



10/18/2017

RE: 2018 Rate Increase City of Salem, Marion and Polk Counties

Dear City of Salem Customer:

Mid-Valley Garbage and Recycling Association (MVGRA), is a non-profit association dedicated to promoting the solid waste & recycling industry while fostering the mutual benefits and relationships with the general public. The association represents our six franchised haulers with all solid waste and recycling matters including rate structures within the City of Salem. It is our purpose to represent the haulers and to promote high standards of service and participation in recycling and recycling education. Our locally owned and operated association is comprised of the six franchised haulers serving Salem. The haulers consist of: D&O Garbage Service, Inc., Loren's Sanitation Service, Inc., Pacific Sanitation Inc., Valley Recycling & Disposal, Inc., Suburban Garbage, Inc and Republic Services of Salem. Information about MVGRA as well as a complete contact list of haulers in the Salem area can be found at www.mrtrashrecycles.com.

Due to the rising cost of providing garbage and recycling collection services, the City of Salem approved a requested rate increase effective starting January 1, 2018. A public hearing was held on October 9, 2017 at which evidence and testimony were received by the Salem City Council. Information regarding the public hearing may be found at www.cityofsalem.net.

Over the next couple months, customers in Salem will receive a notice with their garbage bill, showing how this rate increase may impact them. The table below shows the approximate increase to rates for roll cart, container, and drop-box services. The full list of rates is available at www.mrtrashrecycles.com. These increases become effective January 1, 2018.

Line of Service	City of Salem/Marion	City of Salem/Polk
Roll Cart Services (mostly residential)	3.10%	0.00%
Container Services (commercial)	0.00%	3.70%
Drop Boxes	4.30%	4.50%

Included in the adopted January 2018 rate sheet is an improvement to the **low-income discount program** for solid waste rates. Starting in January 2018, the discount program includes low-income seniors and disabled heads of household. The program is tied directly to the City's utility Wastewater Rate Assistance Program <http://www.cityofsalem.net/Pages/apply-for-wastewater-rate-assistance.aspx>. Any subscriber who qualifies for a wastewater discount will also qualify for a discount on their solid waste bill. Customers who provide proof of qualification for the Wastewater Rate Assistance Program will receive ten percent (10%) off their residential service package.



The rates for 20-gallon and 35-gallon cart services were rebalanced in the Salem/Polk County area of Salem. The 20-gallon cart service for Salem/Polk County was lowered by \$2.00/month, while the 35-gallon cart service was increased by \$0.25/month.

For many years, garbage rates remained stable with few increases. This stability was primarily due to customer growth, technological innovations, and the streamlining of routes and operations. In October 2016, Salem customers experienced higher than usual rate increases due to significant increases in disposal costs for both solid waste and organics, coupled with declining revenues from the sale of recyclable material. Visit the www.mrtrashrecycles.com website for details on the change with recycling markets. The adopted rate increase for 2018 returns the Salem community to minimal, steady rate increases, generally in line with inflation.

Salem haulers continually look for ways to offset increased operating costs due to inflation, working to reduce the need for future rate increases. Below are a few examples:

- Routes are reviewed annually to minimize truck drive time.
- National purchase agreements are used to reduce costs for all Salem haulers.
- 51% of the haulers' operational purchases are with local suppliers.
- Larger fuel and oil tanks are purchased and/or leased to improve fuel pricing.
- Employee Benefits are leveraged with Oregon Refuse and Recycling Association (ORRA) to minimize costs.
- In the last 18 months, twelve new fuel efficient/environmentally friendly vehicles were purchased, replacing older diesel vehicles and reducing vehicle emissions.

Multiple service options are available. If you would like to make a change to your current service, or if you have any questions about these changes, please contact MVGRA or your local hauler at your earliest convenience.

It's our pleasure to operate as City of Salem's franchise haulers. We value your business and will continue to offer you the best service possible.

Respectfully,

David Lear
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