

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Arianne Sperry		2. Telephone No. 503-823-5664	3. Bureau/Office/Dept. Planning and Sustainability
4a. To be filed (hearing date): May 14, 2014	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: April 23, 2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Revise residential solid waste and recycling collection rates, effective July 1, 2014 (Ordinance; amend Code Chapter 17.102)

2) Purpose of the Proposed Legislation:

This ordinance is the outcome of the annual rate review for the residential solid waste and recycling collection system. The costs of franchised residential haulers have been independently reviewed and adjustments made to reflect anticipated inflationary increases, such as wage increases and higher fuel costs, the increased cost of solid waste disposal, the costs of City programs such as the clean fleet truck replacement policy, changes in recycling market revenue, as well as efficiencies gained by the franchised haulers.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This ordinance continues the five percent franchise fee that funds solid waste and recycling program administration costs. Because hauler revenues will remain relatively flat, City revenues from franchise fees should essentially remain the same.

5) **Expense:** What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

No additional costs are caused by this ordinance.

6) **Staffing Requirements:**

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- Will positions be created or eliminated in *future years* as a result of this legislation?

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) **Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

None.

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section – REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ **YES:** Please proceed to Question #9.

☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

The monthly rate for the about 80 percent of customers will stay flat or decrease slightly. For every-other-week 32-gallon can service, 18 percent of customer base, rates will increase slightly. Rates for all service levels can be found in Exhibit A: Figure 6.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

These rates, and the methodology used to develop them, will be reviewed by the Portland Utilities Review Board on May 1.

c) How did public involvement shape the outcome of this Council item?

These rates, and the methodology used to develop them, will be reviewed by the Portland Utilities Review Board on May 1.

d) Who designed and implemented the public involvement related to this Council item?

Bruce Walker, Solid Waste and Recycling Manager

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Bruce Walker, Solid Waste and Recycling Manager, 503-823-7772,
bruce.walker@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Customers will be notified of rate changes prior to their July 1, 2014 implementation.



BPS Director, Susan Anderson



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

PROPOSED 2014-15 SOLID WASTE AND RECYCLING RATES May 22, 2014

Each year, the Bureau of Planning and Sustainability conducts an analysis to establish proposed rates for residential solid waste, recycling and composting collection services. The process involves a CPA review of hauler financial records for the previous calendar year and discussion by the Portland Utility Review Board.

Despite inflation and other upward pressures, rates for 14-15 are proposed to stay flat or decrease for about 80 percent of customers due primarily to hauler operating efficiencies. In particular, the cost of maintaining and servicing roll carts has dropped sharply, more than offsetting upward rate pressure for roll cart service levels. The rate for every-other-week 32-gallon can service, which does not benefit from reduced cart costs, is proposed to increase slightly.

The proposed rates continue to provide incentives that hold down rates for customers with smaller containers or less-frequent service. This policy provides an incentive for customers to reduce their garbage generation and to compost and recycle as much as possible. The cost to service both the 60 and 90 gallon carts has decreased and the proposed rates for those service levels will assist customers needing additional garbage capacity to "right size" their containers.

The table below shows the rates proposed to take effect July 1, 2014. At its May 1 meeting, PURB voted to support the proposed rates.

Service levels	Proposed 2014-15 rates	Current rates	Difference, 2013-2014	Percent Change	Percent of customers*
32/35 gallons every four weeks	\$ 21.75	\$ 21.75	\$ -	0.0%	9%
20 gallon service	\$ 24.75	\$ 24.75	\$ -	0.0%	9%
32 gallon can	\$ 28.55	\$ 28.10	\$ 0.45	1.6%	18%
35 gallon cart	\$ 29.35	\$ 29.50	\$ (0.15)	-0.5%	41%
60 gallon cart	\$ 35.90	\$ 36.40	\$ (0.50)	-1.4%	17%
90 gallon cart	\$ 42.80	\$ 43.30	\$ (0.50)	-1.2%	3%

*Total does not equal 100% due to rounding and the small number of customers who subscribe to other service levels, including multiple garbage containers and services that do not include regular garbage collection.



City of Portland, Oregon | Bureau of Planning and Sustainability | www.portlandoregon.gov/bps
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