
AGENDA ITEM SUMMARY

**Subject: Resolution 105-22 Garbage/Recycling Rate increase request
Jendro Sanitation/LJP Waste Solutions**

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 2022 to implement a CPI adjusted rate increase. Based on CPI changes that appears to equate to a 7.4% increase (August 2021 to July 2022 changes). In my calculations from the CPI adjustment, I come up with the same annual change.

Last year the total increase we approved we chose to apply more of the increase to the higher end users (65 gallon & 95 gallon) and keep the lower end users (35 gallon) at a smaller increase by effectively increasing the cost per gallon at the same rate.

Based on our discussion from the workshop i have included rates that change as follows (I also included th 7.4% increase to the cost of the orange trash bags for added trash).

The rates are changing to the following amounts

35 gal - \$14.54

65-gal - \$19.41

95-gal - \$24.40

33-gallon bag - \$1.97

15-gallon bag - \$1.50

Final two pages of this packet show the estimated revenue to be generated and the two approaches to implementing the increase. I also include the the rate changes over the recent years on the final page. Interesting to note that our small container usage continues to decline and larger units are more prevalent.

RESOLUTION NO. 105-22

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 adjustment equivalent to the average monthly rate increase as shown by the Consumer Price Index (CPI/U), subject to the approval of the City Council; 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 trash bag rates as follows:

35 Gallon Wheeled Tote – from \$13.77 to \$14.54

65 Gallon Wheeled Tote – from \$18.00 to \$19.41

95 Gallon Wheeled Tote – from \$22.30 to \$24.40

33 -gallon trash bag (wholesale price per bag) from \$1.83 to \$1.97

15 -gallon trash bag (wholesale price per bag) from \$1.39 to \$1.50

NOW THEREFORE BE IT RESOLVED that the Agreement be amended by increasing the monthly residential tote and trash bag rates effective October 1, 2022, as follows:

35 Gallon Wheeled Tote – \$14.54

65 Gallon Wheeled Tote – \$19.41

95 Gallon Wheeled Tote – \$24.40

33 gallon trash bag (wholesale price per bag) \$1.97

15 gallon trash bag (wholesale price per bag) \$1.50

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 19th day of September, 2022.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk



P.O Box 97, Charles City, IA 50616
(641)228-3525 (800)232-3525
customerservice@jendrosanitation.com

August 15, 2022

City of Charles City
105 Milwaukee Mall
Charles City, IA 50616

Dear City Clerk;

The challenges of continuous COVID waves and now inflation and supply chain issues have kept our business and personal lives in a constant state of pressure. At Jendro Sanitation we feel the pinch every time we fill up a truck or wait for a part to be delivered. Through the challenges though we have and will continue to work hard every day to deliver great service at a fair value.

This letter shall service as notification that we are requesting a rate adjustment to our invoice effective October 1, 2022. Our existing contract allows us to request an increase to our rates annually for the percentage dictated by the Consumer Price Index (CPI/U). This past year that percentage increase was 7.4%.

We appreciate the opportunity and confidence you place in us to be your trusted business partner.

Sincerely

Jendro Sanitation

<https://www.bls.gov/news.release/cpi.t01.htm>

9.14.2022		2022		Residential Garbage & Recycling Rates												
				Jendro/LJP rate increase request												
Container distribution	Container Splits											price per gallon of increase				price per gallon increase
Can size - gallons	Month of August 2022	2022 current pricing	Current FY23 Projected Revenues	Increase applied evenly by container -Total Annual Revenues - 7.4%	Increase applied evenly by gallon - Total Annula Revenues - 7.4%	Added Annual revenue by container	Added Annula revenue by gallon	7.4 % across the board increase pricing		% increase			7.4% more to higher users			
35	1045	\$13.77	\$172,675.80	\$185,453.81	\$182,331.60	\$12,778	\$9,656	\$14.79	\$1.02	7.4%	\$0.029	\$14.54	\$0.77	5.6%	\$0.022	
65	1579	\$18.00	\$341,064.00	\$366,302.74	\$367,780.68	\$25,239	\$26,717	\$19.33	\$1.33	7.4%	\$0.020	\$19.41	\$1.41	7.8%	\$0.022	
95	353	\$22.33	\$94,589.88	\$101,589.53	\$103,358.40	\$7,000	\$8,769	\$23.98	\$1.65	7.4%	\$0.017	\$24.40	\$2.07	9.3%	\$0.022	
Total carts	2977		\$608,329.68	\$653,346.08	\$653,470.68	\$45,016	\$45,141									

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) Request is a 7.4% increase based on based on the CPI aggregated over the last twelve months

Request -7.4% increase across the board

Rate Changes since 2016 change to Yard Carts

		Contract Base												
		Nov-17	Jan-19		Apr-20			Oct-21			Oct-22			
Gallon Tote			New Price	% change	\$ Change	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	13.77	3.5%	\$ 0.47	14.54	5.6%	\$ 0.77
65		15.00	16.75	11.7%	\$ 1.75	17.14	2.3%	\$ 0.39	18.00	5.0%	\$ 0.86	19.41	7.8%	\$ 1.41
95		18.00	20.50	13.9%	\$ 2.50	20.97	2.3%	\$ 0.47	22.30	6.3%	\$ 1.33	24.40	9.4%	\$ 2.10
Garbage Bag														
33		1.54	1.54	0.0%	\$ -	1.58	2.6%	\$ 0.04	1.83	15.8%	\$ 0.25	1.97	7.7%	\$ 0.14
15		1.14	1.14	0.0%	\$ -	1.18	3.5%	\$ 0.04	1.39	17.8%	\$ 0.21	1.50	7.9%	\$ 0.11
Bin Usage					Diff prev		diff prev		diff prev		diff prev			
35 Gallon			1099		1090	-9	1057	-33	1045	-12				
65 Gallon			1570		1557	-13	1577	20	1579	2				
95 Gallon			316		313	-3	340	27	353	13				
Total	0		2985		2960	-25	2974	14	2977	3				