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190844

Ordinance

Revise solid waste and recycling rates and fees for franchised residential collection and the commercial tonnage fee effective July 1, 2022 (amend Code Chapter 17.102)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. In 1991, the Council granted residential solid waste, recycling, and yard debris collection franchises to introduce service and set standards and rates to encourage increased recovery of recyclable material from the waste stream (Ord. No. 164701).
2. In 2018, the Council renewed the residential franchise system for a 12-year term (Ord. No. 189242).
3. Section 9 of the residential franchise requires the Bureau of Planning and Sustainability (BPS) to conduct an annual rate review to determine the rate franchisees may charge their residential customers for collection services.
4. BPS staff reviewed the rates during the spring of 2022, based on costs and management operations data. The review showed that the monthly rate for the most common service level – the 35-gallon garbage roll cart collected every two weeks – should increase \$0.35 due to increases in regional tipping fees, fuel prices, wages, and general inflation.
5. BPS staff recommend Council approve the proposed amendments to the residential rate schedule, set forth in Exhibit A.
6. Under Portland City Code Chapter 17.102, the City issues permits to commercial garbage and recycling collection companies. Commercial permittees are charged an assessment on each ton of garbage collected from commercial accounts. Funds generated by the fee are used to manage the commercial garbage and recycling program, including public place trash collection.

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Planning and Sustainability](#)

Contact

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

May 25, 2022

7. The costs of managing the commercial garbage and recycling program are rising as the City aims to achieve greater recovery of materials, expand public place trash collection citywide, and enhance waste collection systems for businesses and residents of multifamily properties while addressing racial equity. To align program costs and revenue, BPS staff recommend Council increase the commercial tonnage fee by \$2.00 per ton from \$12.60 to \$14.60.

NOW, THEREFORE, the Council directs:

- A. Portland City Code Chapter 17.102 is amended by deleting the old Figure 6 and replacing it with the Figure 6 contained in Exhibit A.
- B. Portland City Code Section 17.102.250 Commercial Tonnage Fee is amended as follows:
Commercial Permittees shall, when invoiced quarterly by the Director, pay a tonnage fee to the City. Fees shall be assessed up to ~~\$12.60~~\$14.60 per ton of commercial Solid Waste collected within the City and deposited in disposal facilities authorized by Metro. Payments shall be made within 30 days of the date of the invoice. Interest shall accrue at 1 percent per month on balances which remain unpaid as of 30 days after the date of invoice, compounded daily from the due date.
- C. The amendments are effective on and after July 1, 2022.

Documents and Exhibits

 [Exhibit A](#) (9.07 Mb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
May 25, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

Purpose of Proposed Legislation and Background Information

This ordinance adopts the recommended 2022-23 rates for residential garbage, recycling and food scraps/yard debris collection and increases the commercial tonnage fee charged to permitted garbage and recycling collection companies for each ton of garbage collected from business and multifamily accounts.

The recommended rates for residential curbside collection resulted from an annual rate review required by the franchise with residential haulers. Costs incurred by the haulers during 2021 have been independently reviewed and

adjustments made to reflect an increase in regional tipping fees, fuel prices, wages, and general inflation.

The costs of managing the commercial garbage and recycling program are rising as the City aims to achieve greater recovery of materials, expand public place trash collection citywide, and advance equity in the waste collection system for businesses and residents of multifamily properties. In order to bring costs and revenue into alignment, this ordinance amends City Code Chapter 17.102.250, Commercial Tonnage Fee, by \$2.00 per ton, from \$12.60 to \$14.60, beginning FY 2022-2023.

Financial and Budgetary Impacts

This ordinance continues the 5% franchise fee that funds solid waste and recycling program administration costs. Because residential rate revenue will increase, City franchise fee revenues are anticipated to increase by one percent, or \$36,900.

This ordinance also raises the commercial tonnage fee by \$2.00 per ton from \$12.60 to \$14.60 on July 1, 2022. City revenues from the commercial tonnage fee are expected to increase by 16 percent, or \$652,000.

Community Impacts and Community Involvement

Monthly rates for residential garbage, recycling, and yard debris/food scrap collection will increase one percent for most customers.

The residential curbside collection rates were developed in accordance with the methodology laid out in the franchise agreement that governs residential garbage, recycling, and yard debris/food scrap collection. The residential rates were also reviewed by the Planning and Sustainability Commission, which voted to recommend the rates to City Council at a hearing on May 10, 2022.

Permitted garbage and recycling collection companies will pay the City an additional \$2 per ton for commercial garbage collected in Portland. Permitted garbage and recycling collection companies will likely pass the cost on to businesses and multifamily customers.

Bureau of Planning and Sustainability staff convened a meeting with all permitted garbage and recycling collection companies on January 20, 2022, to explain the proposed increase and answer questions. Staff also sent an email to all permitted garbage and recycling collection companies on February 22, 2022.

Testimony is expected from the Portland Haulers Association.

100% Renewable Goal

n/a

Agenda Items

422 Time Certain in May 18-19, 2022 Council Agenda

Passed to second reading

Passed to second reading May 25, 2022 at 9:30 a.m.

454 Regular Agenda in May 25-26, 2022 Council Agenda

Passed

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea