

City of Prineville

Council packet information

Prineville Disposal 2012 operations

April 23, 2013 Council meeting

### Overview

In 2012 Prineville Disposal operations experienced a slight increase in revenue and some compression in our overall net income.

### Revenues

2012 showed a slight increase in overall revenues. Commercial revenue was up due mostly due to the Pillar project. There was a slight increase in residential revenue. Recycling revenue was significantly down due to a depressed commodities market.

### Expenses

2012 also showed an increase in overall expenses. There are a few different expenses that experienced increases. The areas were payroll and benefits, interest expense and insurance expense. Payroll changed due to changes made in administrative and a cost of living pay increase. Interest expense increased due to the reinstatement of a higher interest rate on a long term note payable. Property taxes showed increase this year due to an oversight and correction of this error. This line item will go back to normal levels this year. Most other expenses are unchanged with some expenses being reduced.



1751 North Main Street  
Prineville, OR 97754

April 15, 2013

Steve Forrester  
City of Prineville  
300 NE 3<sup>rd</sup> Street  
Prineville, OR 97754

Dear Steve,

Our year end review of our financials for 2012 has brought us to request a rate increase. **We are requesting a Consumer Price Index increase of 2.3%** as reported in March 2013.

Briefly, the historical perspective on rate increases for the city has been the following:

2005- 20%  
2006- 3.4% Consumer Price Index increase  
2007- 2.5% Consumer Price Index increase  
2008- \$3.57 per customer to implement commingle recycling program.  
2009- No increase requested due to economic climate  
2010- 2.3% Consumer Price Index increase  
2011- 1.6% Consumer Price Index increase  
2012- 2.85% Consumer Price Index increase

Please feel free to ask us any questions and we look forward to any further discussion on this matter.

Sincerely,

  
Steve Holliday, Owner

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