



Solid Waste Rate Review

Wilsonville City Council Work Session
October 20, 2025

Introduction & Summary

- Franchise Agreement
 - Rate review process
 - Calendar year 2024 Operating Margin = 7.7%
 - Rates payable by City residents and businesses for solid waste collection service must increase

Rate Review Process

- This year:
 - Analysis of the financial results from 2024 operations with Wilsonville
 - Collaborative process to determine the cost of service
 - Adjust report data for accuracy
 - Estimate and project cost increases for 2025
 - Escalate 2024 reported revenue and expenses for the current year
 - Union wages, Health Insurance, Waste Disposal, Fuel
 - Apply the January 1 rate increase
 - The estimated operating margin for 2025 is **5.9%**

Option no. 1 – 125% CPI Adjustment

SW Ordinance 883, Article VIII, 2.d.

- If the expected operating margin is less than 8%, then rates are
- Increased by 125% of the CPI
 - Apply a flat increase of 3.30% to all services
 - Revenue increase is approximately \$227,000
 - 125% of 2.64% is 3.30%

Option no. 2 – Republic Services Petition for an Extraordinary Rate Increase SW Ordinance 883, Article VIII, 3.

- Factors identified by Republic Services in the letter dated September 29, 2025
 - Union driver wages (4.10% increase)
 - Union health insurance (8% increase)
 - Disposal fees and taxes (5.5% increase)
 - CPI inflation related to management services (2.6%)
 - Fuel (39.3% increase)
- All but one factor in excess of CPI increase (2.64%)

Application of the Rate Options

- Estimated 2025 Operating Margin is 5.9%
- Option 1 generates approximately \$227,000 of additional revenue
 - The revenue necessary to reach a 10% margin in 2025 is \$516,000
 - The rate increase becomes effective on January 1, 2026
 - Highly unlikely that Option 1 will generate enough revenue to keep Republic within the 8% to 12% operating margin in 2026
- Therefore, does City Council want to accept Republic Services' request for an Extraordinary Rate Increase?
 - The petitioned Extraordinary Increase generates additional revenue above the 125% CPI in Option 1

Question before Council

- Does City Council want to accept Republic Services' request for an Extraordinary Rate Increase?
 - Should rates increase differently by category?
 - Should rates increase differently depending on cart size?
 - Does Council prefer to have all rates increase by the same percentage?

Key Dates

- October 20, 2025 – City Council work session to review draft Rate Report
- November 17, 2025 – City Council work session to review (and potentially adopt) revised Rate Report
- January 1, 2026 – Ordinance (i.e., any changes to rates) becomes effective



Questions?