



Sustainability in Action

9/29/2025

City of Wilsonville
Bryan Cosgrove, City Manager
29799 Town Center Loop E.
Wilsonville, OR 97070

RE: Republic Services Request for Extraordinary Rate Increase

Per Ordinance No. 883, Article VIII, Section 3, Republic Services requests Council approval of an extraordinary rate increase, above 125% of CPI. The request is based on but not limited to the below key factors, which are supported by the report produced by city contracted consultant, Chris Bell, Bell & Associates, dated September 2025.

Key factors for the extraordinary rate increase request:

1. Union Driver Wages – Two unions represent our drivers. The Teamsters represent Keller Drop Box, the union operating in Wilsonville. Keller's contract was renewed in 2024. Hourly wages increased by 4.10%, from \$31.54 in December 2024 to \$32.84 in December 2025.
2. Union Health Insurance – The Teamsters health plan is projected to increase the company's required contributions by 8%.
3. Disposal & Taxes – The Metro Regional Government controls the flow and cost of disposal within the Metro Region. On July 1, 2025, Metro increased the disposal fees & taxes by 5.5%, \$8.45 per ton. Metro has increased the cost of disposal from \$113.82 in 2021 to \$162.14 on July 1, 2025. Since 2021 Metro's disposal fee increases have averaged 10.6% annually.
4. Consumer Price Index Inflation – During the first six months of 2025 CPI increased by 2.6%. Management and Administrative labor costs are projected to grow at the rate of inflation.
5. Fuel – The federal tax credits for Compressed Natural Gas, expired on December 31, 2024, causing a 39.3% increase in fuel for 2025.



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To summarize, per consultant's "2024 Solid Waste Collection Rate Report, Projected Results for 2025, Table 2: Line Item Inflation Assumption for 2025."

Republic Services is projecting an increase of 5.98% in allowable expenses in 2025. This will decrease the returns to 5.9%, as noted on Table 4: Estimated 2025 Financial Result for Collection Service in Wilsonville. This change will generate a return by Republic Services considerably lower than the franchise stated target operating margin of 10% and is above the 2% increase in allowable expenses needed for an extraordinary rate increase, as stated in the Franchise Agreement with the City. We request the council's approval for the extraordinary rate increase as presented by city appointed consultant Chris Bell, Bell & Associates.

Sincerely,
Cindy Rogers
Municipal Relationship Manager



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