

From: [Bill Helsley](#)
To: [Susan Cristofolo](#)
Subject: City Council Public Hearing
Date: Thursday, April 21, 2022 1:50:20 PM

This message originated outside of the City of McMinnville.

I am writing in opposition of Resolution 2022-19, Resolution 2022-20, Resolution 2022-21 and the consideration of a franchise fee for electric services.

With the rate of inflation, I believe that these resolutions will force more readents to choose between food or heat or water.

With the population growth McMinnville has had and the expanded revenue base that has brought, I believe these resolutions are not needed at this time.

With the added cost these resolutions bring, they will force many seniors and low income persons out of their homes.

Thanking You,
William Helsley
3646 NE Joel St.
McMinnville, Or. 97128

From: [Mike Paull](#)
To: [Susan Cristofolo](#)
Subject: Revenue shortfall
Date: Friday, April 22, 2022 7:44:25 AM

This message originated outside of the City of McMinnville.

To whom it may concern,

I am not greatly familiar with the economic condition of McMinnville finances, but I do believe that to have a thriving city, services need to be maintained. McMinnville is a highly desirable place to live. Forward thinking should be your paradigm to stay ahead of growth. I am sure that the people and businesses are willing to pay a fair price to receive a standard of services that keeps McMinnville as the 2nd best small city in America.

[Sent from Yahoo Mail for iPhone](#)

From: [Tara Rich](#)
To: [Susan Cristofolo](#)
Subject: Letter supporting budget increases to support city services/ Parks and Rec
Date: Friday, April 22, 2022 1:33:09 PM
Attachments: [We sent you safe versions of your files.msg](#)
[Letter to City of McMinnville 2.pdf](#)

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

April 21, 2022

Re: Public Comment on Resolution No 2022-19, 20, 21, 23

Dear McMinnville City Council,

I grew up in McMinnville and am a proud citizen who raised my own children here. As a child I utilized park and recreation tennis, swimming and community center sports and activities. I just finished raising my own children in McMinnville in which they were involved in parks and recreation soccer, baseball, softball and swimming & tennis lessons. We also spent many hours at the McMinnville Public library attending story times and summer reading programs. These were all very valuable programs that benefited my children and family.

What I am seeing in McMinnville lately is our parks and recreation programs and city pool fall apart in many aspects. I use the aquatic center three times a week to lap swim and work out in the gym. During the pandemic I was disappointed in the pool and weight room being closed for months on end. I traveled to Newberg's pool many times while it was open and McMinnville's was closed.

I am also an avid tennis player and McMinnville's lack of public courts is embarrassing. There are two public courts available in a town of this size?? The parks and recreation programs lack of tennis lessons this past summer caused a local resident to start a non profit so local children could learn to play tennis. Shouldn't a town the size of McMinnville with a successful high school tennis program provide lessons and courts for its youth?

I believe a strong community is one that values its health and recreation and provides these opportunities for its youth and adult citizens. I support the resolutions to improve our city budget. I am willing to pay increased fees that are more on par with other Oregon cities so we can see our parks and recreation and community services improve.

Thank you for your time and service to our community,

Tara Macy Rich
1107 NE Cowls St
McMinnville

From: [Linda Hays](#)
To: [Susan Cristofolo](#)
Subject: City Council Meeting Sign up
Date: Friday, April 22, 2022 2:09:39 PM

This message originated outside of the City of McMinnville.

Hello,

I would like to sign up to speak at the City Council meeting on April 26th. I would like to testify in favor of the resolutions that have been proposed to solve the City's budget deficit. Let me know if I need to fill out a form or anything. Thank you.

Best Regards,
Linda Hays
hopscotch toys
438 NE 3rd Street
McMinnville OR 97128
hopscotch at Salishan Marketplace
GlenEden Beach, OR
503-472-3702
Proud Member of ASTRA

From: [Gary Wertz](#)
To: [Susan Cristofolo](#)
Subject: Letter to city council for April 26th meeting
Date: Friday, April 22, 2022 4:12:57 PM

This message originated outside of the City of McMinnville.

Sent from [Mail](#) for Windows 10

To: The Mayor and Council of the City of McMinnville

04/22/2022

From: Garold L. (Gary) Wertz Jr

435 NW 10th St
McMinnville, Or 97128
CEO Yamhill County Fair
2070 NE Lafayette AVE
McMinnville, Or 97128

RE: Franchise Fee's

Mr. Mayor and Councilors.

During the early 80's I sat in your seat and was councilman of Ways and Means. We were warned that we would need to come up with ways to help the general fund, because we could see a future shortfall coming. We decided to start getting each department to be as lean as they could be without effecting city services.

I understand you are planning to assess a franchise fee on every household and business that uses the Water and Light services. My understanding is a franchise fee was put in place for vendors to be exclusive providers to the city, and they paid a percentage, as a fee to be a vendor. Then they were allowed to charge the users for the cost of doing business in McMinnville.

The proposal before you is a TAX. You can not get around it. You are proposing to tax the users of the system for the privilege of being a Water and Light customer.

McMinnville Water and Light was never meant to be a cash cow for the city. The separation was done for a reason. While I am not a lawyer, I was around many of the old members of the W&L Board and the only reason for the sewer bill being included is because the W&L was already set up for billing. Now you're going to tax us for the use of the system you already own. It's not like we have a choice in providers.

The fairgrounds has 39 fixtures on the property that use water. The water bill is \$358.00 per month, which make's each fixture cost at \$9.18 to operate and provide water to the public. The sewer bill is on average \$1798.00 per month, which is \$46.11 for water to go down a pipe. Now if you look at the usage, 80% of the water actually goes on the ground and not back into the system. This is because the water is used for dust control and water for the animals who visit the facility. Now you want to add another 7%, or \$125.86 to the sewer bill which is \$3.23 per fixture. This will now make it almost \$50.00 per fixture to use for sewer. This is not counting the water tax and electrical so you can see indoors to use the fixtures at night. This is the effect at the fairgrounds. On the personal side, you say its only \$20.00 per household added to my current \$200.00 Utility bill. Now one of you will come out and say, well what would it be if you lived in Portland. Yes, my bill will be a lot higher, but I do not live in Portland and if you are happy to pay for all the services they charge, for which, in some cases, is another house payment, then by all means move to Portland. I was born here and chose to live here and not in Portland.

You are requiring me to upgrade my sewer pipe to hook into your system at a cost of \$3000.00 and are now charging me \$50.00 per month, till my contractor can get to fix it. Now you want to add another 7% to my home sewer bill. I feel like the city is holding a gun to my head. What's next a tree tax, grass tax, possible air breathing tax? I am sorry, you mean a franchise fee! Why don't you have your staff look at their departments and get their opinion how to make the department clean and lean. If they cannot do it, then get someone who can. Business has been doing it or going out of business. It is sad how

many of the great business have had to close or will leave because they could not make it in McMinnville.

You have a responsibility to the citizens to keep services affordable. \$20.00 to some of our citizens is the cost of a prescription, a meal or paying their utility bill. We were always aware of our fixed income residents. Staff is going to have to reach deep to make each department lean and not take out their frustrations on the citizens of McMinnville.

I would like to request that you vote against this franchise fee. While a yes vote may ease your pain in the budget process, it will have long lasting and far-reaching effects in future. Please vote no for these new taxes.

Thank you,
Gary Wertz

From: [Jeri Paull](#)
To: [Susan Cristofolo](#)
Subject: Keep services for McMinnville
Date: Saturday, April 23, 2022 9:12:26 PM

This message originated outside of the City of McMinnville.

I am writing to request the council to keep the library and parks going at the current level. I know money has to come from somewhere but these services are vital to the livability of our community.

Thank you,

Jeri Paull

[Sent from Yahoo Mail for iPhone](#)

From: [Mark Davis](#)
To: [Susan Cristofolo](#)
Subject: City Council Public Hearing
Date: Sunday, April 24, 2022 8:33:38 PM
Attachments: [We sent you safe versions of your files.msg](#)
[CityFundingHearing042622.pdf](#)
[Mark Davis Comment Card.pdf](#)

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This message originated outside of the City of McMinnville.

Susan:

Attached are my comments that I would like given to the City Council regarding Resolutions 2022-19 through 22, more commonly known as funding options.

I would like to sign up to speak both at that hearing and at the later public hearing for Ordinance 5113. I have also attached my comment card with the required information. Unless something changes, I intend to be at the Civic Hall to speak.

Thank you.

Mark Davis

Mark Davis
652 SE Washington Street
McMinnville, OR 97128

April 24, 2022

McMinnville City Council
230 NE Second Street
McMinnville, OR 97128

RE: Public Hearing on Funding Sources

Dear Mayor Hill and Members of the Council:

Thank you for allowing the citizens to comment on potential funding sources to maintain city services and balance the budget.

City Services Fee: While it does not appear that the Council is considering a city services fee on utilities at this time, it continues to be discussed as a desirable option. I believe this is a bad policy choice that will primarily impact those least able to pay and encourage wasting limited resources.

A city services fee will increase the fixed portion of the utility bill, commonly referred to as the service charge. This is the amount charged to every customer, regardless of how much they use of a utility service.

The current monthly service charges for typical households for the three utility services provided by the City are as follows: Water \$14.30, Electric \$15.10 and Sewer \$22.38. In other words, before you turn on the tap, flip on a light switch and or flush the toilet, you are billed \$51.78. A city services fee would increase this fixed portion of the bill, leaving many citizens paying more for the service charge than the actual service provided.

For example, looking at the Water and Light bill for our home during the winter we use an average of 300 cubic feet per month of water. We pay \$4.87 for the water (charged at \$1.6247 per 100 cubic feet) and \$14.30 for the service charge for total of \$19.17. Similarly, we pay \$18.21 for sewer to dispose of that water (at \$6.07 per 100 cubic feet) and \$22.38 for the service charge for a total of \$40.59. Less than 40% of the billing we receive for these services actually goes to the cost of the service and more than 60% to the overhead making up the service charge calculation. Any sort of city service fee based on a meter would exacerbate this imbalance.

Over the years during utility rate hearings in front of the City Council and Water and Light Commission I have objected to the continuing increase of the service charge as a proportion of the bill. I have reviewed the calculations used to determine the service charge and believe they have a factual basis. However, the consultants preparing those allocations of cost both acknowledge that the assumptions of which costs should be included in the service charge are not always clear, so judgment is required.

Beyond the impact of imposing excessive service charges to customers needing small amounts of utility services, I believe such charges reduce the incentive to conserve resources. When most of your bill is tied to consumption of the utility resource, citizens get a proportionate reduction in their bill when they reduce consumption. In the example above if we reduced our consumption by one-third to 200 cubic feet per month the water bill would go down by \$1.62. Were our bill based entirely on consumption of water it would reduce by more than \$6.

Given that we will eventually need to be investing millions to supplement our pristine Nestucca River water source with Willamette River water and that we face higher Tier Two BPA electrical rates if consumption of power increases significantly, I think we should be doing all we can to give clear pricing signals to consumers that they should be saving water and power. (The impact of conservation on the sewer treatment plant is a more complex topic, but generally reducing the flow through the plant is a good thing.) A city utility services fee as presently described would have the opposite effect, reducing the incentive to conserve.

Water and Light has already made clear that it will be very complex and expensive to accommodate a city services fee on the utility billing system. The irony of this is that the next time the consultants do a rate review, they would add this overhead billing cost into the customer service charge calculation, meaning that the customers would pay an increased service charge so that they could be charged the added city services charge.

Adding a city services charge on utilities is a regressive tax on those least able to afford it and does nothing to encourage conservation of limited resources. Please reject the idea.

Payment in Lieu of Taxes (PILOT): As a funding source, this is fairer than the city services fee because it is based on the total revenues received, which include actual use of the utility service. It is also costs less to implement. Most citizens will pay less using this model.

Regardless of what percentage level you choose to impose, I firmly believe it should be the same for all users. Giving a 50 percent reduction to the two users who use the most electric power is illogical and unfair. Why not give a 50 percent reduction to small businesses that are struggling to survive or to senior citizens on fixed incomes?

And I don't believe we need to "phase in" the decision to charge everyone the same rate. The ratepayers in this community have subsidized Cascade Steel and Airgas for decades to the tune of millions of dollars. I don't recall ever hearing even a "thank you" for our contributions to their bottom line.

The Need for a Revenue Increase: As part of a series of work sessions with the Council and Budget Committee, city staff produced a detailed spreadsheet listing the 145 city core services with descriptions of those services provided in 4 categories: Below Base Level, Base Level, Mid Level, and Optimal Level, identifying in which category each of the services currently falls. This is an excellent resource for having a public discussion about what and how much we want city government to do.

Unfortunately, no public discussion ensued about whether we need to increase current service levels, and the Council moved on to analyzing the best ways to increase revenues. We're now left in the awkward situation of asking for fee increases when the public has not been convinced of the need.

Who Pays the Taxes/Fees To Maintain/Increase City Service Levels?: Of course, the best tax is the one someone else pays. There are various ways to raise money for government services including taxes/fees based on income, property and services provided. The fees under Council consideration have the disadvantage of falling proportionately more heavily on those who can least afford to pay them.

The 2019 draft Housing Needs Analysis shows that 36% of McMinnville residents are considered cost-burdened, meaning they are paying more than 30% of their income for housing and utility costs. Given how housing costs have increased over the past several years, this cost-burdened percentage has likely increased.

If you were to apply "levels" to resident incomes like the city did to core services, I would argue that the cost-burdened residents are "Below Base Level." Looking to them to increase revenues seems unfair, especially since raising utility costs increases their housing cost burden.

Conclusion: While I am supportive of maintaining city services and increasing them in some areas, I don't believe the city has made an effective case for increases at this time. I would favor charging everyone the same 6% PILOT on electrical services. If additional funding is necessary to maintain existing service levels, I would favor a small, temporary PILOT on water and/or sewer service that would sunset after 12 months

During the next year the city would have an opportunity to make the case for the fire district, the approval of which would free up existing funding for other general fund needs. I would also urge the city to hold monthly town halls dedicated to covering one area of core services to explain to the public the cost and benefit of various service levels, both to better inform the public and to build constituencies that would understand and support increasing revenues to support those services.

Thank you for considering my opinions on this matter.

Sincerely,

//S//

Mark Davis



PUBLIC COMMENT CARD

Please complete this card prior to the meeting and return to the City Recorder.

The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. Comments may be limited to 3 minutes per person for a total of 30 minutes. Please complete a request to speak card prior to the meeting. Speakers may not yield their time to others. In order to encourage an environment of openness, courtesy and respect for differing points of view, please refrain from behavior that is disruptive to the meeting such as making loud noises, clapping, shouting, booing, or any other activity that disrupts the orderly conduct of the meeting. Abusive language will not be tolerated.

I wish to address the McMinnville City council during:

- Invitation to Community Members for Public Comment
- Agenda Item/ Topic (Please see agenda for when item is scheduled) _____
- Public Hearing: Resolution 2022-19 through Resolution 2022-22; and
Ordinance 5113

First & Last Name (Please print clearly): _____ Mark Davis _____

Email: ___mark@startlivingthetruth.com_____ Phone Number: ___503-583-5774_____

Address: _____652 SE Washington St, McMinnville_____

Date: ___April 26, 2022_____

From: [Claudia Cisneros](#)
To: [Susan Cristofolo](#)
Subject: Fwd: Public Comment about Utility Increases
Date: Sunday, April 24, 2022 11:20:56 PM

From: Kellie Menke <Kellie.Menke@mcminnvilleoregon.gov>
Sent: Sunday, April 24, 2022 3:43 AM
To: Claudia Cisneros <Claudia.Cisneros@mcminnvilleoregon.gov>; Jeff Towery <Jeff.Towery@mcminnvilleoregon.gov>
Subject: Fwd: Public Comment about Utility Increases

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From: Terry Conlon <terconlon@hotmail.com>
Sent: Friday, April 22, 2022 10:32:49 AM
To: Kellie Menke <Kellie.Menke@mcminnvilleoregon.gov>
Subject: Public Comment about Utility Increases

This message originated outside of the City of McMinnville.

Hi Kellie.

I'm hoping you can help me understand something. As I understand it, the city has a budget deficit of \$2 million. There is a proposal being considered to increase residential utility rates by about 5% sewer, 4% power and 7-8% on water.

As I understand it, the city has increased FTE employees 27% in the last 5 years, and has increased wages 54% in that same time period. I'm sure the city has grown and needs more services, but from a taxpayer's standpoint there appears to be a disconnect between the growth in number of employees and the corresponding increase in wages.

As the city considers how to close the budget gap, I want to express I'm **NOT** in favor of adding to utility rates/fees. Inflation is surging right now. Everything is going up, except wages. People are being stretched thin and are having to make choices about how to cut corners to meet household budgets. Rather than increase fees, I think the city needs to explore options for reducing costs instead of raising fees.

Thanks for listening!

Terry Conlon

From: [Rich Blaha](#)
To: [Susan Cristofolo](#)
Subject: Public comment for Tuesday's meeting
Date: Monday, April 25, 2022 6:43:00 AM
Attachments: [We sent you safe versions of your files.msg](#)
[CityCouncil PILOT BLAHA.pdf](#)

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Hi Susan

Please enter the attached into the record for tomorrow's meeting re:
Fees and PILOT

Thank you

Rich Blaha
McMinnville, OR

25 April 2022

Re: Resolutions regarding fees and PILOT

Dear McMinnville City Council

We are in a time of rising financial anxiety and uncertainty(again), so I understand why there are some who don't approve of the resolutions on the table today. However, with inflation happening worldwide, the cost of providing city services for businesses and families are not immune.

The city has had budget issues for years, with critical services continually almost under the axe, most recently during the COVID event, when there wasn't manpower to clear hazardous conditions from parks due to the ice storm.

Approving the resolutions for enhanced fees and PILOT tonight would be a needed step towards getting our city government out of a constant budget crisis mode.

Thank you

Rich Blaha
McMinnville, OR

From: [Trena D. McManus](#)
To: [Claudia Cisneros](#)
Cc: [John C. Dietz](#); [Samuel Justice](#); [Jeff Towery](#); [Amanda Guile-Hinman](#); [Susan Cristofolo](#)
Subject: Letter to City Council- Public Hearing Comment for 4/26/22
Date: Monday, April 25, 2022 7:59:47 AM
Attachments: [We sent you safe versions of your files.msg](#)
[Letter to City Council from MWL GM - 4-25-2022.pdf](#)

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Hello Claudia-

Attached is a letter addressed to the City Council from MW&L General Manager John Dietz regarding the pending City Council action on an electric franchise fee. Could you please forward the letter to the City Council ahead of the City Council meeting tomorrow? We also ask that the letter be entered into the record of the public hearing to be held at the April 26, 2022 City Council meeting.

Please let me know if you have any questions. Thanks.

Trena D. McManus

Utility/Rate Analyst
Clerk of Commission
McMinnville Water and Light
855 NE Marsh Lane
PO Box 638
McMinnville, OR 97128
(503) 435-3113
tdm@mc-power.com
Visit our website: mc-power.com

McMinnville Water and Light's business hours:

We are OPEN Monday-Thursday | 7:00 am to 5:30 pm

April 25, 2022

McMinnville City Council
200 NE Second Street
McMinnville, OR 97128

Re: McMinnville City Council action on electric franchise fee

Dear Council:

I am the general manager at McMinnville Water Light. I write again at the direction of the Water and Light Commission with additional concerns about a proposal to create an electric franchise fee on earnings of the McMinnville electric department's electric fund.

As I wrote in my letter to you dated April 11th, the Water and Light Commission has the authority of the City of McMinnville under the city charter to operate and manage the city's water and light departments (charter section 51). Funds paid to the water and light departments are under the jurisdiction of the commission (s. 46). The charter requires that water and electric funds are kept separate and apart from the other funds of the city (s. 59). The commission determines the manner of withdrawal of these funds (s. 49). The City of McMinnville's authority to transfer money out of the water or electric fund rests with the Water and Light Commission. Under the charter the city council does not have authority to withdraw or transfer money from the water and light funds.

Electric (Franchise Fee):

The Water and Light Commission owns and operates the light plant and electric system on behalf of the City of McMinnville. The charter provides authority to the commission "to construct such pole lines, transmission lines and other devices within or without the corporate limits . . . " (s. 51). Under the charter the commission has the authority of the city to "construct, erect, [and] maintain . . ." an electric system to furnish the city and its inhabitants with electricity (s. 51). Where the electric system lies on city property or right of way, the commission has jurisdiction under the charter to construct and maintain the city's electric system. The citizens of McMinnville, who approved the city charter, granted to the commission authority to operate the electric system in the city right of way. The commission needs no additional authority from the city council to use the city right of way.

In addition, state law specifically exempts municipal electric utilities from payment of a privilege tax for use of the city streets, alleys or highways. See ORS 221.655(1). This exception is consistent with the "PILOT" statute restriction (ORS 225.250) limiting the use of earnings of a municipal electric system to the electric system itself. As I pointed out in my letter dated April 11th, state law only permits a transfer of electric earnings out of a municipal electric fund into a municipal general fund under the authority of ORS 225.270



(with a finding as to adequate surplus funds by the commission as “officer” in control of the electric system). There is no authority for a privilege tax.

The proposed transfer of funds from the electric fund to the general fund in order to pay for general fund expenditures is also inconsistent with the charter’s requirement to keep electric funds separate and apart from other city funds. The council lacks authority to order such a transfer, and the commission lacks authority to transfer electric funds into the general fund, except as authorized in state law under ORS 225.270 (as observed and enforced by the commission as officer in charge of the electric system).

The commission recognizes the electric department’s duty and authority to pay actual costs caused by the electric system to other city funds. The electric fund commonly pays costs in the form of fees and charges that it causes to other city departments. However, the commission (on behalf of the city) owns and operates the electric system in the right-of-way. There is no basis to require compensation in the form of a privilege tax from the electric department fund for the mere occupation of the city right of way.

Thank you for taking the time to read this letter and consider the commission’s concerns. The commission staff remains committed to continuing conversations with city staff to address topics raised in this letter.

Sincerely,



John C. Dietz
General Manager

From: [Jan Noland](#)
To: [Susan Cristofolo](#)
Subject: Public testimony re: electric & waste water resolutions
Date: Monday, April 25, 2022 8:14:39 AM

This message originated outside of the City of McMinnville.

McMinnville City Council.

Surely there must be other avenues of raising funds to support City functions, parks, streets, infrastructure, etc. that are mentioned when Resolutions 2022-19, 2022-20, 2019-35 & 2022-21 are discussed and voted on.

In the end, it will be City and utility taxpayers & residents who pay for these increased fees. Like the City, many residents are living on shoestring budgets and shortfalls in personal savings, especially those on fixed incomes, seniors, and our many farm and minimum wage employees. Don't do this to those who are already struggling to stay independent & keep their heads above financial waters. McMinnville is becoming an unaffordable city to live in for many.

We travel. Every place we go, we pay some type of fee or tax on anything other than food or medicine purchased in a grocery store or pharmacy. McMinnville touts itself as a "vacation destination". We have high end shops, wine bars, restaurants, lodging options, etc.

Many of the City services mentioned as a reason for these increased fees benefit the tourists and tourism industry. Why not figure out a way/ways to have our City guests chip in a bit more to help finance services they also benefit from & enjoy – roads, clean water, parks, a nice downtown, etc.

Please don't burden our citizens with more "hidden taxes".

Jan Noland
15666 SW Shilo Way
McMinnville OR 97128

From: [Patty Herzog](#)
To: [Susan Cristofolo](#)
Cc: jcd@mc-power.com; [Heather Hadley Blank](#)
Subject: MEDP Public Comment on Franchise Fees/Utility
Date: Monday, April 25, 2022 9:31:25 AM
Attachments: [MEDP Letter_City Council_20220426.pdf](#)

Good morning, Susan.

Attached is a letter submitted of behalf of MEDP for public comment for the City Council public hearing on franchise and utility fees.

If you have any questions, please contact Heather Hadley Blank at 971.241.8777, heather@mcminnvillebusiness.com.

Thank you,
Patty

Patty Herzog | Executive Director

McMinnville Economic Development Partnership
503-550-8504 | patty@mcminnvillebusiness.com
231 NE 5th St | McMinnville, OR 97128
www.McMinnvilleBusiness.com



April 26, 2022

Mayor Scott Hill
City of McMinnville, City Council
City Hall
230 NE 2nd Street
McMinnville, OR 97128

Dear Mayor Hill, Council President Drabkin, and Councilors.

McMinnville Economic Development Partnership (MEDP) respectfully submits comment on the proposed increases to PILOT (payment in lieu of tax), and wastewater, water, and electric franchise fees that will impact electric and water users within the City of McMinnville. Please consider the following:

1. Increasing all PILOT fees to 6% will not be equitable. “The U.S. Energy Information Administration (EIA) shares independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment. Electricity prices vary by type of customer. Retail electricity prices are usually highest for residential and commercial consumers because it costs more to distribute electricity to them. Industrial consumers use more electricity and can receive it at higher voltages, so supplying electricity to these customers is more efficient and less expensive. The retail price of electricity to industrial customers is generally close to the wholesale price of electricity.”¹

2. McMinnville’s competitive advantage as a leader in affordable utility rates will be impacted.

McMinnville has a competitive advantage as the third-lowest utility rate in Oregon. This is a well-known community benefit promoted by economic developers throughout the state. Low-cost utilities can offset transportation costs for companies considering locations on the I-5 corridor to include McMinnville as an alternative. Furthermore, low-cost utilities have helped the community attract, retain and expand one of the largest traded-sector businesses providing 400 family-wage jobs and 1,200 indirect jobs in the region.

3. Limit the cost recovery ability of McMinnville Water and Light.

Utility prices generally reflect the cost to build, finance, and maintain transmission and distribution of electricity, water and wastewater. The proposed additional fees will be used for the city’s general fund and would not be available to McMinnville Water and Light to maintain and expand the utility infrastructure.

MEDP urges the council to postpone a decision on any utility fee increases and consider engaging in collaborative problem solving roundtables with business and community leaders.

Sincerely,

Patty Herzog
Executive Director
McMinnville Economic Development Partnership

¹ U.S. Energy Information Administration (EIA) is the statistical and analytical agency within the U.S. Department of Energy. [Electricity explained Factors affecting electricity prices](#)

From: [Sandra Robledo](#)
To: [Susan Cristofolo](#)
Subject: Payment in Lieu of Tax
Date: Monday, April 25, 2022 10:31:18 AM

This message originated outside of the City of McMinnville.

Good morning ,

I just want to express my disagreement regarding your proposal for Payment in Lieu of Tax for water use. As a community member this is definitely going to have a negative impact on my family's economy as well the local company for the one I work for.

The increase that you are talking about is not even close to our annual increase on salaries. I would encourage you to find alternative solutions regarding this issue.

--

Regards,
Sandra Robledo

From: [Carolina Rook](#)
To: [Scott Hill](#); [Chris Chenoweth](#); [Kellie Menke](#); [Zack Geary](#); [Remy Drabkin](#); [Adam Garvin](#); [Sal Peralta](#)
Cc: [Lindsay Berschauer](#); [Casey Kulla](#); [Mary Starrett](#); [Susan Cristofolo](#)
Subject: Re: City of McMinnville Proposed Utility Fee Increases
Date: Monday, April 25, 2022 10:01:09 AM
Attachments: [We sent you safe versions of your files.msg](#)
[Letter to Mac City Council 042122.pdf](#)

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This message originated outside of the City of McMinnville.

Good morning,

Please see the attached letter as approved by the Yamhill Board of Commissioners on April 21, 2022.

Regards,

Carolina Rook
Executive Office Specialist
Yamhill County Board of Commissioner's Office
434 NE Evans Street
McMinnville, OR 97128
rookc@co.yamhill.or.us
Ph: 503-434-7501
Fax: 503-434-7553



BOARD OF COUNTY COMMISSIONERS

LINDSAY BERSCHAUER • CASEY KULLA • MARY STARRETT

535 NE Fifth Street • McMinnville, OR 97128-
4523 (503) 434-7501 • Fax (503) 434-7553
TTY (800) 735-290 • www.co.yamhill.or.us

April 21, 2022

Mayor Scott Hill; Scott.Hill@mcminnvilleoregon.gov
Councilor Chris Chenoweth; Chris.Chenoweth@mcminnvilleoregon.gov
Councilor Kellie Menke; Kellie.Menke@mcminnvilleoregon.gov
Councilor Zack Geary; Zack.Geary@mcminnvilleoregon.gov
Councilor Remy Drabkin; Remy.Drabkin@mcminnvilleoregon.gov
Councilor Adam Garvin; Adam.Garvin@mcminnvilleoregon.gov
Councilor Sal Peralta; Sal.Peralta@mcminnvilleoregon.gov

RE: City of McMinnville Proposed Utility Fee Increases

Dear Mayor Hill and Councilors:

We have been approached by the McMinnville Chamber of Commerce, Cascade Steel, and residents of the city with great concern over the new, proposed utility fee increases. Normally, we wouldn't weigh in on city-related matters but the concern over the impact of these new fees is growing and we feel it is important to advocate on behalf of ratepayers.

The proposed utility fee increases would have an immediate, negative impact on McMinnville's businesses, namely your largest employer Cascade Steel. Cascade is the only steel mill left in Oregon and they have survived a challenging industry by investing in technology that allows them to be good stewards of the environment while remaining competitive in a commodity market. This isn't an easy task and Cascade Steel, along with its 400+ employees, depend on a healthy partnership with the city and county. This partnership includes a prior agreement that Cascade Steel pays a 3% PILOT as an incentive to staying in McMinnville, providing living-wage jobs, and boosting the local economy. Cascade is an anchor industry and we have seen the value of this company not only in the jobs they create, but the philanthropy they engage in throughout the county.

The proposed increase in PILOT fees from 3% to 6%, a new 6% Electrical Franchise Fee, a new 6% Water Franchise Fee, and a 6% Wastewater Fee would result in a yearly cost increase of \$1.6 Million to Cascade Steel. That's an immediate 300% increase. As with any commodity business, cost increases cannot be passed on to the consumer in the form of price increases. If these proposed fees pass, Cascade Steel will be constrained from growing its business and protecting the jobs that employ our residents.

In this time of economic uncertainty, we cannot express how concerned we are about these significant increases to the utility costs of McMinnville's small businesses and its residents. With inflation at 8.5% and gas and food costs rising daily, additional utility taxes will be unnecessarily punitive.

Just last week, we toured the DCI Newberg building that was lost to a catastrophic fire, immediately displacing almost 90 employees. County, city, state, and industry partners responded by turning over every stone to look for a solution that would protect those jobs. It was a reminder to all of us how critical the role our large employers play in the economic health of our communities.

We urge you to reconsider these proposed tax increases and find other solutions to solving the city's budget shortfall, solutions that don't disproportionately harm the employers that we should be fighting to keep and that protect residents during this tough economic time.

Respectfully,



Lindsay Berschauer
Chair



Casey Kulla
Vice-Chair



Mary Starrett
Commissioner

cc: susan.cristofolo@mcminvilleoregon.gov

From: [Lindsay Wagner](#)
To: [Susan Cristofolo](#)
Subject: Save our Services!!
Date: Monday, April 25, 2022 11:14:43 AM

This message originated outside of the City of McMinnville.

Susan,

I am a concerned citizen of McMinnville, and although I'm not in the upper echelons of income producers, I am willing to pay the price, so to speak, to allow our beautiful community to offer the services that I have come to enjoy and for which I am grateful. Specifically, I want to save the parks, the library, the community centers, the senior centers, police, fire department and many other recreations that make our lives, safe and keep us educated, healthy, and connected.

Please count my voice IN FAVOR of resolving the budget gap, willing to pay my part so that the BEST elements of our community can stay and thrive and grow.

Thanks for listening.
Lindsay Wagner RN

From: [Alycia Pyle](#)
To: [Susan Cristofolo](#)
Subject: McMinnville Water and Light Price Increase
Date: Monday, April 25, 2022 11:34:31 AM

This message originated outside of the City of McMinnville.

To Whom it May Concern,

I am writing to oppose the McMinnville Water and Light Price increase. We are residents of McMinnville and the increase in prices of goods along with inflation have made it much more difficult for the average household to afford their bills. This measure is not supported by the citizens.

Thank you,
Alycia Pyle

From: [Rhonda Pope](#)
To: [Susan Cristofolo](#); [Claudia Cisneros](#)
Cc: [Gioia Goodrum](#)
Subject: letter to city from chamber members for city council packet
Date: Monday, April 25, 2022 12:10:32 PM
Attachments: [We sent you safe versions of your files.msg](#)
[city council letter from chamber members 4-20-22.pdf](#)

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Susan,

-
Please find attached a letter from the McMinnville Area Chamber of Commerce's members regarding the Franchise and Utility Fees and include it in the packet for the Council.

Many thanks,

Gioia

Gioia Goodrum, MBA, IOM
President/CEO
McMinnville Area Chamber of Commerce
503-472-6196



Convener, Catalyst, Champion

Stakeholder Members:





McMINNVILLE AREA
CHAMBER of COMMERCE

April 21, 2022

Dear McMinnville City Mayor and Councilors,

The McMinnville Area Chamber of Commerce represents approximately 450 member businesses in the McMinnville area who are committed to growing business opportunities in our community. We are writing today to express the concerns of your constituent businesses regarding the proposed franchise fees as well as the city service fees.

As we have stated in prior communications, we are concerned about raising taxes and fees without fully examining and discussing options and alternatives. These decisions are too high impact to not have them fully explored by the business community. We are not in support of increased fees until the City of McMinnville brings the economic development partners (McMinnville Economic Development Partnership (MEDP), McMinnville Downtown Association (MDA), Visit McMinnville (VM), and the McMinnville Chamber (MACC)), the business community and citizens to be a part of the conversation to develop an equitable solution that works for all. We welcome a task force represented by MEDP, McMinnville Industrial Promotions, McMinnville Economic Vitality Leadership Council (MEVLC), Visit McMinnville, McMinnville Downtown Association, the Chamber, major employers and select citizens representing a diverse population, to seek out potential budget solutions and identify the impact those solutions have on both business and private citizens.

We request this task force be immediately convened and begin working while we wait to see the results of the work being done on the Fire District initiative. It is yet unknown the tax impact the new fire district will have on the community. Please wait to move forward until the options and economic impact on our businesses and citizens are thoroughly studied and understood by the proposed task force, and a solution that we can all support, is presented to the Council.

Respectfully,

The undersigned members of the McMinnville Area Chamber of Commerce

Heather Acker, Coldwell Banker Professional Group
Alt Coworking
Amcraft, Inc
Dr. Beth Armstrong, Armstrong Family Chiropractic
Rodney Lucas, Director of Operations, Betty Lou's
Botten's Equipment and Event Rental
Cascade Steel and Rolling Mill

Cherrywood Memory Care
Chuck Colvin Ford/Nissan
C-Lane Plastic
Dr. & Mrs. John Cramer (Nanette Cramer Accountant)
Companion Pet Clinic, McMinnville
Creekside Homes
Robert Emrick, 1882 Grille
Eagle Eye Droneography
Elliott Group LLC
Encore Home Furnishings
Farmers Insurance, Larissa DeHart Agency
Fircrest Senior Living
First Federal Savings and Loan
Fjelland Floors
Forage Nature's Pantry
Grain Station Brew Works
Golden Valley Brewery and Restaurant
Jon Gross, Willamette Valley Real Estate Team
Harmony Homes Real Estate
Harvest Fresh
Haworth Incorporated
Chris Huwaldt, McMinnville
Insiders Wine Tours
Jon Johnson, VP and Manager, Citizens Bank McMinnville
Joysticks Arcade
Kona Makai
Legacy Paving and Construction Company
Jason Lanning, Lanning Family Chiropractic, PC
Macy and Sons
DK Masterson Real Estate Team
Maple Valley Memory Care
Marjorie House Memory Care Community
McMinnville Family Eye Care
McMinnville Pilates
McMinnville School District #40
Michelbook Country Club
Mikey's Pizzeria
Miller Technologies
Morris Carpet Cleaning of Oregon
New Leaf Midtown
The Oak
Olde Stone Village
Organic Valley
Steven L. Patterson, President & CEO, Oregon Mutual Insurance
Planet Fitness
Precision Analytics
Vern Popowski, Handyman Services
Renewal Skin and Laser

The Sage Restaurant
Serendipity Ice Cream
Simpson Electrical Construction Company
State Farm, Utti Insurance Agency
Terry Conlon, McMinnville
Third Street Oil and Vinegar
Textile Graphics
Gary Wertz, CEO, Yamhill County Fair and Event Center
Jeff Chambers, Visiting Angels
Wild Haven Property Management Company

###

From: svlla@thirdstreetbooks.com
To: [Susan Cristofolo](#)
Subject: testimony for City Council Meeting, Tuesday, April 25th
Date: Monday, April 25, 2022 12:41:41 PM

This message originated outside of the City of McMinnville.

Hello Susan,

I will be attending tomorrow night's meeting and plan on making in-person comments. Can you put my name on the list of community commenters or do I need to add my name when I arrive at the meeting?

Also, I would like to submit this email to Council.

Thank you!

Dear Council Members,

I am writing in support of the City of McMinnville and the pending resolutions, numbers 2022-19, 2022-20, 2022-21, 2022-23.

These resolutions that include an In-Lieu-of Tax Payment and Franchise Fees are necessary to support our City. The existing fees have not been adjusted since 2003 and are no longer sufficient. Our city needs this income to support the services that we all use. I am afraid that should this resolution not pass, our City, already functioning under budget constraints, will lose some long-term and key employees as well as reduce valuable services. Part of what makes our community so great is access to facilities like our Library and (a personal favorite) the pool. Further cuts would result in further reduced hours at these and other facilities.

I am saddened to see business and organizations who have in the past demanded action from the city and our police department, especially with regards to interactions with our unhoused neighbors, are now the same organizations who are fighting the very funding these departments need to do this work. If we want our leaders to work towards livability solutions, we need to give them adequate tools to do so.

Thank you.

Sylla McClellan
she/her

Third Street Books
320 NE Third Street
McMinnville, OR 97128
503.472.7786

www.thirdstreetbooks.com

Follow us on [Facebook](#) and [Instagram!](#)

From: [Jeff Knapp](#)
To: [Susan Cristofolo](#)
Subject: Pre-Register to Speak at Tomorrow's Meeting
Date: Monday, April 25, 2022 12:26:05 PM
Attachments: [VM logo EMAIL.png](#)

This message originated outside of the City of McMinnville.

Good Day,

I am planning on giving testimony at tomorrow's public meeting. I will be attending in person.

Thanks,

Jeff Knapp | President/CEO

**Visit
McMinnville**

C: 971-241-8808
328 Davis St. #1, McMinnville, Oregon 97128

From: [Jeff Towery](#)
To: [Susan Cristofolo](#)
Subject: FW: No on Fee increase
Date: Monday, April 25, 2022 12:54:51 PM

FYI

-----Original Message-----

From: Brittany Ruiz <britterbritt@gmail.com>
Sent: Monday, April 25, 2022 11:40 AM
To: Kellie Menke <Kellie.Menke@mcminnvilleoregon.gov>; Zack Geary <Zack.Geary@mcminnvilleoregon.gov>;
Claudia Cisneros <Claudia.Cisneros@mcminnvilleoregon.gov>; Jeff Towery
<Jeff.Towery@mcminnvilleoregon.gov>; Scott Hill <Scott.Hill@mcminnvilleoregon.gov>
Subject: No on Fee increase

This message originated outside of the City of McMinnville.

Dear Council and Mayor,

The other day I was driving around our beautiful city and noticed the homeless encampment returned next to Mac Water and Light with trash strewn about where my kids soccer game is.

I noticed the streets are not being cared for, potholes, and water main breaks where the asphalt has still not been repaired months later.

I see the City Manager focusing on spending money on consultants and not on infrastructure. Do we know how much money has been spent since he arrived as the Manager on his pet projects intended to tax us? Please disclose this during the meeting tomorrow. I'm sure many will ask.

Why does Mac Public works have the ugliest vehicles yet Mac Water and Light has 60K SUVs and up to date trucks despite prior fee increases to support these services?

Why hasn't the park equipment that broke been replaced at Discovery and Dragon Park? I have offered to help fundraise to do this. No follow up.

What about cleaning up Dragon park? Repainting and make it look nice?

What about pressure washing and painting the Aquatic center exterior?

Residents are getting pretty fed up. Start taking care of our city. Stop funding consultants and redirect those funds to our city infrastructure & fire department for which we have paid for handsomely with our taxpayer dollars.

Separately, vote NO on these fee increases and figure out ways to tighten the belt, I see a lot of money that could be used to support our city services going to people outside of our city.

Brittany Ruiz
Ward 2

From: [Claudia Cisneros](#)
To: [Susan Cristofolo](#)
Subject: Fwd: Resolutions 2022-19 thru 22
Date: Monday, April 25, 2022 6:26:21 PM

From: sfeston <sfeston@frontier.com>
Sent: Monday, April 25, 2022 3:07 PM
To: Claudia Cisneros <Claudia.Cisneros@mcminnvilleoregon.gov>
Subject: Resolutions 2022-19 thru 22

This message originated outside of the City of McMinnville.

Claudia, please forward this to Mayor Hill and all City Council.
Thank you!

Mayor Hill and City Council,

I have read the updated packet for the Council Meeting on 4.26.22. I read through Resolutions 2022-19 through 22. I am thoroughly disappointed to see there seems to be a new option including a 6% electric franchise fee. This imposes more costs to citizens and businesses. Our City seems to have a big problem. Not so much with balancing the budget as it does with controlling spending.

At the last council meeting, I heard Councilor Garvin make several suggestions of ways to possibly tighten up spending, one being waiting for the fire district vote. If I recall correctly, Councilor Garvin said this would free up approx. \$4 million in revenue to reimagine core services. It makes no sense to me to push these resolutions through before the fire district vote. I am also very concerned about the legal issues that have been raised from these resolutions, which could end up costing taxpayers a lot more money in the long run.

I hope you will not entertain passing this new option, or any of them, without looking at what can be done in cost reduction first.

Thank you,
Sandy Feston

Sent from [Mail](#) for Windows

From: [Beth Rankin](#)
To: [Susan Cristofolo](#)
Subject: Fwd: I would like to make a comment tonight
Date: Tuesday, April 26, 2022 9:09:47 AM

This message originated outside of the City of McMinnville.

Hi Susan, I got the automated reply that Claudia is out of the office.
I will be attending via Zoom.
Thanks

----- Forwarded message -----

From: **Beth Rankin** <bethrankinor@gmail.com>
Date: Tue, Apr 26, 2022 at 8:54 AM
Subject: I would like to make a comment tonight
To: <Claudia.Cisneros@mcminnvilleoregon.gov>

Hey Claudia,
This session of City Council is going to be well-populated I suspect. I would like to speak and it is a neutral statement so maybe the "pro" side (to install some fees) will have fewer proponents and that would be an okay place to put me. Is there anything more I need to do to get in the queue? First time being on this side of the microphone. LOL
Beth

--
Beth Rankin
304-654-5634
McMinnville, Oregon

--
Beth Rankin
Can-Do Real Food
www.CanDoRealFood.com
304-654-5634
McMinnville, Oregon

From: [Union Office](#)
To: [Susan Cristofolo](#)
Cc: ["Alan Brosh"](#)
Subject: Letter on Resolutions 2022-20, 21, and 22
Date: Tuesday, April 26, 2022 10:09:54 AM
Attachments: [We sent you safe versions of your files.msg](#)
[4-26-22 letter on McMinnville Power Rates.pdf](#)

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Ms. Cristofolo-
Please see the attached letter in opposition to these resolutions before the council.
Thank you.

Kyle Sims
Office Assistant
USW 8378
503-472-0108
uswlocal8378@gmail.com
T, Th 10:00a-4:00p



April 26th, 2022

Mayor Hill and McMinnville City Council
McMinnville Civic Hall
200 NE 2nd Street
McMinnville, OR 97128

Submitted via email: uswlocal8378@gmail.com

Regarding: Sustainable Resources: FY23 Franchise Fees
Resolution Nos. 2022-20, 2022-21, and 2022-22

Dear Mayor Hill and City Councilors:

United Steelworkers Local 8378 respectfully requests that the McMinnville City Council not move forward with passage of Resolution Nos. 2022-20, 2022-21, 2022-22. The franchise fees on utility providers established by these resolutions are inequitable and unwarranted. These franchise fees will undoubtedly have the undesirable effect of increased utility rates for McMinnville businesses and residents alike.

This proposed franchise fee, and the almost assured rate increase will be particularly detrimental to a business like Cascade Steel, which is a cost sensitive commodity business that competes in a global market. Cascade Steel is the largest employer in McMinnville. They have approximately 400 employees, including 280 members of this local, many of which are McMinnville residents.

Due to Cascade Steel's inherent high energy consumption, we fear that a rise in utility rates of this caliber will have detrimental effects on the operation of the Cascade Steel, and that may lead to adverse challenges for our members. Therefore, in the best interest of our union members, we cannot support the passing of the aforementioned resolutions.

Sincerely,

A handwritten signature in black ink that reads "Alan Brosh". The signature is written in a cursive, flowing style.

Alan Brosh
President

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

Local 8378 · P.O. Box 42 McMinnville, OR 97128 · 503-472-0108 uswlocal8378@gmail.com



Added on 04.27.2022
41 of 63

From: [Lynne Williams](#)
To: [Susan Cristofolo](#)
Subject: rate hike increase
Date: Monday, April 25, 2022 8:44:16 PM

This message originated outside of the City of McMinnville.

Dear Susan,

I am writing to voice my opposition to the city council's proposal to hike water and electric rates.

It seems that the city budget could be balanced in a better way. There needs to be transparency as to why and how the city is operating at a deficit instead of just taking more money from our community to "fix" the deficit problem.

Again, I want my voice to be heard in opposition of the proposed rate hikes.

Leslie Williams

From: [Christine Bader](#)
To: [Susan Cristofolo](#)
Subject: public comment for tonight's City Council meeting
Date: Tuesday, April 26, 2022 11:09:11 AM
Attachments: [We sent you safe versions of your files.msg](#)
[City Council 4 26-1.pdf](#)

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Dear Susan:

Attached please find my written testimony for tonight's City Council meeting. I plan to attend by Zoom and deliver this verbally as well.

Thank you,
Christine Bader

City of McMinnville
City Council Regular Meeting—April 26, 2022
Public Testimony

My name is Christine Bader. I live here in McMinnville with my husband and our nine-year-old twins. We are heavy active users of the Library and Parks & Rec's offerings, and like everyone joining tonight, we are heavy passive beneficiaries of all of the other City services that make McMinnville a wonderful place to live and work.

I chair the City's new Diversity, Equity and Inclusion Advisory Committee, created by this Council last year to help ensure that we are a compassionate and welcoming community for all.

I share that not because I speak for the entire committee tonight, because I do not; but because you appointed me personally to help represent voices in our community that historically have been underrepresented or marginalized.

I am here now to do that: to emphasize that the people who benefit the most from City services, the people who are most hurt by cuts in those services, are the people who you are least likely to hear from in this setting—because they do not have the time or the language or the metaphorical or literal bandwidth to provide testimony to you, even if they knew about this forum and felt comfortable accessing it, which many do not. They are busy tending to the very needs that underscore the importance of the services that are under threat.

So while it may sound odd to advocate for an increase in fees, *I* know that services cost money, and I believe that everyone understands that costs go up over time and need to be covered. I also know that this Council and staff are committed to ensuring that the *families* who truly need support paying these fees will receive it.

I appreciate that this is complicated, and that no one likes to raise fees, and that businesses play a critical role in our community and their voices should be heard.

But I urge the Council to bear in mind that prioritizing the voices of business over the voices of people who use and need City services the most would run counter to your duties.

Our City needs additional revenue to support the services that make it a great place to be for everyone, and I support the Council and staff in finding ways to do so.

Thank you.

From: [Meredith Maxfield](#)
To: [Susan Cristofolo](#)
Subject: Email if we want to comment at 4/26 city council meeting
Date: Tuesday, April 26, 2022 12:14:01 PM

This message originated outside of the City of McMinnville.

Hey Susan,

I just heard that I need to email you my comments by 3 today if I want to make a public comment at the meeting tonight. I emailed Claudia previously and she said to just show up and fill out a card. I don't think it will go over well if the protocol changes on the day of the meeting. I have a super busy day so I don't have time to write out my whole comment.

But here is the summary:

My name is Meredith and I live in McMinnville. I have four children. I am a the pta member, a youth group leader, budget committee member and Mac Pac member, among other things.

My

husband is a small business owner in Mac.

I support fully funding our city. I support additional revenue that will overcome the budget shortfall. We can't kick the can down the road. We can't accept deferred maintenance of roads or buildings. We don't want another summer of furloughed city staff, of uncut grass and weeds at the playgrounds. No more reduced hours at the aquatic center and library. We don't want city programs and services that are at a base level or below. All these things have negatively affected my family and friends.

6 years ago we were looking to put down roots and we made a list of what our ideal location and city would have. When we came to McMinnville for my husband's job interview we ate on third street, took our kids to the dragon park and visited the library. We could tell this is where we wanted to raise our children, this was the community we wanted to be apart of. You know what wasn't on our list for the ideal city- low utility fees.

Looking at the cities around our size they all have some combination of fees to overcome their lack of funds because of the limits set on our property taxes by our state government. Our pattern of using our savings is unsustainable.

I have been talking at preschool pickup, soccer sidelines, battle of the books tournaments and the community members I talk with support funding our city. A lot of them are too busy or intimidated to come here and speak up.

Raising the PILOT to 6% for all, is the bare minimum of what you should approve tonight. McMinnville has so much potential and I am excited about it!

I support additional revenue sources so we don't have to cut city staff or services. Thank you for your time.

From: [Khanh Tran](#)
To: [Susan Cristofolo](#)
Cc: [Scott Hill](#)
Subject: FW: Cascade Steel Items Re: Resolutions 2022 19-22
Date: Tuesday, April 26, 2022 1:47:20 PM
Attachments: [image001.png](#)
[We sent you safe versions of your files.msg](#)
[PILOT Franchise Fee Letter 4.26 Signed.pdf](#)
[McMinnville City Council Presentation April 26 2022.pdf](#)

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Hello Susan,

I had sent this info to Claudia, but it seems she is on vacation. Can you assist me with ensuring Council gets this, as well as being able to pull up my slide during my public hearing testimony?

Thank you!
Khanh

From: Khanh Tran
Sent: Tuesday, April 26, 2022 1:28 PM
To: Claudia.Cisneros@mcminnvilleoregon.gov
Subject: Cascade Steel Items Re: Resolutions 2022 19-22

Hi Claudia,

Can you ensure City Council receives these documents for their packets? Thank you.

I also plan on utilizing the graph for my presentation to Council as part of the public hearing testimony tonight. Can you pull that up while I present, it's just the one slide.

Thank you!

Khanh Tran

Government & Public Affairs Manager | **SCHNITZER STEEL INDUSTRIES, INC.**
Cell: 503.319.1994 | ktran1@schn.com





A **Schnitzer**  Company

Cascade Steel Rolling Mills, Inc.

3200 North Hwy 99W
McMinnville, OR 97128

800-283-2776 - 503-472-4181 - 503-434-9843 (Fax)

April 26, 2022

Mayor Hill and McMinnville City Council
McMinnville Civic Hall
200 NE 2nd Street
McMinnville, OR 97128

Submitted via email: Claudia.Cisneros@mcminnvilleoregon.gov

Regarding: Public Hearing for Resolution Nos. 2022-19, 2022-20, 2022-21, and 2022-22

Dear Mayor Hill and City Councilors:

Cascade Steel appreciated the Council's grant of its request at the last Council meeting for additional time to consider its proposed actions regarding Resolutions 2022-19, 2022-20, and 2022-21 relating to the proposed PILOT increase and franchise fee increases. As promised, my team and I have been working in the interim on this issue, catching up on the process, and holding meetings with City officials with the desire to find a solution that can work for Cascade, the City, and the entire community.

In two separate meetings with the Mayor and City Manager, I presented a plan by which Cascade would agree to increase the PILOT rate it pays from 3% to 6% using a phased-in approach. The first increase to 4% would occur on September 1, 2022. The second increase would occur on March 1, 2024. In addition, the City would have to agree to not increase the PILOT rate in the ten years following March 1, 2024. This solution assumed that there would be no increase in other franchise fees. In exchange, Cascade would drop its public opposition to the PILOT rate increase, and Cascade's prior opposition to other franchise fees would no longer be relevant.

Unfortunately, at that same meeting we learned at that the City planned to propose yet another new franchise fee on electric users at a rate of 6% in addition to the other two fees still on the table: a new water franchise fee of 6% and an increase of 1% in the wastewater franchise fee. Cascade went into the Mayor's office willing to give a 3% increase on the PILOT at an additional estimated annual cost of \$500,000, doubling the amount of tax paid, but instead left with the news that we, and the residents of McMinnville, might be seeing 13% increases to utility fees and Cascade's PILOT rate would still increase by at least 3%.

If the PILOT fee is increased to 6% and the electric franchise fee is enacted at 6% that would result in an increase of approximately \$1.6M per year. At that rate, Cascade would be solely responsible for approximately 45% of the estimated \$3.4M of incremental annual revenue generated from this proposal.



Cascade Steel Rolling Mills, Inc.

3200 North Hwy 99W
McMinnville, OR 97128

A  Schnitzer Company

800-283-2776 - 503-472-4181 - 503-434-9843 (Fax)

It is true that Cascade is the largest electricity user in McMinnville. It is also true that Cascade began paying a lower PILOT rate in 1988-1990, which was created as part of the City's support for Cascade's construction of its new Melt Shop. The Melt Shop is state-of-the art and highly energy intensive when it charges to "melt" the feedstock, which consists of recycled metal, to feed our Electric Arc Furnace (EAF). Due to Cascade's hard work and efficient choices, Cascade's EAF is one of the most energy efficient in the business. But the fact is that there is an energy-intensive element to recycling metal into new products, which is what we do.

We understand the City's stated goal is to increase revenues by approximately \$1 million to \$3 million annually. However, as I testified previously, no business can absorb this drastic and immediate increase in costs, but it is particularly detrimental to a business like ours, which is a cost-sensitive commodity business that competes in a global market. As McMinnville's largest employer with approximately 400 employees, including 280 members of United Steelworks Union, our operations indirectly support approximately 1,600 jobs in the city. We are concerned that the economic impact of a drastic combined tax increase, will be felt beyond just our operation

We continue to want to work hand in hand with the Mayor, the City Manager, and the City Council to find common ground that both helps close McMinnville's budget deficit and sustains Mill operations. We stand by our prior compromise solution, and encourage the City Council to adopt the following:

- Increase Cascade Steel's PILOT rate from 3% to 6% using a phased-in approach. The first increase to 4% would occur on September 1, 2022. The second increase would occur on March 1, 2024.
- No increase to Cascade Steel's PILOT rate in the ten years following March 1, 2024.
- No increase in other franchise fees.

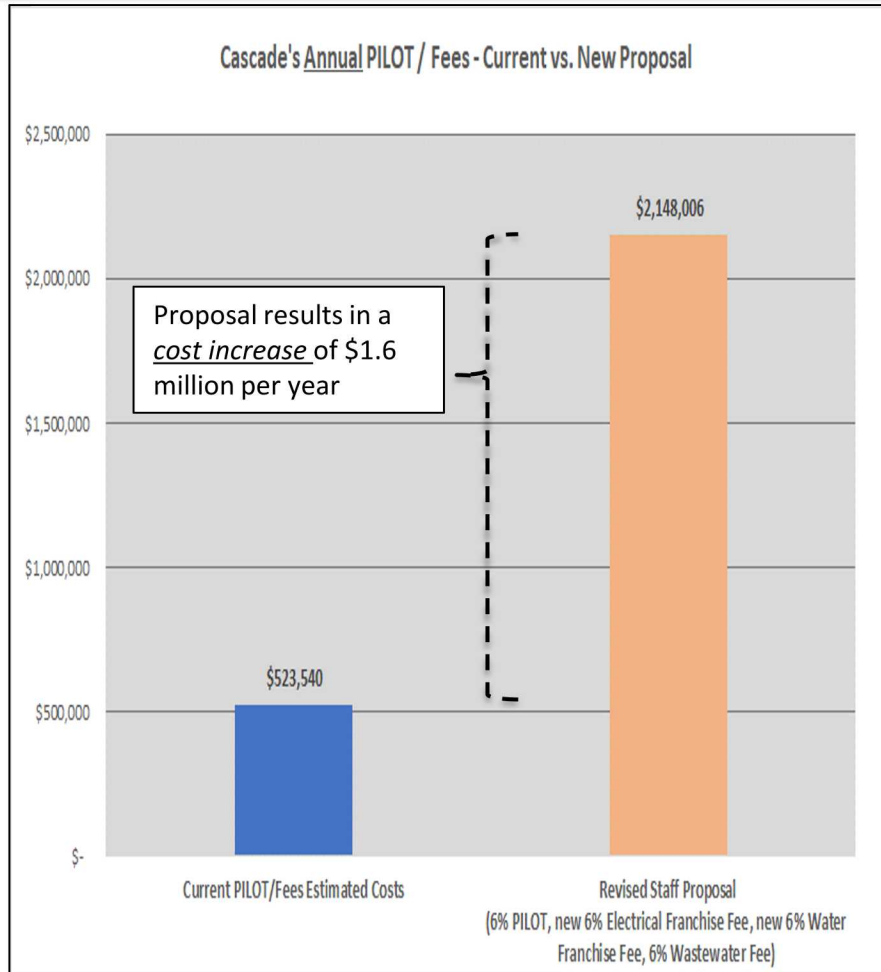
Although I am unable to attend tonight's meetings due to prior engagements, representatives from Cascade Steel will attend this evening's City Council meeting. We appreciate your consideration of our proposed solution.

Sincerely,

A handwritten signature in blue ink that reads "Matt Ruckwardt".

Matt Ruckwardt
Chief of Steel Operations & Business Performance
Cascade Steel Rolling Mills, Inc.

Impact on Cascade From Proposed Increases to the Franchise Fee & PILOT



• Impact of New Proposal (PILOT from 3% to 6%, new Electrical & Water Franchise Fees)

- Cascade's **cost will increase by ~\$1.6 million per year:**
 - Over a 300% increase
 - Significant impact on Cascade's ability to grow and to remain cost competitive
- Cost increase represents approximately 25 hourly full-time positions, or 8% of the hourly workforce
- Cascade will be solely **responsible for approximately 45%** of the staff's estimated \$3.4 million of incremental annual revenue generated from their recommended Option 2 proposal

➔ Due to Cascade being in a commodity industry which is extremely competitive, the proposed cost increases will impact our ability to (i) grow, (ii) make capital investments, and/or (iii) remain profitable / cost competitive.

From: [Lee, Rachel C.](#)
To: [Susan Cristofolo](#); [Claudia Cisneros](#)
Cc: [Scott Hill](#); [Sal Peralta](#); [Chris Chenoweth](#); [Kellie Menke](#); [Zack Geary](#); [Remy Drabkin](#); [Adam Garvin](#); [Amanda Guile-Hinman](#)
Subject: testimony for April 26 public hearing re Resolution Nos. 2022-19, 2022-20, 2022-21, 2022-22
Date: Tuesday, April 26, 2022 3:00:10 PM
Attachments: [image001.png](#)
[We sent you safe versions of your files.msg](#)
[2022.04.26 LT McMinnville Mayor and City Council re Resolution Nos. 2022-19, 2022-20, 2022-21, and 2022-22.pdf](#)

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Dear Ms. Cristofolo and Ms. Cisneros,

Attached is written testimony that I am submitting for this evening's public hearing on Resolution Nos. 2022-19, 2022-20, 2022-21, and 2022-22.

I would also like to testify orally on these resolutions during the public hearing.

Please let me know if you have any questions.

Thanks,

Rachel Lee

Rachel Lee | Partner
STOEL RIVES LLP | 760 SW Ninth Ave, Suite 3000 | Portland, OR 97205
Direct: (503) 294-9403 | Mobile: (503) 964-8417
rachel.lee@stoel.com | [Bio](#) | [vCard](#) | www.stoel.com



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April 26, 2022

Rachel C. Lee
760 SW Ninth Avenue, Suite 3000
Portland, OR 97205
D. 503.294.9403
rachel.lee@stoel.com

VIA EMAIL

McMinnville City Council and Mayor
City Hall
230 NE 2nd Street
McMinnville, OR 97218
Claudia.Cisneros@mcminnvilleoregon.gov

Re: Public Hearing re Resolution Nos. 2022-19, 2022-20, 2022-21, and 2022-22

Dear Mayor Hill and City Councilors:

Cascade Steel and its parent company Schnitzer Steel, Inc. acknowledge and are grateful for the City Council's willingness to take time for discussions with Cascade Steel about the proposed PILOT increase and franchise fees. However, Cascade Steel is dismayed by the resulting proposals from City staff now before City Council.

As I noted during my testimony to City Council on April 12, 2022, the proposed increase in PILOT payments (and perhaps the existing PILOT payments) is unlawful under ORS 225.250 and ORS 225.270 because the funds will be spent on general municipal purposes and will not be used to reduce property taxes in McMinnville. Nevertheless, after discussions with the City, Cascade Steel is willing to forego a legal challenge and has proposed to pay a phased-in increase in PILOT payment that would raise the rate from 3% to 4% starting on September 1, 2022 and then to 6% on March 1, 2024; provided that the City does not further review or raise the PILOT rate for at least 10 years after March 1, 2024. This proposal would provide significant additional revenue to the City beyond what it currently receives, without any litigation expense for the City or any risk of losing the current 3% PILOT revenue.

In response, Cascade Steel learned that City staff are now proposing what they are characterizing as a 6% water franchise fee, a 6% wastewater franchise fee, **and a new 6% electric franchise fee**. This is even less sustainable for Cascade Steel than the package being proposed by the City two weeks ago. The new set of proposed fees would raise even more revenue (according to City staff, \$3.4 million rather than \$3.3 million) and an even larger percentage of the burden (according to City staff, 63%, rather than 55%) would be borne by commercial/industrial users like Cascade Steel. Cascade Steel cannot undertake this new financial load without considering all its options, including a judicial challenge to the PILOT and electric franchise fee. Crucially, City staff's new package of revenue proposals is not any more lawful than the last one. It suffers from at least two legal problems.

First, a so-called “electric franchise fee”—just like the PILOT—violates ORS 225.250 and ORS 225.270 because the funds will be spent on general municipal purposes and not to reduce property taxes in McMinnville. It does not matter whether the City calls the charge a “franchise fee” or a “payment in lieu of tax” or a tax or some other creative label. ORS 225.250 still provides that the “[t]he earnings of the electric plan or distributing system” shall not be spent “for other municipal purposes” except as provided in ORS 225.270. The City cannot dodge that clear prohibition merely by calling the charge a “fee.” Otherwise, ORS 225.250 would be meaningless, because any city that owned and operated a municipal electric system could extract as much money as it liked for general municipal purposes, merely by imposing a “fee.” In light of the clear purpose of ORS 225.250 and ORS 225.270 to prevent municipalities from using their electric systems as piggy banks without correspondingly reducing property taxes, an Oregon court would not read a “fee” loophole into them.

Furthermore, the City and its officials are not excused from complying with ORS 225.250 and ORS 225.270 by any of the justifications that were alluded to at the last City Council meeting. It does not matter if the City has imposed a PILOT for decades or if a 6% PILOT for industrial users was in effect at some point in the past. Whether or not those actions were lawful at the time, imposing a 6% PILOT is not lawful now. Similarly, it does not matter if other municipalities with electric systems also rely on PILOT payments. City action that is unlawful does not become lawful merely because other cities might be breaking the law too.

Second, even aside from ORS 225.250 and ORS 225.270, there is another legal problem with the proposed water and electric “franchise fees.” Section 51 of the City Charter precludes the City from extracting any charge from McMinnville Water & Light as a condition for using public rights-of-way for either electric *or* water services. Section 51 grants the McMinnville Water & Light Commission (“MWL Commission”) the “power and authority” to “construct, erect, maintain, rebuild, repair or enlarge, manage, operate and control” the water plant and electric system, and to “construct * * *, keep, conduct, repair, rebuild, enlarge, and maintain” “all necessary plants or facilities of a character and capacity sufficient to furnish * * * such water and electric energy as may be called for.” Section 51 further grants the MWL Commission the power to “construct such pole lines, transmission lines, and other devices within * * * [City] limits, as shall be necessary to carry out the powers herein granted.” Water and power lines and associated equipment within City rights-of-way are facilities that are necessary to furnish water and electric services to users within the City. Thus, the Charter already grants the MWL Commission the right to construct, keep, and maintain those pipes and lines in City rights-of-way. And the City Council has no power to undo what the voters have done. Because City voters already granted the MWL Commission the unconditional power to construct, keep, and maintain necessary facilities, the City Council cannot now strip the MWL Commission of that power by conditioning it on payment of a “franchise fee” or any other charge for occupying the right-of-way.

Finally, Cascade Steel is disappointed in the City's failure to live up to its mission statement. The City of McMinnville's mission is to deliver high-quality services "in collaboration with partners for a prosperous, safe, and livable community." And the City's values include "Stewardship," meaning that "[w]e are responsible caretakers of our shared public assets and resources." Here, Cascade Steel pointed out a legal problem—one being created by the City, not by Cascade Steel—and asked to work collaboratively with the City. In response, City staff are doubling down to put even more financial burden on Cascade Steel, without even solving the original legal problem. That is not a good-faith collaboration. It is not sustainable caretaking of public assets. And it is not the path to a prosperous community.

Cascade Steel values its partnership with this community and its role as an engine of economic activity. But Cascade Steel cannot be the City's piggy bank. Cascade Steel asks the City not to impose any of the four proposed charges. However, Cascade Steel's proposal of a phased-in PILOT increase as described above (including certainty that the PILOT will not increase again until 2034) remains on the table if the City is willing to work with Cascade Steel in collaboration as a true partner rather than piling charges onto utility users. But if the City rejects Cascade Steel's PILOT proposal or adds an additional franchise fee (or some other new charge) on top of the PILOT, Cascade Steel will be forced to consider judicial action against the City.

Very truly yours,



Rachel C. Lee

cc: Scott.Hill@mcminnvilleoregon.gov
Sal.Peralta@mcminnvilleoregon.gov
Chris.Chenoweth@mcminnvilleoregon.gov
Kellie.Menke@mcminnvilleoregon.gov
Zack.Geary@mcminnvilleoregon.gov
Remy.Drabkin@mcminnvilleoregon.gov
Adam.Garvin@mcminnvilleoregon.gov
Amanda.Guile@mcminnvilleoregon.gov

From: [Andrew Jones](#)
To: [Susan Cristofolo](#)
Cc: [Claudia Cisneros](#)
Subject: RE: City Council Meeting
Date: Tuesday, April 26, 2022 3:05:57 PM
Attachments: [image001.png](#)
[We sent you safe versions of your files.msg](#)
[Fillable Comment Card for Public.docx](#)
[Andrew Jones 4-26 City Council Statement.pdf](#)

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This message originated outside of the City of McMinnville.

Please see attached the completed comment card. Perhaps I misunderstood the website, but I understood the Monday deadline to be applicable only to written comments. In any case, please see attached my comments.

Andrew Jones
President, McMinnville Swim Club
971.237-3511
andrew@ajoneslaw.com

From: Susan Cristofolo <Susan.Cristofolo@mcminnvilleoregon.gov>
Sent: Tuesday, April 26, 2022 2:51 PM
To: Andrew Jones <andrew@ajoneslaw.com>
Cc: Claudia Cisneros <Claudia.Cisneros@mcminnvilleoregon.gov>
Subject: RE: City Council Meeting

Dear Mr. Jones,

Please note that comments were due by noon yesterday. With that being said, if you have comments that you would like the Council to see before the meeting, please submit the information to me no later than 3:00 p.m. today.

You can fill out the attached Comment Card and return it to me or you can sign a comment card when you show up at Civil Hall.

You can sign up prior to the start time of 5:30 p.m. at Civil Hall.

Thank you,

Susan Cristofolo



Susan Cristofolo

Management Support Specialist, Senior
susan.cristofolo@mcminnvilleoregon.gov

From: Andrew Jones <andrew@ajoneslaw.com>
Sent: Tuesday, April 26, 2022 1:47 PM
To: Susan Cristofolo <Susan.Cristofolo@mcminnvilleoregon.gov>
Subject: City Council Meeting

This message originated outside of the City of McMinnville.

Hello Susan,

I was planning to speak at the meeting tonight, and had a couple of questions. I've been told that we are to email you comments ahead of the meeting – can you please confirm that is correct? Also, what is the earliest time I can sign up to speak at the meeting? If I can do so now (by email), that would be great; if I need to do so in person, can I do it before the 5:30 start time?

Thanks,
Andrew

Andrew Jones
President, McMinnville Swim Club
971.237-3511
andrew@ajoneslaw.com

April 26, 2022

Hon. Mayor Hill, Council President Drabkin and Councilors.

My name is Andrew Jones, and I am the president of the McMinnville Swim Club. The Swim Club is a non-profit that has been around since 1976. We have over 100 families in membership, and we have the ability to rapidly grow if we had sufficient pool space. We are a long-time business partner with the City. We are, I believe, the largest tenant of the Aquatic Center. We have a lease pursuant to which we pay a market rental rate for access to the pool 6 days a week. We have been told that our rent will be increased by 8%. While this will be difficult for the club, we understand that the City's costs are increasing and it is fair that we pay our share.

I'm not here to directly address the resolutions at issue, but rather to describe to you the negative impact that the City's budget deficit has had and will have if not rectified.

McMinnville built a gem of an aquatic center, one which was an envy of many swimming people around the state. However, due to years of deferred maintenance, we now have a facility where staff has to place garbage cans out to catch the leaks from the roof, one where we can't hold a swim meet without having a bathroom go out of order.

It's also a facility that the City has not been able to keep open. For much of 2021, the Aquatic Center was closed on Saturdays, and during the 23-week furlough of City employees, it was also closed on Fridays. That meant that for almost half of 2021, we lost 1/3 of our rented pool time.

As you would expect, it's difficult to run a successful swim club with these limited hours. We lost swimmers because of the limited hours, and we would likely lose more with subsequent furloughs and closures. I would think it's also difficult to establish and grow a customer base for the Aquatic Center without reliable and consistent access to the pool.

I urge you to consider the long-term impacts on McMinnville. Without even considering all of the families who go to the Aquatic Center for open swim, the seniors who go to arthritis exercise class, or the many other users of the Aquatic Center, the collective hours of swimming lost by our swimmers was over 8,000 hours in 2021! Given the childhood obesity epidemic, and the lingering mental health effect on children from COVID, we should be finding more opportunities for them to exercise, rather than taking them away.

Also consider the impact on future generations. Most who have lived in McMinnville for very long have had a child, a grandchild, a niece, a nephew, a friend, or perhaps yourself learn to swim at the Aquatic Center. There is a good chance that the instructor was with the Swim Club! Swimming is a life skill, and one that needs to be taught and passed on from generation to generation.

So my request is that you please keep in mind that closing the budget deficit by cutting expenses will result in a lower quality of life for current residents and unforeseen problems for future generations.

Thank you.

Andrew Jones

President, McMinnville Swim Club

What are we talking about?

Each year, our cost of providing services has exceeded the amount of money coming in.

As a result, during the annual budget process, we have used these strategies to make up the difference:

- Used our reserves (the city's savings account)
- Reduced our service levels (through furloughs or hiring freezes)
- Postponed important capital investments (limiting how we plan for our future)
- Deferred maintenance on city assets (waiting to repair or replace things)

Yet, a persistent budget gap of approximately \$2 million exists in the general fund.

Revenues for the General Fund typically increase by 3% each year, and the City's expenses by around 6%. (You don't have to be math savvy to see the problem.)

We're struggling with a sustainability issue folks – this is a problem because the city is required by law to adopt and operate within a balanced budget.

Here's what has happened so far:

- In 2019 we implemented a wastewater franchise fee.
- We've explored the feasibility of creating a fire district with intent to improve fire and ambulance service delivery across the larger McMinnville area (this should help free up property tax revenue for other uses within the city).
- The state gas tax has provided basic funding for street maintenance and stormwater management, but capturing everything that needs to be done within this structure is complicated.

During a poll last year, we learned that the community was supportive of us looking at ways to reinvest in our services.

While this work started around 5 years ago, the conversations about addressing the deficit has been a key goal of the Council for the past 9 months. We've been working closely with our budget committee and City Councilors to look at the available solutions that would protect our declining reserves (remember, that's the city's *savings* account).

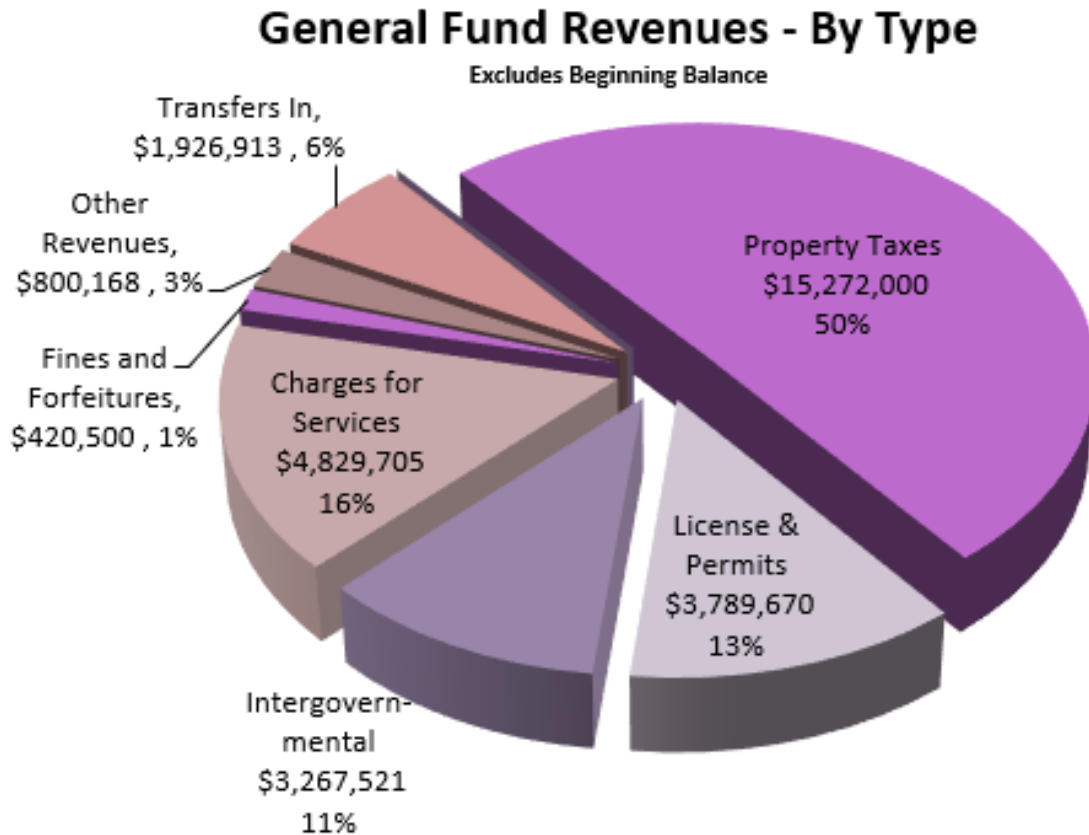
The work has emphasized looking at resources that balance the financial burden between residents and businesses, with special consideration for the most vulnerable members of our community.

What is the General Fund?

The City's General Fund supports police, fire, administration, parks and recreation programs, library services, short- and long-range planning, code enforcement,

emergency preparedness and more – basically every service you can think of when you think of the *services* we need to have a healthy community.

Here’s a quick snapshot of how its currently funded:



How did we get here and why do we need more money?

The bottom line?

Revenues just can’t keep up with community needs.

The budget problem is a result of funding City services with property taxes that only raise by a little while living in a world where expenses raise by a lot. This situation is rooted in property tax ballot measures from the early 1990s in which voters chose to cap property tax revenues. Without other revenue sources (like a sales tax), all 36 counties in Oregon have been faced with the challenge of addressing budget shortfalls.

We have a history of taking a fiscally conservative approach on capital spending. Over the previous decades, the city prioritized funding which focused on *basic services and staffing levels* – which diverted funds away from capital investments. As an example, deferred maintenance on our street vehicles has our fleet age at over 20 years old. Why is that important? We need street maintenance vehicles to keep our streets free of potholes, cracks, and to provide the ongoing maintenance that prevents larger, complicated, and more expensive problems.

The costs of services have increased, and our city services rely on people. Costs to provide health insurance, competitive wages, and the general cost of doing business (materials, supplies, contracted services, etc.) has increased as well as the cost of public sector retirement. McMinnville must strive even harder to compete with the current economic climate.

Community members asked us to envision a future and high quality of life for all McMinnville residents. And as a result, we implemented MacTown 2032. Staff are five years into the fifteen-year strategic plan focused on implementing the work that supports the City's core service areas. To ensure we maintain an excellent level of service we must look beyond our current model to find solutions which minimize the spending of our reserves to balance the annual budget.

A 2019 study of the condition of City facilities revealed that over \$10 million in facility maintenance is needed over the next 5 years. These findings prompted the Council to create a new community advisory committee – the MacPac – which has worked hard over the past 18 months at exploring our options for a new community center, aquatic center and library facilities – invaluable community assets which are near and dear to our hearts.

Other sources of funding have been limited to specific services or projects.

Examples of these “restricted revenues” include:

- Property tax from the 2014 voter-approved transportation bonds for rehabilitating and repaving streets in McMinnville can only be used for those projects.
- Property tax funding for the Urban Renewal District and voter approved bonds in 2001 for Parks Improvements and 2006 for the Public Safety and Civic Center buildings (ending in 2025).

What can I expect if I support this investment?

Revenues would be used to address the ongoing budget shortfall. It would help to maintain our **current** service levels and programming for the years to come in all City departments, programs, and services.

If resources generate funds beyond the ongoing budget shortfall, the community could see the results in greener parks, better library services, and prompt responses from safety services. We also want to make sure we're fixing the holes in your roads, and that your sewer and storm water systems are in good working order. **All of these services combine to create a livable, safe and prosperous community that is welcoming to all.**

Here's Our Recommendation...

We are continually looking for efficiencies and have been laser focused on making decisions that are "sustainable" – Ones that are economically, financially, environmentally, and publicly acceptable.

We want a lasting solution that addresses the problem, even if it feels a little unpopular right now.

From: [Zarina Bestul](#)
To: [Susan Cristofolo](#)
Subject: City Funding Source statement
Date: Tuesday, April 26, 2022 3:55:47 PM

This message originated outside of the City of McMinnville.

Good afternoon,

I heard there is a city council meeting tonight. I cannot attend due to family schedules. Below I've written a short statement in regards to our family's position on funding sources.

Council Members,

My name is Zarina Bestul. My family has lived in McMinnville for 12 years. I am writing this note to voice my position that our city services need to be fully funded. Our family would support funding sources such as higher utility fees. The bottom line is that I've chosen to live here and I want to see and feel our community thriving. As citizens we can easily come together, pay a fair share and also feel good that we are funding what is local as an investment. We enjoy using our cities services and amenities, whether it is the parks, pool, the library and kid's and community programs. We like to see these assets maintained and taken care of.

If you are thinking a fee is too much to ask, I would propose to make the fee a percentage of your utility bill. There are five members of my household here and lots of laundry. I'll pay more because I use more water and electricity than my elderly neighbor across the street. An extra \$20 per month fee will not be detrimental and I'd wager to say that several dollars per month for our lowest income utility users is also not too much to ask. Or consider the fee based on the square footage of home/business serviced.

Thank you for your time.

Zarina Bestul
1966 NW Woodland Dr.
McMinnville, OR

From: [DK Masterson](#)
To: [Susan Cristofolo](#)
Subject: Resolution No. 2022-19, 2022-20, 2022-21, 2022-22
Date: Tuesday, April 26, 2022 4:02:37 PM

This message originated outside of the City of McMinnville.

McMinnville City Council,

Recent budgets show escalating expenditures while revenues remain relatively constant. An independent contractor was hired who specializes in raising revenue through taxpayers votes; the contractor's recommendation was the people of McMinnville would not likely pass an increase in tax revenue.

To my surprise, the City of McMinnville administration has responded by looking for any way around a vote of taxpayers to force an increase of revenue. Countless hours in budget committee efforts now present resolutions 2022-19, 2022-20, 2022-21 and 2022-22 for your vote.

As elected members of the City Council, taxpayers rely on your time and attention as a check to balance the power City administrators wield. We expect you to correctly weigh taxpayers' opinion by demanding the city operate within the capacity of revenue.

It is concerning that the current budget anticipates passing of these revenue generating resolutions. A minimum requirement of any council member should be to receive a balanced budget based on current revenues before passing these resolutions. From there you can thoughtfully determine if the City can operate on current revenues and you can appropriately assess the abilities of the City Manager. By only considering revenues after passing these resolutions you merely review a wishlist that any administrator can bloat to meet their needs year after year.

Are you convinced the city cannot operate on its current revenue?

If yes, more than enough time has elapsed to go to the taxpayers to ask for an appropriate increase in tax base.

Whether a tax increase passes or not, it is your duty as Council Members to ensure administrators operate the City of McMinnville within its revenue streams.

Implementation of resolutions 2022-,19, 2022-20, 2022-21 and 2022-22 represent an effort to bypass the taxpayer and subvert your duty to the City of McMinnville. If you enact these measures to operate the City, you erode trust that any amount of revenue will satisfy the expenditures of City administrators.

In summary:

- Vote NO on resolutions 2022-19, 2022-20, 2022-21 and 2022-22.
- Demand administrators present a balanced budget for your consideration.

Evaluate administrator performance on actual revenues, not the wishlist budget presented.

- Approach the voters if taxpayers legitimately need to increase revenue.
- Serve to check the balance of power City administrators wield.
- Defend City of McMinnville residents from unnecessary fee increases.

Respectfully Submitted,

Dan Masterson, McMinnville Resident