



# **Rate Year 11**

**(March 1, 2025 – February 28, 2026)**

# **Rate Setting**

# **Preliminary Results**

Board of Directors Meeting  
September 26, 2024



# **RY 11 Rate Setting Schedule**

Milestone	Date
Republic submits rate application	August 1, 2024
September Board Meeting: Present preliminary results	September 26, 2024
Individual meetings with Member Agencies	October – November 2024
December Board Meeting: Review draft rates	December 12, 2024
January Board Meeting: Adopt Rates	January 23, 2025
Rates take effect	March 1, 2025

# Rate Adjustment Method

- RY 9 rates were adjusted using the cost-based method
- RY 10 – RY 12 are adjusted using the index-based method
- RY 11 begins March 1, 2025
- RY 12 is the last year of this franchise agreement

# Index-Based Method

Cost	Adjusted by
Union Labor	Per Labor Agreement
Other Labor	Consumer Price Index
Vehicle Related Costs	Motor Vehicle Maintenance & Repair Index
Fuel Costs	Compressed Natural Gas (CNG) Fuel Pricing Index
Other Costs	Consumer Price Index
Transfer, Composting & Disposal Costs	Per ton rates set in the franchise agreement x tons from most recent 12 months
Depreciation and Interest	Currently \$0

# Republic Services' Compensation

- Republic Services' compensation = Approximately 75% of the rates
- RY 11 index-based adjustment to Republic Services' Compensation = 3.34%
- Special Rate Adjustment = 2.53%
- Total change in Republic Services' compensation = 5.87%

# Special Rate Adjustment

- Service quality metric = 2,700 or fewer missed container pickups from residential subscribers on incomplete routes in a four-week period
- For each period in which the metric is met, Republic is entitled to a special rate increase of \$283,833
- For RY 11 the increase will be either \$1,135,332 or \$1,419,165

Period	Week Beginning	Number of Missed Residential Collections	Metric Met (2,700 or fewer)
1	April 1	1,464	Yes
2	April 29	2,490	Yes
3	May 27	1,623	Yes
4	June 24	5,784	No
5	July 22	5,198	No
6	August 19	2,466	Yes
7	September 16	Not yet available	Will know October 14

# Other Rate Components

- Other rate components = Approximately 25% of the rates
- Member agency fees
- Payment to MDRR for recyclables processing
- JPA administrative costs
- Payment to MDRR for the reuse program



# Total Estimated Increase

- Estimated average rate increase, Republic + other rate components = **5.4%**
- **Increase will vary by Member Agency**
- Member Agencies may utilize reserves to smooth rate increases
  - Reduce reserves to offset rate increases
  - Build reserves to offset future rate increases
- Next step = Individual meetings with Member Agencies