

**Portland Planning and Sustainability Commission  
April 28, 2020**

**PROPOSED 2020-21 RESIDENTIAL GARBAGE, RECYCLING & COMPOSTING  
COLLECTION 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 a sample of the 11 private franchised haulers and determines the cost of providing service for the different garbage container sizes used by customers.

**Cost Drivers**

This year, rates are proposed to increase \$1.00 for most customers due to a new State of Oregon Corporate Activity Tax, removal of the Clean Energy Surcharge customer rebate, an increase in Metro’s garbage tip fee, hauler investments in cleaner collection vehicles, and inflationary pressures.

**Policy**

After determining the cost to provide each level of service, BPS has historically included small disincentive premiums on the larger roll carts and small incentive discounts on the smaller garbage containers to help encourage waste reduction and recycling.

As discussed last year, those have grown in magnitude over time. In recent years, BPS has been working to reduce the disincentive premiums on the larger garbage containers. There are disadvantages to excessive disincentive premiums: they add cost to the system, they penalize larger households, and they discourage customers from signing up for the garbage container that best meets their household’s needs.

BPS is proposing a reduction of the disincentive premium on the 60 gallon roll cart that would allow the rate for that service level to stay flat. Many residents are home from work and school right now, generating more household garbage, and may need more garbage capacity. Sufficient garbage capacity also discourages wishful recycling and keeps Portland’s recycling clean and marketable.

**Proposed FY 2020-21 Monthly Rates**

<b>% HH Served*</b>	<b>Primary Service Levels</b>	<b>FY20-21</b>	<b>FY19-20</b>	<b>Difference</b>
6%	35 Gallon - Every 4 Weeks	\$ 25.85	\$ 24.65	\$ 1.20
7%	20 Gallon	\$ 28.55	\$ 27.55	\$ 1.00
50%	35 Gallon	\$ 33.15	\$ 32.15	\$ 1.00
27%	60 Gallon	\$ 37.35	\$ 37.35	\$ 0.00
5%	90 Gallon	\$ 43.60	\$ 42.60	\$ 1.00

*\*Total does not sum to 100 percent as there are a small number of customers with other service levels, such as multiple carts.*

The rate for the 35 gallon roll cart collected every four weeks is proposed to increase more than other rates. This is because costs are going up for recycling and compost collection and down for garbage collection, and this affects the every-four-week service differently than the other service levels. All service levels receive the same amount of recycling and composting, but the every-four-week service receives significantly less garbage collection.

**Next Steps**

BPS is seeking a vote from PSC today to recommend proposed rates to City Council. The Council utility rate hearing is on May 21. If adopted, new rates will take effect July 1.