



Gilmer Solid Waste Collection Residents and Businesses

RE: Increased Collection Rates

This letter is being sent to you in response to questions about the upcoming increase(s) in collection rates by Sanitation Solutions. These rate increases are pass-through only meaning all increases are solely being done by Sanitation Solutions. Below are the reasons why Sanitation Solutions is raising their rates.

As was explained by Sanitation Solutions during the City Council meeting which was held on December 13, 2022, it has been fifteen (15+) years since the solid waste collections contract has been looked at in a competitive environment. Over this time period, operating costs have increased.

During the past few years labor costs, fuel costs, disposal costs, and equipment costs have risen continually.

- ❖ Labor Costs – The Covid-19 epidemic shrunk the labor pool, and the competition between companies for skilled labor has grown exponentially. With increased competition, the wage rates have had to increase to acquire and retain valuable employees. In the last fifteen years the wage for CDL drivers in our company alone has increased 75% or more.
- ❖ Fuel Costs – Sanitation Solutions started the solid waste collection agreement with the City of Gilmer in November 2006. Fuel costs at that period of time was about \$2.95 per gallon. The overall average of fuel today through November 30, 2022, is \$4.73 per gallon. The increase in fuel cost is about 60%.
- ❖ Disposal Costs – Disposals fees seem to be climbing as fast as the number of new construction projects. In past years, disposal sites charged a flat rate fee for in-coming debris. They now have shifted to installing scales and charging fees based on tonnage. These landfills also face the same labor and fuel challenges as the hauling companies. These types of changes, along with guideline additions of the (TCEQ) Texas Commission on Environmental Quality, have caused gate rates to escalate by an average annual percentage of five (5%).
- ❖ Equipment Costs – In 2006, we were able to purchase a commercial frontload truck for \$250,000. The same vehicle today we are purchasing for \$385,000. This is a +50% increase. The same goes for the residential trucks. In 2006, we could purchase a 20-yard rear load for \$150,000. The same truck today is \$250,000.

- ❖ Container Costs – In 2006, the cost for an 8yd frontload dumpster was approximately \$900. Today it will cost \$1350 to replace. The most popular size roll off container is a 30 yard. They too have doubled in price from \$3,500 to \$6,500.

The current Residential rates are being increased by 7% and the Commercial dumpster rates will be increased by 25% effective January 2023 billing. Here is a breakdown of the rates.

	Old Rate	New Rate
Residential-Inside City	\$16.46	\$17.61
Residential-Outside City	\$24.69	\$26.42

Commercial hand collect services will be replaced by polycarts. Commercial hand collect will no longer be provided by Sanitation Solutions. If you currently have commercial hand collect, please contact city hall at 903-843-2552 to arrange for Polycart delivery. These polycarts are 96-gallon containers. Your monthly charge will depend on how many poly carts you request,

Commercial-Hand Collect-Inside City	\$19.73	One Poly Cart	\$29.06
		Two Poly Carts	\$38.36
		Three Poly Carts	\$47.66
		Four Poly Carts	\$56.96
Commercial-Hand Collect-Outside City	\$29.60	One Poly Cart	\$43.59
		Two Poly Carts	\$57.54
		Three Poly Carts	\$71.49
		Four Poly Carts	\$85.44

Commercial Roll-offs will now have a one-time delivery fee of \$75.00, plus a 3-5% increase in the per haul charge. Monthly rental fees will be a flat \$115.09 for inside city limits and \$172.63 for outside city limits. These rates are fixed regardless of the container size.

If you should have any questions, please do not hesitate to contact City Hall at **903-843-2552**.

Sincerely,

The City of Gilmer