

IMPACT STATEMENT

Legislation title: Revise residential solid waste and recycling collection rates and charges, effective July 1, 2020 (Ordinance; amend Code Chapter 17.102)

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Presenter name: Bruce Walker and Arianne Sperry

Purpose of proposed legislation and background information:

This ordinance is to adopt the recommended 2020-21 rates for residential garbage, recycling and yard debris / food scraps collection. The recommended rates are a result of the annual rate review process required by the franchise agreement with residential haulers. The costs incurred by the haulers during 2019 have been independently reviewed by a CPA and adjustments made to reflect:

- the new State of Oregon Corporate Activity Tax (included as a pass-through expense);
- increased garbage tipping fees;
- increased costs from hauler investments in newer, cleaner collection vehicles; and
- increased inflationary pressures.

Another factor pushing rates up is the removal of a customer rebate to compensate customers for payments made through the rates towards the Clean Energy Surcharge. The July 1, 2019 rate increase included costs associated with the Clean Energy Surcharge. City Council subsequently modified the Clean Energy Surcharge to exclude revenue received by franchisees for providing residential garbage, recycling, and composting collection service. On February 1, 2020, new rates took effect that removed the costs associated with the Clean Energy Surcharge and included a customer rebate through June 30, 2020.

Financial and budgetary impacts:

This ordinance continues the 5% franchise fee that funds solid waste and recycling program administration costs. Because rate revenue will increase, City revenues from the 5% franchise fees are anticipated to increase by \$40,500 this fiscal year, or 1 percent.

Community impacts and community involvement:

Monthly rates for residential garbage and recycling collection service will increase by \$1.00 for most customers.

100% Renewable Goal:

N/A

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

May 21, 2020 PM City Council Meeting

Public Testimony

No.	Item No.	First Name	Last Name	Zip	Registration	Notes
1	393	Beth	Vargas Duncan	97301	5/19/2020 10:29	phone