

Portland Planning and Sustainability Commission

Tuesday, September 8, 2015

12:30 p.m.

Meeting Minutes

Commissioners Present: Andre' Baugh, Karen Gray, Gary Oxman, Katherine Schultz (via Skype), Howard Shapiro, Chris Smith, Teresa St Martin, Maggie Tallmadge

Commissioners Absent: Mike Houck, Michelle Rudd [1 open position]

City Staff Presenting: Susan Anderson, Eric Engstrom, Al Burns, Bruce Walker, Michael Armstrong

Chair Baugh called the meeting to order at 12:37 p.m. and gave an overview of the agenda.

Items of Interest from Commissioners

- *Commissioner Oxman* commented on the 2 PSC transmittal letters that will accompany the Recommended Comprehensive Plan. I believe they are companion pieces to each other. *Commissioner Shapiro* and I have spoken about the intent for the community letter, the spirit of positivity in it, and I really respect that. There are brief mentions of our challenges, but I enjoy the artful and positive nature and that the letters also acknowledge our community.
- *Chair Baugh* noted that if anyone has final comments about the 2 letters, please send that in today. I'm good with the letters as they are and will sign them at the officer meeting this Thursday. They say we are Portland, and in this are all the struggles and inconsistencies and crafts and trying to improve these aspects of our city are what the Comp Plan is all about.
- *Commissioner Gray* read a letter that serves as her resignation from the PSC. It was an honor to represent the education community and East Portland. I'm proud to have been part of the PSC that. I have a new role and job as the Chair of the Oregon Educator Equity Advisory Group in addition to my role at Parkrose Superintendent. I hope East Portland will still be represented on the PSC (Katie Larsell is my suggestion as a replacement).
 - Commissioners shared their thanks for *Commissioner Gray's* time on the Commission and particularly her bringing in an East Portland and educators' voice.

Director's Report

Susan Anderson

- I'd like to arrange a time to honor *Commissioner Gray* and *Commissioner Hanson*. In broadening the Planning Commission to the Planning and Sustainability Commission in 2010, I think you've really helped to broaden all of our perspectives about land use. Thank you for your service.
- I have a schedule of the Comp Plan work sessions that are scheduled at Council. I'd like to talk about making sure we have 1-2 PSC members represented at each work session.
 - *Chair Baugh*: I would like to see each one of us attend at least one session to give Council a sense of how much work, heart and soul we have incorporated into the Plan.

- The sessions are very informal, so PSC members will be part of the discussion, at the table and available to answer Council members' questions.
- Julie sent you all information about your new City email addresses. She, Kevin Martin (BPS' Tech Services manager), and the City's technology bureau can all assist you in getting set up if you need help. And as a reminder, you should now be using these emails for any and all City/PSC-related messaging.
- I'd also like to announce that we're getting started with the fossil fuel export policy. The proposal to do this policy was a part of the recently adopted Climate Action Plan. And partly in response to our work on the Pembina propane export facility. So that the city can provide more clarity for any future fossil fuel export facilities.

I would like to have at least one Commission member be available to be part of the advisory committee. The Mayor would like to move in this relatively quickly, so we will be starting the committee in a couple weeks and hope to have a draft policy out for review in the next 3-4 months. This policy will go directly to City Council so there will be one set of hearings there. And you all can decide if you want to have a letter that comments on the policy, and if you want to testify at Council. Likely that might be as individuals, instead of as a Commission.

Chair Baugh noted it would be good to have 2 different opinions on the advisory group since the PSC won't see it before us. Let Julie know if you're interested, and we'll discuss this at the officer meeting this Thursday.

Commissioner St Martin asked what form the policy will take.

Susan: it would say what the terms would be on allowing fossil fuels being a Portland export. The outcome is a policy statement of what the City supports and under what circumstances.

Consent Agenda

- Consideration of Minutes from the August 11, 2015 PSC meeting.
- R/W #7920 – NE Wielder St and NE Halsey St east of NE 32nd Ave

Commissioner St Martin moved to approve the Consent Agenda. *Commissioner Shapiro* seconded.

The Consent Agenda was approved with an aye vote.
(Y8 – Baugh, Gray, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge)

[Documents and presentations for today's meeting](#)

Solid Waste Rates

Briefing: Michael Armstrong, Bruce Walker

[Presentation](#)

In June, Council established the new Portland Utility Board for water, sewer and stormwater services oversight. The same ordinance assigned PSC responsibility to make recommendations about solid waste rates and service. Next spring, staff will work through draft rates with the PSC. Today is just a chance for us to give some background about the City's solid waste services and how we go about the rate-making process.

Michael described the difference between the commercial and residential collection services as well as the City's role in regulating and working with the garbage and recycling collection companies. Setting the residential curbside collection rates is quite a different process than the one for setting the water and sewer rates. In the case of water and sewer, the service is provided by the City bureaus, whereas the garbage, recycling, and composting collection is conducted by private companies that are regulated by the City. This is a good reason why Council has separated the functions of what was the Portland Utility Review Board.

Commissioner Smith asked who regulates the practices and working conditions for the haulers. Would it be in the City's authority to regulate things such as the undercarriage bars for trucks that I was advocating for during our West Hayden Island discussions?

- The City has lots to say about hauler collection practices. OSHA oversees the safety functions as well.
- We have extensive administrative rules that are typically reviewed annually, so we could look at the undercarriage bar question as part of this process.

Commissioner Oxman: In terms of how haulers are selected, can they apply for zones in multiple geographic areas?

- The franchise system is an evolution from the initial program that started in 1992. Zones have evolved over time, and we're down to 15 residential haulers. Several have multiple zones, which they've received by acquiring the territory of other companies; we originally had over 50 companies citywide.
- Every five years we conduct a review of the franchise agreement with the residential haulers and review a range of factors to ensure that the franchise system is achieving our goals for the system. No single hauler can have more than 40 percent of the city's hauling area.
- Over the years there's been discussion if this is the right way to do it; should we have one hauler? Should we put it out to bid? Thus far we've determined that the franchise system is helping us achieve our goals for a high recovery rate, efficient collection, good customer service, low rates for customers, etc.

Chair Baugh: In terms of franchises, are there opportunities for smaller, diverse companies to compete in the residential system? I know they compete on the commercial side.

- During a review process, we can look to change the structure, but we can't just insert another company into what's currently a different hauler's zone.

Bruce walked through the rate-making process including information about the types of service being offered to residential customers. They all include weekly recycling and compost services. In Portland, garbage is collected every-other week.

We require on-going reporting from haulers that includes tonnage collected; number of customers subscribed to each service level; overall number of customers. At the end of the calendar year, they create a detailed cost report, and the City's CPA reviews these reports.

The calculation of rates is based on the actual costs haulers have submitted in their reporting and projected inflation for the next fiscal year. Key cost factors include:

- Labor and fuel costs as adjusted for inflation
- Garbage disposal costs (can weights and tip fees)
- Yard debris/food scraps tip fees
- Recyclable material sales revenue
- Ratemaking policy

Chair Baugh: Can you downsize to a smaller can and reduce the cost of your service?

- Yes.
Do people know they can do this?

- There are a substantial number of customers that subscribe to smaller or larger containers. One of the advantages of having this Commission review the policy and rates is the perspective the PSC can provide. When we're doing programmatic work and rate-setting, this is a way the PSC can weigh in and comment on the process.

Commissioners Oxman noted that for rolling services, most of the cost is likely determined by how much the company goes out and the service/vehicle/labor fees. The tip fee differential for larger or smaller containers is a small portion of their overall costs, so it's understandable why the haulers don't actively promote smaller cans.

- Staff promotes the right size can for residents via the twice-annual Curbsider publication.

Commissioner St Martin: You note the City franchise fee of 5 percent – how is this allocated?

- This is collected by BPS and spent in our bureau's activities (staff, customer service, policy development and broader sustainability policies) that support the City's oversight of garbage collection.

Commissioner Oxman: Are the rates uniform across the city?

- We establish [costs for all residential haulers](#). There is a higher cost added ([terrain fee](#)) across much of the west side of the city to account for the higher costs faced by haulers serving areas of lower density primarily larger lots; non-grid conditions; narrower, winding roads with lower street connectivity; and more terrain that is more difficult to maneuver.

Staff will provide more details and provide updates regularly to the PSC. In terms of the general schedule, we will have information for the PSC in March, review costs in late April then have a PSC hearing in early May prior to the late May hearing at Council.

If there is a look to change the system, it will be considered by the PSC and at Council.

- In commercial hauling (which includes apartment complexes 5 units and larger), it is considered to be a free market system as businesses and multifamily communities can choose their hauler and negotiate for services and rates.
- The franchise system for residential was introduced years ago to reduce truck traffic in neighborhood streets from multiple competing companies and develop more efficient collection routes by providing haulers the exclusive right to operate in a particular area of the city. Over time, the franchises have begun to merge, so we now have many fewer residential haulers than 30 years ago.

Another important voice in the rate-making process is the haulers. Michael introduced Dave White, representative for Portland Haulers Association.

Dave White: I work in the Portland metro area with haulers as well as in the annual administrative rule process and rate review. We have a detailed and thorough rate model in Portland; it's a bit complicated, but it digs into the costs and projections. The hauler association also hires a separate consultant to review the costs and analyze them to compare it to the City's information. This works really well, and we get time to comment during the rate process. I feel like we are partners with the City in providing this service. Even when we don't agree, it is a fair and reasonable process.

Looking at ownership and hiring practices of the haulers can be done in terms of equity issues over the next few years.

Urban Services Boundary

Briefing: Eric Engstrom, Al Burns

Presentation

Eric introduced today's session as the first in the series of projects we've designated as Task 5 for the Comprehensive Plan update.

Today's briefing is to describe an approach to urbanizable land. Al described the differences between rural land, urban land and urbanizable land; Portland has all three types within the city limits.

An Urban Service Boundary (USB) describes an area in which a county may delegate planning authority to a city; a city may extend its urban services and exclude urban services from other providers; and a city may annex territory.

We began the boundary agreements in the late 1970s through 1981. Each started with reciprocal notification boundaries.

In 1993, Beaverton, Washington County and Portland adopted different boundaries. In 1994, all these boundaries were remanded by LUBA as "uncoordinated." In 1994, the court affirmed LUBA holding that Metro resolves service boundary disputes. In 1997 Metro Council set boundary by ordinance.

As a result of this boundary situation, we learned:

1. An urban service boundary is uncoordinated if it contains overlaps with another city's boundary, or gaps between.
2. The Metro Council cannot delegate its authority to coordinate comprehensive plans within the metropolitan region.
3. An urban service boundary is a comprehensive plan map feature
4. Our existing urban service agreements are with the wrong parties.

Based on these learnings, we now have a four-part approach to the USB:

1. Commission has recommended a new urban services boundary.
2. New boundary to be confirmed as "coordinated" by new three party, City-City-Metro interagency agreements.
3. Amend planning agreements with counties.
4. Establish new interagency agreements with special district urban service providers.

The Comp Plan Map that the PSC forwarded to Council has designations for all the USB land. Basically the outer line of the city map shows the boundaries. In Multnomah County, Portland oversees unincorporated County land and is responsible for services.

We have an agreement with Beaverton, which is our model agreement. Al walked through some examples of changes in service boundaries (Beaverton, Lake Oswego and Milwaukie map changes and overlaps). We can't fix people's properties being in two counties, but we can look at split lots between two cities. As a note, on split lots, you vote in the county where your bedroom is located.

Commissioners discussed their views on the City's approach to cleaning up the boundaries and the approach to using more interagency agreements.

Commissioner Smith: I have no objections, but how do citizens who are impacted have a voice in the process?

- In unincorporated Multnomah County, people are notified as if they are inside city limits.
- For Clackamas and Washington counties, we basically have shadow zones.
- People in affected properties have received notices as part of the Comp Plan map; we sent them the notice and their property's proposed Comp Plan designation. The notice shared the hearing dates (e.g. for the PSC's meetings and for Council). We are not notifying people if they are not in the city of Portland and we are proposing to remove them – those notifications come from the jurisdiction into which they are being added.
- Planning agreements go to City Council through an ordinance process.
- We didn't receive objections in Comp Plan testimony aside from questions about the Comp Plan designation.

Commissioner Shapiro asked about Metro's role in service boundaries.

- For the good/easy agreements, Metro signs the agreement between the cities. Metro has the exclusive authority to coordinate, but they are our coordinator of last resort.
- The process from here is to work agreements with other jurisdictions like the sample Beaverton agreement in today's packet. We would be finalizing the agreements, bringing them to Council and the other jurisdictions, and then the signed agreements go to Metro.

Commissioner Oxman: How are things coordinated where services are provided by others, for example on Skyline where Tualatin Valley Fire?

- Fire services are not coordinated under this type of agreement. We have reciprocal agreements with other service providers in these circumstances.
- The role of the territorial boundary is to show which city has planning responsibility for the area.

Chair Baugh: In terms of process, will we be seeing individual agreements?

- Not unless the Commission wants to. Because it's not a land use decision, we are not proposing to. This is one of the Task 5 projects that doesn't involve code.

Commissioner Oxman: What percentage of Portland's population is affected in the overlap areas?

- It's on the edge, in low-density areas, so a very small portion. We can run the numbers if you'd like.

Adjourn

Chair Baugh adjourned the meeting 1:58 p.m.

Submitted by Julie Ocken