



Bureau of Planning and Sustainability
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**Portland Planning and Sustainability Commission Officer Briefing
April 27, 2017**

2017-18 RESIDENTIAL CURBSIDE COLLECTION RECOMMENDED RATES

Every year, the Bureau of Planning and Sustainability sets rates for curbside residential garbage, recycling, and yard debris collection service. The rate review process analyzes the financial records of 14 private franchised haulers and determines the cost of providing service for the different garbage container sizes used by customers.

Incentive Discounts and Premiums

Once the cost-of-service rates are determined, incentive discounts are applied to smaller garbage carts and incentive premiums to larger garbage carts in order to encourage customers to reduce their garbage generation and to compost and recycle as much as possible. Incentive discounts and premiums have been included in Portland’s rate setting methodology since 1993.

The following information includes the monthly rate components for the 35 gallon cart, the most common service level. The next page shows the current and recommended rates and the amount of rate incentive discounts and premiums.

35 Gallon Roll Cart	Current FY16-17	Proposed FY17-18	Dollar Difference
Solid Waste	6.28	6.24	(0.05)
Recycling	5.49	5.51	0.01
Composting	6.92	7.02	0.10
General and Administrative	6.35	6.38	0.02
Operating Margin	2.63	2.64	0.01
Franchise Fee	1.46	1.46	0.00
Proposed Rate	\$29.15	\$29.25	0.10



Recommended monthly rates for 17-18

Service Level	FY16-17	FY17-18	Change	% Households Served*
35 Gallon Can / Cart - Every 4 Weeks				7%
Cost of service	24.57	24.68		
Incentive Discount	(2.97)	(2.96)		
Rate	21.60	21.70	0.10	
20 Gallon Can / Cart - EOW	FY16-17	FY17-18		8%
Cost of service	27.33	27.45		
Incentive Discount	(2.83)	(2.83)		
Rate	24.50	24.60	0.10	
32 Gallon Can - EOW	FY16-17	FY17-18		11%
Cost of service	28.49	28.62		
Incentive	0.00	0.00		
Rate	28.50	28.60	0.10	
35 Gallon Cart - EOW	FY16-17	FY17-18		44%
Cost of service	29.14	29.24		
Incentive	0.00	0.00		
Rate	29.15	29.25	0.10	
60 Gallon Cart - EOW	FY16-17	FY17-18		22%
Cost of service	32.24	32.32		
Incentive Premium	2.76	2.76		
Rate	35.00	35.10	0.10	
90 Gallon Cart - EOW	FY16-17	FY17-18		4%
Cost of service	36.14	36.18		
Incentive Premium	5.36	5.40		
Rate	41.50	41.60	0.10	

*Percentages do not sum to 100 because a small number of customers subscribe to other service levels, such as multiple carts at duplex, triplex, and fourplex units.



Terrain Fee

The true cost of providing curbside residential collection service is not the same throughout the city. On Portland's hillier west side, low street connectivity, larger lots, and narrow, windy roads increase collection costs. In order to ensure all franchisees have the opportunity to earn the 9.5 percent operating margin, a terrain fee is added to rates in a specified area on Portland's west side that includes about 15 percent of the residential customer base. The terrain fee is currently \$4.00 per month and this year is proposed to increase to \$4.20. Recent analysis indicated that the productivity differential has grown as haulers showed larger efficiency gains on eastside routes compared to the area covered by the terrain fee.

