

**RESOLUTION NO. 1591**

**A RESOLUTION APPROVING THE FOURTH ADDENDUM TO SOLID WASTE COLLECTION FRANCHISE AGREEMENT**


RECITALS:

- A. City of Central Point has previously entered into a Solid Waste Collection Franchise Agreement dated July 18, with Rogue Disposal & Recycling, Inc., an Oregon Corporation.
- B. The City recognizes that the CPI formula in Solid Waste Collection Franchise Agreement should be amended to better track cost changes of Contractor.


**THE CITY OF CENTRAL POINT RESOLVES AS FOLLOWS:**

**Section 1.** The City Council of the City of Central Point, Oregon, does hereby authorize the Fourth Addendum to the Solid Waste Collection Franchise Agreement with Contractor attached to this resolution.

Passed by the Council and signed by me in authentication of its passage this 11<sup>th</sup> day of July, 2019.

  
Mayor Hank Williams

ATTEST:

  
Deanna Casey, City Recorder

**FOURTH ADDENDUM TO SOLID WASTE COLLECTION  
FRANCHISE AGREEMENT**

THIS FOURTH ADDENDUM TO SOLID WASTE COLLECTION FRANCHISE AGREEMENT ("Addendum") is made and entered into this \_\_\_ day of \_\_\_, 2019, amends that certain SOLID WASTE COLLECTION FRANCHISE AGREEMENT dated July 18, 1996 (the "Agreement"), between the CITY OF CENTRAL POINT, a political subdivision of the State of Oregon hereinafter referred to as ("City,") and ROGUE DISPOSAL & RECYCLING, INC., an Oregon Corporation, hereinafter referred to as ("Contractor").

**RECITALS**

WHEREAS the parties have agreed to a modification to the Agreement on the terms and conditions as set forth below.

NOW THEREFORE in consideration of the mutual covenants, agreements, and conditions contained herein the parties agree as follows:

- 1. Section 7.5 of the Franchise Agreement is amended to read in its entirety as follows:

**7.5 Annual Adjustment of Approved Service Rate Schedule**

On each Anniversary Date (other than an Anniversary Date that is immediately preceded by a Fifth Anniversary Rate Review), commencing with the Anniversary Date that falls on January 1, 1998, there shall be an annual adjustment of the Approved Service Rate Schedule pursuant to and in accordance with this Section 7.5. If the City and the Contractor agree, the annual adjustment pursuant to this Section 7.5 may be waived for any year.

Unless such annual adjustment for a given year is waived by the Contractor and the City, the Contractor shall be required to deliver to the City, not less than 120 days prior to such Anniversary Date, a detailed calculation of the adjustment to each Rate Category Rate in the Approved Service Rate Schedule then in effect calculated in accordance with the Annual Rate Adjustment Formula set forth in this Section 7.5, together with all supporting information. The City Administrator shall review such information and not less than 90 days prior to the related Anniversary Date, the City shall inform the Contractor as to whether or not it agrees with the Contractor's calculation of such adjustment. The City shall specify to the Contractor in writing the particulars of any disagreement with the Contractor's calculation of such adjustment, and the City and Contractor shall meet in order to resolve any such differences. Effective as of each Anniversary Date for which an annual adjustment is made pursuant to this Section 7.5, each Rate Category Rate in the Approved Service Rate Schedule shall be adjusted in accordance with the Annual Rate Adjustment Formula set forth in this Section 7.5.

For purposes of this Section 7.5, the Annual Rate Adjustment Formula for each Rate Category Rate shall be as follows:

$$\begin{aligned} \text{ARCR} &= (\text{RCR multiplied by CPIC}) \text{ plus RCR} \\ \text{RCR} &= \text{the service rate for a particular Rate Category as set forth in} \\ &\quad \text{the Approved Service Rate Schedule in effect immediately} \end{aligned}$$

prior to the Anniversary Date.

CPIC = *the sum of:*

- a) 5.6% times the percentage increase or decrease in the “Consumer Price Index for all Urban Consumers: Motor vehicle maintenance and repair (CUSR0000SETD)” as reported by the U.S. Bureau of Labor Statistics as published for April of the current year and the same index as published for April of the immediately preceding year; plus
- b) 5.7% times the percentage increase or decrease in the “Producer Price Index for Motor Vehicle Manufacturing (PCU33613361)” as reported by the U.S. Bureau of Labor Statistics as published for April of the current year and the same index as published for April of the immediately preceding year; plus
- c) 32.3% times the percentage increase or decrease in the “Compensation of Employees, Received: Wage and Salary Disbursements: Private Industries (A132RC1)” as reported by the U.S. Bureau of Economic Analysis as published for April of the current year and the same index as published for April of the immediately preceding year; plus
- d) 56.5% times the percentage increase or decrease in the “CPI for all Urban Consumers (CPIAUCSL)” as reported by the U.S. Bureau of Labor Statistics as published for April of the current year and the same index as published for April of the immediately preceding year;

provided that:

- (i) if the Approved Service Rate Schedule has been adjusted pursuant to a Requested Rate Review or a Special Rate Review since the last annual adjustment of the Approved Service Rate Schedule pursuant to this Section 7.5, then the percentage change (increase or decrease) for each of the indexes listed above shall be based on the relevant index published in April of the current year and the month immediately prior to the date upon which the Approved Service Rate Schedule was adjusted pursuant to such Requested Rate Review or Special Rate Review;
- (ii) CPIC will be rounded to two (2) decimal places;
- (iii) any adjustment under this Section 7.5 to be effective January 1, 2020 shall be based on the percentage change (increase or decrease) for each of the indexes listed above published for April 2019 and August 2018; and
- (iv) provided further that if any of the indexes listed above shall be discontinued or have a material change in the method of its

calculation the City Administrator and Contractor shall meet in order to determine which (in the case of discontinuance) index will be used in substitution or whether (in the case of a material change) a different index should be utilized.

ARCR = the RCR as adjusted pursuant to the Annual Rate Adjustment Formula

2. Except as modified and amended herein the Franchise Addendum, dated June 6, 1996, shall be and remains in full force and effect.

EXECUTED as of the day and year first above written.

OPERATOR:

ROGUE DISPOSAL & RECYCLING, INC.  
an Oregon corporation

By:  
Stephen Gambee, Chief Executive Officer

CITY OF CENTRAL POINT

By:  
Hank Williams, Mayor

Attest by:  
Deanna Casey, City Recorder

Approved as to Form:

Attorney for the City of Central Point