

Tillamook City Franchise Hauler Rate Review Report

edited April 2019

Franchisee:

City Sanitary Service

	Total				Allocation method	Tillamook City 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/ 6% rate change	% change	
REVENUE										
Route collection Services	\$2,078,980	\$2,099,770	\$2,183,761	5%	Actual	\$1,022,375	\$1,032,599	\$1,094,555	7%	
Drop Box Services										
Rental revenue	\$80,648	\$81,000	\$81,000	0%	44% cust. Count	\$35,485	\$35,640	\$35,640	0%	
Non-franchised revenue & pass-through revenue	\$330,239	\$353,356	\$353,356	7%	44% cust. Count	\$145,305	\$155,477	\$155,477	7%	
Recycling revenues	\$10,076	\$10,000	\$10,000	-1%	Actual	\$9,062	\$9,000	\$9,000	-1%	
Other revenue (med waste, interest, Bay City, SCCR)	\$25,475	\$26,000	\$27,040	6%	Actual	\$8,951	\$9,000	\$9,000	1%	
Total revenue	\$2,525,419	\$2,570,126	\$2,655,157	5%		\$1,221,179	\$1,241,715	\$1,303,672	7%	
Number of regular route customers as of January 1, 2018*	3121				Actual	1357				
Number of regular route customers as of July 1, 2018*	3417				Actual	1395				
Number of regular route customers as of January 1, 2019*	3574				Actual	1414				
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				44% cust. Count	784.52				
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	\$3,745	\$3,000	\$3,000	-20%	
Recycling collection expense (all in labor)				#DIV/0!	n/a				#DIV/0!	
Recycling processing expense	\$4,872	\$6,000	\$6,000	23%	65% ccr CC	\$3,167	\$3,900	\$3,900	23%	
Labor-related expenses										
Labor expense	\$407,812	\$416,000	\$416,000	2%	47% labor hours	\$191,671	\$195,520	\$195,520	2%	
Taxes, insurance	\$219,935	\$224,000	\$224,000	2%	47% labor hours	\$103,369	\$105,280	\$105,280	2%	
Other labor-related expense	\$72,760	\$84,000	\$84,000	15%	47% labor hours	\$34,197	\$39,480	\$39,480	15%	
Operations-related expenses										
Fuel	\$68,085	\$69,500	\$69,500	2%	47% labor hours	\$32,000	\$32,665	\$32,665	2%	
Repairs and Maintenance	\$5,669	\$6,000	\$6,000	6%	47% labor hours	\$2,665	\$2,820	\$2,820	6%	
Depreciation and Amortization	\$195,558	\$190,000	\$190,000	-3%	47% labor hours	\$91,912	\$89,300	\$89,300	-3%	
Equipment Lease and/or Rent	\$60,000	\$0	\$0	-100%	47% labor hours	\$28,200	\$0	\$0	-100%	
Property Lease and/or Rent	\$38,068	\$40,000	\$40,000	5%	47% labor hours	\$17,892	\$18,800	\$18,800	5%	
Equipment expense (eg. short-term rental) Truck Repairs	\$106,541	\$110,000	\$110,000	3%	47% labor hours	\$50,074	\$51,700	\$51,700	3%	
Insurance expense	\$43,895	\$45,000	\$45,000	3%	47% labor hours	\$20,631	\$21,150	\$21,150	3%	
Other operational expense (incl. franchise fees)	\$47,519	\$48,000	\$50,000	5%	Actual	\$45,979	\$46,000	\$47,840	4%	
Total operational expenses	\$2,030,067	\$2,080,951	\$2,082,951	3%		\$1,003,306	\$1,027,841	\$1,029,681	3%	
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%	44% cust. Count	\$74,800	\$74,800	\$74,800	0%	
Administrative services	\$9,173	\$11,000	\$11,000	20%	44% cust. Count	\$4,036	\$4,840	\$4,840	20%	
Postage, phones, office supplies, utilities, etc.	\$66,150	\$68,000	\$68,000	3%	44% cust. Count	\$29,106	\$29,920	\$29,920	3%	
Advertising and outreach expenses	\$22,149	\$22,000	\$22,000	-1%	44% cust. Count	\$9,745	\$9,680	\$9,680	-1%	
Education, Training, Publications, dues	\$4,213	\$5,000	\$5,000	19%	44% cust. Count	\$1,854	\$2,200	\$2,200	19%	
Bad debts	\$5,887	\$8,000	\$8,000	36%	Actual	\$3,153	\$4,000	\$4,000	27%	
Other admin. Expenses	\$34,349	\$36,000	\$37,000	8%	44% cust. Count	\$15,113	\$15,840	\$16,280	8%	
Total administrative expenses	\$311,921	\$320,000	\$321,000	3%		\$137,807	\$141,280	\$141,720	3%	
Return on income before taxes (revenue - allowable costs)	\$183,431	\$169,175	\$251,206	37%		\$80,065	\$72,595	\$132,271	65%	
Operating margin	7.3%	6.6%	9.5%	30%		6.6%	5.8%	10.1%	55%	

Tillamook City franchise data only!

Current and Proposed Rates

	Current (32-36 gallon cans/rollcarts)	Proposed (32-36 gallon cans/rollcarts)	Current (60-65 gallon cans/rollcarts)	Proposed (60-65 gallon cans/rollcarts)	Current (90-95 gallon cans/rollcarts)	Proposed (90-95 gallon cans/rollcarts)
Trash Cans/Rollcarts						
Curbside weekly pickup	\$17.60	\$18.65	\$32.60	\$34.55	\$47.60	\$50.45
Curbside twice weekly pickup	\$35.20	\$37.30	\$65.20	\$69.10	\$95.20	\$100.90
Curbside every Other Week pickup	\$16.00	\$17.00	N/A	N/A	N/A	N/A
Curbside Once a Month pickup	\$8.00	\$8.50	N/A	N/A	N/A	N/A
Each Additional Can	\$5.25	\$5.55	N/A	N/A	N/A	N/A
In Yard weekly pickup	\$20.10	\$21.30	\$37.20	\$39.45	\$54.30	\$57.60
In Yard twice weekly pickup	\$40.20	\$42.60	\$74.40	\$78.90	\$108.60	\$115.20
In Yard every Other Week pickup	N/A	N/A	N/A	N/A	N/A	N/A
In Yard Once a Month pickup	N/A	N/A	N/A	N/A	N/A	N/A
Each Additional Can	\$5.25	\$5.55	N/A	N/A	N/A	N/A
Rental Fees						
Trash Cans/Rollcarts (per month)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

95 Gallon CCR Cart 2xMonth \$1.00 \$2.00

Containers

	Current	Proposed	Current	Proposed	Current	Proposed
	1 cubic yard container		1 1/2 cubic yard container		2 cubic yard container	
Weekly pickup	\$83.20	\$88.20	\$120.15	\$127.35	\$151.95	\$161.05
Each additional stop per week	\$83.20	\$88.20	\$120.15	\$127.35	\$151.95	\$161.05
Rental Fees	\$18.60	\$18.60	\$18.60	\$18.60	\$18.60	\$18.60
 	3 cubic yard container		4 cubic yard container		5 cubic yard container	
Weekly pickup	N/A		N/A		N/A	
Each additional stop per week						
Rental Fees						
 	6 cubic yard container		8 cubic yard container		2 yard cont. Cardboard Recycle	
Weekly pickup	N/A		N/A		\$1.40	\$2.40
Each additional stop per week					\$20.00	\$21.00
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



4/30/2019

Dear Tillamook City Council and Mayor,

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 6% for the upcoming period from July 2019 to July 2020. Trash tipping fees will increase from \$78.27 to \$84.49 per ton 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.

We added to our customer base by over 400 and increased tonnage volume in both trash and recycling in 2018. We partnered with Waste Management to bring medical waste service to commercial customers and lowered our collection expenses for drop off customers. This will allow us to keep our medical waste fees steady this year. The annual recycling survey showed participation at our lot depot stayed consistent and gave valuable information for the ban the bag effort. We plan to raise the rate for curbside commingled recycling service to \$2 per month as part of our effort to offset the \$75 per ton fee to process it. 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 Tillamook in 2018. We hope to expand our customer base this year, keep customer carts clean, and continue to give a consistently high level of customer service in 2019.

Respectfully,

A handwritten signature in black ink, appearing to be 'R. Poppe', followed by a horizontal line.

Robert Poppe
Co-owner



Dear Tillamook City Customers,

City Sanitary Service will be increasing rates by approximately 6% starting July 1, 2019, pending the approval of the Tillamook City Council. 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 \$17.60 per month to \$18.65. Extra cans will go from \$5.25 per can to \$5.55. 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 \$1 per month to \$2. 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 \$8.00 per can to \$8.50 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 read "R. Poppe", with a long horizontal line extending to the right.

Robert Poppe
Co-owner

City Rates for 32 gallon cans

EFFECTIVE July 1st 2019

In Yard Service Price per Month

Commercial/Residential	1 Can	2 Cans	3 Cans	4 Cans	5 Cans	6 Cans
Dumped once per week	\$21.30	\$39.45	\$57.60	\$75.75	\$93.90	\$112.05
Dumped twice per week	\$42.60	\$78.90	\$115.20	\$151.50	\$187.80	\$224.10
Each Additional Can	\$18.15 per month					

At Curb Service Price per Month

Residential	1 Can	2 Cans	3 Cans	4 Cans	5 Cans	6 Cans
Dumped once per week	\$18.65	\$34.55	\$50.45	\$66.35	\$82.25	\$98.15
Dumped twice per week	\$37.30	\$69.10	\$100.90	\$132.70	\$164.50	\$196.30
Each Additional Can	\$15.90 per month					

Extra Can (Regular Customers) \$5.55 per can

1 Can Once per Month \$8.50

1 Can Twice per Month \$17.00

Each Additional Can \$8.50

Curbside Commingle Service \$2.00 per month + \$3.00 can rent

Roll Cans - \$3.00 Rent (35, 60, & 90 Gallon) Plus Curb or In Yard Rate for 1, 2, & 3 Cans

Drop Box Hourly Hauling Rates: DROP BOX RENT PER DAY \$13.00

10-13 yard Boxes \$110.25 per hour

Over 13 yards \$116.50 per hour

City Container Rates per Month

MONTHLY CONTAINER RATES AS OF July 1st 2019

\$23.85 PER YARD ON CALL		Rate	Rate
	Dumps per Week	Without Rent	With \$18.60 Rent
1 Yard Container	Once	\$88.20	\$106.80
	Twice	\$176.40	\$195.00
	Three	\$264.60	\$283.20
	Four	\$352.80	\$371.40
	Five	\$441.00	\$459.60
	Six	\$529.20	\$547.80
1 1/2 Yard Container	Once	\$127.35	\$145.95
	Twice	\$254.70	\$273.30
	Three	\$382.05	\$400.65
	Four	\$509.40	\$528.00
	Five	\$636.75	\$655.35
	Six	\$764.10	\$782.70
2 Yard Container	Once	\$161.05	\$179.65
	Twice	\$322.10	\$340.70
	Three	\$483.15	\$501.75
	Four	\$644.20	\$662.80
	Five	\$805.25	\$823.85
	Six	\$966.30	\$984.90
Temporary containers MUST be DUMPED WEEKLY			
Container Delivery Charge Regular Customer			\$20 MINIMUM
Container Delivery Charge Temporary Customers			\$30 MINIMUM