

**Portland Planning and Sustainability Commission Update  
April 21, 2020**

**2020-21 RESIDENTIAL GARBAGE, RECYCLING & COMPOSTING COLLECTION  
RATE REVIEW UPDATE**

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 a sample of the 11 private franchised haulers and determines the cost of providing service for the different garbage container sizes used by customers.

Despite the COVID-19 crisis, BPS is moving forward as required by the Franchise Agreement with the annual ratemaking process. We plan to present recommended rates to City Council at the Utility Rate hearing on May 13, along with Water and BES.

BPS staff are still working to develop final rates. At this time, we anticipate a monthly rate increase of about a dollar for most customers. Below are the key factors affecting rates this year.

**Portland Clean Energy Surcharge**

Last Spring, 20 cents was added to monthly rates to account for hauler payments toward the Portland Clean Energy Surcharge (CES). But in December, City Council voted to exclude residential garbage collection from the CES. In February new rates took effect that both removed the 20 cents for the CES and reduced rates even further to compensate customers for the amount already paid toward the CES through the rates. The removal of the CES customer rebate increases monthly bills by about 25 cents.

**State of Oregon Corporate Activity Tax**

Beginning January 1, 2020, businesses with more than \$1 million in commercial activity in the State of Oregon must pay a new Corporate Activity Tax (CAT). BPS estimates the CAT will increase monthly bills by about 20 cents a month.

Other factors increasing costs:

- the cost to dispose of garbage (increased garbage tip fee)
- inflation (although low, it still creates upward pressure on rates)
- depreciation on investments in newer, cleaner trucks

Factors reducing costs:

- lower fuel costs
- slightly lower costs for processing recycled materials

The table below shows the draft rate for the most common service level, the 35 gallon roll cart collected every other week:

<b>Service Level of Average Customer</b>	<b>DRAFT FY 2020-21 Rate</b>	<b>Current Rate</b>	<b>Dollar Difference</b>	<b>Percent Change</b>
35 gallon roll cart, every other week	\$33.15	\$32.15	\$1.00	3%

BPS staff is working to develop rates for the other service levels to present to PSC at the April 28 hearing.

### **COVID-19 Update**

- Since declaration of the COVID-19 public health emergency, BPS has been in daily contact with Portland haulers and fortunately their drivers / staff are remaining healthy and able to make their scheduled collections.
- Garbage, composting and recycling collections are recognized as an essential service and drivers are on the front line of delivering those services to the public.
- BPS and the Portland Haulers Association have reached an agreement for service continuation at residences unable to make payments. Both BPS and the haulers recognize that continuity of service is important during these times and are working together in this effort.