

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Arianne Sperry		2. Telephone No. 503-823-5664	3. Bureau/Office/Dept. Planning and Sustainability
4a. To be filed (hearing date): May 15, 2013	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: May 1, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Revise residential solid waste and recycling collection rates, effective July 1, 2013 (Ordinance; amend Code Chapter 17.102)

2) Purpose of the Proposed Legislation:

This ordinance is the outcome of the annual rate review for the residential solid waste and recycling collection system. The costs of franchised residential haulers have been independently reviewed and adjustments made to reflect anticipated inflationary increases, such as wage increases and higher fuel costs, the increased cost of solid waste disposal, the costs of City programs such as the clean fleet truck replacement policy, changes in recycling market revenue, as well as efficiencies gained by the franchised haulers.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This ordinance continues the five percent franchise fee that funds solid waste and recycling program administration costs. Because hauler revenues will decrease an estimated 1.3%, City revenues from franchise fees should also decrease by that amount.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)

No additional costs are caused by this ordinance.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- Will positions be created or eliminated in *future years* as a result of this legislation?

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section – REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ YES: Please proceed to Question #9.

☐ NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

The monthly rate for the most common service level, the 35-gallon roll cart, will decrease by \$0.20 per month, from \$29.70 to \$29.50, or -0.7%. Rates for all service levels can be found in Exhibit A: Figure 6.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

These rates, and the methodology used to develop them, were reviewed and supported by the Portland Utilities Review Board.

c) How did public involvement shape the outcome of this Council item?

These rates, and the methodology used to develop them, were reviewed and supported by the Portland Utilities Review Board.

d) Who designed and implemented the public involvement related to this Council item?

Bruce Walker, Solid Waste and Recycling Manager

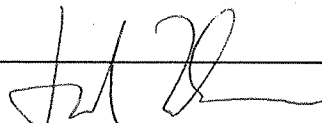
e) Primary contact for more information on this public involvement process (name, title, phone, email):

Bruce Walker, Solid Waste and Recycling Manager, 503-823-7772,
bruce.walker@portlandoregon.gov

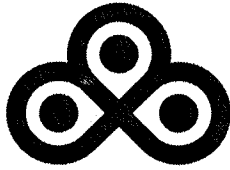
10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Customers will be notified of rate changes prior to their July 1, 2013 implementation.

Susan Anderson / Joe Zehnder



APPROPRIATION UNIT HEAD (Typed name and signature)



Bureau of Planning and Sustainability
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Council Transmittal Memo

DATE: May 1, 2013
TO: Mayor Charlie Hales and Members of City Council
FROM: Susan Anderson, Director

1. **Ordinance:** Revise residential solid waste and recycling collection rates, effective July 1, 2013 (Ordinance; amend Code Chapter 17.102)
 2. **Contact:** Arianne Sperry, Solid Waste/Recycling, 503-823-5664
-

3. **Council Date:** May 15, 2013
4. ☐ Consent Agenda Item ☒ Regular Agenda Item
☐ Emergency Item (explain below) ☒ Non-Emergency Item
5. **Purpose of Agenda Item:**
To revise the solid waste and recycling rates.
6. **History of Agenda Item/Background:**

The Bureau of Planning and Sustainability (BPS) Solid Waste and Recycling Program conducts an annual rate review process to determine an appropriate charge for collection services. This process is assisted by an economist who analyzes various factors that affect rates and an independent certified public accountant to review hauler financial records. BPS also contracts with Portland State University to sample weights of garbage actually set out by residential customers and with a recycling market consultant to forecast recycling revenues.

Staff reviewed a range of factors that impact the cost of providing service, including labor, equipment and fuel costs, the average weight of garbage in each can size, disposal charges



for solid waste and yard debris, the market value of recyclables, as well as efficiencies gained by franchised haulers. The result of this review proposes that the monthly rate for the most common service level, the 35-gallon roll cart will decrease by \$0.20 per month, from \$29.70 to \$29.50 or -0.7%.

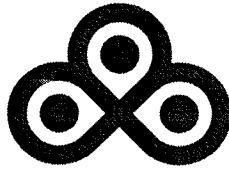
7. What individuals or groups are or would be supportive or opposed to this action?

Residential customers are likely to appreciate a rate decrease and the Portland Utility Review Board has indicated support of the proposed rates.

8. How does this relate to current City policies?

These rates, and the methodology used to develop them, were reviewed and supported by the Portland Utilities Review Board.





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PROPOSED 2013-14 SOLID WASTE AND RECYCLING RATES May 15, 2013

Each year, the Bureau of Planning and Sustainability conducts an analysis to establish proposed residential solid waste rates. Based on this analysis, rates are proposed to decline about 1% on July 1, 2013 due primarily to lower costs of the composting program. The cost of collecting food scraps and yard debris has decreased, and the cost for composting those materials remains far less than disposing of them in a landfill. This rate decrease comes despite increased hauler costs of truck purchases to meet clean fleet standards and increases in disposal fees charged at Metro transfer stations.

Incentives and disincentives are proposed to continue to be applied to rates but with a narrowing of the gap between small and large garbage containers. The rates include incentives that reduce rates for customers with smaller containers or less-frequent service, and they also provide an incentive for customers using a 20-gallon roll cart every other week or 35-gallon cart every four weeks. This policy provides an incentive for customers to reduce their garbage generation and to compost and recycle as much as possible. Incentives for using carts are also proposed because of the worker safety benefits (reduction in injuries from lifting). The disincentive premiums for both the 60 and 90 gallon carts are proposed to be reduced to assist customers needing additional garbage capacity to "right size" their containers.

The table below shows the rates proposed to take effect July 1, 2013.

Service levels	2013 rates	2012 rates	Difference, 2012-2013	% change 2012-2013
Recycling & Composting only	\$18.20	\$18.35	(\$0.15)	-0.8%
Every-four-week 32-gallon can	\$21.75	\$21.85	(\$0.10)	-0.4%
Every-four-week 35-gallon cart	\$21.75	\$23.15	(\$1.40)	-6.0%
20-gallon can	\$24.75	\$24.85	(\$0.10)	-0.4%
20-gallon cart	\$24.75	\$25.80	(\$1.05)	-4.1%
32-gallon can	\$28.10	\$28.20	(\$0.10)	-0.4%
35-gallon cart	\$29.50	\$29.70	(\$0.20)	-0.7%
60-gallon cart	\$36.40	\$37.80	(\$1.40)	-3.7%
90-gallon cart	\$43.30	\$43.80	(\$0.50)	-1.1%

