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# 191743

Ordinance

## Revise solid waste and recycling rates and fees for franchised residential collection and the commercial tonnage fee, effective July 1, 2024 (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 2024, the Council renewed the residential franchise system for a 12-year term (Ord. No. 191534).
3. Section 9 of the residential franchise agreement 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 2024, based on costs and management operations data. The review showed cost increases for disposal fees, inflation, wages, insurance, and recycling processing costs. To meet the rate review criteria set forth in the franchise agreement, residential solid waste rates must increase – for example the monthly rate for the most common service level, a 35-gallon garbage roll cart collected every two weeks, would increase \$3.00 due to above-noted increases in disposal fees, wages, insurance, and general inflation.
5. Portland City Code (PCC) Section 17.102.190 provides that the residential solid waste rates and charges are set forth in Figures 6 and 6-1 of Chapter 17. To align with other City rate and fee schedules that are updated annually through an ordinance adopting a policy document, this Ordinance amends PCC 17.102.190 to repeal Figures 6 and 6-1 and allows this and future rate and fee schedules to be adopted as policy documents, as set forth in Exhibit A.
6. Based on the BPS rate review, BPS staff recommend that Council adopt the proposed amendments to the residential rate schedule, set

### Changes

[Ordinance 191743](#)

July 1, 2024

[View all changes](#)

Introduced by

[Commissioner Carmen Rubio](#)

### Bureau

[Planning and Sustainability \(BPS\)](#)

### Contact

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Manager

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### Requested Agenda Type

Regular

### Date and Time Information

**Requested Council Date**

May 29, 2024

Changes City Code

Portland Policy Document




forth in Exhibit B.

7. Under PCC 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.
8. The costs of managing the 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, it is warranted to increase the commercial tonnage fee by \$1.00 per ton from \$15.60 to \$16.60 as set forth in Exhibit C.
9. PCC 17.102.250 contains the per ton fee for commercial solid waste. This Ordinance amends PCC 17.102.250 to delete the actual per ton fee amount and allows this and future per ton fees to be adopted as policy documents, as set forth in Exhibit A.

NOW, THEREFORE, the Council directs:

- A. Portland City Code Chapter 17.102 is amended as set forth in Exhibit A.
- B. The Residential Solid Waste and Recycling Rates fee schedule as set forth in Exhibit B is binding city policy.
- C. The per ton fee for commercial solid waste as set forth in Exhibit C is binding city policy.
- D. This ordinance is effective on and after July 1, 2024.

## Documents and Exhibits

-  [Exhibit A](https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-a-chapter-17.102-changes.pdf) 116.16 KB  
(<https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-a-chapter-17.102-changes.pdf>)
-  [Exhibit B](https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-b-residential-rates_0.pdf) (https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-b-residential-rates\_0.pdf) 27.35 KB
-  [Exhibit C](https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-c-commercial-tonnage-fee.pdf) (https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-c-commercial-tonnage-fee.pdf) 44.8 KB

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 29, 2024

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

Portland Ordinance 191534 (Residential Solid Waste Franchise Agreement) governs rate-setting process for solid waste and recycling fees. Ordinance No. 191534 requires annual rate review and requires the City Council to adjust rates to cover overall cost of service, target operating margin, plus the franchise fee. The franchise system incentivizes haulers to deliver service in a cost-effective and efficient way because each hauler is not guaranteed a specific profit.

This Ordinance adopts FY 2024-25 rates for residential garbage, recycling, and food scraps/yard debris collection, as per the process cited above 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 proposed rates for residential curbside collection result from the annual rate review required by the franchise with residential haulers. Costs incurred by the haulers during 2023 have been independently reviewed by a certified public accounting agency and adjustments made to reflect multiple increases:

- Regional disposal fees (Metro approved a 11.9% increase to the per ton garbage fee, a 7.9% increase to residential organics fees, and a 7.4% increase in the automated transaction fee).
- Solid waste and organics collection costs (including wages and insurance).
- Recycling processing costs have increased 30.4%.
- Inflation adds another 3-4% to the rates.

In addition to the increased direct costs of delivering garbage and recycling service to single-family households, the City has significantly expanded its public trash can program, increased programming for multifamily properties, and used these as opportunities to include haulers that historically have not been part of the residential franchise system. To bring costs and revenue into alignment, this Ordinance increases the commercial tonnage fee by \$1.00 per ton, from \$15.60 to \$16.60, beginning FY 2024-2025.

### Financial and Budgetary Impacts

This Ordinance raises the commercial tonnage fee by \$1.00 per ton from \$15.60 to \$16.60 on July 1, 2024. City revenues from the commercial tonnage fee are expected to increase by roughly one percent, or approximately \$30,000.

## Community Impacts and Community Involvement

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, which requires the City Council to adopt rates that cover the costs of service, the operating margin, and pass-through expenses (such as the franchise fee).

Adjusting rates to meet costs identified in the rate review process will increase monthly fees roughly eight to nine percent for most customers, for residential garbage, recycling, and composting service. This rate increase will result in the recommended monthly rate for the most common service level, the 35-gallon cart, increasing \$3.00 from \$39.00 to \$42.00 per month.

As a result of the proposed commercial tonnage fee, permitted commercial garbage and recycling collection companies will pay the City an additional \$1 per ton for commercial garbage collected in Portland.

Bureau of Planning and Sustainability staff sent an email to all permitted garbage and recycling collection companies on April 23, 2024, announcing the proposed increase.

In considering the community impacts of this rate-setting process, BPS staff note the following:

- Garbage and recycling haulers provide a critical community service with a record of success. When costs increase, the City franchise agreement requires the City to acknowledge these costs via adjusted rates. If it fails to do so, in effect the haulers will solely bear the increased cost without any ability to recoup those costs.
- The service has a track record of being very cost effective and performing well. After adjusting for inflation, even with the recommended increase, costs remain at or below the cost for the same service in 2012.
- Garbage and recycling service is not required, except that City code directs landlords to ensure service is provided to tenants.
- The community benefits from climate and sustainability programs and public trash collection programs funded by the franchise fee.
- This is a fee for service system; customers pay effectively what it costs to provide the service, to oversee it, and to deliver solid waste and sustainability related programs directed and/or required by either state, regional, or City policy.

Testimony is expected from the Portland Haulers Association.

## 100% Renewable Goal

N/A

## Budget Office Financial Impact Analysis

This ordinance increases the commercial tonnage fee by \$1 per ton from \$15.60 to \$16.60 in FY 2024-25. The bureau estimates revenues from this fee increase will be less than one percent at approximately \$29,000. The increased revenue is expected to offset independently reviewed rising expenses related to regional disposal fees, solid waste and organics collection costs, recycling processing costs, and inflation.

## Document History

Item 421 Time Certain in [May 22, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/5/22)  
(<https://www.portland.gov/council/agenda/2024/5/22>)

City Council

Passed to second reading

Passed to second reading May 29, 2024 at 9:30 a.m.

Item 453 Regular Agenda in [May 29-30, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/5/29)  
(<https://www.portland.gov/council/agenda/2024/5/29>)

City Council

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Absent

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea