

# Republic refunds get mixed review

Higher rates take pleasure out of checks

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On one hand, some San Angelo business owners are grateful for a refund check from Republic Services. On the other, they feel the pinch of increased trash prices.

“We have to do without somewhere else,” said Marshal Gray, owner of Packsaddle Bar-B-Que and the KOA Campground. “The mom-and-pop shops, we just have to take it; see how it hurts our businesses.”

At the end of September the company, San Angelo’s exclusive trash and landfill contractor, announced that it would refund more than \$6 million in incorrect fees charged to commercial and industrial customers.

“It is ongoing,” said Russ Knocke, director of public affairs at Republic’s corporate office in Arizona, via email Wednesday. “In some instances, we have requested additional customer information before issuing a refund. Some businesses have changed names, moved or merged with other entities. We want to ensure that any refund issued goes to the rightful recipient.”

Refunds span from August 2004 through July 2014, Knocke said, the length of Republic’s prior contract with the city.

Gray has owned Packsaddle for about 28 years and received about \$5,000 in refunds. That’s about \$42 per month during the span the refunds cover.

Gray has owned the KOA about 20 years and received about \$3,400 in refunds for it. That’s about \$28.50 per month.

David Currie, owner of Cornerstone Builders for 19 years, received about \$5,000, or about \$42 per month in refunds. He has owned Angelo Granite Worx about five years and received about \$1,000, or \$16 per month in refunds.

“Well that was nice,” Currie said. “But I don’t know what it means.”

Gray made similar comments, noting that there was no explanation of how refunds were calculated or whether any interest was factored in.

Knocke shed some light on the calculations in his email: “Refunds are calculated by adding up the following amounts from invoices during that period: (1) all environmental recovery fees; (2) all fuel recovery fees above the amounts expressly provided by ordinance; and (3) all franchise fee and sales tax amounts added based on the environmental and fuel recovery fees. Refunds also include interest calculated at an annual rate of 3.5 percent. Please note that some refunds are subject to adjustment for amounts billed but not paid.”

Bob Gregory, president and chief executive officer of Texas Disposal Systems, which alleged that the fees were above the amount authorized by city ordinance, said the total refund amount Republic calculated seemed pretty close to TDS’ calculations.

“It was interesting that in their letter they said they (refunded) the overcharges ‘in good faith,’ ” Gregory said.

The refunds are welcome, some small-business owners say, but overall trash rates seem to have gone up since the start of the new contract — a less welcome development.

Gray’s monthly bill has risen almost 70 percent, he said, from \$288 to \$488 a month for each business.

“We’re kind of at their mercy. I guess we have to like it,” he said with a laugh.

Bob Murray, owner of M&M Grocery, said his trash bill went up about 30 percent, from \$220 per month to \$290, but pickup has gone down from three times per week to twice per week.

“It’s going to get tougher and tougher for small businesses,” Murray said.

David Jacobo, who runs Aunt Maggie’s restaurant with his parents, said the jump in his trash bill has added to rising costs of things such as meat and property taxes. While he understands the city needs to catch up on water rates, he said all the increases occurring at the same time make it difficult for a small business to keep up.

"Is this (refund) really supposed to make us feel better? ... It just shows how much we were being ripped off," he said. "We get up every morning and see how much we've got to pay in bills. A lot of small businesses are not too happy about this."

Shane Kelton, director of operations for the city, noted that San Angelo's trash prices had not increased in about seven or eight years, so the city and Republic needed to catch up on billing to keep up with increasing capital costs for items such as dozers, compactors and dump trucks. The increase also was necessary to offset deficits in the solid waste fund, he said, and go toward new bins and the upcoming recycling program.

"It was a substantial increase for prices across the board," Kelton said. "But when you go along for seven years (without increase), inflation has taken a toll."

Jacobo said that the events leading up to the new contract with Republic left a bitter taste in his mouth.

"A lot of things just don't mix well," he said.

This year was the first time the city had put the San Angelo trash collections and landfill contract out for bids. Republic and competitor Texas Disposal Systems were the only ones to submit a bid.

During the bid process, TDS alleged that Republic had been charging commercial customers environmental recovery and fuel recovery fees in excess of what was allowed by city ordinance. Acme Iron and Metal, a San Angelo company with ties to TDS, filed a class-action lawsuit this summer against Republic regarding those charges.

TDS and some San Angelo residents called for the City Council to delay the start of the new trash contract until Republic could investigate and refund the erroneous charges. But the contract proceeded on schedule.

In late November, Gregory said lawyers requested more detailed information about how Republic calculated its refunds. Gregory noted there is also an opportunity for the court to consider whether Republic conducted any deceptive trade practice, which, if the court decides it did, could mean three times the amount in refunds, Gregory said.

"We're waiting for those responses at this time," he said. "The litigation is continuing."

The response from local business owners, though, has been mixed.

"I appreciate (Republic) at least making some effort," Currie said, adding that he does business with both Republic and TDS, the latter of which has been offering roll-off trash service in city limits after its lawyers interpreted San Angelo ordinance to allow for that to be on the open market.

"I haven't been impressed with our city's execution of business," Jacobo said. "They're just making it tough for us to run a business. ... We don't understand what our City Council is up to."

Murray said he has generally been satisfied with Republic's service, but was more indignant about the execution of the trash bidding process, which many residents said was not transparent.

"I don't know whether they vetted the process or on what conditions," he said. "They should have let the public know more about the bid."

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