



Kent Taylor Civic Hall
200 NE Second Street
McMinnville, OR 97128

City Council Meeting Agenda
Tuesday, August 25, 2020
6:00 p.m. – Level 10 Meeting
7:00 p.m. – Regular Council Meeting

REVISED 08/24/2020

*Welcome! The public is welcome to attend, however if you are not feeling well, please stay home and take care of yourself. In accordance with Governor Kate Brown's Executive Order we are limiting the amount of people at Civic Hall and if we meet capacity we may ask you to leave. **With new face covering mandate all who wish to attend public meetings must wear a face mask or some kind of face covering is required.***

The public is strongly encouraged to relay concerns and comments to the Council in one of three ways:

- *Email at any time up to 12 p.m. the day of the meeting to Claudia.Cisneros@mcminnvilleoregon.gov;*
- *If appearing via telephone only please sign up prior to the meeting by emailing the City Recorder at Claudia.Cisneros@mcminnvilleoregon.gov as the chat function is not available when calling in zoom;*
- *Join the zoom meeting; send a chat directly to City Recorder, Claudia Cisneros, to request to speak and use the raise hand feature in zoom to request to speak, once your turn is up we will announce your name and unmute your mic.*

You can live broadcasts the City Council Meeting on cable channels Xfinity 11 and 331, Frontier 29 or webstream here:
www.mcm11.org/live

LEVEL 10 MEETING:

You may join online via Zoom Meeting:

<https://mcminnvilleoregon.zoom.us/j/94078002383?pwd=NFBiLOh2dVJTTEFaKzU1SE5kZlNUQT09>

Zoom ID: 940-7800-2383

Zoom Password: 241407

Or you can call in and listen via zoom: 1-253- 215- 8782

ID: 972-940-7800-2383

REGULAR MEETING:

You may join online via Zoom Meeting:

<https://mcminnvilleoregon.zoom.us/j/98646742131?pwd=U0hnZFQ2L3RaYU1mVzRLMkZqSDI5QT09>

Zoom ID: 986-4674-2131

Zoom Password: 332411

Or you can call in and listen via zoom: 1-253- 215- 8782

ID: 986-4674-2131

6:00 PM – LEVEL 10 MEETING – VIA ZOOM & COUNCIL CHAMBERS

1. CALL TO ORDER
2. REVIEW CITY COUNCIL LEVEL 10 MONTHLY TEAM MEETING AGENDA
3. ADJOURNMENT

Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or Claudia.Cisneros@mcminnvilleoregon.gov.

7:00 PM – REGULAR COUNCIL MEETING – VIA ZOOM & COUNCIL CHAMBERS

1. CALL TO ORDER & ROLL CALL
2. PRESENTATION
 - a. Recology Rate Review
3. INVITATION TO CITIZENS FOR PUBLIC COMMENT – *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. The Mayor may limit comments to 3 minutes per person for a total of 30 minutes. The Mayor will read comments emailed to City Recorded and then any citizen participating via Zoom.*
4. ADVICE/ INFORMATION ITEMS
 - a. Reports from Councilors on Committee & Board Assignments
 - b. Department Head Reports
 - c. May 2020 Cash and Investment Report (in packet)
 - d. Moody's Annual Comment (in packet)
5. CONSENT AGENDA
 - a. Consider **Resolution No. 2020-52**: A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18, Resolution 2020-28, Resolution 2020-43 and Resolution 2020-48.
 - b. Consider request from Rose & Arrow, LLC.: Rose & Arrow, LLC located at 1445 ne Miller Street Building B, Suite 1-4 for an OLCC Winery 1st Location Liquor License. **(Added 8/24/2020)**
6. CONSIDER A REQUEST TO PERMIT A WAIVER OF THE NOISE ORDINANCE FROM MR. SMARK FOR SEPTEMBER 26TH, 2020.
7. RESOLUTION
 - a. Consider **Resolution No. 2020-53**: A Resolution of the City of McMinnville Approving a Collection Rate Increase Not to Exceed 2.90% for Recology Inc.
 - b. Consider **Resolution No. 2020-54**: A Appointing Youth Liaisons to the Planning Commission and McMinnville Urban Renewal Advisory Committee. **(Added 8/24/2020)**
8. ADJOURNMENT

City Council Level 10 Meeting Agenda

Date: 8/25/2020

Time: 6-7pm

Attendees:

Meeting Chair: Mayor Scott Hill

Meeting Purpose:

- (1) Review plan for refocusing on Robert's Rules of Order in city council meetings.**
- (2) Review plan to relaunch Level 10 and move to the next step in our revised plan for implementation of this tool and Traction at the City Council Level.**
- (3) Update city council and collect feedback on the new Level 10 structure.**

Suggested preparation for this meeting:

- (1) Review Meeting Purpose and Agenda**
- (2) Good News: Prepare your Good News to share at the beginning of the meeting**
- (3) Review the Traction slideshow from the June 9, 2020 work session**

Agenda:

Review Meeting Purpose: 5 Min

Good news: 10 Min.

Business Best

New Actions:

Identify/Discuss/Solve Issues: 40 Min

- I. (Scott) Review Robert's Rules of Order
- II. (Wendy) Review highlights of the Traction slideshow from the 6-9-2020 worksession to orient us to where we are in the process
- III. (Wendy) Review changes made to the Level 10 meeting structure
 - A. Business best only in Good News
 - B. Removed updates section to preserve time and to prevent redundancy with our regular City Council meeting updates time
 - C. Mayor as facilitator
 - D. Master Issues list will be set in the next meeting and will not be changed until we have IDSed all topics on the list at which time a new round of feedback may be solicited from Council and staff in interviews or other chosen mechanism of collection.

E. The exclusive focus of the meeting is to work on improving the functioning of the City Council as a high performing team in doing our work outside of the Level 10 meetings, not on the City issues that are being addressed through our worksessions and City Council meetings.

F. Feedback from Councilors on new meeting format?

IV. Next steps

A. (Claudia) Review the process of sending and collecting votes on Master Issues List topics to discuss prior to Level 10 meetings

B. (Scott) Review what will happen leading up to the next meeting:

1. Claudia will share:

- a) Erik's interview results
- b) Draft Master Issues List gleaned by Scott, Kellie and Wendy
- c) Proposed agenda for September Level 10 meeting
- d) Robert's Rules book
- e) What the Heck is EOS? Book

2. (Wendy) Councilor advanced preparation for the September Level 10 meeting

- a) Read both the Robert's Rules of Order book and 3 selected Chapters of *What the Heck is EOS?*
- b) Process results of Interviews: Highlight and formulate a list of the issues and opportunities that are presented that you think should be included in the Master Issues list for this quarter. Remember that the issues list is not just issues, but also opportunities that we should look at putting energy into.
- c) Review the proposed master issues list prepared.
 - (1) Evaluate anything that might be missing from this list
 - (2) Evaluate any proposed editing that you would propose of existing issues and opportunities included in the list.
 - (a) Remember that the statement of the issues/opportunities should not point to a solution, but rather they should provide a clear definition of the problem or issues that will set us up for a successful, targeted discussion that will lead to a solution.

d) Ask staff and/or Scott, Kellie or Wendy any clarifying questions that you have about the documents

e) Provide feedback regarding the proposed agenda contents

3. Purpose of September Level 10 meeting: Create an approved City Council Master Issues List for Q4 2020 with well defined issues and opportunities gleaned from the interview data.

C. Feedback, Questions and Discussion from Councilors

Meeting Rating: 5 Min

Criteria:

1. Did the meeting start and end on time?
2. Did we follow the Level 10 agenda?
3. Did we hold to our allotted timeframes for the meeting sections?
4. Was everyone engaged and able to contribute to the discussion?
5. Did we listen to each other and speak to each other respectfully in our discussions?
6. Did we accomplish what we intended to accomplish in the meeting?

Anything below an 8 ask “What could we do to make the meeting a 8 or higher for you next time?”

Meeting ratings:

CITY OF MCMINNVILLE - CASH AND INVESTMENT BY FUND
May 2020

FUND #	FUND NAME	GENERAL OPERATING		
		CASH IN BANK	INVESTMENT	TOTAL
01	General	\$1,697,520.38	\$5,686,592.01	\$7,384,112.39
05	Special Assessment	\$45.15	\$142,618.82	\$142,663.97
07	Transient Lodging Tax	\$38.75	\$9,000.00	\$9,038.75
10	Telecommunications	\$901.11	\$1,030.00	\$1,931.11
15	Emergency Communications	\$101.65	(\$68,905.19)	(\$68,803.54)
20	Street (State Tax)	\$567.57	\$1,782,007.10	\$1,782,574.67
25	Airport Maintenance	\$682.17	\$521,749.03	\$522,431.20
45	Transportation	\$180.30	\$6,229,289.74	\$6,229,470.04
50	Park Development	\$581.81	\$1,451,936.30	\$1,452,518.11
58	Urban Renewal	\$863.85	\$206,283.78	\$207,147.63
59	Urban Renewal Debt Service	\$512.79	\$322,000.26	\$322,513.05
60	Debt Service	\$345.78	\$1,209,060.42	\$1,209,406.20
70	Building	\$755.79	\$1,511,500.00	\$1,512,255.79
75	Wastewater Services	\$998.54	\$2,358,731.23	\$2,359,729.77
77	Wastewater Capital	\$989.28	\$32,195,103.65	\$32,196,092.93
79	Ambulance	\$347.18	(\$899,164.72)	(\$898,817.54)
80	Information Systems & Services	\$532.39	\$220,886.68	\$221,419.07
85	Insurance Reserve	\$736.53	\$504,290.54	\$505,027.07
CITY TOTALS		1,706,701.02	53,384,009.65	55,090,710.67

MATURITY			INTEREST	
DATE	INSTITUTION	TYPE OF INVESTMENT	RATE	CASH VALUE
N/A	Key Bank of Oregon	Checking & Repurchase Sweep Account	0.20%	\$ 1,706,701.02
N/A	Key Bank of Oregon	Money Market Savings Account	0.02%	\$ 8,035,260.08
N/A	State of Oregon	Local Government Investment Pool (LGIP)	1.49%	\$ 41,984,811.95
N/A	State of Oregon	Park Improvement Bonds (LGIP)	1.49%	\$ 406,314.54
N/A	State of Oregon	Transportation Bond (LGIP)	1.49%	\$ 1,980,097.79
N/A	State of Oregon	Urban Renewal Loan Proceeds (LGIP)	1.49%	\$ 267,461.52
N/A	MassMutual Financial Group	Group Annuity	3.00%	\$ 710,063.77
				\$ 55,090,710.67

\$ -



City of McMinnville
Finance Department
230 NE Second Street
McMinnville, OR 97128
(503) 434-2350
www.mcminnvilleoregon.gov

Staff Memo

DATE: August 17, 2020
TO: Mayor and City Council; City Manager
CC: Audit Committee; Budget Committee; Staff Executive Team
FROM: Jennifer Cuellar, Finance Director
SUBJECT: Moody's Annual Comment



CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize and deliver municipal services with discipline and focus

Moody's Investor Service reviewed the City of McMinnville's financial status as of our most recent financials from FY2018-19 and it maintains the Aa3 rating for our municipal government (prior annual comment was in July 2019).

The report includes nine key indicators. Five indicators are considered to have a "stable" credit trend over the last five years. Two indicators have an "improved" credit trend – both related to the tax base in the community - with two weakened. The weakened trends are both associated with city finances, available fund balance as a percent of operating revenues and net cash balance relative operating revenue.

Quotes from the report include:

We regard the coronavirus outbreak as a social risk under our environmental, social and governance framework, given the substantial implications for public health and safety and the economy. We do not see any material immediate credit risks for McMinnville. However, the situation surrounding coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis.

McMinnville has a healthy financial position with respect to the assigned rating of Aa3. The cash balance as a percent of operating revenues (33.2%) is a little weaker than the US median and suffered a significant decrease between 2015 and 2019. In addition, the city's fund balance as a percent of operating revenues (26%) is slightly below the US median.

The economy and tax base of McMinnville are strong overall and are consistent with its Aa3 rating. The full value per capita (\$115,827) approximates the US median, and increased dramatically from 2015 to 2019. Additionally, the total full value (\$3.9 billion) is above other Moody's-rated cities nationwide. Yet the median family income equals only 84.4% of the US level.

The current work being finalized at the Audit Committee to be brought to the Council as a whole regarding McMinnville's approach to its reserves and developing an updated reserve policy is particularly timely given the trends the annual comment notes. While the trend has been negative, "the credit position for McMinnville is very healthy" and we can anticipate that taking steps to reverse the trend will be viewed favorably by ratings agencies and, ultimately, investors.

Further, the city's "light debt burden" is noted which will be meaningful for the city as it considers options for continuing to provide community services into the future. Unsurprisingly, the net pension liability metric is unfavorable and for Oregon cities generally remains a "long-term concern."

An entity's credit rating by one of the "big three" credit rating agencies (Moody's Investor Services, Standard & Poors, and Fitch Ratings) is an important analysis as it can have an impact on interest rates if the agency needs to borrow money or issue bonds. These agencies provide investors with information about whether issuers can meet their obligations. Moody's ratings range from Aaa to C. The city's Aa3 rating signifies that it is rated as high quality and very low credit risk for long-term borrowings and "Prime-1" for short term borrowings.

Attachments:

1. "City of McMinnville, OR: Annual Comment on McMinnville," Moody's Investment Service, August 11, 2020
2. "Rating Symbols and Definitions," Moody's Investment Service, January 2020, pgs 6 and 7

ISSUER COMMENT

11 August 2020

RATING

General Obligation (or GO Related) ¹

Aa3 No Outlook

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City of McMinnville, OR

Annual Comment on McMinnville

Issuer Profile

The city of McMinnville is located in Yamhill County in northwestern Oregon, approximately 30 miles southwest of Portland. The county has a population of 103,820 and a moderate population density of 145 people per square mile. The county's median family income is \$70,813 (2nd quartile) and the June 2020 unemployment rate was 9.9% (3rd quartile) ². The largest industry sectors that drive the local economy are manufacturing, health services, and retail trade.

We regard the coronavirus outbreak as a social risk under our environmental, social and governance framework, given the substantial implications for public health and safety and the economy. We do not see any material immediate credit risks for McMinnville. However, the situation surrounding coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of McMinnville changes, we will update our opinion at that time.

Credit Overview

The credit position for McMinnville is very healthy. Its Aa3 rating is level with the median rating of Aa3 for cities nationwide. Notable credit factors include a healthy financial position, a solid tax base and an adequate wealth and income profile. It also reflects a light debt burden and a somewhat elevated pension liability.

Finances: McMinnville has a healthy financial position with respect to the assigned rating of Aa3. The cash balance as a percent of operating revenues (33.2%) is a little weaker than the US median, and suffered a significant decrease between 2015 and 2019. In addition, the city's fund balance as a percent of operating revenues (26%) is slightly below the US median.

Economy and Tax Base: The economy and tax base of McMinnville are strong overall and are consistent with its Aa3 rating. The full value per capita (\$115,827) approximates the US median, and increased dramatically from 2015 to 2019. Additionally, the total full value (\$3.9 billion) is above other Moody's-rated cities nationwide. Yet, the median family income equals only 84.4% of the US level.

The coronavirus pandemic is driving an unprecedented economic slowdown. We currently forecast real US GDP to decline significantly over the first and second quarters of 2020, but a more moderate decline for the full year. Local governments with the highest exposure to the tourism, health care, consumer and international trade sectors could suffer particularly severe impacts.

Debt and Pensions: The debt burden of McMinnville is manageable and is favorable when compared to the assigned rating of Aa3. The net direct debt to full value (0.9%) is roughly equivalent to the US median, and was flat between 2015 and 2019. Yet, the city has a somewhat elevated pension liability and is weak with respect to its Aa3 rating. The Moody's-adjusted net pension liability to operating revenues (2.6x) unfavorably is materially above the US median.

Management and Governance: Oregon Cities have an institutional framework score ³ of Aa, which is strong. Property tax, a major revenue source, is subject to a cap which can be overridden with voter approval only. However, the cap of approximately 3% for most properties still allows for moderate revenue-raising ability. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally less than 25% of expenditures but growing pension contributions are increasing fixed costs burdens. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

Sector Trends - Oregon Cities

Oregon cities are expected to perform well as the state's economy continues to expand. Full values are increasing and gaining back much of the loss experienced during the downturn. Property tax revenue growth will be strong as a result of economic expansion. The improving economy continues to attract in-migration, which will, over time, increase the cost of service provision. Additionally, statewide economic expansion should result in increased state revenues, which could mean additional grant funding for local governments. Pension costs remain a long-term concern, and contribution rates are expected to increase in coming years.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

EXHIBIT 1

Key Indicators ^{4 5} McMinnville

	2015	2016	2017	2018	2019	US Median	Credit Trend
Economy / Tax Base							
Total Full Value	\$2,861M	\$3,119M	\$3,418M	\$3,722M	\$3,930M	\$1,904M	Improved
Full Value Per Capita	\$86,236	\$92,513	\$102,944	\$110,596	\$115,827	\$94,106	Improved
Median Family Income (% of US Median)	81%	82%	83%	84%	84%	111%	Stable
Finances							
Available Fund Balance as % of Operating Revenues	49.8%	41.3%	35.8%	28.9%	26.0%	34.6%	Weakened
Net Cash Balance as % of Operating Revenues	58.1%	49.9%	42.5%	38.5%	33.2%	39.6%	Weakened
Debt / Pensions							
Net Direct Debt / Full Value	1.1%	1.0%	1.0%	1.0%	0.9%	1.1%	Stable
Net Direct Debt / Operating Revenues	1.32x	1.20x	1.27x	1.32x	1.10x	0.84x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	2.0%	1.5%	1.6%	1.8%	2.1%	1.9%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	2.51x	1.86x	2.08x	2.30x	2.60x	1.56x	Stable
	2015	2016	2017	2018	2019	US Median	
Debt and Financial Data							
Population	33,185	33,724	33,211	33,662	33,930	N/A	
Available Fund Balance (\$000s)	\$11,478	\$10,407	\$9,270	\$8,361	\$8,265	\$8,028	
Net Cash Balance (\$000s)	\$13,391	\$12,590	\$11,013	\$11,149	\$10,542	\$9,530	
Operating Revenues (\$000s)	\$23,032	\$25,216	\$25,913	\$28,929	\$31,755	\$23,172	
Net Direct Debt (\$000s)	\$30,346	\$30,276	\$32,902	\$38,095	\$35,001	\$19,139	
Moody's Adjusted Net Pension Liability (3-yr average) (\$000s)	\$57,858	\$46,834	\$53,854	\$66,403	\$82,537	\$35,448	

Source: Moody's Investors Service

EXHIBIT 2

Available fund balance as a percent of operating revenues decreased from 2015 to 2019



Source: Issuer financial statements; Moody's Investors Service

EXHIBIT 3

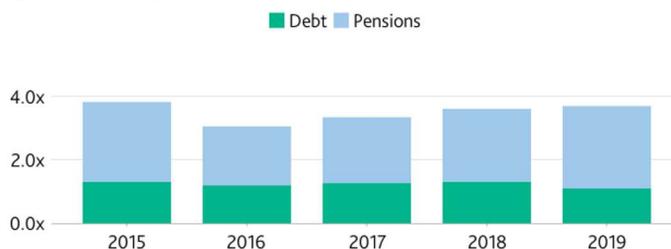
Full value of the property tax base increased from 2015 to 2019



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

EXHIBIT 4

Moody's-adjusted net pension liability to operating revenues was stable from 2015 to 2019



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

Endnotes

- The rating referenced in this report is the issuer's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally backed by the full faith and credit pledge and total taxing power of the issuer. GO-related securities include general obligation limited tax, annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantees, enhancement programs or bond insurance.
 - The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.
- The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.
- The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(September 2019\)](#) methodology report for more details.
 - For definitions of the metrics in the Key Indicators Table, [US Local Government General Obligation Methodology and Scorecard User Guide \(July 2014\)](#). Metrics represented as N/A indicate the data were not available at the time of publication.
 - The medians come from our most recently published local government medians report, [Medians - Tax base growth underpins sector strength, while pension challenges remain \(May 2019\)](#) which is available on Moody's.com. The medians presented here are based on the key metrics outlined in Moody's GO methodology and the associated scorecard.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Global Long-Term Rating Scale

Aaa	Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.
Aa	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
A	Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.
Baa	Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Ba	Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.
B	Obligations rated B are considered speculative and are subject to high credit risk.
Caa	Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.
Ca	Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C	Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.*

Note: For more information on long-term ratings assigned to obligations in default, please see the definition "Long-Term Credit Ratings for Defaulted or Impaired Securities" in the Other Definitions section of this publication.

** By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.*

Global Short-Term Rating Scale

P-1	Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.
P-2	Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.
P-3	Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.
NP	Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

Standard Linkage Between the Global Long-Term and Short-Term Rating Scales

The following table indicates the long-term ratings consistent with different short-term ratings when such long-term ratings exist.⁸

LONG-TERM RATING	SHORT-TERM RATING
Aaa	Prime-1
Aa1	
Aa2	
Aa3	
A1	
A2	
A3	
Baa1	Prime-2
Baa2	
Baa3	
Ba1, Ba2, Ba3	Not Prime
B1, B2, B3,	
Caa1, Caa2,	
Caa3 Ca, C	

Obligations and Issuers Rated on the Global Long-Term and Short-Term Rating Scales

Bank Deposit Ratings

Bank Deposit Ratings are opinions of a bank's ability to repay punctually its foreign and/or domestic currency deposit obligations and also reflect the expected financial loss of the default. Bank Deposit Ratings do not apply to deposits that are subject to a public or private insurance scheme; rather, the ratings apply to the most junior class of uninsured deposits, but they may in some cases incorporate the possibility that official support might in certain cases extend to the most junior class of uninsured as well as preferred and insured deposits. Foreign currency deposit ratings are subject to Moody's country ceilings for foreign currency deposits. This may result in the assignment of a different (and typically lower) rating for the foreign currency deposits relative to the bank's rating for domestic currency deposits.

Clearing Counterparty Ratings

A Clearing Counterparty Rating (CCR) reflects Moody's opinion of a Central Counterparty Clearing House's (CCP) ability to meet the timely clearing and settlement of clearing obligations by the CCP as well as the expected financial loss in the event the obligation is not fulfilled. A CCR can be assigned at a CCP legal entity or clearing service level to the extent a legal entity operates multiple clearing services.

⁸ Structured finance short-term ratings are usually based either on the short-term rating of a support provider or on an assessment of cash flows available to retire the financial obligation.



**City of McMinnville
Fire Department**
175 NE 1st Street
McMinnville, OR 97128
(503) 435-5800
www.mcminnvilleoregon.gov

STAFF REPORT

DATE: August 17, 2020
TO: Mayor and City Councilors
FROM: Rich Leipfert, Fire Chief
SUBJECT: A Resolution to extend Resolution No. 2020-18 Declaring Local State of Emergency for City of McMinnville
STRATEGIC PRIORITY & GOAL:



COMMUNITY SAFETY & RESILIENCY

Proactively plan for & responsively maintain a safe & resilient community.

OBJECTIVE/S: Lead and plan for emergency preparedness

Report in Brief: This action is the consideration of a new resolution to extend Resolution No. 2020-18, Declaring Local State of Emergency for City of McMinnville.

Background: On March 16th, 2020, Mayor Hill declared a State of Emergency for the City of McMinnville due to the COVID-19 Virus and its impact on the City of McMinnville. This action is allowed by City Emergency Operations Plan adopted by City Council in 2009, and ORS 401. Resolution No. 2020-18 was ratified before City Council at the March 24th, 2020 Regular City Council Meeting and set to expire on May 1, 2020. Resolution 2020-28 went before City Council at the April 28th, 2020 Regular City Council meeting to extend Resolution 2020-18. Resolution 2020-28 was adopted and Emergency Declaration was extended to expire on June 27, 2020. Resolution 2020-43 went before City Council at the June 23rd, 2020 Regular City Council meeting to extend Resolution 2020-18. Resolution 2020-43 was adopted and Emergency Declaration was extended to expire on July 31, 2020. Resolution 2020-48 went before City Council at the July 28th, 2020 Regular City Council meeting to extend Resolution 2020-43. Resolution 2020-48 was adopted and Emergency Declaration was extended to expire on September 4, 2020.

Discussion: Resolution No. 2020-18 was scheduled to expire on May 1, but may be extended as necessary of the Common Council. COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency and therefore asking for Resolution No. 2020-52 to extend the state of emergency to October 2, 2020, but may be extended again as necessary of the Common Council.

Attachments:

Resolution Number 2020-52
Resolution Number 2020-48
Resolution Number 2020-43

Resolution Number 2020-28
Resolution Number 2020-18
Signed Declaration of State of Emergency

Fiscal Impact: No changes

Recommendation: Council to adopt Resolution No. 2020-52 extending the duration of a State of Emergency for the City of McMinnville.

RESOLUTION NO. 2020-52

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, Resolution No. 2020-28 was scheduled to remain in effect until June 27, 2020, but was extended to July 31, 2020 by Resolution No. 2020-43 by the Common Council on June 23, 2020; and

WHEREAS, Resolution No. 2020-43 was scheduled to remain in effect until July 31, but was extended to September 4, 2020 by Resolution No. 2020-48 by the Common Council on July 18, 2020; and

WHEREAS, Adoption of this resolution will repeal and replace City of McMinnville Resolution No.'s 2020-28, 2020-43 and 2020-48; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was been extended three times and most recently to September 4, 2020 in Resolution 2020-48 (July 28, 2020 at Regular City Council Meeting) and shall be extended to October 2nd, 2020 by Resolution 2020-52.
3. This resolution is effective immediately and shall remain in effect until October 2, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 25th day of August 2020 by the following votes:

Ayes: _____

Nays: _____

Abstain: _____

Approved this 25th day of August 2020.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

RESOLUTION NO. 2020-48

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, Resolution No. 2020-28 was scheduled to remain in effect until June 27, 2020, but was extended to July 31, 2020 by Resolution No. 2020-43 by the Common Council on June 23, 2020; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

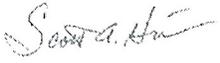
1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was extended to July 31, 2020 in Resolution 2020-43 (June 23, 2020) and shall be extended to September 4, 2020 by Resolution 2020-48.
3. This resolution is effective immediately and shall remain in effect until September 4, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 28th day of July 2020 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Stassens

Nays: _____

Approved this 28th day of July 2020.



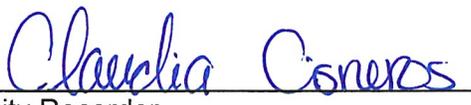
MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-43

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was extended to June 27, 2020 in Resolution 2020-28 (April 28, 2020) shall be extended to July 31, 2020.
3. This resolution is effective immediately and shall remain in effect until July 31, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of June 2020 by the following votes:

Ayes: _____ Drabkin, Garvin, Geary, Menke, Peralta, Stassens _____

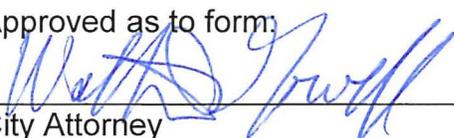
Nays: _____

Approved this 23rd day of June 2020.



MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-28

A Resolution for City of McMinnville, Oregon Extending the City’s Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but may be extended as necessary by the Common Council; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City’s ability to respond and recover from this emergency.
2. The Emergency Declaration established in Resolution 2020-18 (March 24, 2020) shall be extended to June 27, 2020.
3. This resolution is effective immediately and shall remain in effect until June 27, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 28th day of April 2020 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Stassens

Nays: _____

Approved this 28th day of April 2020.



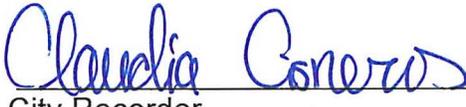
MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-18

A Resolution for City of McMinnville, Oregon Ratifying the Declaration of State of Emergency signed by Mayor Scott Hill on March 16, 2020.

RECITALS:

WHEREAS, Governor Kate Brown, on March 8, 2020 declared a state of emergency due to the COVID-19 virus, finding that COVID-19 has created a threat to public health and safety, and constitutes a statewide emergency under ORS 401.025(1); and

WHEREAS, The World Health Organization, on March 11, 2020 declared COVID-19 to be a pandemic threat that causes respiratory distress with the potential to cause serious illness and loss of life; and

WHEREAS, The City of McMinnville may require significant resources to provide for the health and safety of residents; and

WHEREAS, The State of Oregon, pursuant to ORS 401.309(1); authorizes the governing body of Oregon cities and counties to declare a local state of emergency; and

WHEREAS, The City of McMinnville, pursuant to the Emergency Operation Plan authorized the Mayor to declare a local state of emergency; and

WHEREAS, The Mayor of the City of McMinnville finds that conditions require a local state of emergency; and

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MCMINNVILLE OREGON, HEREBY RATIFY THE DECLARATION OF STATE OF EMERGENCY SIGNED BY MAYOR SCOTT HILL ON MARCH 16,2020 AND AUTHORIZES THE FOLLOWING:

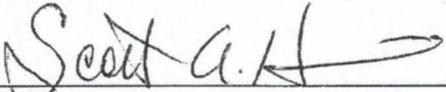
1. City Manager of the City of McMinnville, as the Emergency Manager as indicated in the Emergency Operation Plan, may take any and all necessary steps authorized by law to coordinate a response to this emergency; and
2. The state of emergency declaration provides the City Manager of the City of McMinnville is authorized to reallocate any city funds for emergency use; and
3. City Manager of the City of McMinnville is authorized to coordinate an effective response by redirecting funding for emergency use as needed and suspending standard procurement procedures; and
4. This resolution is effective immediately and shall remain in effect until at least May 1, 2020, but may be extended as necessary.

Adopted by the Common Council of the City of McMinnville at a meeting held the 24th day of March 2020 by the following votes:

Ayes: ~~Drabkin~~, Garvin, Geary, Menke, Peralta, Stassens

Nays: _____

Approved this 24th day of March 2020.



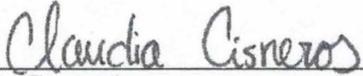
MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder



DECLARATION OF STATE OF EMERGENCY

To: Brian Young, Yamhill County Emergency Manager,
Yamhill County Office of Emergency Management

From: Mayor Scott Hill,
City of McMinnville, Oregon

At 3/16/2020 (time) on 1:20pm (date),

The COVID -19 Pandemic is spreading within the State of Oregon, Yamhill County

The current situation and conditions are:

Taking this action allows City staff greater flexibility to address hazards posed by the COVID-19 by facilitating more expedient coordination with public agencies and quicker deployment of resources and staffing to safeguard the community. It also provides for the ability to modify work schedules of emergency responders to meet reduced staffing or increased emergency responses due to the COVID-19.

The state of emergency declaration provides the City Manager with the latitude to coordinate an effective response by redirecting funding for emergency use as needed and suspending standard procurement procedures.

City Manager of the City of McMinnville, as the Emergency Manager, may take any and all necessary steps authorized by law to coordinate a response to this emergency.

City Manager of the City of McMinnville is authorized to initiate emergency request for aid from Yamhill County, the State of Oregon, and the Federal Emergency Management Agency as necessary.

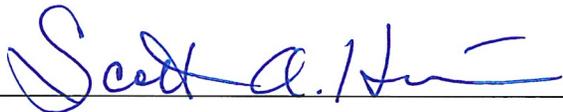
The Common Council of the City of McMinnville will ratify the Declaration of State of Emergency with Resolution No. 2020-18 on March 24, 2020.

Additionally, the designation aides the City's efforts when requesting assistance and/or reimbursement for expenditures related to COVID -19 response.

The declaration, set to expire on May 1, 2020 may be renewed if necessary

The geographic boundaries of the emergency are:
The City Limits of McMinnville, OR 97128

WE DO HEREBY DECLARE THAT A STATE OF EMERGENCY NOW EXISTS IN THE CITY OF MCMINNVILLE AND THAT THE CITY HAS EXPENDED OR WILL SHORTLY EXPEND ITS NECESSARY AND AVAILABLE RESOURCES. WE RESPECTFULLY REQUEST THAT THE COUNTY PROVIDE ASSISTANCE, CONSIDER THE CITY AN "EMERGENCY AREA" AS PROVIDED FOR IN ORS 401, AND, AS APPROPRIATE, REQUEST SUPPORT FROM STATE AGENCIES AND/OR THE FEDERAL GOVERNMENT.

Signed: 

Title: Mayor Scott Hill

Date & Time: 3/16/2020 1:20pm

This request may be passed to the County via radio, telephone, or fax. The original signed document must be sent to the County Emergency Management Office, with a copy placed in the final incident package.



City Recorder Use

Final Action:

Approve

Disapprove

Liquor License Recommendation

Business name/individual: Rose & Arrow, LLC

Business Location Address: 1445 NE Miller Street Building B Suite 1-4

Liquor License Type: Winery 1st Location

Is the business at this location currently licensed by OLCC: yes no

If yes, what is the name of the existing business?: N/A

Days of operation: Monday to Friday Hours of operation: 9 am to 5 pm

Entertainment: N/A Hours of music: N/A

Seating count inside: N/A Seating count outside: N/A

Seating count total: N/A

Exemption: N/A

- Tritech Records Management System check: yes no
- Criminal Records check: yes no
- Recommended action: approve disapprove



Chief of Police/Designee

City Manager/Designee



City of McMinnville
City Manager
230 NE Second Street
McMinnville, OR 97128
(503) 434-7302

www.mcminnvilleoregon.gov

STAFF REPORT

DATE: August 13, 2020
TO: City Council
FROM: Jeff Towery, City Manager
SUBJECT: Request to Permit a Waiver of the Noise Ordinance from Mr. Smark for September 26, 2020.

Report in Brief:

This action is the consideration of a request to permit a waiver of the Noise Ordinance.

Background:

Paul Smark (A Board Director for Portland Karting Association located at the Yamhill County Fairgrounds) is requesting to hold a night time race for go carts on Saturday, September 26th from noon to 10:30pm.

The McMinnville Municipal Code, Section 8.10.260, specifies that:

A. A person in charge of a premises must not permit, allow or cause to exist any loud, disturbing or unnecessary noise that is injurious or detrimental to the health, safety or peace of other persons or property.

E. The prohibition described in this section do [sic] apply to:

1. Activities occurring within the scope of any permit issued by the city under the provisions of the McMinnville Municipal Code.

In granting previous waivers, the City has requested that the applicant provide notice in advance to affected neighbors.

Fiscal Impact:

There is no anticipated fiscal impact.

Recommendation:

Should the Council choose vote in favor of a motion allowing this waiver, the City Manager will write a letter to Mr. Smark, letting him know that he has the Council's approval.



City of McMinnville
City Attorney's Office
230 NE Second Street
McMinnville, OR 97128
(503) 434-7303
www.mcminnvilleoregon.gov

STAFF REPORT

DATE: August 18, 2020
TO: Jeff Towery, City Manager
FROM: Amanda Guile-Hinman, City Attorney
SUBJECT: Recology Franchise Agreement – 2020 Rate Adjustment

Report in Brief:

Recology, Inc., the City's exclusive franchisee for the collection of Solid Waste, has requested a collection rate adjustment of 2.90%, effective September 1, 2020. The requested adjustment is allowed under the terms of the City Franchise Agreement with Recology.

Background:

On January 27, 2009, the City Council adopted Ordinance No. 4904, which authorized the city to enter into a franchise agreement with Recology (f/k/a Western Oregon Waste) ("Franchise Agreement"). Under Article VI(1)(g) of the Franchise Agreement, a rate adjustment equal to the percent change in the Consumer Price Index (CPI) for all Urban Consumers for West-B/C, All Items ("Index") is generally to be made each year, effective on July 1. The adjustment is to have Recology maintain an operating between 9% and 15%, with a general target of 12%. If Recology appears to have an operating margin outside of that range, a different rate adjustment process is provided for in the Franchise Agreement.

Over the years, the City has adopted rate adjustments in accordance with the Franchise Agreement. The most recent adjustments are discussed below.

On November 28, 2017, the City Council adopted Resolution No. 2017-69, which authorized Recology Inc. to make an out-of-calendar rate increase of 10%, related to the diversion of solid waste away from the Riverbend landfill in Yamhill County.

After the passage of Resolution 2017-69, on October 8, 2018, Recology submitted a request to the City for consideration of an out-of-calendar rate increase of 10.47%, to be effective January 1, 2019, which included a 5.70% adjustment related to unanticipated increased costs of handling recycling materials. Those increased costs were due to the collapse of the recycling market, particularly along the West Coast, caused by China's "National Sword" policy that banned most plastics and other materials for its recycling centers.

After reviewing the request, the Council found that a portion of the Recology proposal was reasonable and in the public interest, and so adopted Resolution No. 2018-67, approving a 5.5% rate increase, effective January 1, 2019.

In 2019, the City engaged Merina+Co to perform a rate study of Recology to determine whether a further rate adjustment was warranted based on an examination of Recology's financials. As a result of Merina+Co's findings, on June 11, 2019, the City Council adopted Resolution No. 2019-37 that authorized a 5% rate increase, effective July 1, 2019.

Discussion:

On April 1, 2020, Recology provided a letter to the City regarding a possible rate increase, as provided in the Franchise Agreement. Recology proposed that, given the COVID-19 pandemic, the difficulties facing customers, and the state of the economy, a rate increase be postponed until September 1, 2020, instead of July 1, 2020.

Recology also requested that the City consider the CPI data released in March 2020, instead of the percentage change in the Index between the months of May and April of the previous year and the months of May and April of the current year, as provided in the Franchise Agreement, since the current economic situation may skew the Index to not reflect the changes in expenses that Recology anticipates. The Index for March 2020 showed a 2.9% increase over the prior year. This rate increase, according to Recology, will put it at a projected operating margin of 10.92%.

With that April 1, 2020 letter, Recology also provided its Rate Review Report and the 2019 Reviewed Financial Statement for RWO-Valley. The April 1, 2020 letter and its attachments are attached hereto as **Attachment A**.

On July 31, 2020, Recology sent a second letter, again notifying the City that it is seeking a 2.9% rate increase, effective September 1, 2020, which increase is based on the March 2020 CPI data. That letter is attached hereto as **Attachment B**.

Attachments:

1. Attachment A: Recology April 1, 2020 letter with Rate Review Report and Reviewed Financial Statement.
2. Attachment B: Recology July 31, 2020 letter.
3. Resolution No. 2020-53
 - a. Exhibit 1: Recology Inc. Rate Schedule effective September 1, 2020

Fiscal Impact:

The City's Franchise Fee revenue is projected in to increase approximately \$25,614 in FY 2020/21.

Recommendation:

Approve Resolution 2020-53.



Mr. Jeff Towery
City Manager
City of McMinnville
230 E. 2nd St.
McMinnville, OR 97128

April 1st, 2020

Dear Jeff:

Given the difficulties facing our customers and neighbors as well as the current state of the economy, we are proposing to defer rate changes until the current health crisis subsides.

In compliance with the terms of our franchise agreement, please find enclosed the following documents that make up the Rate Review Report and Annual Financial Report:

1. The Rate Review Report (attached), which includes the following:
 - a. All the actual expenses incurred in the preceding calendar year, and all allowable expenses that we reasonably anticipate will be incurred in the current year
 - b. The allocation factors and percentages used to allocate shared expenses
 - c. The actual and expected Operating Ratios for the preceding and current year
2. The 2019 Reviewed Financial Statement for RWO – Valley (attached)

We are hopeful that business activities will get back to normal in the next few months. When that happens, we are expecting that fuel costs and other expenses will increase consistent with our projections. As a result, we are proposing the following:

- Defer the rate adjustment until at least September 1st. This date can be changed if we have not yet returned to normal operations.
- Use the CPI data that was released in March 2020, showing a 2.9% increase over last year. We expect that due to the current economic situation, the CPI for upcoming months will not accurately reflect the changes in expenses we expect to see after the crisis.
- We will provide rate sheets showing the current rates, proposed changes, and effective date 30 days prior to the proposed effective date.
- We will treat September 1st as the effective date for this and future adjustments. Currently, because we invoice 3 months ahead, rate adjustments may not be reflected on our statements because rate increases are not approved prior to invoicing. One time each year, after the rate increase is approved, our customers can receive a revised statement for months already invoiced. Revised statements have been a source of frustration for some customers. Changing the effective date will allow us to align the rate adjustment with the residential billing cycle so that our customers do not receive revised statements. This will reduce confusion and call volumes.

We appreciate the opportunity to provide these essential services to our neighbors. We take this obligation seriously, and we are committed to keeping our operations running during this difficult time.

Please let me know when you would like us to attend a council meeting to review this proposal. Feel free to give us a call or email if you have any questions, need any additional information, or if you would



like hard copies of these documents. You can reach me at 503-474-4839, or Dave Larmouth at 503-437-0103.

Respectfully,

A handwritten signature in black ink, appearing to read 'Carl Peters', with a long horizontal flourish extending to the right.

Carl Peters
General Manager

Recology Western Oregon - Valley 2019 Results of Operations and 2020-21 Projections



	RWO - Valley Total			City of McMinnville		
	2019 Calendar Year Actual	2020-21 Projected Rate Year	Allocation Method	2019 Calendar Year Actual	Adjustments and Projected Changes	2020-21 Projected Rate Year
REVENUE				Rate Adj. % >>>	2.90%	
Collection Services - Residential	\$ 6,743,338	\$ 6,962,555	Actual	\$ 3,670,862	\$ 145,320	\$ 3,816,182
Collection Services - Commercial	\$ 3,880,346	\$ 4,006,734	Actual	\$ 2,730,395	\$ 97,942	\$ 2,828,337
Collection Services - Debris Box	\$ 1,312,986	\$ 1,402,818	Actual	\$ 680,580	\$ 34,446	\$ 715,025
COLLECTION SERVICES:	\$ 11,936,671	\$ 12,372,106	Actual	\$ 7,081,837		\$ 7,359,544
Proposed Rate Adjustment			Actual		\$ 213,427	\$ 213,427
Revenue - DB Disposal	\$ 830,052	\$ 878,522	Actual	\$ 506,768	\$ 19,570	\$ 526,338
Revenue - Medical Waste	\$ 156,197	\$ 157,330	Actual	\$ 135,665	\$ 1,058	\$ 136,723
Revenue - Other (fees & related)	\$ 27,829	\$ 29,544	Actual	\$ 13,040	\$ 770	\$ 13,810
Non-Franchised Revenue	\$ 715,147	\$ 792,758	Actual	\$ -	\$ -	\$ -
Total Revenue	\$ 13,665,896	\$ 14,230,261		\$ 7,737,309	\$ 512,533	\$ 8,249,842
Franchise Fees	\$ (513,980)	\$ (533,398)	Actual	\$ (386,878)		\$ (412,492)
Revenue w/o Franchise Fees	\$ 13,151,916	\$ 13,696,863		\$ 7,350,431		\$ 7,837,350
LABOR EXPENSES						
Operational Personnel	\$ 1,506,101	\$ 1,664,317	Labor Hours	\$ 643,631	\$ 67,614	\$ 711,245
Payroll Taxes	\$ 133,737	\$ 147,786	Labor Hours	\$ 57,152	\$ 6,004	\$ 63,156
Medical Insurance	\$ 366,910	\$ 420,386	Labor Hours	\$ 156,799	\$ 22,853	\$ 179,652
Other Benefits	\$ 163,005	\$ 172,471	Labor Hours	\$ 69,660	\$ 4,045	\$ 73,705
Total Labor Expense	\$ 2,169,753	\$ 2,404,960		\$ 927,242	\$ 100,515	\$ 1,027,758
DISPOSAL						
Disposal Charges - Outside Source	\$ 765,609	\$ 801,359	Vessel Weights	\$ -	\$ -	\$ -
Disposal Charges - Inter-Company	\$ 1,359,278	\$ 1,391,297	Vessel Weights	\$ 1,359,278	\$ 32,019	\$ 1,391,297
Medical Waste & Supplies	\$ 78,751	\$ 80,326	Med. Waste	\$ 68,475	\$ 1,369	\$ 69,844
Total Disposal Expense	\$ 2,203,638	\$ 2,272,982		\$ 1,427,753	\$ 33,389	\$ 1,461,141
OPERATIONAL EXPENSES						
Fuel	\$ 363,801	\$ 337,275	Franchised Labor	\$ 181,382	\$ (13,225)	\$ 168,156
Repairs and Maintenance	\$ 1,222,264	\$ 1,266,894	Franchised Labor	\$ 609,389	\$ 22,251	\$ 631,640
Business Taxes and PUC	\$ 144,155	\$ 156,626	Franchised Labor	\$ 71,872	\$ 6,217	\$ 78,090
Supplies & Uniforms	\$ 20,777	\$ 21,062	Labor Hours	\$ 8,879	\$ 122	\$ 9,001
Operational Supplies/Safety	\$ 40,153	\$ 42,132	Labor Hours	\$ 17,159	\$ 846	\$ 18,005
Contract Labor	\$ -	\$ -	Labor Hours	\$ -	\$ -	\$ -
Depreciation and Amortization	\$ 6,714	\$ 6,739	Franchised Labor	\$ 3,347	\$ 13	\$ 3,360
Operational Lease and Rent	\$ 806,111	\$ 852,500	Franchised Labor	\$ 401,906	\$ 23,128	\$ 425,034
Insurance Expense	\$ 176,434	\$ 182,700	Labor Hours	\$ 75,399	\$ 2,678	\$ 78,077
Yard Debris/wood & Other Funding	\$ 1,310,081	\$ 1,341,103	Program	\$ 1,173,688	\$ 27,792	\$ 1,201,480
Recycling Expense	\$ 1,086,202	\$ 1,086,709	Recycling	\$ 639,659	\$ 299	\$ 639,958
Purchase Recyclables	\$ -	\$ -	Recycling	\$ -	\$ -	\$ -
Operational Lease and Rent - N/F	\$ 117,164	\$ 123,906	Actual	\$ -	\$ -	\$ -
Fuel - Non-Franchised (N/F)	\$ 128,434	\$ 119,421	Actual	\$ -	\$ -	\$ -
Repairs and Maintenance - N/F	\$ 378,087	\$ 391,320	Actual	\$ -	\$ -	\$ -
Business Taxes and PUC - N/F	\$ 45,928	\$ 47,535	Actual	\$ -	\$ -	\$ -
Depreciation and Amortization N/F	\$ 5,146	\$ 4,762	Actual	\$ -	\$ -	\$ -
Commercial Activities Tax	\$ -	\$ 67,574	Labor Hours	\$ -	\$ 28,878	\$ 28,878
Other Operational	\$ 42,432	\$ 43,971	Labor Hours	\$ 18,133	\$ 658	\$ 18,791
Total Operations Expense	\$ 5,893,882	\$ 6,092,229		\$ 3,200,814	\$ 99,656	\$ 3,300,470
SUBTOTAL	\$ 2,884,643	\$ 2,926,692		\$ 1,794,622	\$ 253,359	\$ 2,047,981
ADMINISTRATIVE EXPENSES						
Management Services	\$ 406,179	\$ 426,908	Computed	\$ 232,119	\$ 15,376	\$ 247,495
Administrative Services	\$ 1,218,539	\$ 1,280,724	Computed	\$ 696,358	\$ 46,128	\$ 742,486
Non-Admin. Labor	\$ 6,216	\$ -	Franchised Labor	\$ 3,099	\$ (3,099)	\$ -
Office Supplies	\$ 21,309	\$ 16,288	Customers	\$ 10,009	\$ (2,359)	\$ 7,651
Postage	\$ 25,437	\$ 22,347	Customers	\$ 11,948	\$ (1,452)	\$ 10,496
Billing services	\$ 57,219	\$ 58,982	Customers	\$ 26,876	\$ 828	\$ 27,704
Dues and Subscriptions	\$ 23,725	\$ 23,957	Customers	\$ 11,144	\$ 109	\$ 11,253
Telephone	\$ 87,829	\$ 88,478	Customers	\$ 41,254	\$ 305	\$ 41,559
Bank Service Charges	\$ 46,900	\$ 49,831	Customers	\$ 22,029	\$ 1,377	\$ 23,406
Professional fees	\$ 26,341	\$ 28,191	Customers	\$ 12,373	\$ 869	\$ 13,242
Travel	\$ 19,260	\$ 18,635	Customers	\$ 9,047	\$ (294)	\$ 8,753
Advertising and Promotions	\$ 6,021	\$ 8,532	Customers	\$ 2,828	\$ 1,180	\$ 4,008
Business Meals	\$ 8,727	\$ 7,047	Customers	\$ 4,099	\$ (789)	\$ 3,310
Education & Training	\$ 4,380	\$ 7,796	Customers	\$ 2,057	\$ 1,605	\$ 3,662
Contributions	\$ 48,970	\$ 26,863	Customers	\$ 23,002	\$ (10,384)	\$ 12,618
Bad Debt	\$ 63,072	\$ 65,685	Customers	\$ 29,626	\$ 1,228	\$ 30,853
Other Administrative	\$ 7,001	\$ 7,981	Customers	\$ 3,288	\$ 460	\$ 3,749
Total Admin Expense	\$ 2,077,125	\$ 2,138,245		\$ 1,141,157	\$ 51,088	\$ 1,192,245
EARNINGS FROM OPERATIONS	\$ 807,518	\$ 788,447		\$ 653,465	\$ 202,271	\$ 855,736
Interest Income	\$ (11,403)	\$ (12,578)	Not Allocated	\$ -	\$ -	\$ -
Loss on Asset Disposal	\$ (102)	\$ -	Not Allocated	\$ -	\$ -	\$ -
NET INCOME BEFORE TAX	\$ 819,023	\$ 801,025		\$ 653,465	\$ 202,271	\$ 855,736
Operating Margin	6.23%	5.85%		8.89%	2.90%	10.92%
Calculated Operating Ratio	93.49%	94.05%		90.80%	proposed adj %	88.92%

2019 Results of Operations and 2020-21 Projections



	RWO - Valley Total			City of McMinnville		
	2019 Calendar Year Actual	2020-21 Projected Rate Year	Allocation Method	2019 Calendar Year Actual	Adjustments and Projected Changes	2020-21 Projected Rate Year
Allocation Data:						
Revenue (All RWO-VAL)	\$ 13,665,896	\$ 14,230,261		\$ 7,737,309		\$ 8,249,842
Revenue Percent	100.00%	100.00%		56.62%		57.97%
2019 Labor Hours	100%	100%		42.73%		42.73%
2019 Disposal - Outside Source	100%	100%		0.00%		0.00%
2019 Disposal - Inter-Company	100%	100%		100.00%		100.00%
2019 Recycling	100%	100%		58.89%		58.89%
2019 Customer Count	100%	100%		46.97%		46.97%
2019 Yard Debris	100%	100%		89.59%		89.59%
2019 Medical Waste	100%	100%		86.95%		86.95%
2019 Franchised Labor	100%	100%		49.86%		49.86%
Operating Ratio Calculation						
Total Expenses:						
Total Labor	\$ 2,169,753	\$ 2,404,960		\$ 927,242		\$ 1,027,758
Total Disposal	\$ 2,203,638	\$ 2,272,982		\$ 1,427,753		\$ 1,461,141
Total Operational	\$ 5,893,882	\$ 6,092,229		\$ 3,200,814		\$ 3,300,470
Total Administrative	\$ 2,077,125	\$ 2,138,245		\$ 1,141,157		\$ 1,192,245
Total	\$ 12,344,398	\$ 12,908,416		\$ 6,696,966		\$ 6,981,614
Less Non Allowable Expenses:						
Interest on Purchase of routes	\$ -	\$ -		\$ -		\$ -
Contributions	\$ (48,970)	\$ (26,863)		\$ (23,002)		\$ (12,618)
Amortization	\$ -	\$ -				
Allowable Expenses	\$ 12,295,428	\$ 12,881,553		\$ 6,673,964		\$ 6,968,996
Revenue						
Revenue w/o Franchise Fees	\$ 13,151,916	\$ 13,696,863		\$ 7,350,431		\$ 7,837,350
Revenue (net of Pass Through)	\$ 13,151,916	\$ 13,696,863		\$ 7,350,431		\$ 7,837,350
Operating Ratio:						
Allowable Expenses divided by	\$ 12,295,428	\$ 12,881,553		\$ 6,673,964		\$ 6,968,996
Revenue (w/o Franchise Fees)	\$ 13,151,916	\$ 13,696,863		\$ 7,350,431		\$ 7,837,350
Calculated Operating Ratio	<u>93.49%</u>	<u>94.05%</u>		<u>90.80%</u>	proposed adjustment \$ 2.90%	<u>88.92%</u>

Recology Western Oregon - Valley Inc.
(A Wholly - Owned Subsidiary of Recology Inc.)

Financial Statements

December 31, 2019
(With Independent Accountant's Review Report)



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Recology Western Oregon - Valley Inc.
McMinnville, Oregon

We have reviewed the accompanying financial statements of Recology Western Oregon - Valley Inc., which comprise the balance sheet as of December 31, 2019 and the related statements of earnings and stockholder's investment, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the Schedule of Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

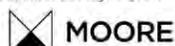
Change in Accounting Principle

As described in Note 1 in the financial statement, the Company adopted Accounting Standards Codification Topic 606 as of January 1, 2019. Our opinion is not expressed on this matter.

Armanino LLP

Armanino^{LLP}
San Ramon, California

March 31, 2020



An independent firm
associated with Moore
Global Network Limited

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Balance Sheet
December 31, 2019

ASSETS

Current assets:

Accounts receivable, net of allowance for doubtful accounts of \$37,124	\$ 1,516,015
Prepaid expenses	56,156
Total current assets	<u>1,572,171</u>

Fixed assets:

Machinery and equipment	2,125,291
Less accumulated depreciation	<u>(2,086,525)</u>
Property and equipment, net	38,766
Total assets	<u>\$ 1,610,937</u>

LIABILITIES AND STOCKHOLDER'S INVESTMENT

Current liabilities:

Accounts payable	\$ 52,084
Accrued liabilities	420,221
Deferred revenues	<u>1,087,736</u>
Total current liabilities	<u>1,560,041</u>

Other liabilities

Due to parent	<u>312,698</u>
Total other liabilities	312,698

Stockholder's investment, net

Total liabilities and stockholder's investment	<u>\$ 1,610,937</u>
--	---------------------

See accompanying notes to financial statements and independent accountant's review report.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Statement of Earnings and Stockholder's Investment
For the Year Ended December 31, 2019

Revenues	<u>\$ 13,151,916</u>
Cost of operations	
Refuse disposal	2,203,638
Labor costs	2,169,753
Operational expenses	<u>5,893,882</u>
Total cost of operations	<u>10,267,273</u>
Gross profit	2,884,643
General and administrative expenses	<u>2,077,125</u>
Earnings from operations	<u>807,518</u>
Other income	
Interest income	11,403
Gain on asset disposal	<u>102</u>
Net earnings	<u>11,505</u>
Net earnings	819,023
Stockholder's investment, net, beginning of year	523,624
Net distributions to parent and affiliates	<u>(979,053)</u>
Stockholder's investment, net, end of year	<u>\$ 363,594</u>

See accompanying notes to financial statements and independent accountant's review report.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Statement of Cash Flows
For the Year Ended December 31, 2019

Cash flows from operating activities:	
Net earnings	\$ 819,023
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation	11,859
Gain on asset disposal	(102)
Changes in assets and liabilities:	
Accounts receivable	(106,576)
Prepaid expenses	1,527
Due from parent	89,617
Accounts payable	22,188
Accrued liabilities	82,029
Deferred revenues	83,143
Net cash provided by operating activities	<u>1,002,708</u>
Cash flow used in investing activities:	
Property and equipment acquired	<u>(23,655)</u>
Cash flows used in financing activities:	
Net contributions from Parent and affiliates	<u>(979,053)</u>
Net change in cash	-
Cash, beginning of year	<u>-</u>
Cash, end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements and independent accountant's review report.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Notes to Financial Statements
December 31, 2019

1. ACCOUNTING POLICIES

Organization

Recology Western Oregon - Valley Inc. (the "Company"), is a wholly - owned subsidiary of Recology Oregon Inc., which is a wholly - owned subsidiary of Recology Inc. (the "Parent" or "Recology"), which in turn is wholly - owned by the Recology Employee Stock Ownership Plan (the "Recology ESOP" or the "ESOP").

Revenue recognition and accounts receivable

The Company recognizes revenue on an accrual basis when services are performed. Deferred revenues primarily consist of revenues billed in advance that are recorded as revenue in the period in which the related services are rendered. The majority of the Company's revenue is subject to rate regulation by the municipalities in which it operates.

The Company's receivables are recorded when billed and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The Company estimates its allowance for doubtful accounts based on several factors, including historical collection trends, type of customer, existing economic conditions and other factors.

Effective January 1, 2019, the Company adopted ASU 2014-09, Revenue from Customers (Topic 606) and Other Assets and Deferred Cost-Contracts with Customers (Subtopic 340-40) noting the timing and pattern of revenue recognition has not significantly changed under the new revenue recognition standard, nor has there been any change to the Company's net income.

Under ASU 2014-09, the Company records revenue when control is transferred to the customer, generally at the time the Company provides a service. While the timing and pattern of revenue recognition remains unchanged, the Company identified certain consideration payable to its customers that is now recorded as a reduction of revenue in accordance with the new revenue recognition standard. These costs were historically recorded as a component of cost of operations and include:

- Payments issued to the Company's municipal customers in accordance with their commercial contracts.

In accordance with the Company's adoption of the new revenue recognition standard, municipal franchise fees were presented as a reduction to revenue for the year ended December 31, 2019.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Notes to Financial Statements
December 31, 2019

1. ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment, including major renewals and betterments, are stated at cost. It is the Company's policy to periodically review the estimated useful lives of its property and equipment. Depreciation is calculated on a straight-line basis over the estimated useful lives of assets as follows:

	Estimated useful lives
Buildings	20-40 years
Leasehold improvements	Shorter of lease or useful life
Machinery and equipment	6-8 years
Furniture and fixtures	8 years
Vehicles	9 years
Containers	10 years

Depreciation expense on the above amounted to \$11,859 for the year ended December 31, 2019. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

Environmental remediation liabilities

The Company accrues for environmental remediation costs when they become probable and based on its best estimate within a range. If no amount within the range appears to be a better estimate than any other, the low end of such ranges is used. Remediation costs are estimated by environmental remediation professionals based upon site remediation plans they develop and on their experience working with regulatory agencies and the Company's environmental staff and legal counsel. All estimates require assumptions about future events due to a number of uncertainties, including the nature and extent of any contamination, the appropriate remedy or remedies, the final apportionment of responsibility among the potentially responsible parties, if any are identified, the financial viability of other potentially responsible parties, and regulatory agency requirements. Thus, actual costs incurred may differ from the Company's initial estimate. These estimates do not take into account discounts for the present value of total estimated future costs, as the timing of cash payments is not reliably determinable. The Company regularly evaluates the recorded liabilities when additional information becomes available or regulatory changes occur to ascertain whether the accrued amounts are accurate. The Company does not recognize recoverable amounts from other responsible parties or insurance carriers until receipt is deemed probable. No environmental liabilities were accrued at December 31, 2019.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Notes to Financial Statements
December 31, 2019

1. ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

The Company's policy is to review estimated undiscounted future cash flows and other measures of asset value for its operations when events or changes in circumstances indicate the carrying value of an asset may not be fully recoverable. If an asset is deemed impaired, a loss is recognized.

During the year ended December 31, 2019, there were no events or changes in circumstances that indicated the carrying value of an asset was not fully recoverable.

Income taxes

Effective October 1, 1998, the Parent elected to become an S corporation with the Company electing to be treated as a Qualified Subchapter S corporation subsidiary. Under S corporation rules, the Parent's taxable income and losses are passed through to the ESOP, the Parent's sole stockholder, which is exempt from income tax, and the Company is treated as a division of the Parent having no separate income tax obligations. The Parent has not allocated any income tax expense to the Company.

The Company recognizes income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company's accounting policy for evaluating uncertain tax positions is to accrue estimated benefits or obligations relating to those positions.

The Company records interest related to unrecognized tax benefits as interest expense and penalties as an administrative expense. For the year ended December 31, 2019, there was no interest or penalties recorded because the Company has no uncertain tax positions that meet the more likely than not threshold.

Cash concentration account

The Company's bank account is linked to the Parent's concentration account. Cash balances (or deficits) at the end of each day are automatically transferred to (or from) the concentration account, so that at the end of any particular day, as well as at year-end, the Company's bank account has a zero balance, with related amounts debited or credited to the underlying intercompany account.

Allocations

The Company includes allocated charges from the Parent and affiliates in operating expenses. The charges are allocated by applying activity appropriate factors to direct and indirect costs of the Parent and affiliates or based upon established fees.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Notes to Financial Statements
December 31, 2019

1. ACCOUNTING POLICIES (continued)

Use of estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. The more significant estimates requiring the judgment of management include the valuation of the allowance for doubtful accounts and accrued franchise fees. Actual results could differ from those estimates.

Stockholder's investment

The Company has 1,000 shares of common stock authorized and 500 shares issued and outstanding with no par value as of December 31, 2019. Stockholder's investment, net is comprised of the legal capital plus cumulative contributions net of distributions.

Fair value of financial instruments

The carrying amounts reported in the balance sheet of the assets and liabilities, which are considered to be financial instruments (such as receivables, accounts payable, and accrued liabilities), approximate their fair value based upon current market indicators.

Concentration of credit risk

Cash and accounts receivable are financial instruments that potentially expose the Company to credit risk. The Company's bank account is linked to the Parent's concentration account. Cash balances (or deficits) at the end of each day are automatically transferred to (or from) the concentration account. Management believes that the Company is not exposed to any significant risk on cash. During the year ended December 31, 2019, two jurisdictions accounted for 79% of accounts receivable.

2. OPERATIONS

The Company collects refuse and recyclables in the City of McMinnville and surrounding municipalities in Yamhill and Polk Counties. The Company's refuse collection rates are set by these municipalities. The rate setting process may result in the disallowance of certain costs and/or delays in cost recovery, as well as differences in the timing of when revenues and expenses are recognized.

During the year ended December 31, 2019, the Company disposed of the yard debris and other recyclable commodities collected by its operations at a material recovery and composting facility owned and operated by an affiliate.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Notes to Financial Statements
December 31, 2019

3. COMMITMENTS AND CONTINGENCIES

Substantially all of the assets of the Company are pledged to secure obligations of the Parent. The Company, along with the Parent and the Parent's wholly - owned subsidiaries, has guaranteed the repayment, on a joint and several basis, of any and all obligations under the Parent's Revolving Credit Agreement. The Company could be required to honor the guarantee upon an uncured default event, as defined in the Parent's Revolving Credit Agreement. The Parent's Revolving Credit Agreement expires on April 21, 2022. At September 30, 2019, there was an outstanding balance of \$142.5 million on the Parent's Revolving Credit Agreement and there were standby letters of credit issued for \$254.9 million. The Parent has represented to the Company that it is in compliance with all covenants of the Revolving Credit Agreement.

The Company, along with the Parent and the Parent's wholly - owned subsidiaries, has guaranteed the payment of amounts owed to unrelated third parties, which provided the equipment financing to affiliates of the Company. The affiliates are obligated to the unrelated third parties with various expiration dates through August 2025. At September 30, 2019, the outstanding principal on the financed equipment recorded by the affiliates was \$49.2 million.

The Company and the Parent are involved in various legal actions arising in the normal course of business. It is the Company's opinion that these matters are adequately provided for or that the resolution of such matters will not have a material adverse impact on the financial position or results of operations of the Company or the Parent.

4. PROPERTY AND EQUIPMENT OBLIGATIONS

The Company has cancelable agreements with an affiliate whereby it pays for the use of certain operating equipment. Future annual payments for continued use of the property and equipment, and in aggregate, as of December 31, 2019 are as follows:

Year ending December 31:

2020	\$ 925,890
2021	925,781
2022	766,975
2023	636,890
2024	365,850
Thereafter	<u>249,547</u>
Total Payments	<u>\$3,870,933</u>

Rental expense for the year ended December 31, 2019 was \$923,275 including amounts under short-term rental agreements with third parties and affiliates.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Notes to Financial Statements
December 31, 2019

4. PROPERTY AND EQUIPMENT OBLIGATIONS (continued)

Under the terms of the equipment lease agreement with an affiliate, and in accordance with existing rate policies, the Company may continue to use certain equipment under operating leases without a related payment once the affiliate's equipment cost and related interest have been funded through operating lease payments.

5. TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2019, operating and other expenses of the Company included allocated charges from the Parent and affiliates. Such charges are based upon the direct and indirect costs of the Parent and affiliates, or established fees, and allocated based on specific activities. The allocated charges are as follows:

Parent:	
Health insurance	\$ 5,375
Worker's compensation	50,179
401(k) employer portion	3,800
General and vehicle insurance	<u>176,434</u>
	<u>235,788</u>
Affiliates:	
Collection revenue	(562,716)
Rental of equipment	765,675
Property rental	12,720
Disposal costs	2,669,359
Processing fees	1,086,202
General and administration allocation	1,218,539
Truck and garage	957,935
Regional management and accounting fees	<u>412,395</u>
	<u>6,560,109</u>
Total	<u>\$ 6,795,897</u>

During the year ended December 31, 2019, amounts due from or payable to Parent and affiliates were accumulated by the Company and, as of the Parent's fiscal year-end, September 30, 2019, the net amount was settled by way of capital contributions or distributions. Changes in amounts due from or payable to Parent or affiliates are presented as a financing activity in the statement of cash flows, except as related to expenditures attributable to property and equipment. For the three months from October 1, 2019 to December 31, 2019, the net amount was not settled by way of capital contributions or distributions.

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Notes to Financial Statements
December 31, 2019

6. EMPLOYEE STOCK OWNERSHIP PLAN

In 1986, the Parent established an employee stock ownership plan and trust, which purchased all of the Parent's outstanding stock. The ESOP is a noncontributory plan that covers substantially all of the employees of the Company and other Recology subsidiaries. Employees, except under certain conditions, become fully vested after a requirement of three years of service. No vesting occurs until the full service requirement is satisfied.

The Parent's common stock is not traded on an established market. Presently, all shares are held by the ESOP. All distributions will be made from the ESOP in cash, which is received from Recology, or shares, subject to immediate repurchase by Recology. A participant who is vested is entitled to begin receiving a distribution from his or her ESOP account at a future date following his or her termination of employment. Distributions may be made in a lump-sum, equal annual installments over a period generally not to exceed five years, or a combination of the foregoing, generally as determined by the ESOP Administrative Committee (the Committee). The Committee also generally determines the timing and manner of distributions, subject to the following limitations: (i) in the event of a participant's retirement, disability, or death, distribution must begin prior to September 30 of the plan year following the plan year in which employment terminates; and (ii) if a participant's employment terminates for any other reason, distribution must begin prior to September 30 of the sixth plan year following the plan year in which employment terminates, although the Committee may further defer distributions that are not attributable to post-1986 shares until the participant reaches the age that he or she would be required to reach in order to qualify for retirement under the ESOP. Each participant who has attained age 55 and has participated in the ESOP for at least 10 years may elect to receive cash distributions for in-service withdrawals attributable to post-1986 shares allocated to his or her account. An eligible participant is entitled to elect payment attributable to as much as 25% of his or her eligible shares during the first five years of election and up to 50% of eligible shares in the sixth year. The cash distributions are based upon the appraised value of Recology stock and other assets, if any, as of the most recent valuation of the participant's account.

The Parent makes contributions to the ESOP to make benefit payments to eligible participants under the Plan.

7. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. It is at least reasonably possible that this matter will negatively impact the Company. However, the financial impact and duration cannot be reasonably estimated at this time.

The Company has evaluated subsequent events through March 31, 2020, the date the financial statements were available to be issued and is not aware of any material modifications that should be made to these financial statements for them to be in conformity with generally accepted accounting principles.

SUPPLEMENTARY INFORMATION

RECOLOGY WESTERN OREGON - VALLEY INC.
(A Wholly - Owned Subsidiary of Recology Inc.)
Schedule of Expenses
For the Year Ended December 31, 2019

Operational expenses	
Depreciation	\$ 11,859
Fuel	492,235
Insurance	176,434
Supplies	60,930
Operational lease expense	923,275
Recycling processing costs	1,086,202
Repair and maintenance	1,600,351
Taxes and licenses	190,083
Yard debris funding	1,310,081
Other operational expenses	42,432
Total operational expenses	<u>\$ 5,893,882</u>

General and administrative expenses	
General administration allocation	\$ 1,218,539
Regional management and accounting fees	412,395
Advertising and promotion	6,021
Bad debt	63,072
Contributions	48,970
Billing services	57,219
Dues and subscriptions	23,725
Education and training	4,380
Bank service charges	46,900
Meals and entertainment	8,727
Office supplies	21,309
Postage	25,437
Professional services	26,341
Telephone	87,829
Travel	19,260
Other administration	7,001
Total general and administrative expenses	<u>\$ 2,077,125</u>

See accompanying notes to financial statements and independent accountant's review report



Mr. Jeff Towery
City Manager
City of McMinnville
230 E. 2nd St.
McMinnville, OR 97128

July 31, 2020

Dear Jeff:

As you may recall, we submitted our annual rate review documents back on April 1st. At that time, we proposed the following:

- Defer the rate adjustment until September 1st, due to COVID impacting the community.
- Use the CPI data that was released in March 2020, showing a 2.9% increase over last year.

I have attached rate sheets showing the current rates, proposed adjustment, and proposed new rates. We are not adjusting our rates for medical waste services, and the debris box ton rates for garbage and wood were adjusted based on changes in the tip fees at the disposal sites.

We were hoping to attend the council meeting on August 25th to review this proposal. Please let me know if this will work for you.

Feel free to reach out to Dave Larmouth if you have any questions, need any additional information, or if you would like hard copies of these documents. You can reach him on his cell at 503-437-0103, or via email at dlarmouth@recology.com.

We appreciate the opportunity to provide these essential services to our neighbors. We remain committed to keeping our operations running during this difficult time.

Respectfully,

A handwritten signature in black ink, appearing to read 'Carl Peters', written in a cursive style.

Carl Peters
General Manager

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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CART SERVICES - CURBSIDE

CURBSIDE: WITHIN 4 FEET OF THE CURB OR ROAD, AND AWAY FROM ALL CARS, MAIL BOXES, OR OTHER ITEMS.

32 GALLON CART SERVICE

MONTHLY RATES

32GWC	32G CART-CURB	\$ 27.20	2.90%	\$ 0.79	\$ 27.99
32GEC	32G CART EOW-CURBSIDE	\$ 17.66	2.90%	\$ 0.51	\$ 18.17
32GMC	32G CART MONTHLY-CURB	\$ 9.51	2.90%	\$ 0.28	\$ 9.79
OC3C	32 GAL CART ON CALL CURB	\$ 9.51	2.90%	\$ 0.28	\$ 9.79
	ADDITIONAL CART - SAME RATE				

90 GALLON CART SERVICE

MONTHLY RATES

90GWC	90G CART-CURB	\$ 45.35	2.90%	\$ 1.32	\$ 46.67
90GEC	90G CART EOW-CURB	\$ 29.48	2.90%	\$ 0.85	\$ 30.33
90GMC	90G CART OAM-CURB	\$ 15.88	2.90%	\$ 0.46	\$ 16.34
OC9C	90 GAL CART ON CALL CURB	\$ 15.88	2.90%	\$ 0.46	\$ 16.34
	ADDITIONAL CART - SAME RATE				

MONTHLY CART RENT (FOR ON-CALL SERVICE)

90GOC	90G CART WILL CALL-CURB	\$ 2.70	0.00%	\$ -	\$ 2.70
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SPECIAL PICK-UP (FOR OFF-SCHEDULE COLLECTION)

RATE PER EACH

SP32C	SPEC P/U 32G CART CURBSIDE	\$ 9.51	2.90%	\$ 0.28	\$ 9.79
SP90C	SPEC P/U 90G CART CURBSIDE	\$ 15.88	2.90%	\$ 0.46	\$ 16.34

Note: Recycle carts dumped as trash due to contamination may be charged the special pick-up rate.

CART SERVICES - NON-CURBSIDE (SIDEYARD)

NON-CURBSIDE: VISIBLE FROM THE STREET, OUTSIDE OF GARAGES AND FENCED AREAS.

32 GALLON CART SERVICE

MONTHLY RATES

32GWS	32G CART-SIDE	\$ 42.32	2.90%	\$ 1.23	\$ 43.55
32GES	32G CART EOW-SIDEYARD	\$ 27.54	2.90%	\$ 0.80	\$ 28.34
32GMS	32G CART MONTHLY-SIDE	\$ 14.83	2.90%	\$ 0.43	\$ 15.26
OC3S	32 GAL CART ON CALL SIDE	\$ 14.83	2.90%	\$ 0.43	\$ 15.26
	ADDITIONAL CART - SAME RATE				

90 GALLON CART SERVICE

MONTHLY RATES

90GWS	90G CART-SIDE	\$ 69.57	2.90%	\$ 2.02	\$ 71.59
90GES	90G CART EOW-SIDE	\$ 45.23	2.90%	\$ 1.31	\$ 46.54
90GMS	90G CART OAM-SIDE	\$ 24.33	2.90%	\$ 0.71	\$ 25.04
OC9S	90 GAL CART ON CALL SIDE	\$ 24.33	2.90%	\$ 0.71	\$ 25.04
	ADDITIONAL CART - SAME RATE				

MONTHLY CART RENT (FOR ON-CALL SERVICE)

90GOS	90G CART WILL CALL-SIDE	\$ 2.70	0.00%	\$ -	\$ 2.70
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SPECIAL PICK-UP (FOR OFF-SCHEDULE COLLECTION)

RATE PER EACH

SP32S	SPEC P/U 32G CART NON CURBSIDE	\$ 14.83	2.90%	\$ 0.43	\$ 15.26
SP90S	SPEC P/U 90G CART NON CURBSIDE	\$ 24.33	2.90%	\$ 0.71	\$ 25.04

Note: Recycle carts dumped as trash due to contamination may be charged the special pick-up rate.

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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OTHER SERVICES & FEES

EXTRAS - PER UNIT CHARGES (APPROX. 32 GALLONS PER UNIT)

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
XBAG	EXTRA BAG(S)	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
XBOX	EXTRA BOX	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
XCAN	EXTRA CAN(S)	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
XMISC	EXTRA MISC	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
X32	EXTRA 32G CART(S)	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
X90	EXTRA 90G CART(S)	\$ 11.36	2.90%	\$ 0.33	\$ 11.69

BULKY ITEM COLLECTION (SVC CHARGE + CHARGE PER ITEM)

RATES LISTED ARE FOR COLLECTION AT CURB. ADDITIONAL CHARGES MAY APPLY FOR RETRIEVAL.

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
APF	REFRIGERATOR/FREEZER	\$ 29.29	0.00%	\$ -	\$ 29.29
APL	APPLIANCE	\$ 11.72	0.00%	\$ -	\$ 11.72
FURN	FURNITURE CHARGE	\$ 17.57	0.00%	\$ -	\$ 17.57
TREE	EXTRA CHRISTMAS TREE	\$ 14.33	2.90%	\$ 0.42	\$ 14.75
IRSC	IN ROUTE SERVICE CHARGE	\$ 25.91	2.90%	\$ 0.75	\$ 26.66
SC	SERVICE CHARGE	\$ 25.91	2.90%	\$ 0.75	\$ 26.66

RELATED FEES

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
CRIR	CART REDELIVERY IN ROUTE	\$ 10.00	0.00%	\$ -	\$ 10.00
CROR	CART REDELIVER OUT OF ROUTE	\$ 20.00	0.00%	\$ -	\$ 20.00
CORDF	CONTAINER RE-DELIVERY FEE	\$ 38.12	2.90%	\$ 1.11	\$ 39.23

Note: Re-Delivery fees apply for resume service after suspend.

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
CCF	CART CLEANING FEE	\$ 10.00	0.00%	\$ -	\$ 10.00
CRF	CART REPLACEMENT FEE	\$ 65.00	0.00%	\$ -	\$ 65.00

Note: Replacement fee is used for loss/damage beyond normal wear and tear.

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
WLI	WIND LATCH INSTALLATION	\$ 15.00	0.00%	\$ -	\$ 15.00
RF	REINSTATEMENT FEE	\$ 15.00	0.00%	\$ -	\$ 15.00
NSFCF	RETURNED CHECK FEE	\$ 25.00	0.00%	\$ -	\$ 25.00

FRONT-LOAD CONTAINER SERVICE

1 YARD CONTAINERS

MONTHLY RATES

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
1GW	1YD TRASH	\$ 196.76	2.90%	\$ 5.71	\$ 202.47
1GE	1YD TRASH EOW	\$ 116.03	2.90%	\$ 3.36	\$ 119.39
1GM	1YD TRASH MONTHLY	\$ 72.62	2.90%	\$ 2.11	\$ 74.73
1OC	ON CALL-1YD TRASH	\$ 41.01	2.90%	\$ 1.19	\$ 42.20
1XP	EXTRA PICK UP-1YD TRASH	\$ 41.01	2.90%	\$ 1.19	\$ 42.20

1.5 YARD CONTAINERS

MONTHLY RATES

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
1HGW	1.5YD TRASH	\$ 242.49	2.90%	\$ 7.03	\$ 249.52
1HGE	1.5YD TRASH EOW	\$ 138.89	2.90%	\$ 4.03	\$ 142.92
1HGM	1.5YD TRASH MONTHLY	\$ 83.17	2.90%	\$ 2.41	\$ 85.58
1HOC	ON CALL-1.5YD TRASH	\$ 52.65	2.90%	\$ 1.53	\$ 54.18
1HXP	EXTRA PICK UP-1.5YD TRASH	\$ 52.65	2.90%	\$ 1.53	\$ 54.18

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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2 YARD CONTAINERS

MONTHLY RATES

2GW	2YD TRASH	\$ 288.18	2.90%	\$ 8.36	\$ 296.54
2GE	2YD TRASH EOW	\$ 161.77	2.90%	\$ 4.69	\$ 166.46
2GM	2YD TRASH MONTHLY	\$ 93.70	2.90%	\$ 2.72	\$ 96.42
2OC	ON CALL-2YD TRASH	\$ 64.25	2.90%	\$ 1.86	\$ 66.11
2XP	EXTRA PICK UP-2YD TRASH	\$ 64.25	2.90%	\$ 1.86	\$ 66.11

3 YARD CONTAINERS

MONTHLY RATES

3GW	3YD TRASH	\$ 379.66	2.90%	\$ 11.01	\$ 390.67
3GE	3YD TRASH EOW	\$ 207.48	2.90%	\$ 6.02	\$ 213.50
3GM	3YD TRASH MONTHLY	\$ 114.83	2.90%	\$ 3.33	\$ 118.16
3OC	ON CALL-3YD TRASH	\$ 87.47	2.90%	\$ 2.54	\$ 90.01
3XP	EXTRA PICK UP-3YD TRASH	\$ 87.47	2.90%	\$ 2.54	\$ 90.01

4 YARD CONTAINERS

MONTHLY RATES

4GW	4YD TRASH	\$ 471.10	2.90%	\$ 13.66	\$ 484.76
4GE	4YD TRASH EOW	\$ 253.21	2.90%	\$ 7.34	\$ 260.55
4GM	4YD TRASH MONTHLY	\$ 135.98	2.90%	\$ 3.94	\$ 139.92
4OC	ON CALL-4YD TRASH	\$ 110.73	2.90%	\$ 3.21	\$ 113.94
4XP	EXTRA PICK UP-4YD TRASH	\$ 110.73	2.90%	\$ 3.21	\$ 113.94

5 YARD CONTAINERS

MONTHLY RATES

5GW	5YD TRASH	\$ 562.59	2.90%	\$ 16.32	\$ 578.91
5GE	5YD TRASH EOW	\$ 298.94	2.90%	\$ 8.67	\$ 307.61
5GM	5YD TRASH MONTHLY	\$ 157.10	2.90%	\$ 4.56	\$ 161.66
5OC	ON CALL-5YD TRASH	\$ 133.94	2.90%	\$ 3.88	\$ 137.82
5XP	EXTRA PICK UP-5YD TRASH	\$ 133.94	2.90%	\$ 3.88	\$ 137.82

6 YARD CONTAINERS

MONTHLY RATES

6GW	6YD TRASH	\$ 654.01	2.90%	\$ 18.97	\$ 672.98
6GE	6YD TRASH EOW	\$ 344.66	2.90%	\$ 10.00	\$ 354.66
6GM	6YD TRASH MONTHLY	\$ 178.20	2.90%	\$ 5.17	\$ 183.37
6OC	ON CALL-6YD TRASH	\$ 157.17	2.90%	\$ 4.56	\$ 161.73
6XP	EXTRA PICK UP-6YD TRASH	\$ 157.17	2.90%	\$ 4.56	\$ 161.73

8 YARD CONTAINERS (NO NEW CUSTOMERS AT THIS SIZE DUE TO SAFETY ISSUES)

MONTHLY RATES

8GW	8YD TRASH	\$ 766.95	2.90%	\$ 22.24	\$ 789.19
8GE	8YD TRASH EOW	\$ 401.14	2.90%	\$ 11.63	\$ 412.77
8GM	8YD TRASH MONTHLY	\$ 204.25	2.90%	\$ 5.92	\$ 210.17
8OC	ON CALL-8YD TRASH	\$ 185.85	2.90%	\$ 5.39	\$ 191.24
8XP	EXTRA PICK UP-8YD TRASH	\$ 185.85	2.90%	\$ 5.39	\$ 191.24

CONTAINER MONTHLY RENT (CHARGED TO WILL-CALL CUSTOMERS, SAME FOR ALL SIZES)

RNT1	1YD RENT - TRASH	\$ 20.00	0.00%	\$ -	\$ 20.00
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CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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DEBRIS BOX SERVICES

SET HAUL FEES (BASED ON AVERAGE TRUCK TIMES)

RATE PER HAUL

DEL	DELIVERY CHARGE	\$ 51.38	2.90%	\$ 1.49	\$ 52.87
10HG	TRASH BOX HAUL FEE (ALL SIZES)	\$ 194.57	2.90%	\$ 5.64	\$ 200.21
40CG	COMPACTOR HAUL FEE (ALL SIZES)	\$ 232.32	2.90%	\$ 6.74	\$ 239.06

DEBRIS BOX DISPOSAL FEES

RATE PER UNIT

DFDM	DISPOSAL FEE - DEMOLITION (\$\$/TON)	\$ 69.88	3.00%	\$ 2.10	\$ 71.98
DFG	DISPOSAL FEE - GARBAGE (\$\$/TON)	\$ 69.88	3.00%	\$ 2.10	\$ 71.98
DFWD	DISPOSAL FEE - CLEAN WOOD (\$\$/TON)	\$ 40.67	2.00%	\$ 0.81	\$ 43.69
DFYD	DISPOSAL FEE - YARD DEBRIS (\$\$/YD ³)	\$ -	0.00%	\$ -	\$ -

Note: Recycling ton fees will be equal to or less than trash fees, based on current market pricing.

TEMPORARY DEBRIS BOXES - COD RATES (INCLUDES HAUL & AVERAGE DISPOSAL FOR BOX SIZE)

10DG	10 YARD BOX W/DISPOSAL	\$ 365.74	2.90%	\$ 10.61	\$ 376.35
20DG	20 YARD BOX W/DISPOSAL	\$ 513.33	2.90%	\$ 14.89	\$ 528.22
30DG	30 YARD BOX W/DISPOSAL	\$ 660.99	2.90%	\$ 19.17	\$ 680.16

RELATED FEES

RATE PER DAY

RENTD	DAILY RENTAL FEE	\$ 12.34	2.90%	\$ 0.36	\$ 12.70
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Note: Daily Rent applies after 48 hours, excluding evenings and weekends.

RATE PER MONTH

RENTM	MONTHLY RENTAL FEE	\$ 174.23	2.90%	\$ 5.05	\$ 179.28
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Note: Monthly rent applies for customers who keep a box for a year or longer.

RATE PER HOUR

TIME	TRUCK TIME FEE	\$ 141.52	2.90%	\$ 4.10	\$ 145.62
1T1E	1 TRUCK - 1 EMPLOYEE	\$ 152.49	2.90%	\$ 4.42	\$ 156.91
1T2E	1 TRUCK - 2 EMPLOYEES	\$ 228.71	2.90%	\$ 6.63	\$ 235.34

Note: Hourly Truck Time is used for hauls to destinations outside our normal operating areas.

TEMPORARY RENTAL CONTAINERS

RATE PER EACH

3YRGD	DELV 3 YD RENTAL FOR TRASH	\$ 34.38	2.90%	\$ 1.00	\$ 35.38
3YRGP	SERVICE 3 YD RENTAL FOR TRASH	\$ 113.68	2.90%	\$ 3.30	\$ 116.98
3YRXD	ADDL DAY - 3YD RENT CONTAINER	\$ 2.00	0.00%	\$ -	\$ 2.00

Note: Temporary = not longer than 30 days, with 45 days between projects. Rent included for first 7 days.

BULKY ITEMS - DEBRIS BOX

STANDARD FEES APPLY FOR THESE ITEMS IF DECLARED & SEPARATED ACCORDING TO INSTRUCTIONS.

ADDITIONAL FEES MAY APPLY FOR ITEMS FOUND IN LOADS.

RATE PER EACH

TOFFR	TIRE CHARGE NO RIM	\$ 4.69	0.00%	\$ -	\$ 4.69
TONR	TIRE CHARGE ON RIM	\$ 9.37	0.00%	\$ -	\$ 9.37
APPL	APPLIANCE	\$ 11.72	0.00%	\$ -	\$ 11.72
APF	REFRIGERATOR/FREEZER	\$ 29.29	0.00%	\$ -	\$ 29.29

MEDICAL WASTE COLLECTION SERVICES

RATE PER EACH

M4HSC	4.7 QT SHARPS CONTAINER	\$ 22.33	0.00%	\$ -	\$ 22.33
M10SC	10 QT SHARPS CONTAINER	\$ 25.84	0.00%	\$ -	\$ 25.84
M23SC	23 QT SHARPS CONTAINER	\$ 49.00	0.00%	\$ -	\$ 49.00
9CDBC	9GAL CONFIDENTIAL DOCUMENT BOX	\$ 36.28	0.00%	\$ -	\$ 36.28
M21BX	21 GAL MEDICAL WASTE BOX	\$ 38.59	0.00%	\$ -	\$ 38.59
M48BX	48 GAL MEDICAL WASTE BOX	\$ 45.14	0.00%	\$ -	\$ 45.14
M8GBP	RX MED WASTE TUB	\$ 97.46	0.00%	\$ -	\$ 97.46

Note: Additional fees may apply for overweight tubs. Improperly prepared materials cannot be collected.

Finance Charges (0.75% monthly, 9% annually) will be assessed on any past due amount (excluding amounts in dispute over billing or service issues).
 Billing Terms: Commercial Accounts are billed on a monthly basis.
 Residential accounts are billed once every three months, in advance.

RESOLUTION NO. 2020 – 53

A Resolution of the City of McMinnville Approving a Collection Rate Increase Not to Exceed 2.90% for Recology Inc.

RECITALS:

WHEREAS, the City of McMinnville (“City”) entered into a franchise agreement with Recology Inc. (f/k/a Western Oregon Waste) on January 27, 2009, pursuant to Ordinance No. 4904; and

WHEREAS, under Article VI(1)(g) of the Franchise Agreement, a rate adjustment equal to the percent change in the Consumer Price Index (CPI) for all Urban Consumers for West-B/C, All Items (“Index”) is generally to be made each year, effective on July 1; and

WHEREAS, pursuant to the Franchise Agreement, Recology Inc. has requested a rate increase of 2.90%, which is based on the Index data published in March 2020; and

WHEREAS, This rate increase, if approved, will result in a projected operating margin for Recology Inc. of 10.92%.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON as follows:

1. The City of McMinnville incorporates the above-stated findings as if fully set forth herein.
2. The City of McMinnville approves an increase of Recology Inc.’s collection rates not to exceed 2.90%, as shown in the attached **Exhibit 1**, which rates will go into effect beginning September 1, 2020.
3. This Resolution takes effect immediately upon passage.

Adopted by the Common Council of the City of McMinnville at a meeting held the 25th day of August 2020 by the following votes:

Ayes: _____

Nays: _____

Abstain: _____

Approved this 25th day of August 2020.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

EXHIBIT:

1. Recology Inc. Rate Schedule effective September 1, 2020

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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CART SERVICES - CURBSIDE

CURBSIDE: WITHIN 4 FEET OF THE CURB OR ROAD, AND AWAY FROM ALL CARS, MAIL BOXES, OR OTHER ITEMS.

32 GALLON CART SERVICE

MONTHLY RATES

32GWC	32G CART-CURB	\$ 27.20	2.90%	\$ 0.79	\$ 27.99
32GEC	32G CART EOW-CURBSIDE	\$ 17.66	2.90%	\$ 0.51	\$ 18.17
32GMC	32G CART MONTHLY-CURB	\$ 9.51	2.90%	\$ 0.28	\$ 9.79
OC3C	32 GAL CART ON CALL CURB	\$ 9.51	2.90%	\$ 0.28	\$ 9.79
	ADDITIONAL CART - SAME RATE				

90 GALLON CART SERVICE

MONTHLY RATES

90GWC	90G CART-CURB	\$ 45.35	2.90%	\$ 1.32	\$ 46.67
90GEC	90G CART EOW-CURB	\$ 29.48	2.90%	\$ 0.85	\$ 30.33
90GMC	90G CART OAM-CURB	\$ 15.88	2.90%	\$ 0.46	\$ 16.34
OC9C	90 GAL CART ON CALL CURB	\$ 15.88	2.90%	\$ 0.46	\$ 16.34
	ADDITIONAL CART - SAME RATE				

MONTHLY CART RENT (FOR ON-CALL SERVICE)

90GOC	90G CART WILL CALL-CURB	\$ 2.70	0.00%	\$ -	\$ 2.70
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SPECIAL PICK-UP (FOR OFF-SCHEDULE COLLECTION)

RATE PER EACH

SP32C	SPEC P/U 32G CART CURBSIDE	\$ 9.51	2.90%	\$ 0.28	\$ 9.79
SP90C	SPEC P/U 90G CART CURBSIDE	\$ 15.88	2.90%	\$ 0.46	\$ 16.34

Note: Recycle carts dumped as trash due to contamination may be charged the special pick-up rate.

CART SERVICES - NON-CURBSIDE (SIDEYARD)

NON-CURBSIDE: VISIBLE FROM THE STREET, OUTSIDE OF GARAGES AND FENCED AREAS.

32 GALLON CART SERVICE

MONTHLY RATES

32GWS	32G CART-SIDE	\$ 42.32	2.90%	\$ 1.23	\$ 43.55
32GES	32G CART EOW-SIDEYARD	\$ 27.54	2.90%	\$ 0.80	\$ 28.34
32GMS	32G CART MONTHLY-SIDE	\$ 14.83	2.90%	\$ 0.43	\$ 15.26
OC3S	32 GAL CART ON CALL SIDE	\$ 14.83	2.90%	\$ 0.43	\$ 15.26
	ADDITIONAL CART - SAME RATE				

90 GALLON CART SERVICE

MONTHLY RATES

90GWS	90G CART-SIDE	\$ 69.57	2.90%	\$ 2.02	\$ 71.59
90GES	90G CART EOW-SIDE	\$ 45.23	2.90%	\$ 1.31	\$ 46.54
90GMS	90G CART OAM-SIDE	\$ 24.33	2.90%	\$ 0.71	\$ 25.04
OC9S	90 GAL CART ON CALL SIDE	\$ 24.33	2.90%	\$ 0.71	\$ 25.04
	ADDITIONAL CART - SAME RATE				

MONTHLY CART RENT (FOR ON-CALL SERVICE)

90GOS	90G CART WILL CALL-SIDE	\$ 2.70	0.00%	\$ -	\$ 2.70
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SPECIAL PICK-UP (FOR OFF-SCHEDULE COLLECTION)

RATE PER EACH

SP32S	SPEC P/U 32G CART NON CURBSIDE	\$ 14.83	2.90%	\$ 0.43	\$ 15.26
SP90S	SPEC P/U 90G CART NON CURBSIDE	\$ 24.33	2.90%	\$ 0.71	\$ 25.04

Note: Recycle carts dumped as trash due to contamination may be charged the special pick-up rate.

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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OTHER SERVICES & FEES

EXTRAS - PER UNIT CHARGES (APPROX. 32 GALLONS PER UNIT)

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
XBAG	EXTRA BAG(S)	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
XBOX	EXTRA BOX	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
XCAN	EXTRA CAN(S)	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
XMISC	EXTRA MISC	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
X32	EXTRA 32G CART(S)	\$ 7.17	2.90%	\$ 0.21	\$ 7.38
X90	EXTRA 90G CART(S)	\$ 11.36	2.90%	\$ 0.33	\$ 11.69

BULKY ITEM COLLECTION (SVC CHARGE + CHARGE PER ITEM)

RATES LISTED ARE FOR COLLECTION AT CURB. ADDITIONAL CHARGES MAY APPLY FOR RETRIEVAL.

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
APF	REFRIGERATOR/FREEZER	\$ 29.29	0.00%	\$ -	\$ 29.29
APL	APPLIANCE	\$ 11.72	0.00%	\$ -	\$ 11.72
FURN	FURNITURE CHARGE	\$ 17.57	0.00%	\$ -	\$ 17.57
TREE	EXTRA CHRISTMAS TREE	\$ 14.33	2.90%	\$ 0.42	\$ 14.75
IRSC	IN ROUTE SERVICE CHARGE	\$ 25.91	2.90%	\$ 0.75	\$ 26.66
SC	SERVICE CHARGE	\$ 25.91	2.90%	\$ 0.75	\$ 26.66

RELATED FEES

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
CRIR	CART REDELIVERY IN ROUTE	\$ 10.00	0.00%	\$ -	\$ 10.00
CROR	CART REDELIVER OUT OF ROUTE	\$ 20.00	0.00%	\$ -	\$ 20.00
CORDF	CONTAINER RE-DELIVERY FEE	\$ 38.12	2.90%	\$ 1.11	\$ 39.23

Note: Re-Delivery fees apply for resume service after suspend.

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
CCF	CART CLEANING FEE	\$ 10.00	0.00%	\$ -	\$ 10.00
CRF	CART REPLACEMENT FEE	\$ 65.00	0.00%	\$ -	\$ 65.00

Note: Replacement fee is used for loss/damage beyond normal wear and tear.

RATE PER EACH

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
WLI	WIND LATCH INSTALLATION	\$ 15.00	0.00%	\$ -	\$ 15.00
RF	REINSTATEMENT FEE	\$ 15.00	0.00%	\$ -	\$ 15.00
NSFCF	RETURNED CHECK FEE	\$ 25.00	0.00%	\$ -	\$ 25.00

FRONT-LOAD CONTAINER SERVICE

1 YARD CONTAINERS

MONTHLY RATES

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
1GW	1YD TRASH	\$ 196.76	2.90%	\$ 5.71	\$ 202.47
1GE	1YD TRASH EOW	\$ 116.03	2.90%	\$ 3.36	\$ 119.39
1GM	1YD TRASH MONTHLY	\$ 72.62	2.90%	\$ 2.11	\$ 74.73
1OC	ON CALL-1YD TRASH	\$ 41.01	2.90%	\$ 1.19	\$ 42.20
1XP	EXTRA PICK UP-1YD TRASH	\$ 41.01	2.90%	\$ 1.19	\$ 42.20

1.5 YARD CONTAINERS

MONTHLY RATES

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
1HGW	1.5YD TRASH	\$ 242.49	2.90%	\$ 7.03	\$ 249.52
1HGE	1.5YD TRASH EOW	\$ 138.89	2.90%	\$ 4.03	\$ 142.92
1HGM	1.5YD TRASH MONTHLY	\$ 83.17	2.90%	\$ 2.41	\$ 85.58
1HOC	ON CALL-1.5YD TRASH	\$ 52.65	2.90%	\$ 1.53	\$ 54.18
1HXP	EXTRA PICK UP-1.5YD TRASH	\$ 52.65	2.90%	\$ 1.53	\$ 54.18

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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2 YARD CONTAINERS

MONTHLY RATES

2GW	2YD TRASH	\$ 288.18	2.90%	\$ 8.36	\$ 296.54
2GE	2YD TRASH EOW	\$ 161.77	2.90%	\$ 4.69	\$ 166.46
2GM	2YD TRASH MONTHLY	\$ 93.70	2.90%	\$ 2.72	\$ 96.42
2OC	ON CALL-2YD TRASH	\$ 64.25	2.90%	\$ 1.86	\$ 66.11
2XP	EXTRA PICK UP-2YD TRASH	\$ 64.25	2.90%	\$ 1.86	\$ 66.11

3 YARD CONTAINERS

MONTHLY RATES

3GW	3YD TRASH	\$ 379.66	2.90%	\$ 11.01	\$ 390.67
3GE	3YD TRASH EOW	\$ 207.48	2.90%	\$ 6.02	\$ 213.50
3GM	3YD TRASH MONTHLY	\$ 114.83	2.90%	\$ 3.33	\$ 118.16
3OC	ON CALL-3YD TRASH	\$ 87.47	2.90%	\$ 2.54	\$ 90.01
3XP	EXTRA PICK UP-3YD TRASH	\$ 87.47	2.90%	\$ 2.54	\$ 90.01

4 YARD CONTAINERS

MONTHLY RATES

4GW	4YD TRASH	\$ 471.10	2.90%	\$ 13.66	\$ 484.76
4GE	4YD TRASH EOW	\$ 253.21	2.90%	\$ 7.34	\$ 260.55
4GM	4YD TRASH MONTHLY	\$ 135.98	2.90%	\$ 3.94	\$ 139.92
4OC	ON CALL-4YD TRASH	\$ 110.73	2.90%	\$ 3.21	\$ 113.94
4XP	EXTRA PICK UP-4YD TRASH	\$ 110.73	2.90%	\$ 3.21	\$ 113.94

5 YARD CONTAINERS

MONTHLY RATES

5GW	5YD TRASH	\$ 562.59	2.90%	\$ 16.32	\$ 578.91
5GE	5YD TRASH EOW	\$ 298.94	2.90%	\$ 8.67	\$ 307.61
5GM	5YD TRASH MONTHLY	\$ 157.10	2.90%	\$ 4.56	\$ 161.66
5OC	ON CALL-5YD TRASH	\$ 133.94	2.90%	\$ 3.88	\$ 137.82
5XP	EXTRA PICK UP-5YD TRASH	\$ 133.94	2.90%	\$ 3.88	\$ 137.82

6 YARD CONTAINERS

MONTHLY RATES

6GW	6YD TRASH	\$ 654.01	2.90%	\$ 18.97	\$ 672.98
6GE	6YD TRASH EOW	\$ 344.66	2.90%	\$ 10.00	\$ 354.66
6GM	6YD TRASH MONTHLY	\$ 178.20	2.90%	\$ 5.17	\$ 183.37
6OC	ON CALL-6YD TRASH	\$ 157.17	2.90%	\$ 4.56	\$ 161.73
6XP	EXTRA PICK UP-6YD TRASH	\$ 157.17	2.90%	\$ 4.56	\$ 161.73

8 YARD CONTAINERS (NO NEW CUSTOMERS AT THIS SIZE DUE TO SAFETY ISSUES)

MONTHLY RATES

8GW	8YD TRASH	\$ 766.95	2.90%	\$ 22.24	\$ 789.19
8GE	8YD TRASH EOW	\$ 401.14	2.90%	\$ 11.63	\$ 412.77
8GM	8YD TRASH MONTHLY	\$ 204.25	2.90%	\$ 5.92	\$ 210.17
8OC	ON CALL-8YD TRASH	\$ 185.85	2.90%	\$ 5.39	\$ 191.24
8XP	EXTRA PICK UP-8YD TRASH	\$ 185.85	2.90%	\$ 5.39	\$ 191.24

CONTAINER MONTHLY RENT (CHARGED TO WILL-CALL CUSTOMERS, SAME FOR ALL SIZES)

RNT1	1YD RENT - TRASH	\$ 20.00	0.00%	\$ -	\$ 20.00
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CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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DEBRIS BOX SERVICES

SET HAUL FEES (BASED ON AVERAGE TRUCK TIMES)

RATE PER HAUL

DEL	DELIVERY CHARGE	\$ 51.38	2.90%	\$ 1.49	\$ 52.87
10HG	TRASH BOX HAUL FEE (ALL SIZES)	\$ 194.57	2.90%	\$ 5.64	\$ 200.21
40CG	COMPACTOR HAUL FEE (ALL SIZES)	\$ 232.32	2.90%	\$ 6.74	\$ 239.06

DEBRIS BOX DISPOSAL FEES

RATE PER UNIT

DFDM	DISPOSAL FEE - DEMOLITION (\$\$/TON)	\$ 69.88	3.00%	\$ 2.10	\$ 71.98
DFG	DISPOSAL FEE - GARBAGE (\$\$/TON)	\$ 69.88	3.00%	\$ 2.10	\$ 71.98
DFWD	DISPOSAL FEE - CLEAN WOOD (\$\$/TON)	\$ 40.67	2.00%	\$ 0.81	\$ 43.69
DFYD	DISPOSAL FEE - YARD DEBRIS (\$\$/YD ³)	\$ -	0.00%	\$ -	\$ -

Note: Recycling ton fees will be equal to or less than trash fees, based on current market pricing.

TEMPORARY DEBRIS BOXES - COD RATES (INCLUDES HAUL & AVERAGE DISPOSAL FOR BOX SIZE)

10DG	10 YARD BOX W/DISPOSAL	\$ 365.74	2.90%	\$ 10.61	\$ 376.35
20DG	20 YARD BOX W/DISPOSAL	\$ 513.33	2.90%	\$ 14.89	\$ 528.22
30DG	30 YARD BOX W/DISPOSAL	\$ 660.99	2.90%	\$ 19.17	\$ 680.16

RELATED FEES

RATE PER DAY

RENTD	DAILY RENTAL FEE	\$ 12.34	2.90%	\$ 0.36	\$ 12.70
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Note: Daily Rent applies after 48 hours, excluding evenings and weekends.

RATE PER MONTH

RENTM	MONTHLY RENTAL FEE	\$ 174.23	2.90%	\$ 5.05	\$ 179.28
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Note: Monthly rent applies for customers who keep a box for a year or longer.

RATE PER HOUR

TIME	TRUCK TIME FEE	\$ 141.52	2.90%	\$ 4.10	\$ 145.62
1T1E	1 TRUCK - 1 EMPLOYEE	\$ 152.49	2.90%	\$ 4.42	\$ 156.91
1T2E	1 TRUCK - 2 EMPLOYEES	\$ 228.71	2.90%	\$ 6.63	\$ 235.34

Note: Hourly Truck Time is used for hauls to destinations outside our normal operating areas.

TEMPORARY RENTAL CONTAINERS

RATE PER EACH

3YRGD	DELV 3 YD RENTAL FOR TRASH	\$ 34.38	2.90%	\$ 1.00	\$ 35.38
3YRGP	SERVICE 3 YD RENTAL FOR TRASH	\$ 113.68	2.90%	\$ 3.30	\$ 116.98
3YRXD	ADDL DAY - 3YD RENT CONTAINER	\$ 2.00	0.00%	\$ -	\$ 2.00

Note: Temporary = not longer than 30 days, with 45 days between projects. Rent included for first 7 days.

BULKY ITEMS - DEBRIS BOX

STANDARD FEES APPLY FOR THESE ITEMS IF DECLARED & SEPARATED ACCORDING TO INSTRUCTIONS.

ADDITIONAL FEES MAY APPLY FOR ITEMS FOUND IN LOADS.

RATE PER EACH

TOFFR	TIRE CHARGE NO RIM	\$ 4.69	0.00%	\$ -	\$ 4.69
TONR	TIRE CHARGE ON RIM	\$ 9.37	0.00%	\$ -	\$ 9.37
APPL	APPLIANCE	\$ 11.72	0.00%	\$ -	\$ 11.72
APF	REFRIGERATOR/FREEZER	\$ 29.29	0.00%	\$ -	\$ 29.29

MEDICAL WASTE COLLECTION SERVICES

RATE PER EACH

M4HSC	4.7 QT SHARPS CONTAINER	\$ 22.33	0.00%	\$ -	\$ 22.33
M10SC	10 QT SHARPS CONTAINER	\$ 25.84	0.00%	\$ -	\$ 25.84
M23SC	23 QT SHARPS CONTAINER	\$ 49.00	0.00%	\$ -	\$ 49.00
9CDBC	9GAL CONFIDENTIAL DOCUMENT BOX	\$ 36.28	0.00%	\$ -	\$ 36.28
M21BX	21 GAL MEDICAL WASTE BOX	\$ 38.59	0.00%	\$ -	\$ 38.59
M48BX	48 GAL MEDICAL WASTE BOX	\$ 45.14	0.00%	\$ -	\$ 45.14
M8GBP	RX MED WASTE TUB	\$ 97.46	0.00%	\$ -	\$ 97.46

Note: Additional fees may apply for overweight tubs. Improperly prepared materials cannot be collected.

Finance Charges (0.75% monthly, 9% annually) will be assessed on any past due amount (excluding amounts in dispute over billing or service issues).
 Billing Terms: Commercial Accounts are billed on a monthly basis.
 Residential accounts are billed once every three months, in advance.

From: [Mark Davis](#)
To: [Claudia Cisneros](#)
Subject: Comments on Recology Rate Increase Request
Date: Tuesday, August 25, 2020 12:01:34 PM
Attachments: [We sent you safe versions of your files.msg](#)
[BLS_SeriesReport-20200825132901_0e764c.xlsx](#)

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.

Mayor Hill and Members of the Council:

As you might expect from past comments from me about garbage rates, I oppose this request because it provides incomplete justification for the increase. I will repeat those slightly updated comments below but wish to first draw your attention to the irregular (and possibly incorrect) request by Recology to substitute the required calculation of the CPI-based increase in the franchise agreement (which I have attached) with their own calculation which they do not provide.

The franchise agreement in Article VI(1)(g) on page 13 has a very specific formula for calculating a fraction that becomes the basis for the percentage increase. It is based on a specific Consumer Price Index (CPI) and requires using a rolling average over two 12-month periods to smooth out the inevitable monthly ups and down that affects such an index. Citing that variability and the COVID pandemic, Recology is apparently suggesting a March 2019 to March 2020 calculation instead.

You can find the CPI at: https://data.bls.gov/timeseries/CUURN400SA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

I downloaded the data into an Excel spreadsheet (attached) and calculated the fraction defined in Article VI(1)(g)(ii). It came out to about 1.025 or a 2.5% increase. I then attempted to calculate the Recology's proposed alternative percentage (they provide no calculation only the statement "Use the CPI data that was released in March 2020 showing a 2.9% increase over last year"). Comparing March 2020 to March 2019 showed exactly the same 2.5% increase.

I do not believe there is any justification for ignoring the franchise agreement calculation of the CPI increase and even if there were, Recology needs to provide to provide a detailed calculation to the Council that shows how they arrived at 2.9%. The Council has for too long accepted Recology at their word and not asked for corroborating data that they and the public can review.

In early 2017 Recology monthly garbage rates for the typical weekly household pickup in McMinnville were \$35.45. If the City Council approves the 2.9% increase request this evening, they will have increased to \$46.67, a jump of 31.6 % in four years. Over the past four years the Cost-of-Living Adjustments (COLAs) for Social Security recipients in McMinnville have totaled 6.7%.

In fiscal year 2017 the City collected \$154,778 in franchise fees paid by us as part of our garbage bills. In the current fiscal year they are budgeted to collect \$382,500, an increase of

147%.

Recology operates through a franchise agreement that grants it a monopoly (i.e., no one else can compete with them), and the City agrees to increase rates so that Recology can earn a profit exceeding 10 % on its operations in the City. The City for its part tacks a 5% franchise fee (increased from 3% in 2017) onto our garbage bills, which obviously increases City revenue every time they approve a rate increase for Recology.

When the franchise was held by a local company, the financial justification for garbage rate increases was public information, open to citizen inspection and Council discussion. Recology in its tenure as franchisee has moved to a system of summary information and narrative explanations to justify rate increases.

I have asked the City Council repeatedly to request the financial justification they formerly got before approving rate increases. Last year you decided to ask an outside auditor to review the latest rate increase.

That auditor's study, however, at Recology's request and with the concurrence of the City Attorney has been deemed "proprietary information" and kept secret from the public. The Council discussed it in executive session, the auditor made a brief public presentation without substantive comments (declining even to say whether the rate increase was justified), and the Council approved the rate increase without public discussion.

Recology, headquartered in San Francisco, makes extensive use of affiliated corporate entities to perform general and administrative tasks that are charged to our local garbage rates. The franchise agreement states: "Charges for these services shall be equal to or less than eighty percent (80%) of the cost of procuring such services from third party service providers." Without seeing the financial information the public has no way of knowing whether this requirement was met.

At a State level the Public Utility Commission holds robust public hearings discussing the same sort of issues of revenue requirements, expenses and expense allocation without causing harm to PGE, Northwest Natural and other utilities operating with territory monopolies like Recology. There is nothing stopping the City from using some of its \$382,500 in revenues earned off granting the garbage monopoly to establish a clear rate increase process that provides public justification for rates without disclosing Recology's business secrets.

While it obviously looks bad that Recology and the City agree that the formerly public information on garbage rates must now be kept secret from the paying public, I don't believe either party is acting fraudulently. Recology provides excellent service and has increased recycling options in the City over the past several years. The City is using the franchise fees to bolster declining reserves.

The problem is that by removing public access to the information, it makes it less likely that any future fraud or honest mistakes will be detected. It is nice to think that everybody is always honest and never makes mistakes, but as a former auditor, I have seen plenty of evidence that this is not true. A corporation asking the government for a monopoly and a guaranteed profit owes the public a clear justification for any rate increase, and I once again request the City Council to provide that.

Thank you for considering my information.

Mark Davis

**CPI for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURN400SA0
Not Seasonally Adjusted
Series Title: All items in West - Size Class B/C, all urban
Area: West - Size Class B/C
Item: All items
Base Period: DECEMBER 1996=100
Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul
2010	133.366	133.513	133.863	134.133	133.889	133.635	133.685
2011	134.917	135.826	137.200	138.174	138.598	138.269	138.128
2012	138.465	138.997	140.235	140.619	140.834	140.375	139.645
2013	139.865	141.072	141.573	141.788	141.838	141.805	141.940
2014	141.998	142.120	142.813	143.077	144.253	144.522	144.435
2015	142.022	143.005	143.887	144.426	145.346	145.198	144.917
2016	143.932	144.128	144.264	145.128	145.942	145.866	145.850
2017	146.469	147.451	147.880	148.496	148.789	148.792	148.691
2018	150.564	151.200	151.702	152.350	153.201	153.546	153.464
2019	154.328	154.671	155.178	156.523	157.488	157.564	157.465
2020	158.599	159.183	159.129	158.824	158.301	158.857	159.752

DATA ABOVE THIS LINE FROM BUREAU OF LABOR STATISTICS WEBSITE; INFORMATION BELOW THIS

Calculation defined in Article VI(1)(g)(ii):
 Numerator (May 2019 to April 2020) 1899.257
 Denominator (May 2018 to April 2019) 1852.448
 Fraction 1.025269
 Increase of March 2020 over March 2019 1.025461

Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
133.704	133.544	133.745	133.930	134.328	133.778	133.733	133.823
138.171	138.564	138.696	138.411	138.017	137.748	137.164	138.331
139.971	140.600	140.847	140.287	139.768	140.054	139.921	140.186
142.228	142.277	141.954	141.736	141.751	141.652	141.324	141.981
144.317	144.506	144.214	143.398	142.669	143.527	143.130	143.923
144.752	144.507	144.379	143.595	143.398	144.119	143.981	144.258
145.829	146.130	146.328	146.004	145.918	145.443	144.877	146.010
149.255	149.954	150.336	150.003	149.920	148.836	147.980	149.693
153.797	154.158	154.729	154.625	154.228	153.130	152.094	154.167
157.654	157.738	158.635	158.482	158.496	157.019	155.959	158.078
						158.816	

LINE CALCULATED BY MARK DAVIS



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

STAFF REPORT

DATE: August 25, 2020
TO: Mayor and City Councilors
FROM: Heather Richards, Planning Director
SUBJECT: Resolution No. 2020 – 54, “Appointing Youth Liaisons to the Planning Commission and McMinnville Urban Renewal Advisory Committee”

STRATEGIC PRIORITY & GOAL:



ENGAGEMENT & INCLUSION

Create a culture of acceptance & mutual respect that acknowledges differences & strives for equity.

OBJECTIVE/S: Grow City's employees and Boards and Commissions to reflect our community

Report in Brief:

This is the consideration of Resolution No. 2020-54, appointing youth liaisons to the McMinnville Planning Commission and McMinnville Urban Renewal Advisory Committee.

Background:

The City of McMinnville has many boards, committees and commissions that support the City's work on a volunteer basis. In 2017, the City Council amended the McMinnville Comprehensive Plan, Citizen Involvement, to add a policy encouraging youth liaisons on the City committees, boards and commissions.

194.00 The City of McMinnville shall strive to include youth members on City committees involved in land use planning, and work with the McMinnville School District, local private schools and service groups to encourage youth involvement in land use planning activities.

City staff partnered with the McMinnville School District to promote the opportunity to interested students. Due to the COVID event, interviews were delayed from March to August. In preparation for the advent of the start of the 2020/2021 school year, Mayor Scott Hill and Council President Kellie Menke interviewed candidates on Friday, August 21, 2020.

Discussion:

City staff partnered with the McMinnville School District to promote the opportunity to interested students. Due to the COVID event, interviews were delayed from March to August. In preparation for the advent of the start of the 2020/2021 school year, Mayor Scott Hill and

Council President Kellie Menke interviewed two candidates on Friday, August 21, 2020 – Ethan Downs (Class of 2021) and Ukiah Halloran-Steiner (Class of 2023).

Each student introduced themselves and described why they were interested in serving on a City committee. Mayor Hill described the committees that currently have youth liaison openings (Planning Commission, Economic Vitality Leadership Committee, Historic Landmarks Committee, Landscape Review Committee and Urban Renewal Advisory Committee).

The students were then asked to provide their ranking for the committees that they were most interested in. Ethan Downs ranked the Planning Commission as his priority choice, and Ukiah Halloran-Steiner ranked the Urban Renewal Advisory Committee as her priority choice.

Resolution No. 2020-54 proposed the following appointments:

PLANNING COMMISSION
(2-year term)

Ethans Downs

Expires August 26, 2022

MCMINNVILLE URBAN RENEWAL ADVISORY COMMITTEE
(2-year term)

Ukiah Halloran-Steiner

Expires August 26, 2022

Fiscal Impact:

There is no anticipated fiscal impact to the City of McMinnville with this decision.

Attachments:

- Resolution No. 2020 – 54
- Ethan Downs Youth Liaison Application
- Ukiah Halloran-Steiner Youth Liaison Application

Recommendation/Suggested Motion:

“I MOVE TO APPROVE RESOLUTION NO. 2020 – 54 APPOINTING THE FOLLOWING YOUTH LIAISONS TO THE MCMINNVILLE PLANNING COMMISSION AND THE MCMINNVILLE URBAN RENEWAL ADVISORY COMMITTEE:

ETHAN DOWNS to the Planning Commission to serve a two year term that expires on August 26, 2022.

UKIAH HALLORAN-STEINER to the McMinnville Urban Renewal Advisory Committee to serve a two year term that expires on August 26, 2022.

RESOLUTION NO. 2020 - 54

A Resolution appointing Youth Liaison members to the McMinnville Planning Commission and the McMinnville Urban Renewal Advisory Committee.

RECITALS:

WHEREAS, The City of McMinnville has several Boards, Committees, Commissions, and Task Forces made up of volunteers; and

WHEREAS, The City Council is responsible for making appointments and re-appointments; and

In an effort to engage youth representatives in the dialogue and work of the City of McMinnville and the McMinnville Urban Renewal Agency, the McMinnville City Code authorizes the appointment of one youth liaison to many of the different city committees and commissions, including the McMinnville Planning Commission (Section 2.32.030(G) of the McMinnville Municipal Code) and the McMinnville Urban Renewal Advisory Committee.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON as follows:

1. The City Council appoints the following Youth Liaisons to the various Boards, Commissions, and Committees as detailed below.

PLANNING COMMISSION

(2-year term)

Section 2.32.030(G) of the McMinnville Municipal Code

Ethans Downs

Expires August 26, 2022

MCMINNVILLE URBAN RENEWAL ADVISORY COMMITTEE

(2-year term)

Ukiah Halloran-Steiner Expires August 26, 2022

2. This Resolution and these appointments will take effect immediately upon adoption of this Resolution.

Adopted by the Common Council of the City of McMinnville at a meeting held the 25th day of August 2020 by the following votes:

Ayes: _____

Nays: _____

Abstain: _____

Approved this 25th day of August 2020.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder



APPLICATION FOR SERVICE ON BOARD OR COMMISSION

Thank you for your interest in serving your community. The information on this form will help the Mayor and City Council learn about the background of persons interested in serving on a particular board or commission.

Name: Ethan Downs
 Address: [Redacted]
McMinnville
 Email: [Redacted]

Home Phone: _____
 Cell Phone: [Redacted]
 Work Phone: _____

Board, Commission or Committee for which you are an applicant:

<input type="checkbox"/> Advisory Board	<input checked="" type="checkbox"/> Landscape Review Committee
<input type="checkbox"/> Airport Commission	<input checked="" type="checkbox"/> McMinnville Affordable Housing Task Force
<input type="checkbox"/> Board of Appeals	<input type="checkbox"/> McMinnville Urban Renewal Advisory Committee (MURAC)
<input type="checkbox"/> Budget Committee	<input checked="" type="checkbox"/> Planning Commission
<input type="checkbox"/> Citizens' Advisory Committee	
<input checked="" type="checkbox"/> Historic Landmark Committee	
<input checked="" type="checkbox"/> Economic Vitality Power Supp Council	

Ward in which you reside (if applicable): _____

How many years have you lived in McMinnville? 14

Educational and occupational background: I am currently an 11th grade student attending McMinnville High School. Within the high school I am involved in Model UN Club, National Honors Society, Environmental Club, and Rotary Club.

Why are you interested in serving? I am interested in serving because the opportunity I provides to create a lasting positive change within the community I grew up in. I am also interest due to the great people I can meet and the life long connections that could develop.

Date 1/21/20 Signed Ethan Downs

RECEIVED

City Of

JAN 29 2020

COMMUNITY DEVELOPMENT CENTER

McMinnville



APPLICATION FOR SERVICE ON BOARD OR COMMISSION

(as a student liason)

Thank you for your interest in serving your community. The information on this form will help the Mayor and City Council learn about the background of persons interested in serving on a particular board or commission.

Name: Uliah Halloran-Steiner

Home Phone: _____

Address: _____

Cell Phone: _____

McMinnville, OR, 97128

Work Phone: _____

Email: _____

Board, Commission or Committee for which you are an applicant:

- Advisory Board
- Airport Commission
- Board of Appeals
- Budget Committee
- Citizens' Advisory Committee
- Historic Landmark Committee
- Landscape Review Committee
- McMinnville Affordable Housing Task Force
- McMinnville Urban Renewal Advisory Committee (MURAC)
- Planning Commission

Ward in which you reside (if applicable): McMinnville High School (?)

How many years have you lived in McMinnville? 14 (whole life)

Educational and occupational background: 9th grader at Mac High

I raise goats, have a babysitting ~~business~~ and do baby goat camps.
I am also an environmental activist.

Why are you interested in serving? I am interested in learning more about city government. I am also interested in learning more about land use and city growth boundaries. I am hoping to get to know the city government better so that I can keep working with them in the next few years

Date Jan 27 2020

Signed Uliah Halloran-Steiner

Please return to City Hall, 230 NE Second Street, McMinnville, OR 97128

PLEASE SEE BACK →

Uliah Halloran-Steiner

I would be super excited to be a part of the city's government and learn more about the planning committee. I will not be able to attend any meetings until April, though as I will be traveling to Costa Rica. Thank you!