

Portland Planning Commission

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May 17, 2023

Mayor Wheeler and Portland City Commissioners
Portland City Hall
1211 SW 4th Avenue
Portland, OR 97204

Mayor Wheeler and Commissioners:

The Planning Commission conducted a public hearing on the proposed residential garbage, recycling, and composting rates on May 9, 2023. We received a presentation from the Bureau of Planning and Sustainability about the City's rate-setting process, which subjects operating costs to review by a third-party CPA and economist, and which requires rates that reflect the cost of service plus operating margin and franchise fee. We discussed the franchised haulers' increased costs to provide collection service and the fee increases recommended for FY 2023-24 in compliance with City code.

The Commission voted 6-2 to support the adoption of the rates under consideration at Council on May 24, 2023, with the exception that the Planning Commission recommends maintaining a 5% franchise fee rather than the staff-recommended 8% franchise fee. This recommendation was driven by a concern that rate increases are becoming an increasing cost burden to residential ratepayers, and that funding public service programs such as public trash collection through residential rates may not be the most equitable or progressive method.

Since the May 9 meeting, we have learned that funding from outside BPS for the public trash can program may not be realistic and that limiting staff's proposed franchise fee to 5% would curtail BPS's ability to fund public trash collection. We support the public trash can collection program but encourage Council to consider alternative, more progressive funding mechanisms than franchise rates in order to sustain the public trash can program long-term.



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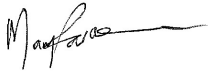
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We also want to signal our support for an income-qualified discount for garbage and recycling service for low-income Portlanders served by this part of our garbage system, options that will be evaluated and identified through a BPS project that is just starting. We feel this is vital to ensure a more balanced fee structure for residential rates and would have the positive effect of making this funding source for public trash collection services less regressive.

The Planning Commission is also interested in furthering community engagement on rates in the future, including situations where residential rates are increased to cover public service programs such as public collection, and we encourage the bureau to evaluate new methodology as part of their Franchise Review process currently underway. We have requested that BPS staff provide an emailed update to the Planning Commission in advance of next year's rate increase on progress for both reduced rates for low-income households and increased public notification for the process.

Sincerely,



Mary-Rain O'Meara
Chair

