekly service. ~ see definitions</b>						
A) <u>Type of Service</u>						
35 gallon roll cart service	\$20.30	\$25.17	\$29.70	\$20.87	\$25.45	\$30.03
65 gallon roll cart service	\$32.16	\$37.89	\$39.82	\$33.06	\$38.31	\$40.26
95 gallon roll cart service	\$41.07	\$48.83	\$50.76	\$42.22	\$49.37	\$51.32
B) <u>Commercial - Other Cart Charges</u>						
Each additional cart - (35 gallon equivalent)	\$11.56	\$11.28	\$12.11	\$11.89	\$11.40	\$12.24
Occasional extra's - (35 gallon equivalent)	\$7.44	\$6.52	\$6.91	\$7.65	\$6.59	\$6.99
95 gallon mixed organics cart - (up to 25%) food waste, with regular service	\$16.72	N/A	N/A	\$17.19	N/A	N/A
35 gallon food waste cartj	\$9.78	N/A	N/A	\$10.05	N/A	N/A
65 gallon food waste cartj	\$15.01	N/A	N/A	\$15.43	N/A	N/A
95 gallon food waste cartj	\$20.23	N/A	N/A	\$20.80	N/A	N/A
<b>IV. Cart Fees</b>						
Exchange Fee: Charge that applies if customer switches service which requires a receptacle to be picked up, redelivered or returned. i.e. Cart Cleaning or switching sizes						
Single cart	\$20.17	\$27.64	\$44.22	\$20.74	\$27.94	\$44.71
Multiple carts	\$33.58	\$38.69	\$55.28	\$34.52	\$39.12	\$55.88
Delivery Fee: Charge that applies if established customer adds additional service. i.e. additional mixed organics cart during the summer.						
Single cart	\$20.17	\$27.64	\$44.22	\$20.74	\$27.94	\$44.71
Multiple carts	\$33.58	\$38.69	\$55.28	\$34.52	\$39.12	\$55.88
Redelivery Fee: Charge that applies if customer becomes delinquent and carts are brought in and they want to resume service and have carts redelivered.						
Single cart	\$20.17	\$27.64	\$44.22	\$20.74	\$27.94	\$44.71
Multiple carts	\$33.58	\$38.69	\$55.28	\$34.52	\$39.12	\$55.88
Each additional 95 gallon mixed recycling cart	\$3.34	\$3.34	\$3.34	\$3.44	\$3.38	\$3.38
Return trip charge	\$11.56	\$11.72	\$14.81	\$11.89	\$11.85	\$14.98
Late Fee (Formally Service interrupt fee)	\$27.85	\$27.64	\$27.64	\$28.63	\$27.94	\$27.94
Damaged carts	\$75.00	\$75.00	\$75.00	\$77.10	\$75.83	\$75.83
Contamination fee - each cart mixed organics and mixed recycling	\$15.00	\$15.00	\$15.00	\$15.42	\$15.17	\$15.17
<b>CONTAINER SERVICE</b>						
<b>V. Commercial Container - Monthly rate for weekly service.</b>						
A) <u>Type of Service</u>						
<u>Loose Manual - First Stop</u>						
One Yard	\$80.89	\$78.17	\$90.68	\$80.89	\$105.62	\$122.52
One and a Half Yard	\$113.88	\$104.75	\$117.31	\$113.88	\$125.28	\$140.30
Two Yard	\$145.90	\$134.42	\$151.89	\$145.90	\$146.46	\$165.49
Three Yard	\$209.29	\$202.01	\$242.42	\$209.29	\$202.01	\$242.42
Four Yard	\$265.81	\$269.15	\$341.80	\$265.81	\$269.15	\$341.80
Five Yard	\$326.06	\$337.20	\$404.53	\$326.06	\$337.20	\$404.53
Six Yard	\$381.97	\$361.30	\$450.61	\$381.97	\$361.30	\$450.61
Eight Yards	\$482.53	\$480.99	\$600.83	\$482.53	\$480.99	\$600.83
<u>Loose Automated - First Stop</u>						
Two Yard	\$133.72	\$134.42	\$151.89	\$133.72	\$134.42	\$151.89
Three Yard	\$173.89	\$202.01	\$242.42	\$173.89	\$202.01	\$242.42
Four Yard	\$227.45	\$269.15	\$341.80	\$227.45	\$269.15	\$341.80
Five Yard	\$282.22	\$337.20	\$404.53	\$282.22	\$337.20	\$404.53
Six Yard	\$333.31	\$361.30	\$450.61	\$333.31	\$361.30	\$450.61
Eight Yard	\$434.27	\$480.99	\$600.83	\$434.27	\$480.99	\$600.83
Each additional stop per week - loose manual & automated less first stop rate	(\$10.00)	(\$10.00)	(\$10.00)	(\$10.00)	(\$10.00)	(\$10.00)
**Each non-regular stop is charged the regular rate divided by four. Haulers may charge no more than the manual load rate if container cannot be accessed by automation.						
B) <u>Container - Other Charges</u>						
Each additional 95 gallon mixed recycling cart	\$3.27	\$3.27	\$3.27	\$3.27	\$3.27	\$3.27
Delivery fee - restarts, temporary or first time user	\$30.16	\$35.44	\$50.63	\$30.16	\$35.44	\$50.63
Late Fee (Formally Service interrupt fee) - flat fee will be charged after 60-days of non-payment	\$27.27	\$25.32	\$25.32	\$27.27	\$25.32	\$25.32

Inaccessible containers - see special service rate  
 Occasional extra's & overload - see special service rate  
 Franchisee will not move rear-load container further than length of franchisee's vehicle, on hard, flat surface.

C) Compacted Material

Compactor and container must be compatible with collector equipment, and be in a safe and operable condition. Mechanically or manually compacted, altered or compacted and shredded waste is three (3) times the loose rate.

**DROP BOX SERVICE**

**VI. Drop Box Service (All rates are plus disposal, demurrage charge, mileage, and rental where applicable)**

A) Loose Material+

10 yard	\$149.44	\$149.90	\$149.90	\$158.00	\$158.00	\$158.00
20 yard	\$149.44	\$149.90	\$149.90	\$183.00	\$183.00	\$183.00
30 yard	\$174.40	\$174.95	\$174.95	\$183.00	\$183.00	\$183.00
40 yard	\$232.54	\$233.25	\$233.25	\$198.00	\$198.00	\$198.00
50 yard	\$290.64	\$291.55	\$291.55	\$198.00	\$198.00	\$198.00

Zone mileage is charged as follows:

Zone 1 - Salem UGB or 1 - 5 mile radius of W-T-E-F = No Mileage charge						
Zone 2+ - more than 5 air miles but less than 15 air miles from W-T-E-F = \$28.20 Mileage charge	\$29.39	\$28.20	\$28.20	\$34.00	\$34.00	\$34.00
Zone 3+ - more than 15 air miles but less than 25 air miles from W-T-E-F = \$56.35 Mileage charge	\$58.72	\$56.35	\$56.35	\$84.00	\$84.00	\$84.00
Zone 4+ - more than 25 air miles but less than 35 air miles from W-T-E-F = \$84.55 Mileage charge	\$88.11	\$84.55	\$84.55	\$104.00	\$104.00	\$104.00
Zone 5+ - more than 35 air miles but less than 50 air miles from W-T-E-F = \$133.10 Mileage charge	\$138.70	\$133.10	\$133.10	\$149.00	\$149.00	\$149.00

\*\*W-T-E-F - Waste to Energy Facility Located in Brooks, Oregon

B) Compacted Units

Customer supplies the compactor and container.

Generator supplied compactor must be compatible and safe to use with collector equipment. Plus Mileage charge as shown above. Minimum charge is based on Twenty-five cubic yard. Includes 70 minute haul time, additional time at special service rate.

\$174.55	\$186.25	\$186.25	\$231.00	\$231.00	\$231.00
\$6.98	\$7.45	\$7.45	\$7.45	\$7.45	\$7.45

+ Disposal cost multiplied by 1.03 plus zone mileage charge for compacted units

C) Disposal Fee

Solid Waste disposed of at an in-county approved facility - \$87.45 Per ton or \$13.00 Per Yard  
 Solid Waste required to be disposed of at an out-of-county approved facility - See special service rate

D) Drop Box - Other Charges

Each additional 95 gallon mixed recycling cart	\$3.13	\$3.13	\$3.13	\$3.13	\$3.13	\$3.13
Rental per day after first 4-days (96hrs)	\$9.69	\$9.30	\$9.30	\$12.00	\$12.00	\$12.00
Monthly drop box rental	\$96.81	\$92.90	\$92.90	\$118.00	\$118.00	\$118.00
Delivery fee - occasional or first time user	\$31.26	\$30.00	\$30.00	\$36.00	\$36.00	\$36.00
Inaccessible drop box - see special service rate						

**VII. Special Services**

Collector will charge the reasonable cost of disposal. Charges are to be related to a similar schedule of fees where possible. All services are plus franchise fee and plus cost of disposal. If debris exceeds 10 yards, use of drop box is at collectors discretion.

A) Janitorial Services and Call Backs (per hour)

One person and one truck, portal to portal	\$147.05	\$145.93	\$145.93	\$147.05	\$147.05	\$147.05
Two persons and one truck, portal to portal	\$200.52	\$198.99	\$198.99	\$200.52	\$200.52	\$200.52

B) Residential Medical Waste

One gallon sharps container service (same day as garbage collection service)	\$15.56	\$19.95	\$19.95	\$19.95	\$19.95	\$19.95
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**VIII. Commercial Medical Waste - Service Provided by Marion Environmental Services**

A) Low Volume Generators 1-59 boxes per month

20 gallon box/bag	\$18.25	N/A	N/A	\$25.00	N/A	N/A
Each additional box/bag	\$14.32	N/A	N/A	N/A	N/A	N/A
35 gallon box/bag	\$20.51	N/A	N/A	\$27.00	N/A	N/A
Each additional box/bag	\$16.59	N/A	N/A	N/A	N/A	N/A

B) High Volume Generators 60+ boxes per month

20 gallon box/bag	\$15.14	N/A	N/A	\$14.75	N/A	N/A
Each additional box/bag	\$11.84	N/A	N/A	N/A	N/A	N/A
Salem Hospital - 20Gal - Collection/Disposal Only	\$7.51	N/A	N/A	\$7.51	N/A	N/A
35 gallon box/bag	\$16.97	N/A	N/A	\$16.75	N/A	N/A
Each additional box/bag	\$13.75	N/A	N/A	N/A	N/A	N/A
Salem Hospital - 30Gal - Collection/Disposal Only	\$8.04	N/A	N/A	\$8.04	N/A	N/A

**IX. DEFINITIONS**

A) Accessible

Cart must be located in a single location with acceptable vehicle turning radius and adequate drive-up access. There must be no tree limbs adjacent to cart(s), and cart(s) must be accessible without manual movement.

B) Additional Carts

Each additional cart must be placed 4' apart side by side on day of collection or customer will be charged an individual cart rate.

C) Bankruptcy

Customers who have had bankruptcy shall provide one billing cycle advance payment on commercial and residential service. Payment is due at time of delivery of service for industrial service.

D) Cart Weight Limit

Maximum weights per cart: 20 gallon cart - 40 pounds, 35 gallon cart - 60 pounds, 65 gallon cart - 120 Pounds, 95 gallon cart - 180 Pounds

E) Charges

No franchised hauler shall charge a rate within the unincorporated areas of Marion County greater than that established by the Marion County Board of Commissioners. Where no rate has been established for a particular type of service, the Marion County Director of Public Works may establish an interim rate as provided under Ordinance 1309 as amended.

F) Collection Day

Carts shall be placed at curb prior to 6:00 a.m. on day of collection. Customers shall not place large items or overfill the cart such that the lid cannot be closed properly.

G) Commercial Cart Service

Applies to all cart service except single family, multi-family, and mobile home park residential service. The collector will provide cart for weekly garbage service and 1 95 gallon roll cart for every other week mixed recycling. Customers having greater than five carts per week service must convert to container service. No mixed organics cart service

H) Compostable Material

Yard debris, food waste and soiled paper when source separated for composting but does not include food soiled paper containing plastic or any other material that inhibits controlled biological decomposition.

I) Damaged Carts

A fee will be assessed if customer places hazardous chemicals, paints, corrosive materials, hot ashes or dirt/rocks, etc that damages the cart.

J) Food Waste

All waste from meats, fish, shellfish, grains, fruits and vegetables, which attends or results from storage, preparation, cooking, handling, selling or serving of food for human consumption. Includes, but is not limited to, excess, spoiled or unusable foods or dairy products, meats, fish, shellfish, grains, fruits, vegetables, breads and dough, incidental amounts of edible oils, and organic waste from food processing. Food waste does not include large amounts of oils and meats which are collected for rendering, fuel production or other reuse applications. Food waste does not include dead animals not intended for human consumption or animal excrement.

Includes paper products that have been in contact with food or food waste to the degree that they would not be able to be recycled into new paper products. Food soiled paper includes, but is not limited to, used paper table covers, used napkins, pizza boxes, coffee filters and waxy corrugated cardboard. Does not include unsoiled paper or cardboard products. Program is designed to include those multi family complexes that do not have access to the residential mixed organics program.

K) Hardship (Not at curb)

Hardship service is provided at residential households where no one in the household is physically capable of moving the container to the curb. The hauler may request verification from the individual's doctor. This service provided to 20-35 gallon service packages.

L) Janitorial & Call Back (per hour)

Collection of solid waste or recyclable materials that require additional handling by franchisee. i.e., removal from yard or building. This service may also include driver/truck time for additional mileage not previously included in established rates.

M) Mixed Organics

Mixed Organics (also known as mixed compostables) means the process where two or more types of compostable materials are collected together (i.e. not separated) in a combination allowed by Marion County.

N) Mixed Recycling

The process where two or more recyclable materials are collected together (i.e., not separated), in a combination allowed by Marion County.

O) Multi Family & Mobile Home Park Service

The collector will provide cart for weekly garbage service and 1 95 gallon roll cart for every other week mixed recycling. Each multi family unit will be charged the regular residential service rate unless the landlord requests the following special option: Four or more residential dwelling units on the same property with service billed to and paid by the landlord or property owner and under one billing.

P) NSF & Interest Charges

Fee is based upon regulated allowance for such penalty.

Q) Premium Service

Additional charge per cart per month, weekly collection for collection at the house up to 300ft (if over 300ft special services: hourly fee applies). Carts must be accessible with clear & unobstructed access so hauler can operate automated equipment. Hauler may request damage waiver form.

R) Residential Service

The collector will provide cart for weekly garbage service and 1 95 gallon roll cart for every other week mixed recycling. UGB Only also includes -1 95 gallon roll cart for mixed organics and 1 recycling basket for recycling. Charge will apply whether containers are completely full or less than full. Carts must be at the curb or street edge with clear and unobstructed access so hauler can operate automated equipment.

S) Cart Fees

Charge that applies if customer switches service which requires a cart/container to be picked up, redelivered or returned. i.e. Cart cleaning

T) Return Trip Charge

Fee will apply when a cart is blocked or not accessible at the time of service.

U) Late Fee (Service Interrupt Fee)

Flat fee will be charged after 60-days of non-payment.

V) Vacation Credit

There will be a pro-rated credit allowed on the regular monthly charge for service which is canceled for 3 consecutive weeks or more, when Hauler is notified in advance of vacation. No credit will be allowed for service which is canceled for less than 3 weeks. If a 3 week vacation occurs within a 5 week month, 1/2 month credit will be issued. Customer may receive credit no more than twice annually.





# **Solid Waste and Recycling Collection Rates for Marion County**

**Presentation to the Marion County Commissioners  
November 30, 2022**



# Annual Cost of Service Analysis (COSA)

- Each of the 8 franchised haulers submits a standardized financial report of company operations in Marion County
- Each report was reviewed by Chris Bell, CPA
  - Working in conjunction with the haulers and the MVHA controller
- Adjusted results of operation are consolidated by region:
  - Urban (within the Salem UGB) and Rural (unincorporated county)
- Financial Results are used calculate the cost of providing service



# Report Analysis

- Analyze and compare the reported route collection hours to the reported customer counts for each line of business
- Predictive tests of revenue for each service is completed to ensure the revenues are reasonable for the number of reported customers
- Analyze the reported direct cost line items to determine if the expense is reasonable in relation to the customers and operations
- Review the costs between the County and the company's other franchised collection operations to determine if the allocations are reasonable
- Adjust the reported costs to calculate the cost for each service in the urban and rural areas of Marion County

# Rates were last adjusted in 2018

- Since 2018 inflation has increased by 14.8% (all items West Coast class B/C)
- The average price per gallon of diesel has increased by 139%
- Trucks and container costs have increased by 5% annually
- Driver labor costs have increased by 2.2% annually / Salem area unemployment is 4.1%
  - CDL driver wages range from \$27 to \$35 per hour

# Adjusted 2021 Marion County Composite Expenses

Expense	Urban	Rural	Composite	% Expense
Disposal / Recycling Expense	\$2,763,955	\$2,016,530	\$4,780,485	35.6%
Labor Expense	\$2,077,652	\$1,092,868	\$3,170,520	23.6%
Truck / Fuel Expense	\$1,348,144	\$714,831	\$2,062,975	15.4%
Equipment Expense	\$246,682	\$156,912	\$403,594	3.0%
County Franchise Fees	\$304,006	\$186,350	\$490,356	3.7%
Other Direct Expenses	\$173,581	\$51,441	\$225,022	1.7%
Mgmt. and Admin/Customer Svc	\$1,298,915	\$981,186	\$2,280,101	17.0%
<b>Total Cost</b>	<b>\$8,212,935</b>	<b>\$5,200,118</b>	<b>\$13,413,053</b>	<b>100.0%</b>



# Projected 2023 Marion County Composite

Expense	2021 Composite	\$ ▲	% ▲	2023 Composite
Disposal / <b>Recycling</b> Expense	\$ 4,780,485	\$ 175,063	3.7%	\$ 4,955,548
<b>Labor</b> Expense	\$ 3,170,520	\$ 324,626	10.2%	\$ 3,495,146
Truck / <b>Fuel</b> Expense	\$ 2,062,975	\$ 391,096	19.0%	\$ 2,454,071
Equipment Expense	\$ 403,594	\$ 21,959	5.4%	\$ 425,553
County Franchise Fees (% of rev)	\$ 490,356	\$ (26,666)	-5.4%	\$ 463,690
Other Direct Expenses	\$ 225,022	\$ 7,906	3.5%	\$ 232,928
Mgmt. and Admin/Cust. Svc	\$ 2,280,101	\$ 213,159	9.3%	\$ 2,493,260
<b>Total Cost</b>	\$ 13,413,053	\$ 1,107,143	8.3%	\$ 14,520,196

- Labor Cost increased by 8.2%
- Fuel Cost increased by 57%
- Recycling Processing Cost increased by 175% (no revenue in 2023)

# Projected Results by Service

## URBAN REGION

Service	Return
Cart (Residential)	4.96%
Container (Commercial)	16.50%
Drop Box	9.05%
Urban Composite	8.51%

### Propose **2.8%** Increase to Cart Service

- 35-gallon cart increased by \$0.79 per month
  - Proposed 35-gallon rate: \$28.95
- 65-gallon cart increased by \$1.05 per month
  - Proposed 65-gallon rate: \$35.80

## RURAL REGION

Service	Return
Cart (Residential)	9.07%
Container (Commercial)	-4.08%
Drop Box	1.49%
Rural Composite	4.59%

### Propose **1.1%** Increase to Cart Service

- 35-gallon cart increased by \$0.33 per month
  - Proposed 35-gallon rate: \$30.75
- 65-gallon cart increased by \$0.42 per month
  - Proposed 65-gallon rate: \$38.42

# Rural Rate Increase for Container (Commercial) Manual Service

- Rates were established to incentive small containers
- However, not enough large containers to subsidize service
  - 77% of customers have a small container
- Propose a cost-of-service rate for small containers
- Rate phased in over two years
- No rate changes for large containers or changes for loose automated service

## Proposed Rural Container Rates

Service	Current Rate	\$ ▲	2023 Rate	\$ ▲	2024 Rate
1 yard	\$ 78.17	\$ 27.45	\$ 105.62	\$ 27.45	\$ 133.07
1-1/2 yard	\$ 104.75	\$ 20.53	\$ 125.28	\$ 20.53	\$ 145.81
2 yard	\$ 134.42	\$ 12.04	\$ 146.46	\$ 12.04	\$ 158.50
3 yard	\$ 202.01	no change	\$ 202.01	no change	\$ 202.01
4 yard	\$ 269.15	no change	\$ 269.15	no change	\$ 269.15
5 yard	\$ 337.20	no change	\$ 337.20	no change	\$ 337.20
6 yard	\$ 361.30	no change	\$ 361.30	no change	\$ 361.30
8 yard	\$ 480.99	no change	\$ 480.99	no change	\$ 480.99



# Drop Box Rate Increase

- Standardize the rate based on the cost of service throughout the County
  - Haul time and distances impact the rate
- Rate is the haul cost, delivery fee and drop box rental (if applicable), and the cost of disposal
- Disposal cost is a pass-through expense based on the actual cost

## Proposed Drop Box Rates

Service	Current Rate	\$ ▲	Proposed Rate
10-yard drop box	\$149.90	\$8.10	\$158.00
20-yard drop box	\$149.90	\$33.10	\$183.00
30-yard drop box	\$174.95	\$8.05	\$183.00
40-yard drop box	\$233.25	\$(35.25)	\$198.00
Roll Off Compactor	\$186.25	\$44.75	\$231.00
Roll Off Compactor >26 yds.	\$223.50	\$7.50	\$231.00
Zone 2 (5 to 15 miles)	\$28.20	\$5.80	\$34.00
Zone 3 (15 to 25 miles)	\$56.35	\$27.65	\$84.00
Zone 4 (25 to 35 miles)	\$84.55	\$19.45	\$104.00
Zone 5 (35 to 50 miles)	\$133.10	\$15.90	\$149.00
Box Rental (daily)	\$9.30	\$2.70	\$12.00
Box Rental (monthly)	\$92.90	\$25.10	\$118.00
Delivery Fee	\$30.00	\$6.00	\$36.00

# Medical Waste Collection Rates

- Eliminated the higher first-rate box fee to a flat box fee
- Customers that generate less than 60 boxes per month are classified as Low Volume Generators

## Proposed Medical Waste Collection Rates

Low Volume Generators	Current	2023 Proposed	\$ ▲
20-gallon box (1st box)	\$ 18.25	\$ 25.00	\$ 6.75
20-gallon box (each additional)	\$ 14.32	n/a	
35-gallon box (1st box)	\$ 20.51	\$ 27.00	\$ 6.49
35-gallon box (each additional)	\$ 16.59	n/a	
High Volume Generators	Current	2023 Proposed	\$ ▲
20-gallon box (1st box)	\$ 15.14	\$ 14.75	\$ (0.39)
20-gallon box (each additional)	\$ 11.84	n/a	
35-gallon box (1st box)	\$ 16.97	\$ 16.75	\$ (0.22)
35-gallon box (each additional)	\$ 13.75	n/a	



A scenic view of a waterfall cascading over a rocky ledge into a pool of water, surrounded by lush green vegetation. The waterfall is the central focus, with water flowing from the top left towards the center. The surrounding area is covered in dense green foliage, including trees and bushes. The water in the pool below is calm, reflecting the surrounding greenery. The overall atmosphere is peaceful and natural.

Questions ?