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## AGENDA ITEM SUMMARY

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**Subject: Garbage/Recycling Rate increase request – Jendro Sanitation/LJP Waste Solutions**

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**Background Summary:**

The city's 2016 agreement with Jendro Sanitation (LJP Waste Solutions) for waste services allows them to request for an increase in their rates once per year which is to be based on the aggregated twelve-month change in CPI from the twelve previous months based upon the date of their request. Jendro made a request in August of 2021 to implement a CPI adjusted rate increase. Based on CPI changes that appears to equate to a 2.7% increase (August 2020 to July 2021 changes).

Additionally, the agreement provides for rate adjustments based on in unanticipated and documented cost increases. Jendro/LJP also recently saw a tipping fee increase from Floyd, Mitchell, Chickasaw (FMC) Landfill of 5%.

Jendro/LJP also sets the rates for orange bag prices (15-gallon and 33-gallon), which since moving to wheeled carts are now used primarily for supplemental usage when the amount of garbage exceeds the size of the users' cart.

In total we are looking at a request for a 7.7% increase in the monthly wheeled cart charge for each of the three cart sizes 35,65,95 gallons. This translates to the tote prices as follows:

35-gallon tote – from \$13.30 to \$14.32

65-gallon tote – from \$17.14 to \$18.46

95-gallon tote – from \$20.97 to \$22.58.

The price of the 33-gallon bags will likely go from \$1.58 to about \$1.83 each, and 15-gallon bags will go from \$1.14 each to about \$1.39 each I believe. We are still discussing the pricing for these at this time.

Assuming council is ready to approve at the next meeting, these prices will go into effect October 1 and will be reflected in the November utility bills.

Enclosed is supplemental pricing information for this change and others since 2016.

9.13.2021		2021		Residential Garbage & Recycling Rates													
				Jendro rate increase request													
Container distribution	Container Splits					<b>Price Increase Proposal - 10.4%</b>	<b>Price Increase - City Recommendation - 7.7%</b>	Price Increase Request from Jendro/LJP	\$ increase	% increase	price per gallon of increase	City Counter - 5% to offset FMC CPI S/B 2.7%	\$ increase	% increase	price per gallon increase		
Can size - gallons	Month of August 2021	2021 current pricing	Current FY22 Revenues	Jendro Requested FY22 Revenue change - 10.4%	Staff recommended - 7.7%			10.4% across the board increase pricing		% increase		7.7% across the board increase in pricing					
35	1057	\$13.30	\$168,697.20	\$186,201.12	\$181,686.88	\$17,504	\$12,990	\$14.68	\$1.38	10.38%	\$0.0394	\$14.32	\$1.02	7.7%	\$0.029		
65	1577	\$17.14	\$324,357.36	\$358,042.08	\$349,332.88	\$33,685	\$24,976	\$18.92	\$1.78	10.39%	\$0.0274	\$18.46	\$1.32	7.7%	\$0.020		
95	340	\$20.97	\$85,557.60	\$94,452.00	\$92,145.54	\$8,894	\$6,588	\$23.15	\$2.18	10.40%	\$0.0229	\$22.58	\$1.61	7.7%	\$0.017		
<b>Total carts</b>	<b>2974</b>		<b>\$578,612.16</b>	<b>\$638,695.20</b>	<b>\$623,165.30</b>	<b>\$60,083</b>	<b>\$44,553</b>										

Notes:

Jendro Sanitation has made a request to increase garbage & recycling rates, as per contract that considers Annual change in CPI-All Urban Customers

- 1) First request is a 5% increase based on the FMC Landfill increasing tipping fees by 5%
- 2) 2nd request is for a 5.4% increase based on CPI - Need to confirm CPI from last twelve months.

**Request -10.4% increase across the board**

City review of request

- 1) FMC Landfill did increase rates by 5% - allowed per contract
- 2) CPI increase from August 2020 to July 2021 = total of 2.683% - round increase to 2.7%

**Consider - 7.7% increase**

## Rate Changes since 2016 change to Yard Carts

		Contract Base									
		Nov-17	Jan-19		Apr-20			Oct-21			
Gallon Tote			New Price	% change	\$ Change	New Price	% change	\$ Change	New Price	% change	\$ Change
35		12.00	13.00	8.3%	\$ 1.00	13.30	2.3%	\$ 0.30	14.32	7.7%	\$ 1.02
65		15.00	16.75	11.7%	\$ 1.75	17.14	2.3%	\$ 0.39	18.46	7.7%	\$ 1.32
95		18.00	20.50	13.9%	\$ 2.50	20.97	2.3%	\$ 0.47	22.58	7.7%	\$ 1.61
Garbage Bag											
33		1.54	1.54	0.0%	\$ -	1.58	2.6%	\$ 0.04	1.83	15.8%	\$ 0.25
15		1.14	1.14	0.0%	\$ -	1.14	0.0%	\$ -	1.39	21.9%	\$ 0.25
Bin Usage						Diff prev			diff prev		
35 Gallon			1099			1090	-9		1057	-33	
65 Gallon			1570			1557	-13		1577	20	
95 Gallon			316			313	-3		340	27	
Total		0	2985			2960	-25		2974	14	