



## Buncombe County Board of Commissioners

### Request for Board Action

Meeting Date: 1/2/2024

#### Presentations

**Department:** Solid Waste

**Presenter(s):** Chip Gingles, Waste Pro

**Contact(s):** Dane Pederson

**Subject:** Waste Pro Residential Service Fee Increase

**Brief Summary:** Buncombe County entered into an exclusive Franchise Services Contract with Waste Pro USA, Inc. on June 4, 2019. Pursuant to the contract, Waste Pro is entitled to rate increases in two situations. The first provides for a 10% rate increase in subscriber fees for every \$1.00 the County increases its tipping fees at the transfer station and landfill. The second rate increase is an annual consumer price index ("CPI") adjustment. On and after January 1, 2022, Waste Pro is also entitled to an annual rate increase equal to the percentage increase in the annual consumer price index ("CPI") for the prior calendar year.

The per subscriber rate for 2023 has been \$22.55 per month. The calculated fee increase establishes a new standard rate of \$23.66 per month per subscriber. This will be effective January 1, 2024.

**Contract, Section 13.1** provides that "If in any year Buncombe County has an increase in the tipping fee, then the Contractor will be due an adjustment based on the following: for every \$1.00 increase in the tipping fee the County imposes, the Contractor will be granted an increase of \$.10 per month per Subscriber."

Tipping fees will increase for all haulers effective January 1, 2024. Rates at the Transfer Station will increase from \$47.75 to \$52.00 per ton, and rates at the landfill will increase from \$43.75 to \$45.00 per ton. Based on discussions and data review this tipping fee increase will result in an increase of \$0.41 per month to collection fees per month per subscriber.

**Contract, Section 13.2** provides that “the County will not entertain increases in the per month Subscriber fee before January 1, 2022. For every subsequent year of the Franchise Term the Contractor will be entitled to an annual rate increase equal to the percentage increase in the annual consumer price index ("CPI") for the prior calendar year next preceding October 31, 2021. The index to be used is the Consumer Price Index, Urban Wage Earners and Clerical Workers, U. S. City Average, All Items, published by the United States Department of Labor, Bureau of Labor Statistics and in effect as of October 31st next preceding the date of the salary adjustment. Seasonally adjusted data will not be used.”

The CPI calculation is 3.1%. The CPI increase results in an increase of \$0.70 per month to collection fees per month per subscriber.

A copy of the Bureau of Labor and Statistics Consumer Price Index, Urban Wage Earners and Clerical Workers, U.S. City Average, All Items is included in the agenda packet.