

3/25/25 Email from Republic Services, Tracey Nestor

Guilford County Commissioners and Staff,

Good morning. Thank you for allowing Republic Services to participate in the County Board Retreat on Friday. We appreciate your time and the positive feedback that several noted on our service. Based on the conversation, below are the follow-ups that were identified –

Clarify the dates and rate (License Update)

Republic Services has applied to continue solid waste and recycling services in Guilford County, contingent upon a rate approval of \$29.50/month to become effective July 1, 2025.

Operating Expense Increases

In February 2025, Republic Services provided an average of 4.5% pay increase to our labor force in this market as part of an annual compensation process. Republic Services' average wage for drivers is \$26.56 and for mechanics is \$33.58. Disposal costs increased 5% on January 1. Separately, we have attached our historical cost trends. Furthermore, our costs for a residential waste and recycle collection vehicle has increased by 17.9% since 2022 and an average of 5.7% increase each of the past 3 years.

CPI-Garbage Trash vs Fixed(License Update)

Questions were asked about the CPI indices. We have proposed the rate to be adjusted upward annually, effective January 1, 2027 by CPI-Garbage Trash to reflect changes in inflation. This Consumer Price Index (CPI – Garbage Trash) has been tracked by the U.S. Department of Labor, Bureau of Statistics, specifically related to garbage and trash collection. The CPI-Garbage Trash index is consistent with the staff's prior recommendation. Below are the index trends as determined on calendar years.

**CPI - Garbage Trash**

2024 increase	4.44%
3 year average (2022-2024)	5.63%
10 year average (2015-2024)	3.77%

Alternative to our proposed use of CPI-Garbage Trash given its specificity to actual cost changes within our industry, we heard interest in considering a fixed rate instead of an index rate. Based on that portion of the discussion, Republic Services is prepared to accept a flat 4% annual rate increase (beginning January 1, 2027) if that is preferred by the County over the CPI-Garbage Trash.

Notification (Customer Bill of Rights)

There was a request to provide additional notification on the price increase to 60 days. To accomplish this, we are seeking approval before April 20<sup>th</sup>.

Thank you again for your time. We work hard to provide the best value to the Guilford County residents. We understand that the residents have options and will continue to work to be the vendor of choice. Do not hesitate to call me if you have any questions or can provide any additional direction.

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