

CITY OF NEWPORT

RESOLUTION NO. 3623

APPROVING A RATE STRUCTURE FOR
THOMPSON'S SANITARY SERVICE, INC.
FOR SOLID WASTE DISPOSAL

Whereas, the City of Newport and Thompson's Sanitary Service, Inc. entered into a solid waste franchise agreement in May of 2007; and

Whereas, Section 12(1)(a) of the May 2007 agreement states that the Franchisee shall charge and collect those rates adopted by the City Council resolution each year; and

Whereas, Section 12(1)(g)(1) of the May 2007 agreement states that commencing on June 1, 2008 and on June 1 of each even numbered year thereafter (the adjustment date) throughout the term of the franchise, the rates shall be adjusted in an amount equal to 85 percent of the two-year percentage change in the Consumer Price Index for all Urban Consumers for West B/C, all Items (1982-84+100) published by the Bureau of Labor Statistics (the index) that occurred between the months of May and April of the previous and the current years; and

Whereas, for the time period between the months of May and April of the previous and the current year, 85% of the index (CPI) equals 3.5%; and

Whereas, Section 12(1)(h)(1) of the May 2007 agreement states that the city shall review the report [a rate review report] and, if the city's review of the report indicates that the operating ratio is likely to be less than 85 percent or greater than 91 percent, the franchisee shall implement new rates for the next year. The rates shall provide the franchisee an operating ratio of 88 percent; and

Whereas, The City Council has reviewed Thompson's Sanitary Service, Inc. 2012 Rate Review Report and the operating ratio is likely to be 92.57%; and

Whereas, notwithstanding provisions for rate adjustments afforded in the May 2007 franchise agreement, Thompson's Sanitary Service, Inc. is requesting and recommending a 2% CPI increase as shown in Attachment A to this resolution.

The City of Newport resolves as follows:

Section 1. Notwithstanding the two year CPI adjustment pursuant to Section 12(1)(g) (1) is 3.5% and the operating ratio is outside the limits as provided for in Section 12(1)(h)(1), the City Council authorizes a 2% rate increase as provided for in attachment A to this resolution.

Section 2. The effective date of this resolution shall be July 1, 2013.

Adopted by the Newport City Council on April 1, 2013.

Sandra N. Roumagoux
Sandra Roumagoux, Mayor

ATTEST:

Margaret M. Hawker
Margaret M. Hawker, City Recorder