

POLK COUNTY BOARD OF COMMISSIONERS

DATE: May 14, 2025
TIME: 9:00 a.m.
PLACE: Polk County Courthouse, Dallas, Oregon

THE LOCATION OF THIS MEETING IS ADA ACCESSIBLE. PLEASE ADVISE THE BOARD OF COMMISSIONERS AT (503-623-8173), AT LEAST 24 HOURS IN ADVANCE, OF ANY SPECIAL ACCOMMODATIONS NEEDED TO ATTEND OR TO PARTICIPATE IN THE MEETING VIRTUALLY.

PAGE: AGENDA ITEMS

1. **CALL TO ORDER AND NOTE OF ATTENDANCE**
2. **ANNOUNCEMENTS**
 - (a) Regular meetings of the Board of Commissioners are held on Tuesday and Wednesday each week. Each meeting is held in the Courthouse Conference Room, 850 Main Street, Dallas, Oregon. Each meeting begins at 9:00 a.m. and is conducted according to a prepared agenda that lists the principal subjects anticipated to be considered. Pursuant to ORS 192.640, the Board may consider and take action on subjects that are not listed on the agenda. The Board also holds a department staff meeting at 9:00am on every Monday in the Commissioners Conference Room at 850 Main Street, Dallas, Oregon.
 - (b) The Homeless Prevention Advisory Council (AKA P.A.T.H.S) will be meeting on May 14, 2025 from 12:00 pm to 2:00 pm located at 1407 Monmouth Independence Hwy, Monmouth OR 97361.
 - (c) A public meeting of the Budget Committee for Polk Extension Service District will be held in the Main Conference Room of the County Courthouse at 11:00 a.m., on Wednesday, May 14, 2025. The purpose of the meeting is to discuss the budget for fiscal year July 1, 2025 to June 30, 2026 and to receive the budget message and document. Time is reserved for public comment at 11:15 a.m. A copy of the budget document may be inspected or obtained on or after May 9, 2025, at the Board of Commissioners' Office, Polk County Courthouse, during regular business hours. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed budget with the Budget Committee.
 - (d) The Polk County Budget Committee will meet on May 21, 2025 at 9:30 a.m. That meeting will take place in the Polk County Courthouse, 850 Main Street, Dallas, OR, 97338.
 - (e) The Grand Ronde Sanitary District Board is meeting on May 21, 2025 at 11:00 a.m. The meeting will take place in the Polk County Courthouse, 850 Main Street, Dallas, OR, 97338.
3. **COMMENTS (for items not on this agenda and limited to 3 minutes. We encourage all community members to engage with public comments to the Board of Commissioners. However, out of respect for our audience and a general sense of decorum please refrain from vulgar, threatening or inappropriate language.)**
4. **APPROVAL OF AGENDA**
5. **APPROVAL OF THE MINUTES FROM May 7, 2025**
6. **APPROVAL OF CONSENT CALENDAR**
7. **LENGTH OF SERVICE AWARDS – Greg Hansen**
 - Dana Patton, 10 years of service

CONSENT CALENDAR

- a) Polk County Contract No. 25-57, City of Dallas
(Greg Hansen, Administrative Office)
- b) Polk County Order No. 25-07, Brandt's Solid Waste Increase Ratification
(Christina Tisdell, Environmental Health Specialist)

**THE BOARD OF COMMISSIONERS WILL MEET IN EXECUTIVE SESSION
PURSUANT TO ORS 192.660.**

ADJOURNMENT

POLK COUNTY PUBLIC MEETINGS AND PUBLIC HEARINGS
GUIDELINE FOR CITIZENS

REGULAR MEETING AGENDA

Regular meetings of the Polk County Board of Commissioners convene at 9 a.m. each Wednesday morning. Any person wishing to bring a matter before the Board at one of these meetings may do so by mailing or delivering written notice, concisely describing the nature of the item, to the Board of Commissioners, Polk County Courthouse, Dallas, Oregon 97338, by noon on the preceding Thursday. Unless otherwise announced, meetings are held in the Main Conference Room of the Courthouse.

APPEARANCE OF INTERESTED CITIZENS

The Board sets aside a time at each regular meeting for comment by the public on subjects not appearing on the Agenda. Individuals may come forward and make any statement they wish, but not to exceed three (3) minutes in length, except as is required to give concise answers to questions from Board members. If the subject will require a lengthier presentation, or merits inclusion as an item on the Agenda of a future meeting, the Board shall schedule it accordingly.

PUBLIC HEARING FORMAT
Land Use

1. Chairman opens hearing.
 - a. Reading of hearing request or appeal statement.
 - b. Call for abstentions (ex parte contact or conflict of interest).
2. County staff presents background, summary and its recommendation (20-minute limit).
3. Applicant (Appellant) presents his/her case (15-minute limit).
4. Public testimony. Note that all testimony and evidence must be directed toward the applicable factual and legal criteria as identified in the record and/or during this hearing. Do not repeat previous testimony. Simply note for the record that you are in agreement with that earlier testimony. Your time to present testimony is limited. FAILURE TO RAISE AN ISSUE IN THIS HEARING, IN PERSON OR BY LETTER, OR FAILURE TO PROVIDE ADEQUATE SPECIFICITY TO AFFORD THE BOARD AN OPPORTUNITY TO RESPOND TO THE ISSUE MAY PRECLUDE LATER APPEAL TO LUBA ON THAT ISSUE.
 - a. Individuals in favor of the application or appeal.
 - b. Individuals against the application or appeal. At the discretion of the Chairman, an attorney, consultant, or other designated representative of two or more individuals may be allowed the combined time for each represented individual who does not speak, not to exceed 20 minutes. The Chairman may require proof of designation.
5. Rebuttal by Applicant (Appellant) (10-minute limit).
6. Questions from Board (discussion limited to individuals questioned by the Board).
 - a. Staff.
 - b. Applicant (Appellant).
 - c. Individuals testifying.
7. Chairman closes hearing and announces closing of Record.
8. Chairman announces date for deliberation and decision.
9. The Board's decision is deemed the final decision of Polk County. It may be appealed to LUBA within 21 days of its issuance in written form. The address and phone number of LUBA may be obtained from the Polk County Community Development Department and will also appear on the Notice of Decision which will be mailed to all persons who testify, submit comments, or print their name and address on the hearing attendance sheet at the back of the hearing room.

POLK COUNTY BOARD OF COMMISSIONERS
MINUTES May 7, 2025

1. CALL TO ORDER & ATTENDANCE

At 9:00 a.m., Commissioner Pope declared the meeting of the Polk County Board of Commissioners to be in session. Commissioner Mordhorst and Commissioner Gordon were present.

Staff present: Morgan Smith, County Counsel
Matt Hawkins, Administrative Services Director

2. ANNOUNCEMENTS

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3. COMMENTS

Sally Penna wanted to ask the Board about the draft of the Polk County Regional Water Project and if there was a way for the public to be involved. Commissioner Pope answered her question. Mrs. Penna shared her concerns with the Board.

4. APPROVAL OF AGENDA

**MOTION: COMMISSIONER GORDON MOVED, COMMISSIONER MORDHORST
SECONDED, TO APPROVE THE AGENDA.**

**ALL VOTED YES.
MOTION PASSED BY UNANIMOUS VOTE OF THE BOARD.**

5. APPROVAL OF MINUTES OF April 30, 2025

**MOTION: COMMISSIONER MORDHORST MOVED, COMMISSIONER GORDON
SECONDED, TO APPROVE THE MINUTES OF April 30, 2025.**

**ALL VOTED YES.
MOTION PASSED BY UNANIMOUS VOTE OF THE BOARD.**

6. APPROVAL OF CONSENT CALENDAR

**MOTION: COMMISSIONER GORDON MOVED, COMMISSIONER MORDHORST
SECONDED, TO APPROVE THE CONSENT CALENDAR.**

ALL VOTED YES.

MOTION PASSED BY UNANIMOUS VOTE OF THE BOARD.

The following items were approved by Motion under **5. APPROVAL OF CONSENT CALENDAR:**

- a) Affirmative Action Plan and Equal Employer Policy
(Wendi Hamilton, Human Resources)
- b) Polk County Contract No. 25-54, Oregon Health
Authority
(Rosana Warren,
- c) Polk County Contract No. 25-55, Benton County
(Mark Garton, Polk County Sheriff)

There no need for an executive session and Commissioner Pope adjourned the meeting
at 9:06 a.m.

POLK COUNTY BOARD OF COMMISSIONERS

Craig Pope, Chair

Jeremy Gordon, Commissioner

Lyle Mordhorst, Commissioner

INTERGOVERNMENTAL AGREEMENT

This Agreement is entered into between Polk County, Oregon, hereinafter referred to as POLK, and the City of Dallas, hereinafter referred to as DALLAS.

RECITALS

WHEREAS DALLAS desires to annex that certain portion of Hawthorne Avenue identified in Exhibit A to this Agreement into the city limits of DALLAS;

WHEREAS both DALLAS and POLK desire to eventually transfer jurisdiction of the portion of Hawthorne Avenue identified in Exhibit A from POLK to DALLAS;

WHEREAS DALLAS desires to assume repair/maintenance responsibility over the portion of Hawthorne Avenue identified in Exhibit A before the formal jurisdiction transfer;

WHEREAS the performance of such services by DALLAS is consistent, compatible and beneficial to the public service role and mission of both DALLAS and POLK;

WHEREAS this agreement is generally and expressly authorized by ORS 373.260; and

THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

ARTICLE I - SCOPE OF SERVICES

DALLAS agrees to assume sole responsibility for operations, repair and maintenance of portions of Hawthorne Avenue, more specifically described in Attachment A, which is hereby incorporated into this agreement. If POLK and DALLAS agree to DALLAS annexation of said roadway, DALLAS shall cover all costs associated with annexation including, but not limited to, surveys, application fees, and recording costs. Following the annexation of the roadway described in Exhibit A, both DALLAS and POLK intend to transfer jurisdiction of said roadway from POLK to DALLAS pursuant to ORS 373.270. After the execution of this agreement POLK shall have no further repair/maintenance obligations of any kind related to that portion of Hawthorne Avenue described in Exhibit A.

ARTICLE II - AGREEMENT PERIOD

This Agreement shall become effective on the date of last signature and shall continue in full force in perpetuity unless cancelled by written agreement of the parties or DALLAS acquires the jurisdiction of the roadway pursuant to ORS 373.270.

ARTICLE III – CONSIDERATION

DALLAS and POLK represent that this Agreement is supported by valid and lawful consideration, receipt of which is hereby acknowledged, and includes but is not limited to DALLAS's promise to assume operations, repair and maintenance responsibility and liability for roads described in Attachment A. Further, DALLAS agrees to overlay the road depicted in Attachment A within 7 years from the execution of this agreement if the jurisdiction for said road has not been transferred to Dallas pursuant to ORS 373.270.

ARTICLE IV - INDEMNIFICATION

To the extent permitted by Oregon Law (ORS 30.260 et seq.) and the Oregon Constitution, Article XI, Section 7, DALLAS shall indemnify POLK against any liability for damage to person, life or property arising from DALLAS'S actions or inactions under this Agreement provided, however, DALLAS shall not be required to indemnify POLK for any such liability arising out of the wrongful or negligent acts of employees or agents of POLK.

ARTICLE V - COMPLIANCE WITH LAWS

This Agreement shall be governed and construed in accordance with the laws of the State of Oregon. Any suit for enforcement shall occur, if in the state courts, in the Polk County Court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the District of Oregon.

THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS AGREEMENT. NO AMENDMENT, CONSENT, OR WAIVER OF TERMS OF THIS AGREEMENT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY ALL PARTIES. ANY SUCH AMENDMENT, CONSENT, OR WAIVER SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. SPONSOR, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, ACKNOWLEDGES HAVING READ AND UNDERSTOOD THE AGREEMENT AND SPONSOR AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth herein by their duly authorized representatives.

CITY OF DALLAS

POLK COUNTY, OREGON

Name: 

Name: _____

Title: City Manager

Title: _____

Date: 5/3/2015

Date: _____

ATTACHMENT A

HAWTHORNE AVENUE

7525

Maintained length 0.45 miles

Being County Road No. 7525 and beginning at OR 223, Dallas-Rickreall (Hwy No. 189) in the Southwest quarter of Section 27, Township 7 South, Range 5 West of the Willamette Meridian. Thence running southerly to its terminus in the Northwest quarter of Section 34, Township 7 South, Range 5 West of the Willamette Meridian.



POLK COUNTY

POLK COUNTY COURTHOUSE • DALLAS, OREGON 97338
(503) 623-9237

COMMUNITY DEVELOPMENT

AUSTIN M^CGUIGAN
Director

TO: Board of Commissioners

FROM: Austin McGuigan, Solid Waste Administrator; Christina Tisdell, Env. Health

DATE: May, 9 2025

SUBJECT: Order # 25-07 – Solid Waste Rate Increase

Wednesday, May 14, 2025 - Consent

RECOMMENDATION: Adopt Order No. 25-07 to ratify the Hearings Officer's decision for a solid waste rate increase for Brandt's Sanitary Service. Inc.

ISSUE: Should a rate increase for solid waste collection services be approved for Brandt's Sanitary Service Inc?

BACKGROUND: Brandt's has proposed a rate increase to offset rising operating costs and declining revenue. Brandt's is proposing a residential rate adjustment increase of 3.5% to all collection services.

The Hearings Officer conducted the public hearing on Tuesday, April 29, 2025. The Hearing Officer's recommendation is attached with findings, conclusions and recommendations. Based on the staff report and the testimony received at the hearing, the Hearing Officer has recommended the rate increase. Unless a majority of the Board wants to open the record, your decision, pursuant to Polk County Code Chapter 70, must be based on the record developed during the hearing held on Tuesday, April 29, 2025.

DISCUSSION / ALTERNATIVES:

1. Ratify rate increases as proposed by Brandt's.
2. Modify the Hearing Officer's decision.
3. Rescind the Hearing Officer's decision.
4. Remand the decision back to the Hearing Officer for reconsideration.

FISCAL IMPACT:

Brandt's will impact approximately 686 customers by increasing their solid waste collection service rates by 3.5%. Rates are proposed to be effective June 1, 2025.

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3
4 **BEFORE THE BOARD OF COMMISSIONERS FOR**
5 **POLK COUNTY, OREGON**
6
7

8 In the matter of Solid Waste Collection)
9 Rate Increase by Brandt's Sanitary Service Inc.)
10
11

12 **ORDER NO. 25-07**
13
14

15 **WHEREAS**, the above matter came before the Polk County Board of Commissioners as a
16 decision from the Polk County Hearings Officer for approval of a solid waste collection rate increase
17 for Brandt's Sanitary Service Inc; and
18

19 **WHEREAS**, Polk County Code Chapter 70 regulates the criteria and procedures for a rate
20 increase request; and
21

22 **WHEREAS**, the Polk County Hearings Officer conducted a public hearing on this matter on
23 April 29, 2025; and
24

25 **WHEREAS**, the Polk County Hearings Officer considered the information provided by the
26 applicant and staff report and recommendation provided by the Solid Waste Administrator; and
27

28 **WHEREAS**, the Polk County Hearings Officer found that the rate increase will be just, fair,
29 reasonable, and sufficient to provide service to the public; now, therefore:
30

31 **THE POLK COUNTY BOARD OF COMMISSIONERS ORDERS AS FOLLOWS:**
32

33 Sec.1 The application for a solid waste collection rate increase for Brandt's Sanitary Service Inc.
34 is **ratified**.
35

36 Sec.2 The findings labeled as **EXHIBIT A** and conclusions and rate schedule as determined by
37 the Hearings Officer are hereby adopted.
38

39 Sec.3 The effective date of June 1 2025, as determined by the Hearings Officer is **ratified**.
40

41 Dated this 14 day of May, 2025, at Dallas, Oregon.
42
43
44

POLK COUNTY BOARD OF COMMISSIONERS

Craig Pope, Chair

Lyle Mordhorst, Commissioner

Jeremy Gordon, Commissioner

Approved as to Form

Morgan Smith
County Counsel

**BEFORE THE COMMUNITY DEVELOPMENT DEPARTMENT
FOR POLK COUNTY, OREGON**

In the Matter of the Application of:

**BRANDT'S SANITARY SERVICE
INC.**

**ORDER RE: APPLICATION FOR
ANNUAL RATE INCREASE
(PCCO CH. 70)**

I. SUMMARY OF PROCEEDINGS

Brandt's Sanitary Service Inc. ("Brandt's"), a Polk County Solid Waste Collection Franchisee has requested a rate increase for solid waste collection services pursuant to Polk County Code of Ordinances (PCCO) 70.0801. Brandt's serves approximately 686 customers in unincorporated Polk County. Residential customers account for approximately 89% of operations by service while commercial customers account for 11%. The last rate increase by Brandt's was on June 5, 2024, when a 4.6% increase in collection rates was approved. Brandt's applied for the current annual rate adjustment on February 28, 2025.

Brandt's applied for the current annual rate adjustment on March 1, 2025. Brandt's proposed calculated rate adjustment is a flat increase of 3.5% for all collection services and is expanding their miscellaneous service fees to include a stop service fee.

Polk County Code of Ordinances (PCCO) Chapter 70.0801 allows a Solid Waste Collection Franchisee to apply for an annual rate increase. The Polk County Board of Commissioners designated Hearings Officer may approve and establish rates filed by applicants for franchises if it finds that such rates are not demonstratively unreasonable and are not substantially higher than those charged generally in the County under similar service requirements and for the same or similar quality of service, or it may establish a different rate schedule. The Hearings Officer may also increase or decrease rates based on the cost of doing business.

II. PUBLIC HEARING

A duly advertised public hearing was held in the Polk County Courthouse on April 29, 2025. Brandt's was represented by its Solid Waste Management Consultant, Estle Harlan. The Hearings Officer announced that she had no interest (financial or personal) in the matter nor any *ex parte* contact with any involved party. Polk County Staff summarized its report. Ms. Harlan agreed with the Staff Report's recommendation and provided additional information about Brandt's business. There was no one in attendance who wished to speak for or against the application. There was no request for a continuance, or for the Record to be left open for submission of further evidence. There being no further business, the Hearings Officer declared the Record closed and adjourned the meeting. Leslie Howell, Polk County Hearings Officer, presided. She has authority to make a recommendation to the Board of Commissioners on this matter.

III. APPLICABLE LAW

In determining rates, the Administrator and the Hearings Officer shall make a finding that the rates will be just, fair, reasonable, and sufficient to provide proper service to the public. The Administrator and the Hearing Officer may consider rates charged by other persons performing the same or similar service in the same or other areas. The Administrator and the Hearings Officer shall give due consideration to:

- (a) The investment in facilities and equipment.
- (b) The services of management.
- (c) Local wage scales.
- (d) The concentration of customers in the area served.
- (e) Methods of storage, collection, transportation and disposal, salvage, recycling, or reuse.
- (f) A reasonable return to the franchisee.
- (g) The length of haul to disposal facilities.
- (h) The cost of disposal.
- (i) The use of transfer stations or transfer systems and the added costs.
- (j) The cost of alternate methods of disposal.
- (k) The future service demands of the service area or disposal site which must be anticipated in equipment, facilities, personnel, or land.
- (l) Extra charges for special pickups or pickups on days where service is not normally provided on a collection route.
- (m) Extra charges where the type or character of waste or solid waste, including but not limited to wastes with peculiarly offensive odors, requires special handling or service.
- (n) Extra charges for providing janitorial services on the premises where service is provided.
- (o) In addition, with respect to disposal sites, the type of site, whether the site is open to the public, and hours, type of waste disposed of, and method of disposal.
- (p) Cost of compliance with laws, ordinances or regulations and rules of public agencies or bodies having jurisdiction.
- (q) Other factors that may, in the opinion of the Administrator and the Board, necessarily affect the rates to be charged.

IV. FINDINGS

Polk County has previously considered the rate determination factors listed above in establishing the collection rates for this franchise area. Brandt's is proposing a 3.5% rate increase adjustment across all currently offered services and is expanding their miscellaneous service fees to include a stop service fee. Brandt's has not identified future service demands that would justify a rate increase. Brandt's has not identified any changes to laws, ordinances or regulations that have increased the cost of compliance. Brandt's has identified inflationary increase in fuel, labor, and disposal cost as well as the general cost of doing business as justification for the proposed rate increase. Brandt's is also requesting a reasonable return to the franchisee.

Annual average inflation based on the Urban Consumer Price Index (CPI-U) for West Size Class B/C increased 2.4% between 2024 and 2025. Brandt's net income before tax as a percentage of sales for the unincorporated Polk County portion of their earnings decreased from 5.7% in the 2022/2023 fiscal year to 3.2% during the 2023/2024 fiscal year. The actual results for the 2023/2024 fiscal year indicated that the largest operational expenses were repairs and maintenance. From the 2022/2023 fiscal year to the 2023/2024 fiscal year, the total direct costs of operations increased by 3.35%, with repair and maintenance cost rising by 35%. Brandt's 2024/2025 ProForma projects that the total direct cost of operations will increase by 2.85% from the 2023/2024 fiscal year, while repair and maintenance costs are projected to increase by 15%. The projected net income as a percentage of sales before tax for the 2024/2025 fiscal year is 4.5%, up from 3.2 % earned in the 2023/2024 fiscal year but well below a reasonable return for the franchise.

Brandt's projects that with the rate increase, the net income as a percentage of sales before tax for the 2025/2026 fiscal year will be 5.4%, which is an increase from the projected 4.5% for the 2024/2025 fiscal year. Without the rate increase, the net income for the 2025/2026 fiscal is projected to be 0.2%.

In summary, the direct costs of total operations are projected to increase by 2.85% for the 2024/2025 fiscal year, down from 3.35% in the 2023/2024 fiscal year and are expected to increase by 2.5% for the 2025/2026 fiscal year. County Staff finds, and the Hearings Officer concurs that a projected 5.4% return as percentage of sales before tax is reasonable to the franchisee and lower than the returns for other Polk County franchisees. The cost of disposal, wages, and management services are all factors that the Hearings Officer considers when making a rate increase determination. The Hearings Officer finds that the applicant has demonstrated that the cost of doing business has increased.

The Hearings Officer may compare rates charged by others performing the same or similar service in the same or other areas. Attached are rate comparison charts compiled by Polk County Staff in order to review other solid waste collection rates both inside and surrounding Polk County. The surrounding counties included in this comparison are Benton, Lincoln, Marion, Tillamook, Yamhill and Washington.

A review of Brandt's proposed rural rate structure finds that some of their container rates are higher than the average of the franchisees in Polk County but lower than the surrounding counties' rural solid waste collection rates. In particular, the average rural rates within Polk County but outside the Brandt's franchise area are \$21.88 for a 32/35-gallon cart and \$34.33 for a 90/95-gallon cart. Brandt's is proposing \$22.05 for a 32/35-gallon cart and \$42.45 for the 90/95-gallon cart. Brandt's proposed 32/35-gallon cart rate is 0.78% higher than the average Polk County franchise rate and Brandt's 90/95-gallon carts rate are 19.14% higher than the average Polk County franchise rates. The average rates in surrounding counties are \$30.80 for a 32/35-gallon cart and \$48.69 for a 90/95-gallon cart. Brandt's proposed rates for the 32/35-gallon and 90/95-gallon carts are 39.69% and 12.82% lower than the surrounding counties. Brandt's proposed rural rate for a 2-yard container is on average, 4.74% lower than other Polk County franchises and 20.65% lower than surrounding counties. The Hearings Officer finds the proposed rural rates are just, fair, and reasonable compared to other Polk County franchises in the local area.

A review of Brandt's proposed urban rate structure finds that their container rates are higher than the average of the franchisees in Polk County but lower than the surrounding counties' urban solid waste collection rates. In particular, the average urban rates within Polk County but outside Brandt's franchise area are \$21.65 for a 32/35-gallon cart and \$32.66 for a 90/95-gallon cart. Brandt's is proposing \$22.50 for a 32/35-gallon cart and \$42.40 for the 90/95-gallon cart. Brandt's proposed rates for the 32/35-gallon and 90/95-gallon carts are 3.79% and 22.96% higher than the average Polk County franchise rates. The average rates in surrounding counties are \$28.26 for a 32/35-gallon cart and \$49.06 for a 90/95-gallon cart. Brandt's proposed rates for the 32/35-gallon and 90/95-gallon carts are 25.61% and 15.71% lower than surrounding counties. Brandt's proposed urban rate for a 2-yard container is on average 4.80% higher than other Polk County franchises and 10.97% lower than surrounding counties. The Hearings Officer finds the proposed urban rates are just, fair, and reasonable compared to other Polk County franchises in the local area.

Brandt's is proposing to expand their miscellaneous service fees by adding a stop service fee. Brandt's proposed rate is \$35.00. The proposed rate is higher than both the average rates of franchises in Polk County and those in surrounding counties. In particular, the average rates within Polk County, outside of Brandt's franchise area are \$25.70 while the average rates in surrounding counties are \$28.32. Brandt's proposed rate is 26.6% higher than the average Polk County franchise rates and 19.1% higher than those in surrounding counties. The pricing of the

fee is justified due to the operational costs associated with managing services effectively. Each stop made by a waste hauler incurs costs in fuel and vehicle wear and tear. Waste haulers optimize routes to reduce expenses and improve efficiency. The fee will encourage customers to minimize special requests that disrupt established routes, allowing the hauler to maintain a more efficient operation. The Hearings Officer finds the proposed rate is just, fair, and reasonable compared to other Polk County franchises in the local area.

V. CONCLUSIONS

Based on the analysis above, the Hearings Officer finds justification in approving a rate adjustment at this time as the cost of doing business has increased. Brandt's is requesting a 3.5% increase across all services, which is higher than the 2.4% Bureau of Labor CPI-U statistic for inflation between 2024 and 2025.

Brandt's proposed container rates are slightly higher in rural and urban areas compared to what other Polk County franchises charge; however, both are significantly lower than the average rates in surrounding counties. Brandt's 2-yard container rates are lower in rural areas but higher in urban areas than those of other Polk County franchises; but both are lower than the average in surrounding counties, respectfully. Brandt's projects that, without the proposed rate increase, the net income as a percentage of sales before tax for the unincorporated Polk County portion of their business would be 0.2% for the 2025/2026 fiscal year, down from the projected 4.5% return for the 2024/2025 fiscal year. With the proposed rate adjustment increase, Brandt's projects a 5.4% return for the 2025/2026 fiscal year.

Brandt's applied for the current annual rate adjustment on March 1, 2025. The application requested an effective date of June 1, 2025. PCCO 70.0801(3) provides that an annual rate increase must be submitted 90 days prior to the effective date of the proposed rate change. Thus, the Hearings Officer finds an effective date of June 1, 2025, satisfies this requirement.

VI. RECOMMENDATION

Based on the findings in this report, the Hearings Officer concludes that the proposed rate increase is just, fair, reasonable, and sufficient to provide proper service to the public and a reasonable rate of return for the franchisee.

The Hearings Officer recommends that the Board of Commissioners APPROVE the proposed rate adjustment effective 06/01/25.

This 8 day of May, 2025.

Leslie Howell

Leslie Howell
Dallas, Oregon
Polk County Hearings Officer

2025 SURROUNDING COUNTIES RURAL COMPARISON

Container Size	Brandt's Proposed Polk County	Benton County	Linn County	Marion County	Tillamook County	Yamhill County	Washington County	Average
32/35 GAL	\$22.05	\$35.11	\$26.04	\$32.70	\$32.28	\$27.98	\$30.70	\$30.80
65 GAL	\$33.15	\$43.68	\$29.24	\$40.85			\$45.05	\$39.71
90/95 GAL	\$42.45	\$53.74	\$39.64	\$49.75	\$53.88	\$46.63	\$53.17	\$48.69
2 YARD	\$177.85	\$191.34	\$211.77	\$161.80	\$266.92	\$326.23	\$186.72	\$224.13

2025 POLK COUNTY RURAL FRANCHISE RATE COMPARISON

FRANCHISE	<u>32 GAL/35 GAL</u>	<u>90/95 GAL</u>	<u>2 YARD</u>
Recology	\$22.97	\$38.26	\$224.56
Republic Service-Dallas	\$27.49	\$33.62	\$193.47
Republic-Polk Co.	\$19.05	\$34.62	\$169.80
Valley Recycling/Disposal	\$18.00	\$30.80	\$157.30
Polk Franchise Avg.	\$21.88	\$34.33	\$186.28
Brandt's Proposed Rates	\$22.05	\$42.45	\$177.85

Note: Polk County Avg is calculated outside of Brandt's service area

Note: Brandt's is using a 95-gal cart versus a 90-gal cart

2025 SURROUNDING COUNTIES URBAN RATE COMPARISON

Container Size	Brandt's Proposed Polk County	Benton County	Linn County	Marion County	Tillamook County	Yamhill County	Washington County	Average
32/35 GAL	\$22.50	\$35.11	\$21.29	\$31.15	\$24.75	\$26.53	\$30.74	\$28.26
65 GAL	\$33.30	\$43.68	\$38.07	\$41.40	\$43.30		\$43.71	\$42.03
90/95 GAL	\$42.40	\$53.74	\$34.60	\$48.65	\$61.85	\$44.22	\$51.31	\$49.06
2 YARD	\$177.85	\$191.34	\$169.48	\$148.05	\$188.35	\$309.57	\$177.35	\$197.36

2025 POLK COUNTY URBAN FRANCHISE RATE COMPARISON

FRANCHISE	<u>32 GAL/35 GAL</u>	<u>90/95 GAL</u>	<u>2 YARD</u>
Recology	N/A	N/A	N/A
Republic Service-Dallas	\$27.49	\$33.62	\$193.47
Republic-Polk Co.	\$19.05	\$34.62	\$169.80
Valley Recycling/Disposal	\$18.40	\$29.75	\$144.65
Polk Franchise Avg.	\$21.65	\$32.66	\$169.31
Brandt's Proposed Rates	\$22.50	\$42.40	\$177.85

Note: Polk County Avg is calculated outside of Brandt's service area

Note: Brandt's is using a 95 gal. cart versus a 90-gal cart