

Proposed Solid Waste Service Rates Effective January 1, 2026, and January 1, 2027

City Council Public Hearing
November 24, 2025

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2025 Timeline



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Authority and Responsibility

- ▶ Cities have primary responsibility for solid waste management services. ORS 459.017(b)
- ▶ May displace competition by issuing exclusive franchises if areas are allocated. ORS 459A.083(A)
- ▶ City Council to set rates by service or by zone. SRC 47.099(d)
- ▶ Reasonable operating margin shall be considered. SRC 47.099(f)

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Objective

- ▶ Balance the cost of service and sustain operations
- ▶ Consider projected revenues and expenses
- ▶ Evaluate rates using pre-tax return on revenue
- ▶ Prohibit rate preferences
- ▶ Adopt rates that are just, reasonable, and adequate

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Cost Factors	2025	2026	2027
General Inflation	2.8%	2.7%	2.5%
Fuel	-0.8%	2.4%	0.0%
Labor	4.4%	3.8%	3.5%
Medical Insurance	5.0%	4.4%	4.4%
Disposal (expanded on next slide)	-0.7%	0.3%	1.4%

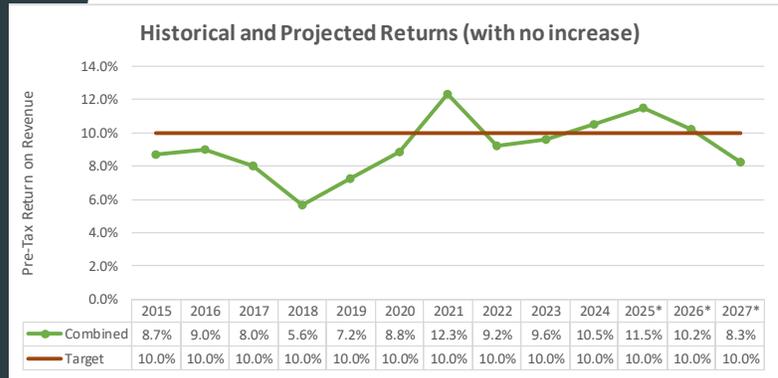
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Disposal	2025	2026	2027
Combined Disposal Increase	-0.7%	0.3%	1.4%
Marion County (Garbage)	0%	0%	0%
\$/ton	\$87.45	\$87.45	\$87.45
Polk County (Garbage)	20.5%	18.9%	15.9%
\$/ton	\$53.00	\$63.00	\$73.00
Yard Debris/Food Waste	8.3%	5.3%	5.0%
\$/ton	\$95.00	\$100.00	\$105.00
Commingle Recycling	-59.4%	-76.5%	-100.0%
\$/ton	\$38.34	\$8.99	\$0.00

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Pre-Tax Return on Revenue

- ▶ Reasonable Operating Margin
- ▶ Target 10% Pre-Tax Return on Revenue (Council Policy C-25)
- ▶ Not a guarantee of return



* Projected 2025; Projected 2026 and 2027 with no rate increases

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Line of Business	2025	2026	2027
Cart	14.2%	13.1%	11.1%
Container	11.8%	10.2%	8.7%
Drop Box	6.1%	6.0%	4.8%
Salem-Marion Total	11.8%	10.7%	9.1%
Cart	9.9%	6.9%	3.0%
Container	7.7%	2.6%	-2.5%
Drop Box	6.5%	9.6%	8.0%
Salem-Polk Total	9.2%	6.3%	2.4%
Salem Combined	11.5%	10.2%	8.3%

* Projected 2025; Projected 2026 and 2027 with no rate increases

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Proposed Rate Increases

- ▶ Salem - Marion: None
- ▶ Salem - Polk:

Line of Service	Jan-2026	Jan-2027
Cart Service - mostly residential	3.7%	4.6%
Container Service - commercial	9.1%	5.6%
Drop Boxes	0.7%	3.2%
Combined	4.6%	4.7%

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How Much Would My Bill Go Up?

- ▶ Salem-Polk



Salem-Polk Residential Cart Service	Current	Proposed			Proposed		
	2025	2026	Bi-Monthly Bill Variance	Annual Bill Variance	2027	Bi-Monthly Bill Variance	Annual Bill Variance
20 Gallon w/o Yard Debris*	\$44.60	\$46.30	\$ 1.70	\$10.20	\$48.40	\$2.10	\$12.60
20 Gallon EOW	\$38.00	\$39.40	\$ 1.40	\$ 8.40	\$41.20		
20 Gallon	\$56.50	\$58.60	\$ 2.10	\$12.60	\$61.30	\$2.70	\$16.20
35 Gallon	\$63.70	\$66.10	\$ 2.40	\$14.40	\$69.10	\$3.00	\$18.00
65 Gallon	\$77.00	\$79.80	\$ 2.80	\$16.80	\$83.50	\$3.70	\$22.20

* Standard cart service includes garbage, recycling, and yard debris.

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Salem-Polk		Current		Proposed		Proposed	
Container Service	2025	2026	Monthly Bill Variance	Annual Bill Variance	2027	Monthly Bill Variance	Annual Bill Variance
2-Yard	\$131.45	\$143.40	\$11.95	\$ 71.70	\$151.45	\$8.05	\$48.30
4-Yard	\$224.35	\$244.75	\$20.40	\$122.40	\$258.45	\$13.70	\$82.20
6-Yard	\$328.85	\$358.80	\$29.95	\$179.70	\$378.90	\$20.10	\$120.60

Salem-Polk*		Current		Proposed		Proposed	
Drop Box	2025	2026	Variance	2027	Variance		
20-Yard	\$256.05	\$257.85	\$ 1.80	\$266.10	\$8.25		
40-Yard	\$396.25	\$399.00	\$ 2.75	\$411.75	\$12.75		

*Cost of disposal is billed separately based on actual tonnage.




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Salem-Polk Drop Box Re-alignment of costs

- ▶ Drop box delivery fee increase from \$47.65 to \$75.00
 - ▶ Aligns delivery fee with actual cost, reducing need to increase service fee.

- ▶ Drop box disposal pass-through
 - ▶ Allows 17.57% markup on disposal cost charged not included in service fee.
 - ▶ 7.0% Franchise fee
 - ▶ 0.57% Corporate Activity Tax (CAT)
 - ▶ 10.0% Allowed margin
 - ▶ Aligns Salem-Polk with Salem-Marion drop box cost of service methodology

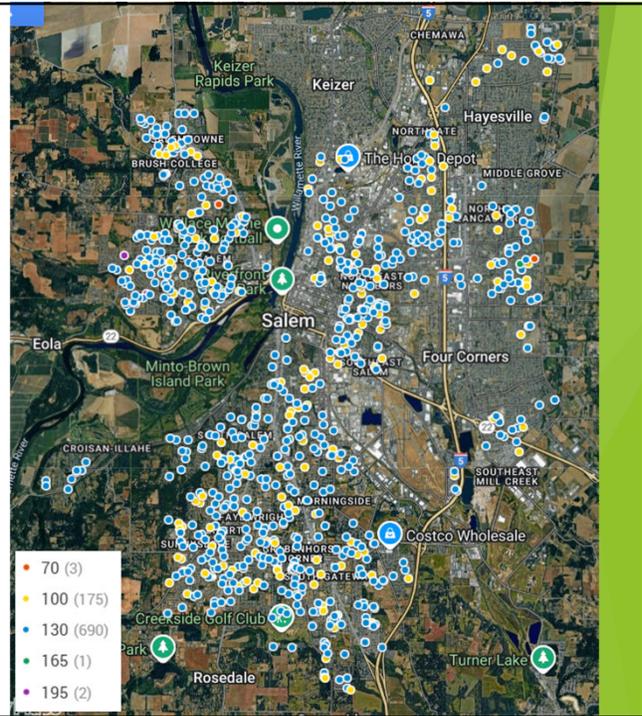
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95-Gallon Residential Cart Service

<u>2026 Proposed Monthly Rate</u>	
Salem-Marion	\$56.40
Salem-Polk	\$47.20

- ▶ Reduce cost for customers with multiple carts
- ▶ Increased collection efficiency
- ▶ Includes same recycling and mixed-organics carts as other curbside services

	Salem-Marion	Salem-Polk
65-Gallon Curbside Service	49.40	39.90
Extra 35-Gallon	19.05	15.75
Total for both	68.45	55.65
Proposed 95-Gallon Curbside Service	56.40	47.20
Monthly Savings	12.05	8.45



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Summary of Proposed Rate Increases and Service Changes

- ▶ Salem - Marion County
 - ▶ Add 95-gallon residential cart service (\$56.40/month)
- ▶ Salem - Polk County
 - ▶ 2026 Increases - Cart: 3.7%; Container: 9.1%; Drop box: 0.7%
 - ▶ 2027 Increases - Cart: 4.6%; Container: 5.6%; Drop box: 3.2%
 - ▶ Add 95-gallon residential cart service (\$47.20/month)
 - ▶ Drop box delivery fee increased from \$47.65 to \$75.00
 - ▶ Drop box disposal pass-through cost to customer markup of 17.57%
- ▶ Recommendation: Adopt Resolution No. 2025-28 establishing new solid waste collection rates and charges and rescind Resolution No. 2023-31 as amended by Resolution No. 2025-1

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