



**McMinnville City Council Meeting**  
**July 9, 2024 – 7:00 PM**



Recology | 2024

# Recology/McMinnville Partnership



## Tonight:

- Recology Overview
- McMinnville Collection Service Update
- Proposed rate adjustment
- News
- Questions





Mark Olsen wins the ROCStar award 2024!

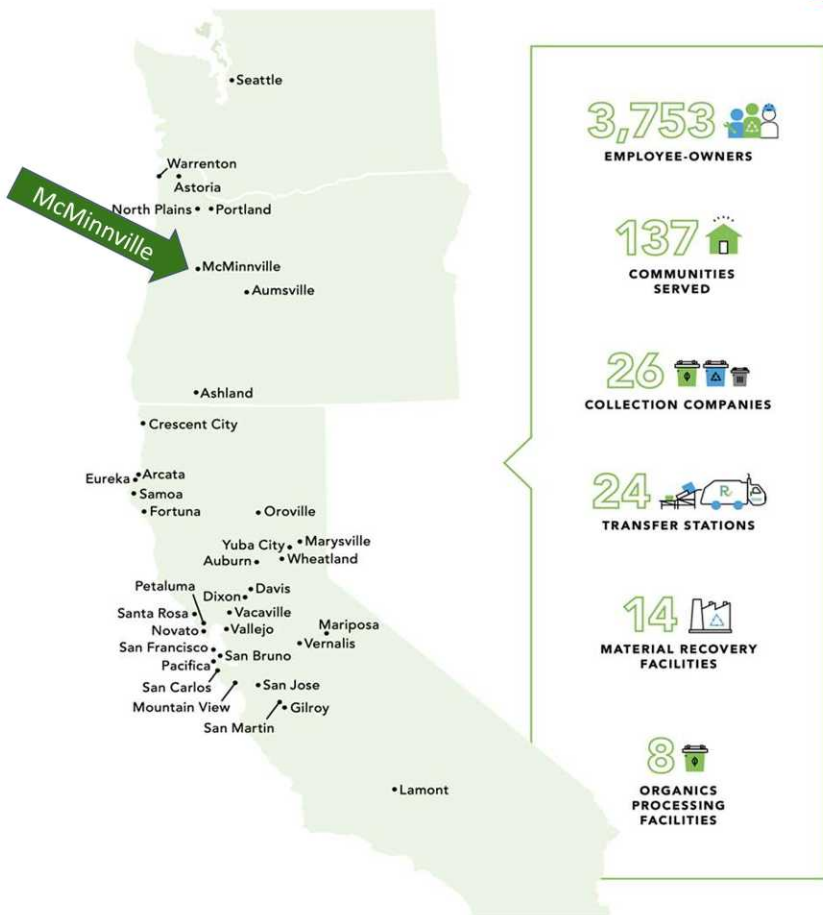
## Employee Ownership

# Anchoring Our Culture

Recology is the largest 100% employee-owned company in the resource recovery industry. Our Employee Stock Ownership Plan (ESOP) forms the core of our culture, leaving the stock in the hands of current and former employee-owners, not external shareholders.

Our ESOP is not just supplemental retirement income—it's a wealth accumulation opportunity that is shared among our workforce, promoting cohesion and fueling growth.

# Who We Are – Recology



# Who We Are – Recology Western Oregon

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1. Transfer Stations – McMinnville and Astoria
2. Compost Facilities – McMinnville, Aumsville, North Plains
3. Portland Metro Area Operations
4. Residential, Multifamily, and Commercial collection services



# Recology – A Great Place to Work

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- Employee Culture
  - Low turnover
  - Employee Ownership
  - Living Wages and Great Benefits
  - Strong leadership and development opportunities
- Our McMinnville Services...
  - Residential, Commercial, Multifamily, Drop Box
  - Garbage, Recycling, YD, and Glass



# Events & Services – McMinnville

- McMinnville Air Show
- Chamber Support
- Recovery Zone Services
- Yard Debris Drop Off
- Zero Waste McMinnville
- Parades
- Non-Profit Support



# 2024 Rate Review – Proposed Collection Rates



- Inflationary Pressures
  - West Region CPI – 3.3%
  - Labor cost increases
  - Parts/Equipment price pressures
  - Fleet investments going forward
- Franchise: Rate Setting:
  - CPI Annual or Rate Review
  - Operating Range 85% - 91%
  - Target Operating Ratio = 88%
- Projection without a rate increase: 92.35%
- Seeking a 4.7% increase to get to 88.98%
- Effective August 1, 2024

RWO - Valley Cost of Service Report 2023-24

	RWO - Valley Total			City of McMinnville		
	2023 Calendar Year Actual	2024-25 Projected Rate Year	Allocation Method	2023 Calendar Year Actual	Adjustments and Projected Changes	2024-25 Projected Rate Year
REVENUE				Rate Adj. % >>>	4.70%	
Collection Services - Residential	\$ 8,842,892	\$ 9,171,741	Actual	\$ 4,552,330	\$ 168,600	\$ 4,720,930
Collection Services - Commercial	\$ 5,065,806	\$ 5,380,026	Actual	\$ 3,438,101	\$ 192,379	\$ 3,630,479
Collection Services - Debris Box	\$ 2,680,916	\$ 2,760,159	Actual	\$ 893,219	\$ 20,845	\$ 914,064
COLLECTION SERVICES:	\$ 16,589,614	\$ 17,311,926	Actual	\$ 8,883,649	\$	\$ 9,265,473
Proposed Rate Adjustment			Actual			\$ 435,477
Revenue - DB Disposal			Actual	\$ 457,424	\$ 22,871	\$ 480,296
Revenue - Medical Waste	\$ 96,211	\$ 98,096	Actual	\$ 83,884	\$ 2,167	\$ 86,051
Revenue - Other (fees & related)	\$ 88,385	\$ 17,796	Actual	\$ 7,574	\$ 1,014	\$ 8,588
Non-Franchised Revenue	\$ 1,001,587	\$ 1,099,940	Actual	\$	\$	\$
Total Revenue	\$ 17,775,796	\$ 18,524,626		\$ 9,432,532	\$ 843,354	\$ 10,275,885
Franchise Fees	\$ (725,042)	\$ (753,292)	Actual	\$ (471,314)	\$	\$ (513,794)
Revenue w/o Franchise Fees	\$ 17,050,753	\$ 17,771,335		\$ 8,961,218	\$	\$ 9,762,091
LABOR EXPENSES				53%		
Operational Personnel	\$ 2,045,541	\$ 2,328,040	Labor Hours	\$ 847,259	\$ 117,011	\$ 964,269
Payroll Taxes	\$ 185,744	\$ 211,396	Labor Hours	\$ 76,935	\$ 10,625	\$ 87,560
Medical Insurance	\$ 463,969	\$ 498,717	Labor Hours	\$ 192,183	\$ 14,384	\$ 206,567
Other Benefits	\$ 247,330	\$ 310,751	Labor Hours	\$ 102,444	\$ 26,269	\$ 128,712
Total Labor Expense	\$ 2,942,604	\$ 3,348,903		\$ 1,218,820	\$ 168,288	\$ 1,387,109
Disposal Charges	\$ 2,906,178	\$ 3,064,136	Vessel Weights	\$ 1,558,412	\$ 84,704	\$ 1,643,115
Medical Waste & Supplies	\$ 46,708	\$ 47,642	Med. Waste	\$ 42,428	\$ 849	\$ 43,276
Total Disposal Expense	\$ 2,952,886	\$ 3,111,778		\$ 1,600,840	\$ 85,552	\$ 1,686,392
OPERATIONAL EXPENSES						
Fuel	\$ 757,693	\$ 665,257	Franchised Labor	\$ 368,989	\$ (45,015)	\$ 323,974
Fuel - Non-Franchised (N/F)	\$ 132,964	\$ 116,743	Actual	\$	\$	\$
Repairs and Maintenance	\$ 2,401,593	\$ 2,861,832	Franchised Labor	\$ 1,169,552	\$ 224,132	\$ 1,393,684
Repairs and Maintenance - N/F	\$ 437,364	\$ 481,100	Actual	\$	\$	\$
Business Taxes and PUC	\$ 199,045	\$ 202,383	Franchised Labor	\$ 96,933	\$ 1,626	\$ 98,559
Business Taxes and PUC - N/F	\$ 108,393	\$ 113,812	Actual	\$	\$	\$
Supplies & Uniforms	\$ 33,771	\$ 35,426	Labor Hours	\$ 13,988	\$ 685	\$ 14,673
Operational Supplies/Safety	\$ 44,894	\$ 47,093	Labor Hours	\$ 18,595	\$ 911	\$ 19,506



# 2024 Rate Review – Overview



## Proposed 4.7% - All Rates

- \$1.42 per month for weekly 32-gallon service
- \$2.37 a month for weekly 90-gallon service

RECOLOGY WESTERN OREGON MCM CITY OF MCMINNVILLE				SUMMARY RATE SHEET EFF. DATE: 8/1/2024	
CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
<b>CART SERVICES - CURBSIDE</b>					
CURBSIDE: WITHIN 1 FEET OF THE CURB OR ROAD, AND AWAY FROM ALL CARS, MAIL BOXES, OR OTHER ITEMS.					
<b>32 GALLON CART SERVICE</b>				<b>MONTHLY RATES</b>	
32GWC	32G CART-CURB	\$ 30.27	4.70%	\$ 1.42	\$ 31.69
32GEC	32G CART EOW-CURBSIDE	\$ 19.66	4.70%	\$ 0.92	\$ 20.58
32GMC	32G CART MONTHLY CURB	\$ 10.59	4.70%	\$ 0.50	\$ 11.09
OC3C	32 GAL CART ON CALL CURB	\$ 10.59	4.70%	\$ 0.50	\$ 11.09
	ADDITIONAL CART - SAME RATE				
<b>90 GALLON CART SERVICE</b>				<b>MONTHLY RATES</b>	
90GWC	90G CART-CURB	\$ 50.48	4.70%	\$ 2.37	\$ 52.85
90GEC	90G CART EOW-CURB	\$ 32.80	4.70%	\$ 1.54	\$ 34.34



# What's Next – McMinnville

- Recovery Zone Recycling Improvements
- Waste Zero Specialist
- Recycling Modernization Act
  - uniform statewide recycling lists
  - recycling depot improvements
  - education and outreach (\$3 per capita)
  - reduced processing costs at MRFs
  - paid for by manufacturers
  - less pressure on rates for recycling system costs



# QUESTIONS?

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