



OREGON

MARION COUNTY BOARD OF COMMISSIONERS

Work Session Summary Minutes

Cost of Service Analysis (COSA)

September 24, 2025. 4:00 PM

Courthouse Square, 555 Court St. NE, Salem
5th Floor, Suite 5232, Commissioners Board Room

ATTENDANCE:

Commissioners: Danielle Bethell, Kevin Cameron, and Colm Willis.

Board's Office: Matt Lawyer.

Public Works: Brian Nicholas, Brian May, Cory Swartwout, Dennis Mansfield, and Andrew Johnson.

Consultant: Chris Bell.

Mid Valley Haulers: Kevin Hines, and Shane Kuenzi.

Republic Services: Brett Davis

Commissioner Colm Willis called the meeting to order at 4:02 p.m.

MVHA COSA Presentation:

- Overview of the annual COSA process for Marion County:
 - Data consolidation from haulers and review by consultants.
- Acquisition of Garten recycling facility by Republic Services and impact on local operations.
- Presentation of 2024 results and 2025 projections for urban and rural residential and commercial rates:
 - Urban 35-gallon cart rate in 2024:
 - \$31.15/month; rural: \$32.70/month.
 - Differences in service offerings between urban (garbage, recycling, yard debris, red baskets) and rural (garbage, recycling only) areas.
 - Margin analysis for various service lines, with adjustments made to small container rates in rural areas to correct previous imbalances.
 - Five-year average margin for rural containers calculated at 7.8%.
 - Projected overall margin for 2025 is 10.6%:
 - Significant improvements in industrial drop box margins due to targeted rate increases and mileage charge adjustments.
- Impact of the Recycling Modernization Act (RMA) starting July 2025:
 - Eliminated processing fees for commingled recycling.
 - Resulting in cost savings for haulers.
- Acquisition and operational changes have led to all haulers now using the same local recycling facility:
 - Increasing truck traffic in the area.

3rd Party Analysis:

- Consultants reviewed and validated the consolidated data provided by haulers.

- Analysis included detailed margin calculations for each service line and projections for future years.
- Consideration of inflation assumptions:
 - General inflation based on CPI, projected at 2.8%.
 - Fuel costs based on West Coast diesel index:
 - Slight decrease projected for 2025.
 - Return to average increases in 2026.
 - Labor costs aligned with the Salem labor collective bargaining agreement.
- Review of the impact of the RMA on commingled recycling costs:
 - Placeholder for a small portion of material still incurring processing fees due to facility maintenance.
- Yard debris cost increases attributed to:
 - Tip fee increases.
 - Fuel.
 - Transportation.
- Municipal Solid Waste (MSW) rates held flat for the current year:
 - Future increases discussed.
- Detailed projections discussed and tasked with providing further breakdowns and clarifications.

Next Steps:

- Provide detailed cost projections to Commissioner Willis for further review.
- Analyze the impact of a \$30 increase in the MSW rate and its effect on the 35-gallon cart rate.
- Detailed rate sheets and breakdowns in future presentations for greater transparency.
- Commissioners and staff to review detailed projections and policy implications:
 - Rate increases and the balance between urban and rural service lines.
- Follow-up planned to address outstanding questions about cost allocation, inflation impacts, and the rationale for proposed rate increases.
- Ongoing monitoring of RMA and other regulatory changes impacts on service costs and margins.

Adjourned – time: 4:41 p.m.

Minutes by: Mary Vityukova

Reviewed by: Gary L. White