



Work Session

WS

Milwaukie City Council

COUNCIL WORK SESSION

City Hall Council Chambers, 10501 SE Main Street
& Zoom Video Conference (www.milwaukieoregon.gov)

AGENDA

MAY 20, 2025

Council will hold this meeting in-person and by video conference. The public may come to City Hall, join the Zoom webinar, or watch on the [city's YouTube channel](#) or Comcast Cable channel 30 in city limits. For Zoom login visit <https://www.milwaukieoregon.gov/citycouncil/city-council-work-session-8>. Written comments may be delivered to City Hall or emailed to ocr@milwaukieoregon.gov.

Note: agenda item times are estimates and are subject to change.

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|--|-----------|
| 1. Quarterly Capital Improvement Plan (CIP) Update – Report (4:00 p.m.)
Staff: Jennifer Garbely, City Engineer | 15 |
| 2. Fiscal Year (FY) 2026 Solid Waste Rates Review – Discussion (5:0 p.m.)
Staff: Michael Osborne, Finance Director | 20 |
| 3. Adjourn (6:00 p.m.) | |

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

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Servicios de Accesibilidad para Reuniones y Aviso de la Ley de Estadounidenses con Discapacidades (ADA)

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Executive Sessions

The City Council may meet in executive session pursuant to Oregon Revised Statute (ORS) 192.660(2); all discussions are confidential; news media representatives may attend but may not disclose any information discussed. Final decisions and actions may not be taken in executive sessions.



CITY OF MILWAUKIE

Memorandum

To: City Council
From: Joseph Briglio, Assistant City Manager
CC: Emma Sagor, City Manager
Date: May 20, 2025
Re: Community Development Department Monthly Update

Community Development, Economic Development, & Housing	Planning	Building	Engineering
<ul style="list-style-type: none">▪ Economic Development▪ Affordable Housing	<ul style="list-style-type: none">▪ Comprehensive Plan Implementation▪ Planning Commission▪ Land Use/ Development Review	<ul style="list-style-type: none">▪ March Review	<ul style="list-style-type: none">▪ CIP▪ Traffic/Parking Projects▪ Right-of-Way Permits▪ PIP▪ Document Administration

COMMUNITY DEVELOPMENT/ECONOMIC DEVELOPMENT/HOUSING

Economic Development

- Milwaukie was recently the cover story for the Portland Business Journal - <https://www.bizjournals.com/portland/news/2025/02/05/milwaukie-portland-housing-multifamily-pietros.html>
- [Bobs Red Mill](#) - On February 8, Bob's Red Mill announced that it would be [closing its Retail and Café](#) property on International Way on February 17. The company later [announced on social media](#) that it would be closing its doors on February 12. The closure only impacts its retail and café operations.
 - The property is listed for sale at \$5.95M – [See Flyer](#)
 - Staff have reached out to a few businesses and developers to help generate interest.
- [The Business of Milwaukie](#), a city-wide business association, launched on November 1 with its "Meet Milwaukie Event" and subsequent Holiday Shopping/Small Business Saturday campaign called "Sip Shop Support."

Downtown:

- The [Downtown Alliance of Milwaukie \(DAM\)](#) has started meeting regularly and taken the place of the now defunct Downtown Milwaukie Business Association (DMBA). Multiple city staff members have participated in their meetings and discussions and will continue to partner as much as resources allow. The group approved of its 2025 priorities, which are as follows:

- Hanging flower baskets sponsored by businesses
- Milwaukie food festival
- Wayfinding signs/poster adoption and downtown 99E signs.
- Utilize private parking lots for weekend events.
- Elk Rock Island Float (Summer)
- Milwaukie Bay Park Support
- Oktoberfest
- Main street holiday lights and decoration contest

DAM is also building out its website and recently received its 501C3 Non-Profit status.

- The sale of the Collectors Mall, along with the adjacent store fronts, closed in late summer 2024 and is actively soliciting for new tenants in the vacant spaces: [Updated Lease Flyer](#)
 - The property owner submitted an [Oregon Main Street](#) grant on March 13, which was supported by the city, to receive funding for restoring the building façade.
- [Good Measure](#), an artisanal grocer at the northwest corner of Main and Jefferson Street, had its grand opening on January 31 and is now open for business.
- [SaunaGlo](#), a Nordic-style spa along SE Jefferson Street, completed its improvements and held their grand opening on December 6.
- [Moving Forward Staying Present Yoga Studio](#) is going to be taking over 10560 SE Main Street, the former home of Elk Rock Yoga.
- Historic City Hall: [pFriem Beer](#) and [Keeper Coffee](#) are officially open as of April 7 and there has been a lot of press and social media buzz. Here are some of the latest stories:
 - [pFriem Family Brewers opens its first Portland-area taproom](#) - Oregonian
 - [‘A community hub’: pFriem opens new taphouse in Historic Milwaukie City Hall](#) - Clackamas Review
 - [First look inside pFriem Family Brewers Milwaukie taproom in Portland-metro](#) – New School Beer
 - [Pfriem previews new taproom in Milwaukie](#) – KGW
 - [pFriem opens its tasting room in Milwaukie's old city hall](#) – Portland Business Journal
 - [Keeper Coffee Opens Its Second Location in Milwaukie](#) – Portland Mercury
 - [pFriem brewpub, Keeper Coffee moving into historic Milwaukie building](#) – Milwaukie Review
- The Libbie's property is still currently for sale: <https://www.loopnet.com/Listing/11056-11070-SE-Main-St-Milwaukie-OR/31458135/>

- The former Chase Bank property (10900 SE 21st Ave) was sold. The Planning Commission held a public hearing on the new owners' [land use application](#) for a 45-unit residential development on May 13, 2025. The project was approved at that hearing.
- [Sewcial Studies](#), a retail fabric store that offers sewing classes and workshops, is now open for business. It took over the old Cloud Pine location on Main Street.
- [B-Side Records & Vintage](#) opened on April 11 and is "rocking and rolling."
- [1847 Food Park](#) located at 1925 SE Scott St has begun site work and building framing, with an anticipated opening sometime this Summer.
- [Ovation](#) has closed and a new restaurant called the Giving Cafe will be taking its place. They are currently updating the interior, but no opening date has been provided.
- [11138 SE Main Street \(Sapphire\) and 11222 SE Main Street \(Broken Arrow Archery/USPS\)](#) sold and the new owners have not proposed any changes or development plans.
- Dark Horse, DAM, and City Staff have been collaborating on updating many, if not all, of their storefronts and interior spaces. There will be more suite spaces opening up for businesses very soon.
- *Milwaukie Station*: All cart spaces are currently occupied.

Milwaukie Marketplace:

- Kimco officially sold the marketplace to [Lincoln Property Company](#) (LPC), a Texas based commercial real estate company, in February. Staff is working with LPC on building new partnerships.
- Building permits have been issued to Pietro's Pizza for building renovation plans for the old McGrath's Fish House. It is currently under construction and no opening date is currently set. Planning staff recently assisted them with moving/approving their "historic," non-confirming sign, which is now placed at the new location.
- Shari's Café & Pies has closed. <https://www.oregonlive.com/business/2024/10/struggling-sharis-cafe-pies-closes-additional-locations.html>

Enterprise Zone:

- Portland Polymers, a plastics recycler, is relocating to Milwaukie's north innovation area and recently received approval to take advantage of the North Clackamas Enterprise Zone tax incentives.
- The Overland Van Project was also approved a few months ago. Alpine Foods is in their final application stages and should receive approval soon. Swagelock has withdrawn its interest for now.

Urban Renewal Area Economic Development Programs:

- The Milwaukie Redevelopment Commission Citizen Advisory Committee (MRCCAC) convened in February to discuss updates on the business improvement grant program. Since launching in August 2024, the program has served 16 businesses/storefronts with a grand total of \$540,000.

- Grant program information can be found here:
<https://www.milwaukieoregon.gov/economicdevelopment/economic-development-business-improvement-grants>
- The current budget (\$600,000) for the programs is almost expended. Staff is planning on requesting additional funding in order to continue the momentum and success of the programs.

Affordable Housing

Sparrow Site:

- On January 7, 2025, the council adopted the following development goals:
 - Affordable Homeownership models that serve households earning up to 80% Area Median Income (AMI)
 - Unit Mix. Preference for family-size units.
 - Equity in contracting and workforce development.
 - Preservation of tree canopy.
 - Sustainable design.
 - Affirmative outreach.
 - Minimize need for city financing.
 - Project delivery that is as soon as practicable.
- The City Council held a public hearing to designate the properties as surplus at its February 18th Regular Session Meeting. Staff are now working on replating the property in order to prepare it for a competitive Request for Proposals (RFP). The RFP will likely occur in June 2025.

Affordable Housing Code Incentive Package:

- Planning and Community Development staff are working on code amendments targeted toward affordable housing. Work sessions were held on January 7 and March 18 with the council that included extensive discussion. Staff held a final work session with Council on May 6, with direction to move forward with the public hearing process for the proposed code amendments. A work session with the Planning Commission has been scheduled for June 10.

Coho Point:

- The Developer presented an update to the city council during its February 21, 2023, work session and requested a 12-month extension of the Disposition and Development Agreement (DDA) due diligence period because of extenuating circumstances involving supply chain and subcontractor timing issues related to the COVID-19 pandemic. The due diligence period was officially extended to March 31, 2024.
- Staff were notified on May 10, 2023, that Black Rock had submitted the CLOMR to FEMA. The review process typically takes several months, and FEMA has requested additional information from the applicant in September 2023, January 2024, and March 2024. The applicant has 90 days to address FEMA's comments and resubmit. In order to allow for the completion of the CLOMR/FEMA process, the City agreed to a fifth due diligence extension of December 31, 2024.
- Given that FEMA has expanded the scope of the CLOMR, Black Rock and the city agreed

to an additional extension through June 2025.

- Black Rock received CLOMR approval from FEMA in March. They are now discussing the next steps with staff, which include a shared parking agreement and an income-restricted covenant for the affordable units, to name a few. Staff have also been coordinating efforts between Coho Point and Kellogg Dam as the two projects are now following similar timelines.

Construction Excise Tax (CET) Program:

- The CET Program was established by the city council in 2017 and codified within chapter 3.60 (Affordable Housing Construction Excise Tax) of the municipal code. The CET levy's a one percent tax on any development over \$100,000 in construction value. In example, a property owner who is building an addition that has an assessed construction value of \$100,000 would have to pay \$1,000 in CET to the city. As development continues throughout the city, the CET fund increases in proportionality.
- The city released its inaugural competitive bid process for CET funds through a formal Request for Proposals (RFP). This resulted in Hillside Park Phase I being awarded \$1.7M (requested \$2M) and the Milwaukie Courtyard Housing Project (Now called Milwaukie Shortstack) with \$300K (requested \$600K).
- On March 7, 2023, the city council authorized the city manager to execute the necessary grant agreements in the amounts listed above. The grants agreements for both projects have been signed and executed, and initial funding disbursements have occurred. Staff will now work with the applicants to ensure that their projects meet the conditions for funding.
- In recent conversations with staff (February 18, 2025), the Council has directed staff to support the development of the Sparrow site with affordable housing related CET Funds.
- A portion of the Economic CET related funds will be programmed for a city-wide business grant program (outside the URA). Staff is trying to launch this in late summer.

PLANNING

Comprehensive Plan Implementation

- Neighborhood Hubs: Following a series of public workshops and an online survey, planning and community development staff moved forward with proposed code amendments and an economic development toolkit for the Neighborhood Hubs project. Council approved the Phase 2 code amendments on [August 6](#). Staff and Council had a discussion about Phase 3 in a work session on November 5. Council provided staff with direction for future work session topics for Phase 3. A work session to discuss Phase 3 was held on February 18. Staff will update council on the work plan as it is developed.

Transportation System Plan (TSP)

- The TSP kicked off in October 2023. To date, the Technical and Advisory Committees have each met nine times, most recently in May to review potential improvement projects for all modes of travel citywide. There will be a major public engagement push this June and July with a public open house scheduled for June 18th at Ledding Library from 6:00-7:30 and focus groups for underserved Milwaukians scheduled for July. Planning staff will also be attending community events to solicit feedback on the draft list of improvement projects. City Council and Planning Commission will receive updates in June. .

Planning Commission

- The Commission held its annual joint meeting with the NDA's on April 8. Six NDA officers attended. Staff discussed large development projects, middle housing unit production, and the land use process with both groups.
- DR-2025-001: A Type III Downtown Design Review application for the construction of a 4-story, 45-unit residential building on the site of the former Chase Bank at 10900 SE 21st Ave and 2120 SE Monroe St. The building will have private and shared amenity spaces, 17 vehicle spaces (9 EV spaces) in an adjacent parking lot, and 45 bike parking spaces. The applicant is requesting Type III Downtown Design Review related to Building Massing and Transitions – the design is proposed to meet the design guidelines rather than meeting the design standard that requires a 6-ft step back for the top 10 ft of the building. The public hearing with the Planning Commission was held on May 13. They approved the project at that meeting.
- CU-2025-002: A Type III Conditional Use application for a vacation rental at 8525 SE 32nd Ave. The property has been operated as a single-unit residence and short-term rental for the past 7 years and the owner wishes to now convert it to a full-time vacation rental. The application has been deemed complete and referred for review and comment by other departments and agencies. A public hearing with the Planning Commission was held on May 13.
- CSU-2025-002: A Type III Community Service Use application to establish a meditation center at 8835 SE 42nd Ave. The application is being reviewed for completeness and will be referred for review and comment once deemed complete. A public hearing with the Planning Commission is tentatively scheduled for June 24. The existing house is designated as a "significant" historic resource, but only minor exterior changes are proposed (replacement of a non-historic sliding door with a window and installation of porch handrails) --the accompanying Historic Review will be conducted as a Type I review in conjunction with the associated building permit.

Land Use/Development Review¹

- MHL-2025-001 & -002: Type II applications for middle housing land division of detached quadplexes being developed at 5026 & 5036 SE Harrison St, respectively. Initial notices of decision were issued on April 8, but staff determined that the applications had been improperly processed with Type II review instead of as expedited land divisions, so the notices were rescinded and new public notice was sent out for each on April 24. No comments were received and new notices of decision were issued shortly after the minimum comment period ended on May 8.
- CSU-2025-001 & VR-2025-005: A Type II application for a minor modification to an existing community service use (childcare) at 2992 SE Monroe St. The applicant has also applied for a variance to the maximum fence height standard in residential zones. A Notice of Decision to approve the application was issued on April 29, and the appeal period will run through May 14, 2025.
- MHL-2025-003: An application for a middle housing land division of an attached quadplex being developed on a flag lot at 10905-10911 SE Home Ave (Tax Lot: 12E31BA10901). Referrals and a public notice mailing were sent on May 2, 2025.
- DR-2025-003: A Type II application for Downtown Design Review at 11358 SE 21st Ave. The property was purchased by Sarah and Matthew Ciobanasiu (owners of Decibel Sound and Drink). The project involves remodeling the existing structure—including modifications to the street-facing facade—to use as a multi-purpose event venue.
- A-2025-002: An expedited annexation for the property at 5706 SE Westfork St. The property is within the Northeast Sewer Extension (NESE) area and its septic system failed, requiring an emergency connection to the public sewer in Westfork Street. The necessary System Development Charges (SDCs) were paid to allow the emergency connection, and staff is processing the annexation application. A tentative date for action by the City Council has not yet been identified.
- Two additional middle housing land division (MHL) applications have been submitted in association with proposed quadplex development at 10598 SE 53rd Pl and 8933 SE 39th Ave. Both applications are still in completeness review and pending the submittal of associated building permits.

Other Updates

- Natural Resources code update: Staff held a public hearing with the Planning Commission on the package of proposed amendments to the natural resource code (Milwaukie Municipal Code (MMC) Section 19.402). On April 22, Planning Commission recommended that Council adopt the package at the Council hearing on May 20, 2025.

¹ Only land use applications requiring public notice are listed.

BUILDING

Permit data for	April	FY to Date:
New single-family houses:	1	4
New ADU's	3	5
New Solar	5	65
Res. additions/alterations	7	49
Commercial New	3	7
Commercial Alterations	4	86
Demo's	1	13
Cottage Clusters	8	31
Townhouses	0	4
Total Number of Permits issued:		1380
(includes fire, electrical, mechanical, plumbing, and other structural)		
Total Number of Inspections:		4488
Total Number of active permits:		1055

ENGINEERING

Capital Improvement Projects (CIP):

CIP 2018-A13 Washington Street Area Improvements

Summary: This project combines elements of the SAFE, SSMP, Water, Stormwater, and Wastewater programs. SAFE improvements include upgrading and adding ADA compliant facilities along 27th Ave, Washington St, and Edison St. Street Surface Maintenance Program improvements are planned for Washington Street, 27th Avenue, and Edison Street. The Spring Creek culvert under Washington Street at 27th Avenue will be removed, and a new structure added. The water system along Washington Street will be upsized from a 6" mainline to an 8" mainline. The stormwater system along Washington Street will be upsized from 18" to 24" storm lines. The project is being designed by AKS Engineering and Forestry.

Update: ADA ramps and sidewalk restorations are ongoing as well as curb restorations on Washington Street. SE Edison Street has finalized full depth paving. SE 35th Avenue, SE Madison Street, and SE 32nd Avenue have received trench pavement restoration. Asphalt paving restoration on SE 35th Avenue from Sellwood to Washington Street will begin May 27th. Asphalt paving restoration on SE Washington Street from 27th to 35th Avenue is tentatively scheduled for last week of May or first week of June.

CIP 2016-Y11 Meek Street Storm Improvements

Summary: Project was identified in the 2014 Stormwater Master Plan to reduce flooding within this water basin. The project was split into a South Phase and a North Phase due to complications in working with UPRR.

Update: Construction is anticipated to be completed June 2025 with final walk thorough.

CIP 2021-T58 Milwaukie Downtown Streets and Curbs

Summary: The project includes SAFE improvements to downtown sidewalks by replacing existing sidewalk with pervious concrete sidewalk. Stormwater improvements include installing 5 storm inlets and 5 manholes. The project will use a specialized product, Silva Cells, to deter sidewalk uplift from tree roots. This project is out to bid and is expected to select a contractor by January 14th.

Update: The contractor has finished all work as of 5/5/2025. A final punchlist walkthrough will occur this month to start the warranty period.

CIP 2022-W56 Harvey Street Improvements

Summary: The project includes water improvements and stormwater improvements on Harvey Street from 32nd Avenue to the east end, on 42nd Avenue from Harvey Street to Johnson Creek Boulevard, 33rd Avenue north of Harvey Street, 36th Avenue north of Harvey Street, Sherry Street west of 36th Avenue, 41st Street north of Wake Court, and Wake Court. Sanitary sewer work will be done on 40th Avenue between Harvey Street to Drake Street. The project also includes the installation of an ADA compliant sidewalk on Harvey Street from 32nd Avenue to 42nd Avenue and 42nd Avenue from Harvey Street to Howe Street. Roadway paving will be done throughout the project area.

Update: Century West Engineering was contracted for the design in July 2023. The project is currently being reviewed by our procurment team and will be out to bid either this week or next week.

CIP 2021-W61 Ardenwald North Improvements

Summary: Project includes street repair on Van Water Street, Roswell Street, Sherrett Street, 28th Avenue, 28th Place, 29th Avenue, 30th Avenue, and 31st Avenue with a shared street design for bicycles, pedestrians, and vehicles. The sidewalk will be replaced on the north side of Roswell Street between 31st and 32nd Avenue. Stormwater catch basins in the project boundary will be upgraded, the water system will be upsized on 29th Avenue, 30th Avenue, 31st Avenue, and Roswell Street, and there will be wastewater improvements on 28th Avenue, 29th Avenue, and 31st Avenue to address multiple bellies and root intrusion to reduce debris buildup.

Update: Curb installation on SE Roswell Street is ongoing with ADA ramps and sidewalk restorations coming in this week. ADA ramps, sidewalk, and curb installations on SE Van Water Street will be starting Tuesday, May 20th. SE 29th, 30th, and 31st Avenue water mainline connections to Roswell and Van Water Street is being coordinated with the Water Department.

CIP 2022-A15 King Road Improvements

Summary: King Road (43rd Avenue to city limits near Linwood Avenue) SAFE/SSMP Improvements will replace existing sidewalk and bike lane with a multi-use path, improve stormwater system, replace water pipe, and reconstruct roadway surface.

Update:

Northwest Natural started relocation of their utilities on May 1st as part of the preparation for the project in late summer. It is expected that by end of May all of their work will be completed.

There have been intensive coordination and work with multiple property owners to address their comments and concerns before the project finish the design stage.

Up to May 13th there are 80% of the Permit of entry letters signed by the owners.

The procurement documents are in progress. It is expected that the project will be out for bid mid June and construction to start end late summer.

CIP 2024-N04 Downtown Streetscape Improvements

Summary: SE Main Street from Washington Street to the north end of City Hall: URA project to update and bring up to Downtown standards sidewalks, ramps and parking spaces. The design will be in-house led by the engineering department.

Update: A project charter has been drafted and shared with the Public Works Department to add projects that could be completed at the same time along SE Main Street. The charter will soon be shared, refined and approved by department managers.

The Topographic survey was completed over the winter by Emerio Engineering; CAD baseline files are in City's possession to start the design process

CIP 2025-T61 2025 Grind & Pavement

Summary: Annual street project that identifies city roads that need to be repaved and marked. The identification process was coordinated by the Engineering department and the Street Division.

Update: As part of this year's project, the SPOT program recommended speed cushions along SE Wichita Avenue to help keep posted speeds consistent. Part of the speed cushion costs will be funded by the SPOT program.

Design plans, cost estimates, and special provisions are finalized. The contract and bidding documents are completed and will be sent to Bonfire to start the procurement process. It is expected that the bid opens at the end of May in Bonfire.

CIP 2025-S17 Slurry Seal 2025

Summary: Annual street project that identifies city roads that may benefit from a topical slurry seal treatment, so as to maintain an acceptable pavement condition index value. The identification process was coordinated by the Engineering department.

Update: The Slurry Seal Project is a joint solicitation venture with Hillsboro and 4 other regional municipalities. In mid March 2025, Hillsboro awarded the pavement maintenance project to VSS international. The contractor is anticipated to start their work in Milwaukie between the last week in July to the first week in August.

Design plans, cost estimates, and special provisions are finalized. The contract and bidding documents are completed, and the bid has been awarded.

CIP 2025- First Fish Herons

Summary: As part of the IGA with the Confederated Tribes of Grand Ronde and the third phase of the Milwaukie Bay Park design the Engineering department is working with the Cultural Resources Department of the Tribes to complete the design and construct three art plinths for seasonal art exhibitions.

Update: The engineering department identified an alternative for the foundation of the plinths. This will be a pin pile which will be lighter and equally strong that will ensure the engineered sloped of the park shore does not experience additional loads.

The bid process will be a design-construct approach and will be procured as an intermediate contract appointment. It is expected the bid will open in Bonfire by mid-June. With construction starting in late summer and finalizing in late fall.

Engineering department have been collaborating with The Grand Ronde Arts department to identify the details of the plinths.

Line 33 – Better Bus Project (TriMet)

Summary: As part of the Better Bus Project TriMet and Clackamas County are working together to bring Transit Signal Priority (TSP) to the Line 33 bus. This will improve reliability and reduce the delays the route currently experiences.

As part of this project, TriMet is consolidating bus stops and retrofitting the infrastructure of the route. A consolidation of bus stops will take place on SE Harrison Street between 26th Avenue and OR 224. Two eastbound and two westbound stops will be consolidated into a one bus stop at 2816 SE Harrison Street by the Bridge City Community Church

The Engineering and Planning Departments are working closely with TriMet and Clackamas County evaluating the design and helping coordinating permits and utility relocation. It is expected that construction takes place in Fall 2025.

Waverly Heights Sewer Reconfiguration

Summary: Waverly Heights Wastewater project was identified in the 2010 Wastewater System Master Plan. The project may replace approximately 2,500 feet of existing clay and concrete pipes.

Update: Authorization for the design contract with Stantec was approved by the Council on August 1, 2023. An engineering services agreement was executed with Stantec on Sept. 19, and the design effort was kicked off in early October of 2023. The design team is currently working through the 90 percent design and preparing to send out Permit of Entry requests for construction. The design team anticipates going to bid in Summer of 2025, with construction commencing in late Summer 2025.

Monroe-Washington Street Greenway

Summary: The Monroe-Washington Street Greenway will create a nearly four-mile, continuous, low-stress bikeway from downtown Milwaukie to the I-205 multi-use path. Once complete, it will serve as the spine of Milwaukie's active transportation network connecting users to the Max Orange Line, Max Green Line, Trolley Trail, 17th Avenue Bike Path, I-205 path, neighborhoods, schools, and parks. Funding grants through ODOT and Metro will allow the city to complete our 2.2-mile section of the Monroe Greenway from the Trolley Trail to Linwood Ave. The Clackamas County portion of the Greenway, from Linwood Avenue to Fuller Road, has moved to the construction phase.

Segment Update:

East Segment (37th to Linwood): Staff have come to an agreement with ODOT and contracted CONSOR for the design. CONSOR has submitted the Design Approval Package to ODOT (approximately 60% design). The Plans, Specifications, and Estimate (PS&E) submittal will be provided to ODOT in May 2025. Final project design is expected in December 2025, and the project is expected to go to construction in Summer 2026. Open-Houses were hosted on February 29th for all of the Greenway, ODOT's Highway-224 project, the City's TSP, and Kellogg Creek Restoration and Community Enhancement Project, and on September 12 for the East segment of the Greenway. The City received mixed feedback for moving forward with the project. Feedback from the February and September open houses has been incorporated into the design and city staff prepared an engagement plan to share with the public. City staff presented the status of the East Segment of the Monroe Greenway to the City Council on December 3. Members of the public attended the presentation and participated in the public comments portion of the city council meeting. City staff applied for approximately \$1.7 million of additional funding through the Regional Flexible Funds Allocation (RFFA) grant program to mitigate scope reductions due to inflation. Metro has indicated approximately \$1.5 million will be awarded. City staff are working with ODOT to prepare and project change request (PCR) to incorporate the additional federal funds and update the Statewide Transportation Improvement Plan (STIP) and Metropolitan Transportation Improvement Plan (MTIP). Priorities for the additional funding include paving, a flashing beacon at the 37th Avenue/Washington Street Crossing, and sidewalks on Monroe west of Garrett to complete the Monroe sidewalks from the greenway to 37th Avenue.

Monroe Street & 37th Avenue (34th to 37th): This segment is complete. It was constructed as part of the private development of the 7 Acres Apartments.

Central Segment (21st to 34th): The city and ODOT have signed an IGA that will transfer \$1.55 M in STIP funding to the city to construct this segment of the Monroe Street Greenway. City staff have contracted with 3J Consulting to negotiate work at the Oak Street and 37th Avenue railroad crossings. A request for qualifications was posted to Bonfire and three applicants submitted qualifications. Notice of Intent to Award to Emerio Design was posted April 23, 2025; however, city staff and Emerio Design were unable to agree to scope and fee terms that were acceptable to both parties. City staff are currently negotiating the design fee with the next most qualified candidate, Burgess & Niple, Inc.

Monroe Street & Highway-224 Intersection: This project has now been combined with a larger project which will mill and overlay Highway-224 from 17th Avenue to Rusk Road in Fiscal Year 2026. An Open-House was hosted on February 29th for all of the Monroe Greenway, ODOT's Highway-224 project, the City's TSP, and Kellogg Creek Restoration and Community Enhancement Project. The City received concerns regarding the development of Highway-224 and Monroe Greenway pushing traffic from Monroe Street onto Penzance Street. Wildish Standard Paving is under contract with ODOT and has begun staging along Highway-224. Construction is anticipated in Summer/Fall 2025.

The water main in Monroe Street underlying Highway 224 was replaced by pipe bursting in December 2024.

Downtown Monroe Greenway (Trolley Trail to 21st Avenue): The city is investigating funding to enhance the Monroe Greenway through downtown Milwaukie.

Kellogg Creek Restoration and Community Enhancement Project

Summary: Project to remove the Kellogg Creek dam, replace the McLoughlin Blvd. bridge, improve fish passage, and restore the wetland and riparian area. City of Milwaukie staff are part of the project Leadership Team, Core Technical Team, and the Technical Advisory Committee. The Leadership Team and Core Technical Team both meet monthly. In addition to city staff, these groups include staff from North Clackamas Watershed Council (NCWC), Oregon Department of Transportation (ODOT), and American Rivers. The Technical Advisory Committee (TAC) for the Kellogg Creek Restoration & Community Enhancement Project involves all collaborative partners that include the Confederated Tribes of the Warm Springs Indian Reservation of Oregon, the Confederated Tribes of Grand Ronde, Clackamas Water Environment Services, Metro, North Clackamas Parks and Recreation District, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Division of State Lands, the Native Fish Society, and the Natural Resources Office of Governor.

Update: The Summer 2024 Geotechnical and Sediment Sampling/Evaluation Study is complete. On December 12, Metro announced that the project would receive \$10M in [large scale community visions grant funds](#). These funds will be utilized as the local match requirement called out in federal grant applications. Additional details and updates are available at the project website: <https://www.milwaukieoregon.gov/kellogg/project-status>

Traffic / Parking Projects, Issues

None.

Right-Of-Way (ROW) Permits (includes tree, use, construction, encroachment)

Downtown Trees and Sidewalks

Update: Staff have a contract with AKS; working on what type of design works best now and in the future with both the trees and sidewalks & curbs.

Private Development – Public Improvement Projects (PIPS)

1600 Lava

Update: This development on Lava drive was completed in February 2025, and adds a new 13-unit multi-family building. Public improvements for this project included a new sidewalk, an ADA ramp, and minor street widening. Building permits have been issued and on-site construction has begun.

Hillside Park

Update: Construction of Phase 1 for this project is underway, and includes 3 new buildings, and their associated public improvements. Public improvements for this development include utilities, new roadway alignment, new sidewalk, ADA ramps, and new asphalt paving.

Seven Acres Apartments (formerly Monroe Apartments) – 234 units

Seven Acres

Update: Seven Acres has completed construction and is currently occupied. Public improvements for this development included a new bike path and sidewalk from Oak Street and Monroe Street to 37th Avenue and Washington Street. Public improvements are currently under warranty and will receive a final inspection after a one-year period before shifting over to the City for ownership.

Henley Place (Kellogg Bowl redevelopment)- 175 units

Update: Construction is complete, and the building is occupied.

Elk Rock Estates – 5 lot subdivision at 19th Ave & Sparrow St.

Update: All public improvements have been completed; the project is in the close out phase and the Engineering Department is currently waiting on as-builts from the developer. The land use entitlements have recently expired, so they will need to go back through the process to build units. The lots are currently for sale.

Shah & Tripp Estates – 8-lot subdivision at Harrison Street and Home Ave.

Update: The Right-of-Way improvements have been completed, and the new street has been opened. Currently the developer and contractor are addressing final punch list items. As-builts have been submitted to the City for review.

Bonaventure Senior Living – 170-units

Update: ROW permits have been issued, and public improvements are currently under construction. Milwaukie staff have completed on-site storm water facility inspections and will inspect asphalt multi-use path up to HWY 224.

1847 Scott St Food Park

This new food park will provide up to 17 spaces for food carts, a new tap room and a covered canopy shelter, along with frontage improvements. Frontage improvements include new sidewalks, and a new ramp at Main and Scott. Sitework is currently underway.

Document Administration

Plans

Summary: WSC is preparing the Stormwater System Plan.

COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, City Manager

Date Written: May 8, 2025

Reviewed: Joseph Briglio, Assistant City Manager

From: Jennifer Garbely, City Engineer

Subject: **Quarterly Capital Improvement Plan (CIP) Projects Update**

ACTION REQUESTED

No Council action is requested. This presentation is for informational purposes only.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

Staff generally provide Council with a quarterly capital projects update.

ANALYSIS

The engineering department is working on the design and/or bids for several projects that are completely or partially funded through the Street Surface Maintenance Program (SSMP), the Safe Access for Everyone (SAFE) Program, and city utility funds:

- **Meek Street Pipe Installation, North Phase.** This project will construct a new detention pond and install approximately 4,000 linear feet of stormwater pipeline along the Union Pacific Railroad (UPRR) between Harrison Street and the Roswell Detention Pond. The design was provided by AKS Engineering and Forestry and was completed in late spring of 2023. Tapani, Inc. was selected to construct the project through a competitive bid process in the summer of 2023. Construction efforts commenced in November of 2023, with construction of the stormwater pipeline from the Hillside development to the Balfour Pond, as well as excavation of the Balfour Pond. Construction of the pipeline within the UPRR right-of-way (ROW) was delayed in summer of 2024, while the contractor coordinated with Union Pacific to approve work plans for the work within the ROW. Construction is anticipated to be completed June 2025. City Engineer Jennifer Garbely is the project manager for this project.
- **2025 Grind and Inlay.** Staff are preparing to go out to bid May 2025 with the completion of the project by October 2025. The project scope of work included the grind and inlay for just over four miles of roadway within the city. Associate Engineer Camilo Alvarez Tuta is the city project manager.

Monroe Street Greenway. The greenway will create a nearly four-mile, continuous, low-stress bikeway from downtown Milwaukie to the Interstate(I)-205 multi-use path. Once complete, it will serve as the “spine” of Milwaukie’s active transportation network, connecting users to the Max Orange Line, Max Green Line, Trolley Trail, 17th Avenue Bike Path, I-205 path, neighborhoods, schools, and parks. Funding grants through ODOT and Metro will allow the city to complete our 2.2-mile section of the

greenway from the Trolley Trail to Linwood Ave. The Clackamas County portion of the Greenway, from Linwood Avenue to Fuller Road, has moved to the construction phase.

- **East Washington-Monroe Greenway Segment (37th Avenue to Linwood Street):** Staff are working with CONSOR and Oregon Department of Transportation (ODOT), to refine the design for the eastern section from 37th Avenue and Washington Street to Linwood Avenue and Monroe Street. City staff are working with ODOT to prepare and project change request (PCR) to incorporate additional federal funds and update the Statewide Transportation Improvement Plan (STIP) and Metropolitan Transportation Improvement Plan (MTIP).
- **Monroe Street & 37th Avenue (34th Avenue to 37th Avenue):** This segment is complete. It was constructed as part of the private development of the 7 Acres Apartments.
- **Central Monroe Greenway Segment (21st to 34th):** The city and ODOT have signed an intergovernmental agreement (IGA) that will transfer \$1.55 million in STIP funding to the city to construct this segment of the greenway. City staff have contracted with 3J Consulting to negotiate work at the Oak Street and 37th Avenue railroad crossings. A request for qualifications was posted to Bonfire and three applicants submitted qualifications. City staff are currently negotiating the design fee which closed April 17, 2025, for the design of the central portion of the greenway.
- **Monroe Street & Highway 224 Intersection:** This project has now been combined with a larger project which will mill and overlay Highway-224 from 17th Avenue to Rusk Road in Fiscal Year (FY) 2026. An Open House was hosted on February 29 for all the greenway, ODOT's Highway 224 projects, the city's Transportation System Plan (TSP), and Kellogg Creek Restoration and Community Enhancement Project. The city received concerns regarding how the development of Highway 224 could push traffic from Monroe Street onto Penzance Street. Wildish Standard Paving is under contract with ODOT and has begun staging along Highway 224. Bid opening for the project was January 9 and the Notice of Intent to Award to Wildish Standard Paving was posted January 30. Construction is anticipated in Summer/Fall 2025.
- The water main in Monroe Street underlying Highway 224 was replaced by pipe bursting in December 2024.
- **West Downtown Monroe Greenway Segment (Trolley Trail to 21st Avenue):** The city is investigating funding to enhance the Greenway through downtown Milwaukie.

Civil Engineer Tanya Battye is the city project manager for all the work associated with this project. For more information on this project visit <https://www.milwaukieoregon.gov/communitydevelopment/monroe-street-neighborhood-greenway-concept-design>.

- **Washington Street Area Improvements.** The project scope includes sidewalk improvements, street pavement improvements, repair to the existing stormwater, sanitary sewer, and water systems, and replacement of the Spring Creek Culvert under Washington Street. Construction has been ongoing since March of 2024. Edison Street has been completed. Americans with Disabilities Act (ADA) ramps, curb, and sidewalk are being completed on Washington Street from 35th Avenue to 27th Avenue. The contractor anticipates they will grind and inlay the street in June 2025. All landscaping will occur in September 2025. City Engineer Jennifer Garbely is the city project manager with Associate Engineer Josh Neath.

<https://www.milwaukieoregon.gov/engineering/washington-street-area-improvements>
- **Harvey Street Improvements.** This project includes the update and repair of existing sanitary, storm, and water systems. It also includes installing ADA compliant sidewalk on Harvey Street from 32nd Avenue to 42nd Avenue and on 42nd Avenue to Howe Street. Due to additional water work needed in five years, the street will only be resurfaced, not reconstructed. Design has been contracted to Century West Engineering Corporation. Project is being prepared to go out to bid by the end of May 2025. Associate Engineer Hector Gomez-Barrios is the project manager. City Engineer Jennifer Garbely will be managing the construction phase.

<https://www.milwaukieoregon.gov/engineering/harvey-street-improvements>
- **Ardenwald North Improvements.** The project includes sidewalk improvements, street pavement improvements, and repair to the existing stormwater, sanitary sewer, and water systems west of 32nd Avenue along Van Water Street, Roswell Street, 28th Avenue, 29th Avenue, 30th Avenue, and 31st Avenue. Construction is under way with the crew working on water work, ADA ramps and concrete curb. Project is anticipated to be completed by October 2025. Associate Engineer Josh Neath is the city project manager.

<https://www.milwaukieoregon.gov/engineering/ardenwald-north-improvements>
- **Waverly Heights Sewer Reconfiguration.** This project will rehabilitate a deteriorated wastewater collection system in the Waverly Heights area of Milwaukie. The collection system facilities are primarily located on private, residential property, with limited information on existing maintenance easements. The design phase of the project will develop rehabilitation strategies for the collection system, with a focus on minimizing impacts to residents, (i.e. using cured-in-place-pipe, pipe bursting, or other low impact rehabilitation methods). Stantec Consulting Services is preparing easements and then will prepare bid documents. Construction is anticipated to start in late summer of 2025. Assistant City Engineer Jeff Tolentino is the project manager for this project.
- **26th Avenue Improvements and Waverly South Project.** The project is currently under design with a survey. This project will be combined with the Waverly South Project, which includes water, wastewater, ADA ramps, and roadway improvements near Lava Drive. The project scope of work includes sidewalk improvements and street pavement improvements by doing a two-inch grind and inlay for the length of 26th Avenue. Once Harvey Improvements Project is out to bid this project will kick off design Associate Engineer Hector Gomez-Barrios is the city project manager.

- **Main Street Sidewalk and Storm.** This project is complete, and staff are working on closing out the project. The scope of work includes stormwater and sidewalk improvements. This project is designed with stormwater infiltration in mind by using porous concrete and Soil Cells. Associate Engineer Hector Gomez-Barrios is the city project manager.
<https://www.milwaukieoregon.gov/engineering/downtown-storm-and-sidewalk>
- **King Road Improvements.** The King Road Improvements project will replace existing sidewalk and bike lane with a multi-use path, improve stormwater system, replace water pipe, and reconstruct roadway surface. The project is being prepared to go out to bid which is anticipated for June 2025. City Engineer Jennifer Garbely is the city project manager with Associate Engineer Camilo Alvarez Tuta.
<https://www.milwaukieoregon.gov/engineering/king-road-improvements>
- **Water Project Engineering Services.** Due to the aging water infrastructure at our treatment plants, pump station, reservoirs, and well sites, the city hired two consultants with Water System Consulting and RH2. Staff have identified the need to focus on the new water treatment plant that includes the requirement of treating Perfluorooctanesulfonic acid (PFOS). In addition, the team will be evaluating Well #8, hydraulics within our entire water system, and start of pre-design of a new water reservoir. City Engineer Jennifer Garbely is the city project manager with Civil Engineer Tanya Battye.
- **Stanley Avenue SAFE Improvements.** An IGA with the Development Agency of Clackamas County was signed to design and construct improvements on Stanley Avenue between Johnson Creek and King Road. The scope of the project includes a side path on one side of the roadway, stormwater, and ADA ramps. The county will be managing the design phase, and the city will manage the construction phase. Currently the project is evaluating proposals for a qualified consultant. City Engineer Jennifer Garbely is the city project manager with Associate Engineer Camilo Alvarez Tuta.
<https://www.milwaukieoregon.gov/engineering/stanley-reservoir-improvement-project>
- **First Fish Herons (FFH).** As part of the IGA with the Confederated Tribes of Grand Ronde (CTGR) and the third phase of the Milwaukie Bay Park design the city's engineering department is working with the Cultural Resources Department of the CTGR to complete the design and construct three art plinths for seasonal art exhibitions. Staff are working on the structural base for the artwork and anticipate construction to occur in late fall 2025. The FFH artwork is expected to be placed on the plinths in the park in March 2026. Associate Engineer Camilo Alvarez Tuta is the project manager and is coordinating this project for the city with the city recorder.
- **Upcoming Projects.**
 - Harrison Corridor Safety Assessment.
 - Downtown Streetscape Improvements
 - Brookside Pump Station Improvements

BUDGET IMPACTS

All the projects mentioned have been budgeted for the latest biennium's CIP, except the city did not receive a Safe Routes to School (SRTS) grant for the Stanley SAFE Improvement Project.

CLIMATE IMPACTS

Staff maintain pavement across the city in accordance with the goals outlined, and the funds collected by the SSMP. The materials and equipment used in the construction of infrastructure contain embedded carbon and generate greenhouse gas emissions. To the extent possible, staff work with contractors to use more sustainable materials and methods such as warm mix asphalt and concrete with a percentage of the cement replaced by fly ash or ground slag. For streets that need to be fully rebuilt, full-depth reclamation will be used instead of complete removal and replacement. This change will save a significant amount of energy otherwise expended by trucking material to and from the construction site, with the added benefit of reducing landfill disposal and the amount of new rock required for a project. Through improved regular maintenance of city streets, the lifespan of city streets will be extended, which will reduce the need for larger and more resource intense repair projects that have greater climate impacts.

While some trees must be removed to provide the required area to construct a project, the goal is to always install more trees than are removed. When feasible, stormwater projects will now start to include the more natural, low-impact development facilities. These are smaller facilities spread throughout a project that allow better retention, cleansing, and infiltration of stormwater runoff. Where feasible on sidewalk and pathway projects, more pervious asphalt and concrete surfaces will be installed to reduce stormwater runoff. With CIP projects, language in the project specifications that limit idling time of construction vehicles will be included.

EQUITY IMPACT

Engineering projects help bring equity and accessibility to the community. CIP projects focus on the areas in Milwaukie with the greatest need and highest risk. The staff goal is to improve safety and access to quality services for residents. Through our SAFE program our goal is to remove barriers for people to walk, bike, or roll safely. This includes ADA enhancements. In addition, construction communication updates to water, wastewater, and stormwater facilities have been distributed and available in Spanish and English.

WORKLOAD IMPACTS

The engineering department is currently seeking to fill two staff vacancies that include two engineering technicians.

COORDINATION, CONCURRENCE, OR DISSENT

Engineering staff coordinated with public works, community development, finance, and the city manager's office on these projects through our capital projects chartering process to ensure interdepartmental coordination.

STAFF RECOMMENDATION

This report is informational only.

ATTACHMENTS

None.

COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, Acting City Manager

Reviewed: Matthew Deeds, Assistant Finance Director

From: Michael Osborne, Finance Director

Subject: **Presentation of Proposed Solid Waste Rates for Fiscal Year (FY) 2026**

Date Written: May 9, 2025

ACTION REQUESTED

Council is asked to review and discuss proposed solid waste rates for FY 2026 and provide direction to staff for preparing an update to this section of the city's consolidated fee schedule.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[July 18, 2023](#): Council approved rate increases for residential collection rates by an average of 4.2% - an increase of \$1.50 per month. Commercial collection rates were increased by an average of 3.7% - an increase of \$1.26 per collected yard. The rate increases were due to Metro's Tip Fee of \$14.21 per ton increase for waste disposal and the new union agreement between Waste Management (WM) and the Teamsters union.

[July 16, 2024](#): Council approved rate increases for known and measurable costs incurred by waste haulers, including the Metro Tip Fee increase of 11.94% that accounted for 57% of the overall increases. Rates for residential services increased between 5.4% to 6.2%. Rates for commercial services increased between 5.1% to 6.0%. Rates for drop boxes increased \$7 for hauling fees, \$5 for delivery fee, and a .30 mileage fee increase.

ANALYSIS

FY26 Rate Adjustments

The city has contracted with Chris Bell of Bell & Associates (Bell) for the past six years. Bell works with Clackamas County along with several other local cities to analyze solid waste rates and provide a recommendation of acceptable rate increases. The city currently has franchise agreements with three haulers: WM, Kahut Waste Services (Kahut), and Clackamas Garbage. The first two haulers serve most of the customers in the city, >95%.

Based on the financial data submitted by WM and Kahut for calendar year 2024, Bell has proposed the following increases in city solid waste rates.

- Residential: Proposed residential services rate increases range from 4.5% to 5.1% depending on the size of the cart. 56% (3,394 customers) of Milwaukie residents have a 35-gallon cart and would expect a 4.8% increase or a \$1.96 monthly increase.
- Commercial: Proposed commercial services rate increases range from 4.9% to 5.9% depending on the yard size.
- Drop boxes: Proposed drop box rate increases including a \$5 hauling fee increase, a \$3 delivery fee increase, and a \$.25 mileage fee increase.

These fee increases are due to several economic factors. The two biggest factors are the Metro Tip Fees and union labor increases. On July 1, 2025, Metro Tip Fees will increase \$13.82 to \$168.53, an 8.93% increase. These Metro Tip Fees, the cost to haulers to dispose of solid waste at Metro transfer stations, have increased 57% over the past four years. The rate charged by Metro for organic waste disposal increased 6.9%. Union driver wages increased 3.03% from the previous year.

In previous discussions of solid waste rates, Council asked for more information about what the Bulky Waste Day and food composting components of our franchise agreement cost. Food waste adds \$1.80 and Bulky Waste Day adds \$1.28 the average solid waste monthly bill.

BUDGET IMPACT

The city will continue to receive franchise fees based on gross revenues from the three haulers. For fiscal year ending June 30, 2024, the city received approximately \$315,000 in revenues from the three haulers. For fiscal year ending June 30, 2025, we expect \$312,000 in revenues based on the previous year's rate increase.

CLIMATE IMPACT

The proposed changes should have a positive impact as rate increases may encourage customers to reduce the amount of materials they dispose of and increase reuse, supporting the city's materials management goals within the climate action plan.

EQUITY IMPACT

Any increase in rates does have a disproportionate impact on residents living on low or fixed incomes. The city recognizes this impact and can explore through future franchise negotiations and development if there are any ways to mitigate this impact.

WORKLOAD IMPACT

None.

COORDINATION, CONCURRENCE, OR DISSENT

City staff and the consultant, Chris Bell, concur with this report and recommendation.

STAFF RECOMMENDATION

Staff recommend that solid waste rates be adjusted as shown in Bell & Associates *Solid Waste & Recycling Rate Review Report for 2024*.

ALTERNATIVES

Council could decide to defer rate adjustment to a later date.

ATTACHMENTS

1. Bell & Associates Annual Report for 2024



Solid Waste & Recycling Rate Review Report for 2024



| MAY 2025

City of Milwaukie 2024 Solid Waste Rate Review

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Table 6: Proposed Drop Box / Roll Off Compactor Haul Rates

Background

The collection and recycling of waste within the City of Milwaukie (City) is accomplished under exclusive franchise agreements between Waste Management (WM), Kahut Waste Services (Kahut), Clackamas Garbage¹ and the City. Table 1 summarizes the reported customer counts for each collection company.

Table 1: Milwaukie Solid Waste Franchise

Collection Company	Cart Customers	Commercial Customers	Drop Box Hauls
Waste Management	4,695	344	3,388
Kahut Waste	1,491	18	161
Milwaukie Total	6,186	362	3,549

As the regulator of waste and recycling, the City Council is responsible for establishing collection rates for all waste and recycling collection services.

Annual Cost Report

The annual cost report submitted by the franchisees provides line-item costs and revenues associated with providing service within the City and combined line-item totals for their non-Milwaukie operations. In addition, the format provides the capacity to calculate the cost of service for each line of business (cart, container, and drop box). Cart collection is primarily offered to residential customers, whereas business customers are serviced with a container or a drop box.

In September 2024, the City increased residential collection rates by an average of 5.8% - most residential customers have a 35-gallon cart and incurred an increase of \$1.77 per month. Commercial collection rates were increased by \$1.19 per collected yard, an average increase of 5.6% over the previous rates. The rate increase was due to Metro's \$16.39 per ton increase for waste disposal and the union labor agreement between WM and the Teamsters.

In March 2025, both franchised companies submitted the annual detailed cost report to the City for the calendar year 2024. Reported results were analyzed, and the following tasks were completed:

- Analyze reported route collection hours to the reported customer counts for each line of business.
- Using a predictive test of revenue for each line of business, ensure the reported revenues are reasonable for the number of reported customers.
- By thoroughly reviewing the reported direct cost line items, determine if the expense is reasonable in relation to the customer and operational data entered from the detailed cost report.
- Utilize a predictive test of disposal to determine if the reported disposal expense is reasonable.

¹ Clackamas Garbage did not submit a report to Milwaukie and its costs were not considered in the composite. Clackamas Garbage has only 11 customers and total Milwaukie revenues less than \$25,000.

- e. Using the reported administrative line items, determine if the expense is reasonable in relation to the operational data entered from the detailed cost report and comparable to prior report submissions.
- f. Review the costs between the City and the franchised hauler's other collection operations to determine if the allocations are reasonable.

Adjustments were made to the reports of both companies. Table 2 details the return for each collection service provided within the Milwaukee franchise collection system.

Table 2: 2024 Adjusted Milwaukee Results

	Roll Cart	Container	Drop Box	Total
Revenues	\$3,296,544	\$2,248,854	\$1,604,087	\$7,149,485
Direct Costs of Operations	\$2,605,801	\$1,724,615	\$1,464,622	\$5,795,038
Indirect Costs of Operations	\$446,598	\$310,523	\$71,663	\$828,784
Total Costs for Rates	\$3,052,399	\$2,035,138	\$1,536,285	\$6,623,822
Franchise Income (Revenue – Total Costs)	\$244,145	\$213,716	\$67,802	\$525,663
Return on Revenue (Income / Revenue)	7.4%	9.5%	4.2%	7.4%

Projected Cost of Service in 2025

Projecting expenses for 2025 is achieved by applying known and measurable costs to the line item expenses and revenues. The factors used in the adjusted composite reports include the following:

- Revenue increased by 3.4% for residential and 2.2% for commercial service rate increase passed in September 2024.
- A Metro solid waste tip fee increase of \$13.82 to \$168.53 per ton (8.93%) will be effective July 1, 2025.
- From July 2020 to July 2025, the solid waste disposal fee has increased by \$69.03 per ton, which is a 70.2% increase. This change is a 14.0% annualized increase over the last five years. Before 2020, and extending back to 2006, tip fee increases had averaged about 2.5% per year. Inflation averaged 1.7 – 1.8% from 2006 – 2020.
- The rate charged by Metro for organic waste disposal increased by 6.9%, from \$94.04 to \$100.48 per ton.
- Union driver wages increased by 3.03% from the previous year.
- Expiring federal natural gas tax credits will increase fuel expense by 20%.

Table 3 on the following page summarizes the projected expenses for 2024.

Table 3: Projected 2025 Composite Revenues and Expenses

Description	2024 Adjusted	\$ ▲	2025 Projected
Revenue	\$7,149,485	\$243,197	\$7,392,682
Disposal Expense	\$2,320,619	\$179,693	\$2,500,312
Labor Expense	\$1,827,553	\$45,223	\$1,872,776
Truck Expense	\$721,580	\$12,460	\$734,040
Equipment Expense	\$465,891	\$17,876	\$483,767
Franchise Fees	\$318,527	\$-	\$318,527
Other Direct Expense	\$140,868	\$-	\$140,868
Management & Admin	\$828,784	\$2,018	\$830,802
Total Expense	\$6,623,822	\$257,270	\$6,881,092
Income (Revenue - Total Expense)	\$525,663		\$511,590

Proposed Rates

The projected composite results are outside the 8 to 12% range for the allowable return on revenues; therefore, the City Council needs to address the shortfall. The expected increase for service incorporates the July 2025 disposal increase, driver labor, organic disposal, and the sunseting of the federal alternative fuel tax credit into the proposed cart collection rate. Table 4 combines these costs and calculates the proposed rate increase for Milwaukie's primary cart sizes.

Table 4: Proposed Residential Collection Rates

Level of Service	Current Rate	Disposal Fee	Organics	Labor	Fuel	Total	Proposed Rate
20 gal	\$34.72	\$0.45	\$0.35	\$0.26	\$0.52	\$1.58	\$36.30
35 gal	\$40.43	\$0.83	\$0.35	\$0.26	\$0.52	\$1.96	\$42.39
60 gal	\$52.72	\$1.42	\$0.35	\$0.26	\$0.52	\$2.55	\$55.27
90 gal	\$62.68	\$2.06	\$0.35	\$0.26	\$0.52	\$3.19	\$65.87

Most Milwaukie residential customers (56% or 3,394) have a 35 gallon cart service. The rate increase proposed for these customers is 4.6% over the current rate.

Commercial Container Waste Service

The proposed rates for commercial container service are the additional cost of waste disposal and the increased fuel expense. Table 5 details the calculation of the proposed rate increase for container waste and recycling services for three levels of service provided in Milwaukee.

Table 5: Proposed Rates for Commercial Container Waste and Recycling Service

Service	2 yard weekly	4 yard weekly	6 yard weekly
Current Container Rate	\$213.14	\$382.40	\$542.11
Metro Increase per Yard	\$0.76	\$0.76	\$0.76
Fuel Increase	\$0.27	\$0.27	\$0.27
Margin & Franchise Fee	\$0.18	\$0.18	\$0.18
Total Cost per Yard	\$1.21	\$1.21	\$1.21
Monthly Yards	8.66	17.32	25.98
Rate Increase	\$10.48	\$21.48	\$32.22
Proposed Increase	\$223.62	\$403.88	\$574.33
% ▲	4.9%	5.6%	5.9%

Drop Box / Roll Off Compactor

The proposed rates for drop box / roll off compactor include increased costs to include labor and fuel costs. The increased fees are assessed based on the haul and delivery fees. Table 6 details the proposed increased service rates for these services.

Table 6: Proposed Drop Box / Roll Off Compactor Haul Rates

Level of Service	Current Rate	Rate Increase	Proposed Rate
20 Yard Drop Box Haul Fee	\$177.00	\$5.00	\$182.00
30 Yard Drop Box Haul Fee	\$187.00	\$5.00	\$192.00
40 Yard Drop Box Haul Fee	\$197.00	\$5.00	\$202.00
25-34 Yard Compactor Haul Fee	\$216.00	\$5.00	\$221.00
34+ Yard Compactor Haul Fee	\$245.00	\$5.00	\$250.00
Delivery Fee	\$45.00	\$3.00	\$48.00
Mileage Fee	\$5.00	\$0.25	\$5.25