



City of Green River  
City Council Meeting  
Agenda Documentation

Preparation Date: 10/31/18	Department: Administration
Meeting Date: 11/20/18	Department Head: Reed Clevenger
	Presenter: Reed Clevenger

**Subject:**

*Consideration to Approve a Rate Increase from Wyoming Waste Systems*

**Background/Alternatives:**

*Wyoming Waste Systems has notified the City on their plans to increase the rates for Solid Waste Services beginning January 1, 2019. Per the Agreement: Escalation Clause; 13.1 Effective January 1 of each year, all services pursuant to this agreement will be eligible for a rate adjustment. All such rates will be adjusted by 100% of the actual percentage increase in the Consumer Price Index for the most recent rolling twelve month period for which such index is available. 13.5 All fee changes are subject to City Council approval, which will not be unreasonably withheld.*

**Attachments:**

*Letter from Wyoming Waste Systems and current contract with terms*

**Fiscal Impact:**

*n/a*

**Staff Impact:**

*n/a*

**Legal Review:**

*n/a*

**Suggested Motion:**

*I move to approve the solid waste services rate increase from Wyoming Waste Systems effective January 1, 2019.*



October 12, 2018

City of Green River  
50 E 2<sup>nd</sup> N  
Green River WY 82935

Mayor and City Council

Re: Escalation for Service Fees 2019

A/P  
OCT 15 2018

I would like to thank you and the residents of Green River for allowing Wyoming Waste Services to provide waste removal services in our great City for the past year. We look forward to providing exceptional waste removal services for many years to come.

Wyoming Waste would like to request your approval to implement a price increase for services in Green River effective January 1, 2019.

In accordance with the Refuse Service Contract (part 13) Escalation Clause, all services will be eligible for a rate adjustment January 1 of each year. The CPI according to the United States Department of Labor, Bureau of Labor Statistics is currently at 2.3%, as of September 2018. We will take the % as of December 2018.

Thank you for your consideration

Michelle Foote  
Wyoming Waste  
Site Manager

RECEIVED

OCT 12 2018

HUMAN RESOURCES

12.2. CONTRACTOR agrees to receive and accept from each Commercial Customer the rates (plus applicable Taxes and Fees ) set forth on Exhibit C, attached hereto and incorporated herein by reference, for the collection of Commercial Refuse For purposes of this Section 12, the term "Taxes and Fees" shall mean any adoption of, or changes to, any federal, state, or local laws, rules or regulations by any governmental authority or agency that results in an increase in CONTRACTOR's costs, including but not limited to the imposition of new or the increase to existing governmental taxes, and franchise and other fees, and surcharges. CONTRACTOR will bill and collect the Rates from Commercial Customers monthly in arrears.

12.3. Notwithstanding the foregoing or anything else to the contrary set forth in this Agreement, CONTRACTOR shall, at any time, have the right to adjust the Rates in the event that a Force Majeure Event arises which materially affects CONTRACTOR's costs or revenues under this Agreement. CONTRACTOR shall submit to the CITY all substantiating documentation, via certified mail, thirty (30) days prior to any proposed Rate increase. CONTRACTOR agrees to use commercially reasonable efforts to inform the CITY at the earliest possible moment when CONTRACTOR learns of the impending change that could affect this Section. Under no circumstances shall CONTRACTOR have the right to assess any increases pursuant to this Section until the CITY has consented to same, which consent shall not be unreasonably withheld, conditioned or delayed. If the CITY and CONTRACTOR cannot agree on a proposed increase in Rates, CONTRACTOR shall have the right, with thirty (30) day's written notice, to terminate the Agreement.

### XIII ESCALATION CLAUSE

13.1. Effective January 1 of each year, all services pursuant to this Agreement will be eligible for a rate adjustment. All such rates will be adjusted by 100% of the actual percentage increase in the Consumer Price Index for the most recent rolling twelve (12) month period for which such index is available. The Consumer Price Index or "CPI-U" means the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, 1982-84=100, as prepared by the United States Department of Labor, Bureau of Labor Statistics ("BLS"), or its successor. If BLS designates an index with a new title or code number or table number as being the continuation of the index cited above, the new index will be used. Otherwise, the parties shall agree upon a new index. In the event the CPI-U decreases by seven percent (7%) or more for the most recent 12-month period, all rates shall be reduced by that percentage.

13.2. In the event of a solid waste tip fee change that exceeds the CPI-U, or that occurs other than January 1, an additional rate adjustment is warranted. This rate change will become effective concurrent with the change in tip fees, with retroactive billing allowed as necessary. Rates will be adjusted uniformly by the following formula:

(Total Disposal Expense for previous 12 month period) X (% Change in Tip Fee) / (Total Contract Revenue for previous 12 month period)

13.3. Similarly, in the event of a significant change in CONTRACTOR's operational costs, occurring for reasons outside CONTRACTOR's control, including but not limited to a change in federal, state, or local laws or a significant change in commodity markets,

CONTRACTOR requests an opportunity to present a proposal for an extraordinary price adjustment to CITY's City Council. Where possible, the proposal will be fashioned similarly to the adjustment formula for Tip Fees as described above. The City Council shall not unreasonably withhold approval to adjust rates for significant items. For the purpose of this Section 13.3, "significant change" shall be defined as a change of five percent (5%) or more in one or more specific operational costs incurred by CONTRACTOR in performing pursuant to this Agreement.

13.4. CONTRACTOR shall provide at least 30 days' advance notice to customers for annual CPI increases, and 30 days notice for significant or off-cycle adjustments. The notice requirement is waived in the event of a tip fee or government fee increase that is assessed on CONTRACTOR with less than 45 days notice.

13.5. All fee changes are subject to City Council approval, which will not be unreasonably withheld.

#### **XIV TERM**

14.1. The initial term of this Agreement shall be for the ten (10) year period commencing on and including the 1st day of January, 2018, and expiring on the 31st day of December, 2027 CONTRACTOR shall commence Recycling and Yard Waste collection on April 1, 2018. CONTRACTOR shall commence distributing commercial front load containers to commercial Customers, as agreed between CONTRACTOR and commercial Customers, upon delivery of front load containers.

14.2. Following the aforementioned expiration date, this Agreement will automatically extend for two (2) additional five (5) year periods, unless either CONTRACTOR or the CITY notifies the other in writing at least ninety (90) days prior to the expiration of this Agreement of its intent not to renew this Agreement, subject, however, to the rights of the parties hereto under Article X of this Agreement.

#### **XV HOLIDAYS**

15.1. The following shall be holidays for the purposes of this Agreement:

- (a) New Year's Day;
- (b) Memorial Day;
- (c) Fourth of July;
- (d) Labor Day;
- (e) Thanksgiving Day; and