



City Council Meeting Agenda
Tuesday, July 08, 2025
7:00 p.m. – City Council Regular Meeting

Welcome! The public is strongly encouraged to participate remotely but there is seating at Civic Hall for those who are not able to participate remotely. However, if you are not feeling well, please stay home and take care of yourself.

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

- *Attend in person and fill out a public comment card*
- *Email at any time up to **noon on Monday, July 7th** to CityRecorderTeam@mcminnvilleoregon.gov*
- *If appearing via telephone or ZOOM, please sign up prior by **noon on Monday, July 7th** by emailing the City Recorder at CityRecorderTeam@mcminnvilleoregon.gov as the chat function is not available when calling in Zoom; **You will need to provide the City Recorder with your First and Last name, Address, and contact information (email or phone) for a public comment card.***

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

CITY COUNCIL REGULAR MEETING:

You may join online via Zoom Webinar Meeting:

<https://mcminnvilleoregon.zoom.us/j/83039837153?pwd=VTnuzYSchoSsjiM7zhLMu5bsFiORUs.1>

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

Webinar ID: 830 3983 7153

7:00 PM – REGULAR COUNCIL MEETING – VIA ZOOM AND SEATING AT CIVIC HALL

1. CALL TO ORDER & ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. INVITATION TO COMMUNITY MEMBERS 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 4 minutes per person for a total of 32 minutes. The Mayor will read comments emailed to the City Recorder and then call on anyone who has signed up to provide public comment.
4. PRESENTATION
 - a. Annual Recology Presentation
5. ADVICE/ INFORMATION ITEMS
 - a. Reports from Councilors on Committee & Board Assignments
 - b. Department Head Reports
6. CONSENT AGENDA
 - a. Consider a request to permit a waiver of the noise ordinance from McKenzie Rosenberry from The Ground for live music for the 2025 Cruising McMinnville on August 22nd & 23rd, 2025.

7. RESOLUTION

- a. Consider **Resolution No. 2025-36**: A Resolution adopting limits for declaration of surplus personal property by staff under Chapter 2.21 of the McMinnville Municipal Code.
- b. Consider **Resolution No. 2025-37**: A Resolution authorizing an amendment to the City Manager's employment agreement incorporating terms for separation from City employment.
- c. Consider **Resolution No. 2025-39**: A Resolution appointing a short-term Interim City Manager to steward City Manager functions from July 17, 2025, to the appointment of an Interim City Manager under Resolution 2025-31.
- d. Consider **Resolution No. 2025-38**: A Resolution adopting a 2.1% CPI-based solid waste and recycling services rate increase per the franchise agreement with Recology of Western Oregon.

8. ADJOURNMENT OF REGULAR MEETING

RECEIVED

JUN 30 2025

City of McMinnville

June 30, 2025

Dear McMinnville Mayor and McMinnville City Council:

Please seriously consider a total ban on sale and use of ALL fireworks within the McMinnville City Limits year around!

Please seriously consider a meaningful fine that will heavily impact violators.

Please seriously consider directing the McMinnville Police Department to enforce the ban.

I ask for your serious consideration for the following reasons:

Fireworks are a personal injury danger and a property/wildland fire threat.

The noise is detrimental to wildlife, livestock, pets, babies, elderly, the ill, military veterans and all those suffering from PTSD.

Firework discards on roads and public places are a public nuisance.

Allowing "legal" fireworks encourages the use of "illegal" (commercial grade) fireworks, homemade explosives and gun fire.

Allowing any fireworks encourages extended use for days—day and night--prior to and following July 4 and New Year's.

Numerous city, county, state and federal entities have banned sale or and use of all fireworks within their boundaries.

Respectfully yours,



Ken Dollinger



McMinnville





STAFF REPORT

DATE: July 8, 2024
TO: Jeff Towery, City Manager
FROM: Claudia Cisneros, City Recorder
SUBJECT: Request to Permit a Waiver of the Noise Ordinance from McKenzie Rosenberry (Director of Operations), from The Ground for live music for the 2025 Cruising McMinnville, on August 22nd & 23rd, 2025.

Report in Brief:

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

Background:

McKenzie Rosenberry (Director of Operations) from the Ground would like to have amplified music and live bands on the designated Main Stage outside of The Pub for the 2025 Cruising McMinnville event a consecutive outdoor live music event on Friday, August 22nd and Saturday, August 23rd, 2025, from 11:00am to 10:00pm, on NE Davis St., between NE 3rd Street and NE 4th Street. Ms. Rosenberry has already submitted a special events street closure application with the Police Department and is waiting for approval. The event will have amplified noise and anticipate roughly up to 500 patrons in attendance. If approved by Council the City will be requesting them to notify all residents/businesses within a block radius at a minimum.

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 not apply to:

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



**City of McMinnville
Administration**
230 NE Second Street
McMinnville, OR 97128
(503) 435-5702

www.mcminnvilleoregon.gov

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

Attachments:

1. McMinnville Municipal Code (MMC) section 8.10.260 Noises.

Fiscal Impact:

There is no anticipated fiscal impact.

Recommendation:

Should the Council choose to vote in favor of a motion allowing this waiver, the City Manager will write a letter to McKenzie Rosenberry, letting her know that she has the Council's approval.



8.10.260 Noise.

- 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.
- B. It is prohibited for any person on a public way to cause to exist any loud, disturbing or unnecessary noise that either annoys, disturbs, injures or endangers the comfort, repose, health, safety or peace of other persons or property.
- C. For the purposes of this section, noise exceeding the following thresholds when measured 25 feet from the source if in the right-of-way or 25 feet from the property line if the source is on private property, is presumed to be a nuisance in violation of subsection [A](#) of this section:

| ZONE | 7:00 a.m. to 8:00 p.m. | 8:00 p.m. to 7:00 a.m. |
|------------------|-------------------------------|-------------------------------|
| Residential | 55 dBA | 50 dBA |
| Commercial | 60 dBA | 55 dBA |
| Light Industrial | 70 dBA | 65 dBA |
| Industrial | 80 dBA | 75 dBA |

- D. For the purposes of this section, “loud, disturbing or unnecessary noise” includes but is not limited to the following substances, conditions or acts:
1. *Animals and Birds.* The keeping of any bird or animal that disturbs the comfort and repose of any person in the vicinity by causing frequent or long continued noise;
 2. *Dog Barking.* The keeping of a dog that barks for more than 10 minutes during any one-hour period when such barking is audible off the premises of the dog’s owner or keeper;
 3. *Animal Bells.* The attaching of a bell to any animal or allowing a bell to remain on any animal that is disturbing to any person in the immediate vicinity;
 4. *Vehicle Noises.* The use of any vehicle or engine, either stationary or moving, in a manner that causes or creates any loud or unnecessary grating, grinding, rattling or other noise, including the discharge in the open air of the exhaust of any steam engine, internal combustion engine, motor boat or motor vehicle



except through a muffler or other device which will effectively prevent loud or explosive noises and the emission of annoying smoke;

5. *Horns and Signaling Devices.* The sounding of any horn or signaling device on any vehicle on any street, public or private place, except as a necessary warning of danger;

6. *Nonemergency Signaling Devices.* The sounding of any amplified signal from any bell, chime, siren, whistle or similar device, intended primarily for nonemergency purposes, from any place for more than 10 consecutive seconds in any hourly period, except that the reasonable sounding of such devices by houses of religious worship, ice cream trucks, seasonal contribution solicitors or by the city for traffic control purposes are exempt;

7. *Construction Noise.* The erection, including excavation, demolition, alteration or repair, of any building in residential districts, other than between the hours of 7:00 a.m. and 8:00 p.m., except upon special permit granted by the city manager or designee;

8. *Noise Sensitive Areas: Adjacency to Schools, Churches and Hospitals.* The creation of any excessive noise on any street adjacent to any school, institution of learning, church or court of justice while the same are in use, or adjacent to any hospital or institution for the care of the sick or infirm which unreasonably interferes with the operation of such institution, or which disturbs or unduly annoys patients;

9. *Loudspeakers, Amplifiers, Public Address Systems and Similar Devices.* The use or operation of any automatic or electric piano, phonograph, radio, television, loudspeaker or any instrument for sound producing or any sound-amplifying device so loudly as to disturb persons in the vicinity thereof or in such a manner as renders the use thereof a nuisance; provided, however, that upon application to the city manager, permits may be granted to responsible persons or organizations to broadcast programs of music, news, speeches or general entertainment;

10. *Blowers and Similar Devices.* The operation of any noise-creating blower, power fan, power tools, or any internal combustion engine in a manner the operation of which causes noise due to the explosion of operating gases or fluids:

- a. In a residential district or noise sensitive areas between the hours of 8:00 p.m. and 7:00 a.m.; and
- b. In a manner that can be heard by persons on nearby residential property.

11. *Commercial Establishments Adjacent to Residential Property.* Unreasonably loud and raucous noise from the premises of any commercial establishment, including any outdoor area which is part of or under the control of the establishment, between the hours of 10:00 p.m. and 7:00 a.m., that is plainly audible to persons on any nearby residential property.

E. The prohibition described in this section do not apply to:

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



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2. Emergency response activities;

3. Vehicles performing repairs or upgrades in the right-of-way, including but not limited to street sweeping, sewer cleaning, construction and maintenance activities occurring between the hours of 7:00 a.m. and 8:00 p.m.

F. In addition to any corrective action ordered by the city, a person found to have violated the provisions of this section may be assessed a civil penalty. The amount of the civil penalty assessed for each day of continuing violation will not exceed the amount established for a Class 5 code violation. (Ord. 5079 §1 (Exh. 1 (part)), 2019).



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City Attorney's Office
230 NE Second Street
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STAFF REPORT

DATE: June 24, 2025
TO: Mayor and City Councilors
FROM: David Ligtenberg, City Attorney
SUBJECT: Resolution 2025-36 adopting limits for declaration of surplus personal property by staff under Chapter 2.21 of the McMinnville Municipal Code.

Report in Brief:

On May 13, 2025, the City Council adopted Ordinance No. 5156, creating a framework for surplus and sale of City-owned personal property. Under that framework, limits on staff's discretion to declare items surplus shall be proscribed by Council and adopted by resolution, as here recommended.

Discussion:

Ordinance No. 5156 became effective on June 12, 2025. That included authority to declare City-owned property surplus, as well as disposal options available to the declarant, to be determined according to the best interest of the City. Under the Ordinance, MMC 2.21.200 reads as follows:

- (A) Personal property owned by the City may be declared surplus by any department head or the City Manager, by way of a form approved by the Director of Finance, within limits set by resolution of the City Council.
- (B) No personal property shall be declared surplus unless it has been determined that the property is no longer needed by any City department, or has been scheduled for replacement in an adopted budget.

By way of the attached resolution, staff recommends now adopting limits under MMC 2.21.200(A). Proposed limits include Department Head authority up to \$20,000; City Manager authority up to \$100,000; and authority retained by City Council as the Local Contract Review Board for anything exceeding those amounts. Proposed City Manager authority mirrors current City Manager authority for procurement of goods and services (Resolution 2017-05). Department Head authority is an estimate, reviewed by staff, designed particularly to allow those departments in possession of vehicles to dispose of them at a department level.

Attachments:

1. Resolution 2025-36: Adopting limits for declaration of surplus personal property by staff under Chapter 2.21 of the McMinnville Municipal Code

Fiscal Impact:

N/A

RESOLUTION NO. 2025-36

A Resolution adopting limits for declaration of surplus personal property by staff under Chapter 2.21 of the McMinnville Municipal Code.

RECITALS:

Whereas, on May 13, 2025, City Council adopted Ordinance 5156, creating a framework for surplus and sale of City-owned personal property memorialized as McMinnville Municipal Code section 2.21.200-.230; and

Whereas, under MMC 2.21.200(A), limits for City staff ability to declare surplus personal property shall be set by resolution of City Council.

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

1. That City Department Heads be authorized to declare surplus City-owned personal property under MMC 2.21.200(A), up to an estimated value of \$20,000.
2. That the City Manager be authorized to declare surplus City-owned personal property under MMC 2.21.200(A), up to an estimated value of \$75,000
2. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 8th day of July, 2025, by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of July 2025.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder



STAFF REPORT

DATE: July 8, 2025
TO: Mayor and City Councilors
FROM: David Ligtenberg, City Attorney
SUBJECT: Resolution 2025-37 authorizing an amendment to the City Manager's employment agreement incorporating terms for separation from City employment

Report in Brief:

On June 2, 2025, City Manager Jeff Towery provided notice of his resignation. Under terms of his Employment Agreement, this notice was at least ninety days in advance of a voluntary resignation date of September 2, 2025. The City, desiring to move more rapidly into the process of securing an Interim City Manager, offered terms for an earlier separation that have been found acceptable by City Manager Towery. The attached Resolution will effectuate that agreement.

Discussion:

Following notice of City Manager Jeff Towery's September 2, 2025 resignation, the City Council met to determine its next steps—both in securing the services of a new, future City Manager, and in amicably separating City Manager Towery's employment from the City. In particular, the Council wanted to move forward into an Interim City Manager hiring/appointment process and explore the possibility for a timeline, earlier than September 2, in which to transition from City Manager Towery's employment to new management.

Accordingly, the City offered (subject to adoption by Resolution), and City Manager accepted, the following terms:

1. City Manager's last day in the office will be July 16, 2025, followed by paid leave until a final date of employment by the City of August 1, 2025.
2. The City will pay, in a lump sum upon termination of employment, the equivalent of the City Manager's salary as though through September 2, 2025.
3. Monetizable benefits will be accounted as though accruing through September 2, 2025 and paid out as follows:
 - a. Unused vacation days: in a lump sum upon termination of employment.
 - b. Retirement contributions: to be disbursed directly to designated retirement account.
4. The City will pay COBRA costs for coverage of one person through December 31, 2025.

Attachments:

1. Resolution 2025-37 authorizing an amendment to the City Manager's employment agreement incorporating terms for separation from City employment.

Fiscal Impact:

All City Manager salary and benefits are already budgeted and will largely match that budget as though employed through September 2, 2025. City will save approximately \$2,015 on insurance costs that will not be necessary in the month of September, and will pay approximately \$2,600 for COBRA coverage of one individual through December 31, 2025.

RESOLUTION NO. 2025-37

A Resolution authorizing an amendment to the City Manager's employment agreement incorporating terms for separation from City employment.

RECITALS:

Whereas, on June 2, 2025, City Manager Jeff Towery provided notice of his intended resignation on September 2, 2025; and

Whereas, the City Council, desiring to transition more quickly from City Manager Towery's employment to new management, requested that City Manager Towery consider terms for an earlier separation; and

Whereas, City Manager Towery agreed to the offered terms; and

Whereas, the City wishes to thank City Manager Towery for his years of service to this body and this community and wish him well as he faces new opportunities.

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

1. That the Mayor is authorized to execute the attached Third Amendment and Separation Agreement to City Manager's Employment Agreement.
2. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 8th day of July, 2025, by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of July 2025.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

EXHIBITS:

- A. Third Amendment and Separation Agreement to City Manager Employment Agreement

CITY OF McMinnville
THIRD AMENDMENT AND SEPARATION AGREEMENT
TO EMPLOYMENT AGREEMENT

This Third Amendment and Separation Agreement to Employment Agreement (“Separation Agreement”) is effective the ____ day of _____ 2025 (“Effective Date”), by and between the **City of McMinnville**, a municipal corporation of the State of Oregon (“City”), and Jeffrey Towery (“City Manager”), upon the terms and conditions set forth below.

RECITALS

WHEREAS, the City entered into an Employment Agreement (“Agreement”) with City Manager on February 14, 2017; and

WHEREAS, the City and City Manager executed an amendment to the Agreement on June 26, 2018 (“First Amendment”); and

WHEREAS, the City and City Manager executed another amendment to the Agreement on October 27, 2021 (“Second Amendment”); and

WHEREAS, now, under the terms of the Agreement, City Manager has provided 90 days notice of an anticipated “termination without cause by the City Manager,” anticipating a termination date of September 2, 2025; and

WHEREAS, the City and City Manager have come to terms agreeable to effectuate an earlier termination of the Agreement;

NOW, THEREFORE, in consideration of these mutual promises and the terms and conditions set forth herein, the parties agree as follows:

AGREEMENT

The Agreement is amended as follows:

Notwithstanding the terms of Section III.(B) of the Agreement, the City and City Manager have agreed to an earlier separation based on the following terms:

1. City Manager’s job duties will terminate after July 16, 2025. City Manager will remain employed by the City and on paid leave with no job duties until a final date of employment of August 1, 2025.
2. The City will pay, in a lump sum upon termination of employment, the equivalent of the City Manager’s salary as though through September 2, 2025.
3. Monetizable benefits will be accounted as though accruing through September 2, 2025, and paid out as follows:

- a. Unused vacation days: in a lump sum upon termination of employment.
 - b. Retirement contributions: to be disbursed directly to designated retirement account.
4. The City will pay COBRA costs for coverage of one person through December 31, 2025.

All of the other terms and conditions of the Agreement, First Amendment, and Second Amendment shall remain in full force and effect.

The City Manager and the City hereby agree to all provisions of this Separation Agreement.

CITY MANAGER:

JEFFREY TOWERY

By:_____

Print Name:_____

CITY:

CITY OF McMinnville

By:_____

Kim Morris, Mayor

APPROVED AS TO FORM:

David Ligtenberg, City Attorney
City of McMinnville, Oregon



STAFF REPORT

DATE: July 8, 2025
TO: Mayor and City Councilors
FROM: David Ligtenberg, City Attorney
SUBJECT: Resolution 2025-38 appointing an "Acting-in-Capacity" City Manager to steward City Manager functions between Jeff Towery's departure and appointment of an Interim City Manager under Resolution 2025-39.

Report in Brief:

On June 2, 2025, City Manager Jeff Towery provided notice of his resignation. Under the Resolution previously considered on this July 2, 2025, agenda, his separation was considered for advancement to a final date of job performance as City Manager on July 16, 2025. While the Council has already initiated a process to hire an Interim City Manager, it must appoint somebody to perform City Manager functions from City Manager Towery's separation date until the appointment of an Interim City Manager.

Discussion:

On June 24, 2025, Council adopted Resolution 2025-31, initiating a formal recruitment process for an Interim City Manager. The timeline in place for that appointment contemplates a start date for the Interim in early September. With City Manager Towery potentially leaving service after July 16, this leaves an approximate 6-week gap in which the Council must consider the continuation of City Manager functions.

Given the protracted timeline, the City Attorney recommends an internal appointment to bridge this gap. While an external appointment is within the authority of Council, there is insufficient time to conduct any sort of interview or employment-negotiation process with an outside candidate. An internal appointment has the organizational familiarity and the benefit of recency and connection to the rest of the Executive Team to hopefully allow a responsible transition and appropriate stewardship of City-Managerial functions during the 6-week gap.

To that end, Directors Scott Burke, Vicki Hedges, and Geoff Hunsaker have all indicated that they would accept such an appointment if the Council were to request it. The City Attorney would recommend any one of them individually, or any combination of two or three as co-Managers. This being a protracted timeline and summer, some of their schedules are already subject to certain unavailability. To address unavailability, the Council may consider 1) that Director Burke has the most

personal availability during the time in question, 2) a co-manager situation could help alleviate any such absences, or 3) understand that any City Manager has the ability to delegate necessary functions in their absence.

Attachments:

1. Resolution 2025-39 appointing an “Acting-in-Capacity” City Manager to steward City Manager functions from July 17, 2025, to the appointment of an Interim City Manager under Resolution 2025-31.

Fiscal Impact:

Any internal appointment to an “Acting-in-Capacity” City Manager role would be entitled to receive “out of classification” pay. Typically this amounts to approximately 5% of their current pay.

RESOLUTION NO. 2025-39

A Resolution appointing a short-term Interim City Manager to steward City Manager functions from July 17, 2025, to the appointment of an Interim City Manager under Resolution 2025-31.

RECITALS:

Whereas, upon passage of Resolution 2025-37, City Manager Jeff Towery's duties as City Manager would cease after July 16, 2025; and

Whereas, Resolution 2025-31 initiated a formal recruitment process for an Interim City Manager, contemplating a start date in early September, 2025; and

Whereas, the City Council recognizes the need to appoint somebody to steward City Manager functions from July 17, 2025, to the appointment of an Interim City Manager under Resolution 2025-31.

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

1. That _____
is appointed to an "Acting-in-Capacity" City Manager role from July 17, 2025, to the appointment of an Interim City Manager under Resolution 2025-31.
2. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 8th day of July, 2025, by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of July 2025.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder



STAFF REPORT

DATE: July 8, 2025
TO: Jeff Towery, City Manager
FROM: Geoff Hunsaker, Public Works Director
SUBJECT: Resolution 2025-38 - Recology 2025 CPI Rate Increase and Annual Report

Report in Brief:

In accordance with the franchise agreement, Recology has submitted its 2025 Annual Report to the City of McMinnville, including reviewed 2024 financials, projected revenues and expenses, and operating ratios for the current rate year. The report confirms that Recology remains within the approved operating margin of 85%–91%, thereby eliminating the need for a full rate review. As permitted under the agreement, a 2.1% CPI-based rate increase will take effect on September 1, 2025.

Background:

Per the Recology Franchise agreement, an annual adjustment of rates can occur by two methods. The first is an increase based on the Consumer Price Index (CPI), and the second is by an operating ratio review. Here is a quick summary of how the two processes work:

1. Annual Adjustment Based on CPI:

- Each year on July 1, rates are adjusted based on the Consumer Price Index (CPI) for Urban Consumers (West-B/C, All Items), published by the Bureau of Labor Statistics.
- The adjustment reflects the percentage change in the CPI from May–April of the previous year to May–April of the current year.
- The annual rate increase cannot exceed 4%.
- The current year's average is divided by the previous year's average to determine the rate multiplier.
- By July 1, the Franchisee must send a revised rate schedule to the City using this CPI adjustment.
- Once adopted, the new rates replace the existing schedule and go into effect on July 1*.

*Note: Recology has requested the rate increase occur on September 1, 2025, instead of July 1 to match the timing of last year's rate increase.

2. Annual Report and Rate Review:

- By April 1 each year, the Franchisee must submit a Rate Review Report to the City.
- The report must include:
 - Actual Allowable Expenses from the previous calendar year.
 - Expected Allowable Expenses for the current year.
 - Expense allocation formulas used.
 - The actual Operating Ratio for the prior year.
 - The projected Operating Ratio for the current year.
- A rate review is automatically triggered if the projected Operating Ratio for the upcoming 12 months:
 - Falls below 85%, or
 - Rises above 91%.
- Either the Franchisee or the City may request a rate review before April 15 to ensure the Operating Ratio remains between 85% and 91%.
- A formal rate review must occur at least once every five years, even if none of the above conditions are met.

Review:

The annual report and rate increase were reviewed by Finance Director Katie Henry, and Public Works Director Geoff Hunsaker. The annual report meets the expectations of the Franchise Agreement, and staff had no comments or concerns.

Recommendation:

Staff recommend Council approve Resolution 2025-38, adopting a 2.1% CPI-based rate increase to take effect on September 1, 2025, per the franchise agreement with Recology.

Per Article VI Section 1.g of the franchise agreement, the cost-of-living rate adjustment shall be made. After submittal of the revised rate schedule by Recology, the City Council must adopt the rate increase.

Attachments:

1. Resolution 2025-38
2. 2025 Rates
3. Annual Report Cover Letter
4. Annual Report

RESOLUTION NO. 2025-38

A Resolution adopting a 2.1% CPI-based solid waste and recycling services rate increase per the franchise agreement with Recology of Western Oregon.

RECITALS:

Whereas, in January 2009, the City of McMinnville entered into a Solid Waste Collection Franchise agreement with Recology of Western Oregon; and

Whereas, according to the franchise agreement, an annual adjustment of rates can occur; and

Whereas, the adjustment shall be based on the Consumer Price Index (CPI) for Urban Consumers (West-B/C, All Items), published by the Bureau of Labor Statistics; and

Whereas, the adjustment reflects a 2.1% change in the CPI from May 2024 to April 2025; and

Whereas, per the franchise agreement, the City Council shall adopt the rate increase.

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

1. That the Summary Rate Sheet be adopted, attached as Exhibit A.
2. That this resolution shall take effect on September 1, 2025 and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 8th day of July 2025, by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of July 2025.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

| CODE | DESCRIPTION | CURRENT RATE | INC % | INC \$\$ | NEW RATE |
|------|-------------|--------------|-------|----------|----------|
|------|-------------|--------------|-------|----------|----------|

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 | \$ 31.69 | 2.10% | \$ 0.67 | \$ 32.36 |
| 32GEC | 32G CART EOW-CURBSIDE | \$ 20.58 | 2.10% | \$ 0.43 | \$ 21.01 |
| 32GMC | 32G CART MONTHLY-CURB | \$ 11.09 | 2.10% | \$ 0.23 | \$ 11.32 |
| OC3C | 32 GAL CART ON CALL CURB | \$ 11.09 | 2.10% | \$ 0.23 | \$ 11.32 |
| | ADDITIONAL CART - SAME RATE | | | | |

90 GALLON CART SERVICE

MONTHLY RATES

| | | | | | |
|-------|-----------------------------|----------|-------|---------|----------|
| 90GWC | 90G CART-CURB | \$ 52.85 | 2.10% | \$ 1.11 | \$ 53.96 |
| 90GEC | 90G CART EOW-CURB | \$ 34.34 | 2.10% | \$ 0.72 | \$ 35.06 |
| 90GMC | 90G CART OAM-CURB | \$ 18.50 | 2.10% | \$ 0.39 | \$ 18.89 |
| OC9C | 90 GAL CART ON CALL CURB | \$ 18.50 | 2.10% | \$ 0.39 | \$ 18.89 |
| | ADDITIONAL CART - SAME RATE | | | | |

MONTHLY CART RENT (FOR ON-CALL SERVICE)

| | | | | | |
|-------|-------------------------|---------|-------|---------|---------|
| 90GOC | 90G CART WILL CALL-CURB | \$ 2.94 | 2.10% | \$ 0.06 | \$ 3.00 |
|-------|-------------------------|---------|-------|---------|---------|

SPECIAL PICK-UP (FOR OFF-SCHEDULE COLLECTION)

RATE PER EACH

| | | | | | |
|-------|----------------------------|----------|-------|---------|----------|
| SP32C | SPEC P/U 32G CART CURBSIDE | \$ 11.09 | 2.10% | \$ 0.23 | \$ 11.32 |
| SP90C | SPEC P/U 90G CART CURBSIDE | \$ 18.50 | 2.10% | \$ 0.39 | \$ 18.89 |

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 | \$ 49.31 | 2.10% | \$ 1.04 | \$ 50.35 |
| 32GES | 32G CART EOW-SIDEYARD | \$ 32.09 | 2.10% | \$ 0.67 | \$ 32.76 |
| 32GMS | 32G CART MONTHLY-SIDE | \$ 17.28 | 2.10% | \$ 0.36 | \$ 17.64 |
| OC3S | 32 GAL CART ON CALL SIDE | \$ 17.28 | 2.10% | \$ 0.36 | \$ 17.64 |
| | ADDITIONAL CART - SAME RATE | | | | |

90 GALLON CART SERVICE

MONTHLY RATES

| | | | | | |
|-------|-----------------------------|----------|-------|---------|----------|
| 90GWS | 90G CART-SIDE | \$ 81.07 | 2.10% | \$ 1.70 | \$ 82.77 |
| 90GES | 90G CART EOW-SIDE | \$ 52.71 | 2.10% | \$ 1.11 | \$ 53.82 |
| 90GMS | 90G CART OAM-SIDE | \$ 28.35 | 2.10% | \$ 0.60 | \$ 28.95 |
| OC9S | 90 GAL CART ON CALL SIDE | \$ 28.35 | 2.10% | \$ 0.60 | \$ 28.95 |
| | ADDITIONAL CART - SAME RATE | | | | |

MONTHLY CART RENT (FOR ON-CALL SERVICE)

| | | | | | |
|-------|-------------------------|---------|-------|---------|---------|
| 90GOS | 90G CART WILL CALL-SIDE | \$ 2.94 | 2.10% | \$ 0.06 | \$ 3.00 |
|-------|-------------------------|---------|-------|---------|---------|

SPECIAL PICK-UP (FOR OFF-SCHEDULE COLLECTION)

RATE PER EACH

| | | | | | |
|-------|--------------------------------|----------|-------|---------|----------|
| SP32S | SPEC P/U 32G CART NON CURBSIDE | \$ 17.28 | 2.10% | \$ 0.36 | \$ 17.64 |
| SP90S | SPEC P/U 90G CART NON CURBSIDE | \$ 28.35 | 2.10% | \$ 0.60 | \$ 28.95 |

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 |
|------|-------------|--------------|-------|----------|----------|
|------|-------------|--------------|-------|----------|----------|

OTHER SERVICES & FEES

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

RATE PER EACH

| | | | | | |
|-------|-------------------|----------|-------|---------|----------|
| XBAG | EXTRA BAG(S) | \$ 8.37 | 2.10% | \$ 0.18 | \$ 8.55 |
| XBOX | EXTRA BOX | \$ 8.37 | 2.10% | \$ 0.18 | \$ 8.55 |
| XCAN | EXTRA CAN(S) | \$ 8.37 | 2.10% | \$ 0.18 | \$ 8.55 |
| XMISC | EXTRA MISC | \$ 8.37 | 2.10% | \$ 0.18 | \$ 8.55 |
| X32 | EXTRA 32G CART(S) | \$ 8.37 | 2.10% | \$ 0.18 | \$ 8.55 |
| X90 | EXTRA 90G CART(S) | \$ 13.24 | 2.10% | \$ 0.28 | \$ 13.52 |

BULKY ITEM COLLECTION (SVC CHARGE + CHARGE PER ITEM)

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

RATE PER EACH

| | | | | | |
|------|-------------------------------|----------|-------|---------|----------|
| APF | REFRIGERATOR/FREEZER | \$ 31.89 | 2.10% | \$ 0.67 | \$ 32.56 |
| APL | APPLIANCE | \$ 12.76 | 2.10% | \$ 0.27 | \$ 13.03 |
| FURN | FURNITURE CHARGE | \$ 19.13 | 2.10% | \$ 0.40 | \$ 19.53 |
| TREE | EXTRA CHRISTMAS TREE | \$ 16.70 | 2.10% | \$ 0.35 | \$ 17.05 |
| IRSC | IN ROUTE SERVICE CHARGE | \$ 30.20 | 2.10% | \$ 0.63 | \$ 30.83 |
| SC | SERVICE CHARGE (OUT-OF-ROUTE) | \$ 30.20 | 2.10% | \$ 0.63 | \$ 30.83 |

RELATED FEES

RATE PER EACH

| | | | | | |
|-------|-----------------------------|----------|-------|---------|----------|
| CRIR | CART REDELIVERY IN ROUTE | \$ 10.89 | 2.10% | \$ 0.23 | \$ 11.12 |
| CROR | CART REDELIVER OUT OF ROUTE | \$ 21.78 | 2.10% | \$ 0.46 | \$ 22.24 |
| CORDF | CONTAINER RE-DELIVERY FEE | \$ 44.42 | 2.10% | \$ 0.93 | \$ 45.35 |

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

RATE PER EACH

| | | | | | |
|-----|----------------------|----------|-------|---------|----------|
| CCF | CART CLEANING FEE | \$ 10.89 | 2.10% | \$ 0.23 | \$ 11.12 |
| CRF | CART REPLACEMENT FEE | \$ 70.78 | 2.10% | \$ 1.49 | \$ 72.27 |

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

RATE PER EACH

| | | | | | |
|-------|-------------------------|----------|-------|---------|----------|
| WLI | WIND LATCH INSTALLATION | \$ 16.33 | 2.10% | \$ 0.34 | \$ 16.67 |
| 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

| | | | | | |
|-----|-------------------------|-----------|-------|---------|-----------|
| 1GW | 1YD TRASH | \$ 229.28 | 2.10% | \$ 4.81 | \$ 234.09 |
| 1GE | 1YD TRASH EOW | \$ 135.21 | 2.10% | \$ 2.84 | \$ 138.05 |
| 1GM | 1YD TRASH MONTHLY | \$ 84.63 | 2.10% | \$ 1.78 | \$ 86.41 |
| 1OC | ON CALL-1YD TRASH | \$ 47.80 | 2.10% | \$ 1.00 | \$ 48.80 |
| 1XP | EXTRA PICK UP-1YD TRASH | \$ 47.80 | 2.10% | \$ 1.00 | \$ 48.80 |

1.5 YARD CONTAINERS

MONTHLY RATES

| | | | | | |
|------|---------------------------|-----------|-------|---------|-----------|
| 1HGW | 1.5YD TRASH | \$ 282.56 | 2.10% | \$ 5.93 | \$ 288.49 |
| 1HGE | 1.5YD TRASH EOW | \$ 161.86 | 2.10% | \$ 3.40 | \$ 165.26 |
| 1HGM | 1.5YD TRASH MONTHLY | \$ 96.91 | 2.10% | \$ 2.04 | \$ 98.95 |
| 1HOC | ON CALL-1.5YD TRASH | \$ 61.35 | 2.10% | \$ 1.29 | \$ 62.64 |
| 1HXP | EXTRA PICK UP-1.5YD TRASH | \$ 61.35 | 2.10% | \$ 1.29 | \$ 62.64 |

RECOLOGY WESTERN OREGON
MCM CITY OF MC MINNVILLE

SUMMARY RATE SHEET
EFF. DATE: 9/1/2025

| CODE | DESCRIPTION | CURRENT RATE | INC % | INC \$\$ | NEW RATE |
|------|-------------|--------------|-------|----------|----------|
|------|-------------|--------------|-------|----------|----------|

2 YARD CONTAINERS

MONTHLY RATES

| | | | | | |
|-----|-------------------------|-----------|-------|---------|-----------|
| 2GW | 2YD TRASH | \$ 335.81 | 2.10% | \$ 7.05 | \$ 342.86 |
| 2GE | 2YD TRASH EOW | \$ 188.50 | 2.10% | \$ 3.96 | \$ 192.46 |
| 2GM | 2YD TRASH MONTHLY | \$ 109.19 | 2.10% | \$ 2.29 | \$ 111.48 |
| 2OC | ON CALL-2YD TRASH | \$ 74.86 | 2.10% | \$ 1.57 | \$ 76.43 |
| 2XP | EXTRA PICK UP-2YD TRASH | \$ 74.86 | 2.10% | \$ 1.57 | \$ 76.43 |

3 YARD CONTAINERS

MONTHLY RATES

| | | | | | |
|-----|-------------------------|-----------|-------|---------|-----------|
| 3GW | 3YD TRASH | \$ 442.41 | 2.10% | \$ 9.29 | \$ 451.70 |
| 3GE | 3YD TRASH EOW | \$ 241.77 | 2.10% | \$ 5.08 | \$ 246.85 |
| 3GM | 3YD TRASH MONTHLY | \$ 133.82 | 2.10% | \$ 2.81 | \$ 136.63 |
| 3OC | ON CALL-3YD TRASH | \$ 101.93 | 2.10% | \$ 2.14 | \$ 104.07 |
| 3XP | EXTRA PICK UP-3YD TRASH | \$ 101.93 | 2.10% | \$ 2.14 | \$ 104.07 |

4 YARD CONTAINERS

MONTHLY RATES

| | | | | | |
|-----|-------------------------|-----------|-------|----------|-----------|
| 4GW | 4YD TRASH | \$ 548.96 | 2.10% | \$ 11.53 | \$ 560.49 |
| 4GE | 4YD TRASH EOW | \$ 295.06 | 2.10% | \$ 6.20 | \$ 301.26 |
| 4GM | 4YD TRASH MONTHLY | \$ 158.45 | 2.10% | \$ 3.33 | \$ 161.78 |
| 4OC | ON CALL-4YD TRASH | \$ 129.03 | 2.10% | \$ 2.71 | \$ 131.74 |
| 4XP | EXTRA PICK UP-4YD TRASH | \$ 129.03 | 2.10% | \$ 2.71 | \$ 131.74 |

5 YARD CONTAINERS

MONTHLY RATES

| | | | | | |
|-----|-------------------------|-----------|-------|----------|-----------|
| 5GW | 5YD TRASH | \$ 655.58 | 2.10% | \$ 13.77 | \$ 669.35 |
| 5GE | 5YD TRASH EOW | \$ 348.35 | 2.10% | \$ 7.32 | \$ 355.67 |
| 5GM | 5YD TRASH MONTHLY | \$ 183.08 | 2.10% | \$ 3.84 | \$ 186.92 |
| 5OC | ON CALL-5YD TRASH | \$ 156.07 | 2.10% | \$ 3.28 | \$ 159.35 |
| 5XP | EXTRA PICK UP-5YD TRASH | \$ 156.07 | 2.10% | \$ 3.28 | \$ 159.35 |

6 YARD CONTAINERS

MONTHLY RATES

| | | | | | |
|-----|-------------------------|-----------|-------|----------|-----------|
| 6GW | 6YD TRASH | \$ 762.11 | 2.10% | \$ 16.00 | \$ 778.11 |
| 6GE | 6YD TRASH EOW | \$ 401.63 | 2.10% | \$ 8.43 | \$ 410.06 |
| 6GM | 6YD TRASH MONTHLY | \$ 207.65 | 2.10% | \$ 4.36 | \$ 212.01 |
| 6OC | ON CALL-6YD TRASH | \$ 183.15 | 2.10% | \$ 3.85 | \$ 187.00 |
| 6XP | EXTRA PICK UP-6YD TRASH | \$ 183.15 | 2.10% | \$ 3.85 | \$ 187.00 |

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

MONTHLY RATES

| | | | | | |
|-----|-------------------------|-----------|-------|----------|-----------|
| 8GW | 8YD TRASH | \$ 893.71 | 2.10% | \$ 18.77 | \$ 912.48 |
| 8GE | 8YD TRASH EOW | \$ 467.43 | 2.10% | \$ 9.82 | \$ 477.25 |
| 8GM | 8YD TRASH MONTHLY | \$ 238.00 | 2.10% | \$ 5.00 | \$ 243.00 |
| 8OC | ON CALL-8YD TRASH | \$ 216.57 | 2.10% | \$ 4.55 | \$ 221.12 |
| 8XP | EXTRA PICK UP-8YD TRASH | \$ 216.57 | 2.10% | \$ 4.55 | \$ 221.12 |

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

| | | | | | |
|------|------------------|----------|-------|---------|----------|
| RNT1 | 1YD RENT - TRASH | \$ 21.78 | 2.10% | \$ 0.46 | \$ 22.24 |
|------|------------------|----------|-------|---------|----------|

FRONT-LOAD COMPACTORS - Additional charges apply for compacted waste.

| CODE | DESCRIPTION | CURRENT RATE | INC % | INC \$\$ | NEW RATE |
|------|-------------|--------------|-------|----------|----------|
|------|-------------|--------------|-------|----------|----------|

DEBRIS BOX SERVICES

SET HAUL FEES (BASED ON AVERAGE TRUCK TIMES)

RATE PER HAUL

| | | | | | |
|------|--------------------------------|-----------|-------|---------|-----------|
| DEL | DELIVERY CHARGE | \$ 59.87 | 2.10% | \$ 1.26 | \$ 61.13 |
| 10HG | TRASH BOX HAUL FEE (ALL SIZES) | \$ 226.73 | 2.10% | \$ 4.76 | \$ 231.49 |
| 40CG | COMPACTOR HAUL FEE (ALL SIZES) | \$ 270.71 | 2.10% | \$ 5.68 | \$ 276.39 |

DEBRIS BOX DISPOSAL FEES

RATE PER UNIT

| | | | | | |
|------|--|----------|-------|---------|----------|
| DFDM | DISPOSAL FEE - DEMOLITION (\$\$/TON) | \$ 82.29 | 2.10% | \$ 1.73 | \$ 84.02 |
| DFG | DISPOSAL FEE - GARBAGE (\$\$/TON) | \$ 82.29 | 2.10% | \$ 1.73 | \$ 84.02 |
| DFWD | DISPOSAL FEE - CLEAN WOOD (\$\$/TON) | \$ 47.58 | 2.10% | \$ 1.00 | \$ 48.58 |
| 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 | \$ 426.19 | 2.10% | \$ 8.95 | \$ 435.14 |
| 20DG | 20 YARD BOX W/DISPOSAL | \$ 598.17 | 2.10% | \$ 12.56 | \$ 610.73 |
| 30DG | 30 YARD BOX W/DISPOSAL | \$ 770.24 | 2.10% | \$ 16.18 | \$ 786.42 |

RELATED FEES

RATE PER DAY

| | | | | | |
|-------|------------------|----------|-------|---------|----------|
| RENTD | DAILY RENTAL FEE | \$ 14.39 | 2.10% | \$ 0.30 | \$ 14.69 |
|-------|------------------|----------|-------|---------|----------|

Note: Daily Rent applies after 48 hours, excluding evenings and weekends.

RATE PER MONTH

| | | | | | |
|-------|--------------------|-----------|-------|---------|-----------|
| RENTM | MONTHLY RENTAL FEE | \$ 203.02 | 2.10% | \$ 4.26 | \$ 207.28 |
|-------|--------------------|-----------|-------|---------|-----------|

Note: Monthly rent applies for customers who keep a box for a year or longer.

RATE PER HOUR

| | | | | | |
|------|-----------------------|-----------|-------|---------|-----------|
| TIME | TRUCK TIME FEE | \$ 164.90 | 2.10% | \$ 3.46 | \$ 168.36 |
| 1T1E | 1 TRUCK - 1 EMPLOYEE | \$ 177.70 | 2.10% | \$ 3.73 | \$ 181.43 |
| 1T2E | 1 TRUCK - 2 EMPLOYEES | \$ 266.50 | 2.10% | \$ 5.60 | \$ 272.10 |

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 | \$ 40.07 | 2.10% | \$ 0.84 | \$ 40.91 |
| 3YRGP | SERVICE 3 YD RENTAL FOR TRASH | \$ 132.48 | 2.10% | \$ 2.78 | \$ 135.26 |
| 3YRXD | ADDL DAY - 3YD RENT CONTAINER | \$ 2.18 | 2.10% | \$ 0.05 | \$ 2.23 |

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 | \$ 5.11 | 2.10% | \$ 0.11 | \$ 5.22 |
| TONR | TIRE CHARGE ON RIM | \$ 10.20 | 2.10% | \$ 0.21 | \$ 10.41 |
| APPL | APPLIANCE | \$ 12.76 | 2.10% | \$ 0.27 | \$ 13.03 |
| APF | REFRIGERATOR/FREEZER | \$ 31.89 | 2.10% | \$ 0.67 | \$ 32.56 |

MEDICAL WASTE COLLECTION SERVICES

RATE PER EACH

| | | | | | |
|-------|--------------------------------|----------|-------|---------|----------|
| M4HSC | 4.7 QT SHARPS CONTAINER | \$ 24.31 | 2.10% | \$ 0.51 | \$ 24.82 |
| M10SC | 10 QT SHARPS CONTAINER | \$ 28.13 | 2.10% | \$ 0.59 | \$ 28.72 |
| M23SC | 23 QT SHARPS CONTAINER | \$ 53.36 | 2.10% | \$ 1.12 | \$ 54.48 |
| 9CDBC | 9GAL CONFIDENTIAL DOCUMENT BOX | \$ 39.50 | 2.10% | \$ 0.83 | \$ 40.33 |
| MW17G | MEDICAL WASTE 17 GAL | \$ 24.50 | 2.10% | \$ 0.51 | \$ 25.01 |
| MW31G | MEDICAL WASTE 31 GAL | \$ 31.58 | 2.10% | \$ 0.66 | \$ 32.24 |
| MW43G | MEDICAL WASTE 43 GAL | \$ 38.11 | 2.10% | \$ 0.80 | \$ 38.91 |
| MLGPB | MEDICAL WASTE TRACE CHEMO BOX | \$ 55.53 | 2.10% | \$ 1.17 | \$ 56.70 |
| MWTCB | PATHOLOGY BOX | \$ 55.53 | 2.10% | \$ 1.17 | \$ 56.70 |

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.



Jeff Towery
City Manager
City of McMinnville
230 Second St.
McMinnville, OR 97218

March 31, 2025

RE: Annual Report and Rate Increase

Dear Jeff:

In compliance with the terms of our franchise agreement, I am attaching our Annual Report and rates effective September 1, 2025. The third-party review will be emailed tomorrow.

The Annual Report includes the following:

- a. 2024 calendar year reviewed financial statements, as well as expenses and revenues we reasonably anticipate will be incurred for the current 12-month cycle.
- b. The Operating Ratios for the preceding calendar year and the current rate year.

As you are aware, our franchise agreement provides two mechanisms for adjusting collection rates. The first mechanism is to utilize an annual CPI cost of living adjustment intended to maintain collection rates to keep up with current economic conditions – capped at 4%. The second mechanism is via a rate review process which may either be requested by us or required by the franchise if the Annual Reports show us landing outside the allowable margin of 85% - 91%.

Recology's review of 2024 financials, as well as projected revenues and expenses for the current 12-month period, indicate that we fall within the allowable operating range. As a result, no full rate review is necessary this year. Per the terms of the franchise, Recology is increasing rates 2.1% using CPI effective September 1, 2025.

As always, we appreciate the opportunity to provide essential solid waste and recycling services. We look forward to attending an upcoming council meeting, either in person or virtually. Dan Blue will be reaching out to you soon to coordinate scheduling that engagement.

Please let us know if you have any questions or need any additional information. You can reach out to me at (503) 803-4984 or by email at ccarey@recology.com or to Dan Blue at 503-405-0261 or dblue@recology.com.

Respectfully,

A handwritten signature in black ink, appearing to read 'Chris Carey', with a stylized flourish at the end.

Chris Carey
General Manager

RWO - Annual Report 2024-25



REVENUE

| | RWO - Valley Total | | | City of McMinnville | | | | |
|-----------------------------------|------------------------------------|--------------------------------------|----------------------|------------------------------------|--------------------------------------|-----------|--------------------------------------|--|
| | 2024 Calendar Year Actual | 2025-26 Projected Rate Year | Allocation Method | 2024 Calendar Year Actual | Adjustments and Projected Changes | | 2025-26 Projected Rate Year | |
| | | | | Rate Adj. % >>> | 2.10% | | | |
| Collection Services - Residential | \$ 9,400,814 | \$ 9,934,763 | Actual | \$ 4,832,685 | \$ 239,853 | 5% | \$ 5,072,538 | |
| Collection Services - Commercial | \$ 5,364,082 | \$ 5,740,702 | Actual | \$ 3,625,046 | \$ 217,405 | 6% | \$ 3,842,451 | |
| Collection Services - Debris Box | \$ 1,826,012 | \$ 1,857,735 | Actual | \$ 854,562 | \$ 84,080 | 10% | \$ 938,641 | |
| COLLECTION SERVICES: | \$ 16,590,909 | \$ 17,533,201 | Actual | \$ 9,312,293 | | | \$ 9,853,631 | |
| Proposed Rate Adjustment | | | Actual | | | | \$ 206,926 | |
| Revenue - DB Disposal | \$ 1,088,904 | \$ 1,088,904 | Actual | \$ 553,416 | \$ - | 0% | \$ 553,416 | |
| Revenue - Medical Waste | \$ 98,352 | \$ 100,908 | Actual | \$ 88,143 | \$ 771 | 1% | \$ 88,914 | |
| Revenue - Other (fees & related) | \$ 97,665 | \$ 34,990 | Actual | \$ 13,225 | \$ 2,786 | 21% | \$ 16,012 | |
| Non-Franchised Revenue | \$ 1,187,410 | \$ 1,036,779 | Actual | \$ - | \$ - | 0% | \$ - | |
| Total Revenue | \$ 19,063,239 | \$ 19,794,781 | | \$ 9,967,077 | \$ 751,822 | 8% | \$ 10,718,899 | |
| Franchise Fees | \$ (688,218) | \$ (722,176) | Actual | \$ (495,167) | | | \$ (535,945) | |
| Revenue w/o Franchise Fees | \$ 18,375,021 | \$ 19,072,605 | | \$ 9,471,911 | | | \$ 10,182,954 | |

LABOR EXPENSES

| | | | | | | | |
|-----------------------------------|---------------------|---------------------|-------------|---------------------|-------------------|------------|---------------------|
| Operational Personnel | \$ 2,181,223 | \$ 2,275,408 | Labor Hours | \$ 903,458 | \$ 39,011 | 4% | \$ 942,469 |
| Payroll Taxes | \$ 203,669 | \$ 212,464 | Labor Hours | \$ 84,359 | \$ 3,643 | 4% | \$ 88,002 |
| Medical Insurance | \$ 449,261 | \$ 665,461 | Labor Hours | \$ 186,083 | \$ 89,550 | 48% | \$ 275,633 |
| Other Benefits (Pension/401k, WC) | \$ 294,285 | \$ 314,482 | Labor Hours | \$ 121,892 | \$ 8,365 | 7% | \$ 130,258 |
| Total Labor Expense | \$ 3,128,438 | \$ 3,467,815 | | \$ 1,295,792 | \$ 140,569 | 11% | \$ 1,436,362 |

DISPOSAL EXPENSES

| | | | | | | | |
|-------------------------------|---------------------|---------------------|--|---------------------|-------------------|------------|---------------------|
| Total Disposal Expense | \$ 3,152,405 | \$ 3,559,914 | | \$ 1,746,556 | \$ 223,357 | 13% | \$ 1,969,914 |
|-------------------------------|---------------------|---------------------|--|---------------------|-------------------|------------|---------------------|

OPERATIONAL EXPENSES

| | | | | | | | |
|---------------------------------|---------------------|---------------------|------------------|---------------------|-------------------|-----------|---------------------|
| Fuel | \$ 628,118 | \$ 707,641 | Franchised Labor | \$ 305,887 | \$ 38,727 | 13% | \$ 344,614 |
| Repairs and Maintenance | \$ 2,467,176 | \$ 2,618,987 | Franchised Labor | \$ 1,201,491 | \$ 73,930 | 6% | \$ 1,275,421 |
| Business Taxes and PUC | \$ 192,178 | \$ 213,788 | Franchised Labor | \$ 93,589 | \$ 10,524 | 11% | \$ 104,113 |
| Supplies & Uniforms | \$ 47,700 | \$ 48,702 | Labor Hours | \$ 19,757 | \$ 415 | 2% | \$ 20,172 |
| Operational Supplies/Safety | \$ 34,890 | \$ 35,623 | Labor Hours | \$ 14,451 | \$ 303 | 2% | \$ 14,755 |
| Contract Labor | \$ - | \$ - | Labor Hours | \$ - | \$ - | 0% | \$ - |
| Depreciation and Amortization | \$ 8,316 | \$ 8,316 | Franchised Labor | \$ 4,050 | \$ - | 0% | \$ 4,050 |
| Operational Lease and Rent | \$ 717,036 | \$ 763,733 | Franchised Labor | \$ 349,189 | \$ 22,741 | 7% | \$ 371,930 |
| Insurance Expense | \$ 153,687 | \$ 156,915 | Labor Hours | \$ 63,657 | \$ 1,337 | 2% | \$ 64,994 |
| Yard Debris/Wood | \$ 1,283,278 | \$ 1,396,810 | Program | \$ 1,174,326 | \$ 103,893 | 9% | \$ 1,278,219 |
| Recycling Processing Fees | \$ 926,359 | \$ 737,640 | Recycling | \$ 563,747 | \$ (114,847) | -20% | \$ 448,900 |
| Non Franchise Expense | \$ 784,705 | \$ 817,061 | | \$ - | \$ - | 0% | \$ - |
| Other Operational | \$ 54,409 | \$ 55,551 | Labor Hours | \$ 22,536 | \$ 473 | 2% | \$ 23,009 |
| Total Operations Expense | \$ 7,297,852 | \$ 7,560,765 | | \$ 3,812,680 | \$ 137,496 | 4% | \$ 3,950,177 |
| SUBTOTAL | \$ 4,796,326 | \$ 4,484,110 | | \$ 2,616,881 | \$ 209,621 | 8% | \$ 2,826,502 |

| | | | | | | | |
|----------------------------|---------------------|---------------------|--|---------------------|------------------|-----------|---------------------|
| Total Admin Expense | \$ 2,915,684 | \$ 2,757,130 | | \$ 1,400,901 | \$ 65,263 | 5% | \$ 1,466,163 |
|----------------------------|---------------------|---------------------|--|---------------------|------------------|-----------|---------------------|

| | | | | | | | |
|---------------------------------|---------------------|---------------------|--|---------------------|-------------------|--|---------------------|
| EARNINGS FROM OPERATIONS | \$ 1,880,642 | \$ 1,726,981 | | \$ 1,215,981 | \$ 144,358 | | \$ 1,360,339 |
|---------------------------------|---------------------|---------------------|--|---------------------|-------------------|--|---------------------|

| | | | | | | | |
|-----------------|-------------|-------------|---------------|------|------|--|------|
| Interest Income | \$ (30,581) | \$ (30,835) | Not Allocated | \$ - | \$ - | | \$ - |
|-----------------|-------------|-------------|---------------|------|------|--|------|

| | | | | | | | |
|------------------------|------|------|---------------|------|------|--|------|
| Loss on Asset Disposal | \$ - | \$ - | Not Allocated | \$ - | \$ - | | \$ - |
|------------------------|------|------|---------------|------|------|--|------|

| | | | | | | | |
|------------------------------|---------------------|---------------------|--|---------------------|-------------------|------------|---------------------|
| NET INCOME BEFORE TAX | \$ 1,911,224 | \$ 1,757,815 | | \$ 1,215,981 | \$ 144,358 | 12% | \$ 1,360,339 |
|------------------------------|---------------------|---------------------|--|---------------------|-------------------|------------|---------------------|

| | | | | | | | |
|------------------|--------|-------|--|--------|-------|--|--------|
| Operating Margin | 10.40% | 9.22% | | 12.84% | 2.10% | | 13.36% |
|------------------|--------|-------|--|--------|-------|--|--------|

| | | | | | | | |
|----------------------------|--------|--------|--|--------|------|--|--------|
| Calculated Operating Ratio | 89.69% | 90.87% | | 87.09% | \$ - | | 86.58% |
|----------------------------|--------|--------|--|--------|------|--|--------|