



CITY OF ARANSAS PASS

AGENDA MEMORANDUM
City Council Meeting of June 4, 2018

Date: June 1, 2018

To: Mayor and City Council

From: Sandra Garcia, Director of Finance

Title: Solid Waste Collection and Disposal Services rate increase

PURPOSE:

Consider and Act on approving the automatic increase in Garbage Services as stated in the contract with Absolute Waste

BACKGROUND AND FINDINGS:

On May 1, 2017, the City entered into contract with Absolute Waste for its Solid Waste Collection and Disposal Services. The contract call for a review of CPI for Urban Wage Earners and Clerical Workers (All Items) and the CPI for Urban Wage Earners and Clerical Workers, Expenditure Category "Transportation" both as published by the U.S. Department of Labor, Bureau of Labor Statistics. The fees shall increase or decrease for the ensuing 12 month period in a percentage amount equal to 100% of the net percentage change of the All Items Index (the "Composite Percentage Change").

The calculation of these CPIs totals an increase of 2.59%. This increase is \$0.43 per month for all residential customers. Commercial customers will see an increase proportionate to their charge for service. Rate increases for other services have been passed on to its customers, as a "pass through" increase.

ALTERNATIVES:

Not approving the rate increase.

RECOMMENDATION:

Staff recommends approving the increase as a pass through increase to its customers.

Current Garbage Rate

Proposed New Rate

Service Type
RES GARBAGE
SR GARBAGE
COM GARBAGE
1 - 2YD 1AW
1 - 2YD 2AW
1 - 3YD SHARED 1AW
1 - 3YD 1AW
1 - 3YD 2AW
1 - 3YD 3AW
2 - 3YD 1AW
1 - 4YD 1AW
1 - 4YD 2AW
1 - 4YD 3AW
1 - 4YD 4AW
2 - 4YD 1AW
2 - 4YD 3AW
4 - 4YD 3AW
1 - 6YD 1AW
1 - 6YD 2AW
1 - 6YD 3AW
1 - 6YD 4AW
1 - 6YD 5AW
2 - 8YD 1AW
1 - 8YD 1AW
1 - 8YD 2AW
1 - 8YD 3AW
1 - 8YD 4AW
1 - 8YD 5AW
1 - 8YD 6AW

Customer Base Rate	Tax	Cost to Customer
24.33	2.01	26.34
23.74	1.96	25.70
32.60	2.69	35.29
71.48	5.90	77.38
142.96	11.79	154.75
49.58	4.09	53.67
97.09	8.01	105.10
176.11	14.53	190.64
253.33	20.90	274.23
170.96	14.10	185.06
109.98	9.07	119.05
218.71	18.04	236.75
325.00	26.81	351.81
423.68	34.95	458.63
219.24	18.09	237.33
586.88	48.42	635.30
772.45	63.73	836.18
176.11	14.53	190.64
325.00	26.81	351.81
443.44	36.58	480.02
599.33	49.44	648.77
675.79	55.75	731.54
799.29	65.94	865.23
218.71	18.04	236.75
401.31	33.11	434.42
568.88	46.93	615.81
773.94	63.85	837.79
881.17	72.70	953.87
1,043.55	86.09	1,129.64

Base Rate Increase	Tax on Increase	Total Increase	New Cost to Customer
0.40	0.03	0.43	26.77
0.40	0.03	0.43	26.13
0.40	0.03	0.43	35.72
1.48	0.12	1.60	78.98
2.56	0.21	2.78	157.53
0.87	0.07	0.94	54.61
1.74	0.14	1.88	106.98
3.08	0.25	3.34	193.98
4.43	0.37	4.79	279.02
3.47	0.29	3.76	188.82
1.99	0.16	2.16	121.21
3.55	0.29	3.84	240.59
5.10	0.42	5.52	357.34
6.66	0.55	7.21	465.84
3.99	0.33	4.32	241.64
10.20	0.84	11.05	646.34
20.41	1.68	22.09	858.27
2.56	0.21	2.78	193.41
4.38	0.36	4.74	356.55
6.19	0.51	6.70	486.72
8.00	0.66	8.66	657.44
9.82	0.81	10.63	742.17
6.27	0.52	6.78	872.02
3.13	0.26	3.39	240.15
5.21	0.43	5.64	440.05
7.28	0.60	7.88	623.69
9.35	0.77	10.12	847.91
11.42	0.94	12.36	966.23
13.49	1.11	14.61	1,144.25

Absolute Waste Services, Inc.

P.O. Box 260898 – Corpus Christi, Texas 78426-0898

May 21, 2018

City of Aransas Pass
Mr. Gary Edwards
City Manager
600 W. Cleveland
Aransas Pass, Texas 78336

Dear Mr. Edwards,

In accordance with Section 12.02 of the Contract titled “Modification to Rates”, please accept the following calculations as the acceptable modifications to the rates charged the City of Aransas Pass by Absolute Waste Services, Inc. for residential, commercial and rolloff collection service. No changes regarding landfill rates.

The Contract allows for the modifications to rates using both the Consumer Price Index for Urban Wage Earners and Clerical Workers (All items) and the Consumer Price Index for Urban Wage Earners and Clerical Workers (Transportation). However, the 10% language regarding transportation modification was left out of Section 12.02.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (All items) increased from 238.432 in April 2017 to 244.607 in April 2018 (see attached). This 6.175 point increase is a 2.59% increase.

The contract allows for 100% of this 2.59% change to be part of the modification of rates.

I have attached the Consumer Price Index information referred to in this letter.

Let me know if you have any questions.

Very Truly Yours,

William M. Davis
President

ABSOLUTE WASTE SERVICES INC.

ARANSAS PASS RATE CHANGE REQUEST

May 21, 2018

CONSUMER PRICE INDEX-URBAN WAGE EARNERS AND CLERICAL WORKERS-ALL ITEMS

Consumer Price Index-April 2017	238.432
Consumer Price Index-April 2018	244.607
Index point change	<u>6.175</u>
Percent Change	2.59%
Percent Change Allowed by Contract (100%)	<u><u>2.59%</u></u>

CHANGES TO RESIDENTIAL RATE PER MONTH

RATE AS OF May 2017	\$ 15.45
CPI RATE CHANGE (\$15.45*+2.59%)	\$ 0.40
DISPOSAL RATE CHANGE	\$ -
NEW RATE-May 2018	<u><u>\$ 15.85</u></u>


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CPI-Urban Wage Earners and Clerical Workers (Current Series)

Series Id: CWUR0000SA0,CWUS0000SA0

Not Seasonally Adjusted

Series Title: All items in U.S. city average, urban wage earners and clerical workers, not seasonally adjusted

Area: U.S. city average

Item: All items

Base Period: 1982-84=100

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2008	206.744	207.254	209.147	210.698	212.788	215.223	216.304	215.247	214.935	212.182	207.296	204.813	210.309	211.796
2009	205.700	206.708	207.218	207.925	208.774	210.972	210.526	211.156	211.322	211.549	212.003	211.703	207.883	211.377
2010	212.568	212.544	213.525	213.958	214.124	213.839	213.898	214.205	214.306	214.623	214.750	215.262	213.426	214.507
2011	216.400	217.535	220.024	221.743	222.954	222.522	222.686	223.326	223.688	223.043	222.813	222.166	220.196	222.954
2012	223.216	224.317	226.304	227.012	226.600	226.036	225.568	227.056	228.184	227.974	226.595	225.889	225.581	226.878
2013	226.520	228.677	229.323	228.949	229.399	230.002	230.084	230.359	230.537	229.735	229.133	229.174	228.812	229.837
2014	230.040	230.871	232.560	233.443	234.216	234.702	234.525	234.030	234.170	233.229	231.551	229.909	232.639	232.902
2015	228.294	229.421	231.055	231.520	232.908	233.804	233.806	233.366	232.661	232.373	231.721	230.791	231.167	232.453
2016	231.061	230.972	232.209	233.438	234.436	235.289	234.771	234.904	235.495	235.732	235.215	235.390	232.901	235.251
2017	236.854	237.477	237.656	238.432	238.609	238.813	238.617	239.448	240.939	240.573	240.666	240.526	237.974	240.128
2018	241.919	242.988	243.463	244.607										

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