



City of Salem Solid Waste Committee

Finance Department, Room 230, Conference Room
Thursday, February 15, 2024, 12:00 p.m. – 1:30p.m.

View Via YouTube: https://www.youtube.com/channel/UCQLj9RKZNHu4wfYcs_TC0TA

Si necesita ayuda para comprender esta información, por favor llame 503-588-6274

PARTICIPANTS

Board Members

Councilor Virginia Stapleton, Chair
Councilor Linda Nishioka
Councilor Deanna Gwyn
Councilor Micki Varney
Alternate – Councilor Julie Hoy

Staff

Josh Eggleston, Chief Financial Officer
Kalli Leinenbach, Budget Manager
Ryan Zink, Senior Fiscal Analyst/Franchise Administrator

Guests

Derek Neliton, D&O Garbage Service
Julie Jackson, Republic Services

AGENDA

1. Welcome and call to order
2. Approval of Minutes
 - a. November 11, 2023, Minutes (agenda packet pg. 3)
3. Public Comment - Appearance of persons wishing to address the Board on any solid waste matters
4. Action Items
 - None
5. Management Update/Information Items
 - a. Getting to know the solid waste system, infrastructure, and partners:
 - i. CityofSalem.net “franchise website”
<https://www.cityofsalem.net/community/household/water-utilities/utility-payments-and-your-utility-account/utility-providers>
 - ii. Inclement Weather Debrief
 - iii. Facility Tours

1. Coffin Butte and Pacific Regional Compost tours (May)
 2. Ride-along with route truck(s)
 - a. Ward 1 – Republic Services and Valley
 - b. Ward 2 – Republic Services
 - c. Ward 3 – D&O and Republic Services
 - d. Ward 4 – D&O and Republic Services
 - e. Ward 5 – Republic Services, Loren's, and Pacific
 - f. Ward 6 – Republic Services, Suburban, and D&O
 - g. Ward 7 – D&O and Republic Services
 - h. Ward 8 – Valley
- b. Solid Waste Policy Discussion
- i. Waiving cart-exchange fee – follow-up
 - ii. Cost-based rates/Subsidization – lines of business/levels of service
 1. Memo from haulers (agenda packet pg. 5)
 2. Interactive garbage services map
6. Adjourn

Next Meeting: March 21, 2024

This meeting is being conducted in person, with remote attendance by the public as an option. Interested persons may view the meeting online on [YouTube](#). Please submit written comments on agenda items, or pre-register to provide Public Comment on items not on the agenda, by 5 p.m. or earlier one day prior to the day of the meeting at finance@cityofsalem.net.

Special accommodations are available, upon request, for persons with disabilities or those needing sign language interpretation, or languages other than English. To request accommodations or services, please call 503-540-2371 (TTD/TTY 503-588-6439) at least two business days in advance.

It is the City of Salem's policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, and source of income, as provided by Salem Revised Code 97. The City of Salem also fully complies with Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, and related statutes and regulations, in all programs and activities.

CITY OF SALEM SOLID WASTE COMMITTEE Minutes

DATE: November 16, 2023

PLACE: Public Works Traffic Control Conference Room (555 Liberty St SE, RM 325)

CHAIRPERSON: Virginia Stapleton

STAFF LIAISON: Ryan Zink, Senior Fiscal Analyst 503-588-6258 RZink@cityofsalem.net

View recording via YouTube: <https://www.youtube.com/watch?v=R7hfLlqdKU>

Members Present:

Councilor Virginia Stapleton
Councilor Linda Nishioka
Councilor Deanna Gwyn
Councilor Micki Varney (left at 1:18 pm)

Members Absent:

Alternate-Councilor Julie Hoy

Staff Present:

Josh Eggleston, Chief Financial Officer
Ryan Zink, Senior Fiscal Analyst/Franchise Administrator
Kelli Blechschmidt, Management Analyst II
Shengnan Thomas, Administrative Analyst I

Guest Present:

Dakota Tangredi, Marion County Public Works, Environmental Services Division,
Bilingual Waste Reduction Coordinator

1. CALL TO ORDER: 12:03 PM / Quorum

2. APPROVAL OF COMMITTEE MINUTES

a. October 19, 2023

Motion was moved by Member Gwyn, seconded by Member Nishioka, and
carried by the following vote:

Aye: Unanimous
Nay: None
Abstentions: None

3. Public Comment

- a. Jim Scheppke regarding waving cart fee for downsize and 350 Salem presentation at future meeting.

Questions or comments: Chair Stapleton, Member Gwyn, Nishioka, and Varney

Answers or comments: Ryan Zink, Franchise Administrator

4. Action Items

- a. None

5. Management Update / Information Items

- a. November 13 City Council Rate Setting Debrief

Questions or comments: Chair Stapleton, Member Gwyn, Nishioka, and Varney

Answers or comments: Josh Eggleston, Chief Financial Officer; Ryan Zink, Franchise Administrator

- b. Getting to know the solid waste system, infrastructure, and partners:

- i. Partner guest presentation – present at next meeting
- ii. Ride-along with route trucks contact information

- c. Solid waste policy discussion:

- i. Policy priorities and next steps
- ii. Rate of Return
- iii. Subsidization - lines of business – services

Questions or comments: Chair Stapleton, Member Gwyn, Nishioka, and Varney

Answers or comments: Josh Eggleston, Chief Financial Officer; Ryan Zink, Franchise Administrator; Dakota Tangredi, Marion County Public Works, Environmental Services Division, Bilingual Waste Reduction Coordinator

- d. 2024 Committee Meeting Scheduling – same time

6. Adjournment: 1:39PM

The next meeting is scheduled for Thursday, January 18, 2024 at 12:00PM

D & O Garbage Service, Inc.

P.O. Box 3967 1140 Boone Rd., SE
Salem, OR 97302

(503) 363-7923 • dogarbage.com



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Date: February 7, 2024

To: Salem City Council Solid Waste Committee

From: Derek Neliton, D&O Garbage Service

Re: Rate Subsidy Discussion

When we discuss rate subsidy in the waste industry, it usually speaks to commercial and residential customers and how the lines of business have costs allocated to each. The system of waste is complex and has several commodities, customer types, and service levels - all of which should be considered when trying to understand why haulers use a cost of service-based rate that keeps an even profit margin according to the levels of service each customer has signed up for.

Commodities have evolved over the last several decades in Salem. These include yard debris, which is now known as the mixed organics cart with the addition of kitchen scraps to the mix in 2010 and mixed recycling which includes the small glass bin. These differing waste streams and their relationship with garbage collection have impacted the rates over the years. When recycling was first introduced, the impacts were positive, and the sale of material was able to offset cost and operational increases. Since China's implementation of "National Sword" in 2018, the cost of collecting recyclable material has added to the cost of garbage service, at times costing more per ton than garbage. This is still a volatile market. While the cost of mixed organics has always been included in the residential service rate, the portion associated with mixed organics has been less than that of garbage. Both mixed recycling and mixed organics carts give customers options to dispose of material that would otherwise be landfilled or incinerated and lower the customer's bill. Both cost savings have worked through our cost-of-service structure to make sure the customer is the direct beneficiary.

Customer accounts are generally categorized as either commercial (container) or residential (cart) customers and are often thought of as single-family homes and businesses. However, commercial accounts are made up of multi-family customers that use container and many small businesses use carts. Pushing cost burden to the commercial line of business will directly affect the equality of rate setting and could drive the cost of rent up across the City of Salem.

Service levels are generally looked at from the garbage cart or container size and little consideration is given to the standard package including all bins. The goal is for each customer to have the right size garbage container to compliment the recoverable materials they can divert out of the garbage can. If a subsidy were put in place that favors residential service by increasing commercial service rates, the rate variance between residential service levels would



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decrease reducing the incentive to downsize residential garbage service – counterproductive to the goals the city has set forth.

As the haulers of Salem, we truly believe the system in place will keep rates equal for all customers to benefit evenly. It gives customers with all types of living situations the ability to positively impact the rate they pay for garbage service and provide the necessary customer service and resources each customer deserves. As a group we have made long standing commitments to recycling and have strived to offer resources. These resources range from our customer service reps ready to answer the phone or send out information, the collection app and community relations & recycling specialist on staff. Profits evenly dispersed give each business in Salem the ability to retain the level of service as well as provide necessary resources to satisfy the needs of each individual hauler's business model.

