
AGENDA ITEM SUMMARY

**Subject: Resolution No. 120-21 - Garbage/Recycling Rate increase request
Jendro Sanitation/LJP Waste Solutions**

Background Summary:

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%. **This translates into an approximate 2.1% increase in our user fees to generate an offsetting amount which is based on growth in total tons as provided by Jendro/LJP a couple days ago.** I've then calculated a total increase of 4.8% for both CPI and Tipping fee impact. I've priced this out two ways, one an across the board 4.8% to each wheeled tote size and another where i charged more for each of the larger containers. The resolution has pricing in it based on the across the board increase. 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 4.8% 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 **\$13.94**

65-gallon tote – from \$17.14 to **\$17.96**

95-gallon tote – from \$20.97 to **\$21.98.**

The price of the 33-gallon bags will go from \$1.58 to **\$1.83** each, and 15-gallon bags will go from \$1.18 each to **\$1.43** each, and increase of \$0.25 each. We confirmed the pricing on the bags.

Enclosed are spreadsheets showing details .

RESOLUTION NO. 120-21

RESOLUTION APPROVING AMENDMENT TO RESIDENTIAL SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION AGREEMENT BY INCREASING THE MONTHLY RESIDENTIAL TOTE RATES

WHEREAS the City of Charles City, Iowa (the City) and Jendro, Inc. (the Contractor) entered into a Residential Solid Waste and Recyclable Materials Collection Agreement (the Agreement) dated October 16, 2017 and previously approved by the City Council on October 16, 2017; and

WHEREAS Exhibit 1 to Agreement provides for the Monthly Residential Tote Rate charged to each residence and payable by the City to the Contractor; and

WHEREAS Paragraph 5, subsection c of the Agreement provides that the Contractor may request rate adjustments based on unanticipated and documented cost increases, subject to the approval of the City Council; and

WHEREAS the Contractor has experienced unanticipated cost increases in the form of significant increases in the cost of processing and transporting baled mixed recyclable material; and

WHEREAS, as a result of the unanticipated and documented cost increases, the Contractor has requested an increase in the monthly residential tote rates and 33 gallon trash bag rates as follows:

35 Gallon Wheeled Tote - from \$13.30 to \$13.94

65 Gallon Wheeled Tote - from \$17.14 to \$17.96

95 Gallon Wheeled Tote - from \$20.97 to \$21.98

33- gallon trash bag (wholesale price per bag) \$1.83

15- gallon trash bag (wholesale price per bag) \$1.43

and

WHEREAS, the City finds that the Contractor has provided quality service to the City; that the additional costs incurred by the Contractor constitute a significant increase in its costs and arise from market changes beyond its control; and that an increase of the monthly residential tote rate is justified.

NOW THEREFORE BE IT RESOLVED that the Agreement be amended by increasing the monthly residential tote 33-gallon and 15-gallon trash bag rates effective October 1, 2021, as follows:

35 Gallon Wheeled Tote - \$13.94

65 Gallon Wheeled Tote - \$17.96

95 Gallon Wheeled Tote - \$21.98

33-gallon trash bag (wholesale price per bag) \$1.83

15- gallon trash bag (wholesale price per bag) \$1.43

All other terms and provisions of the original Agreement shall remain unchanged and in full force and effect.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are authorized to sign the Agreement incorporating these changes.

Passed and approved this 20th day of September, 2021.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk

Disposal Expense

	tons		disposal cost
2019	1646		\$67,509
2020	1737	5.53%	\$71,231
2021 extrapolated	1791	3.11%	\$74,625
2022 forecasted	1847	3.13%	\$79,421

total disposal increase 2019 - 2022	\$11,912
	17.65%

	2021 tons	Disposal cost
Jan - Aug	1194	\$48,954
Oct-Dec	597	\$25,671
2021 total	1791	\$74,625

approximate annual contract value	\$595,000
disposal increase as a % of revenue	2.00%