



Bureau of Planning and Sustainability
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Portland Planning and Sustainability Commission
May 10, 2016

**2016-17 RESIDENTIAL SOLID WASTE, RECYCLING & COMPOSTING
RECOMMENDED COLLECTION RATES**

The Bureau of Planning and Sustainability manages Portland's residential franchise system for solid waste, recycling and yard debris/food scraps collection services and undertakes an annual rate review process to establish rates that private haulers to charge their residential customers. This process analyzes hauler financial records and determines the cost of providing service for the different garbage container sizes used by customers. Once costs are determined, rates are established that incorporate an incentive discount to smaller garbage carts and an incentive premium to larger garbage carts to encourage customers to reduce their garbage generation and to compost and recycle as much as possible. Incentive discounts and premiums have been included in Portland's rate setting methodology since 1993.

The following table shows the monthly rate components for the 35 gallon cart, the most common service level. The next page shows the current and recommended rates for other container sizes and notes the proposed incentive discounts and premiums.

35 Gallon Roll Cart	Proposed FY 2016-17	Current FY 2015-16	Dollar Difference
Solid Waste	5.95	5.85	0.10
Recycling	5.49	5.51	(0.01)
Composting	6.92	7.31	(0.39)
General and Administrative	6.69	6.56	0.14
Operating Margin	2.63	2.65	(0.02)
Franchise Fee	1.46	1.47	(0.01)
Proposed Rate	\$29.15	\$29.35	(0.20)



Recommended monthly rates for FY16-17

	FY15-16	FY16-17	% of Households Served*
20 Gallon Cart / Can - EOW			
Cost of service	27.59	27.33	
Incentive Discount	(2.84)	(2.83)	
Change from FY15-16		(0.25)	
Rate	24.75	24.50	9%
32 Gallon Can - EOW			
Cost of service	28.55	28.50	
Incentive Discount	0.00	0.00	
Change from FY15-16		-0.05	
Rate	28.55	28.50	12%
35 Gallon Cart - EOW			
Cost of service	29.35	29.15	
Incentive Discount	0.00	0.00	
Change from FY15-16		(0.20)	
Rate	29.35	29.15	43%
60 Gallon Cart - EOW			
Cost of service	32.43	32.27	
Incentive Premium	3.22	2.76	
Change from FY15-16		(0.65)	
Rate	35.65	35.00	20%
90 Gallon Cart - EOW			
Cost of service	36.23	36.16	
Incentive Premium	5.82	5.36	
Change from FY15-16		(0.55)	
Rate	42.05	41.50	4%
35 Gallon Cart / Can - Every 4 Week			
Cost of service	24.82	24.56	
Incentive Discount	(3.07)	(2.97)	
Change from FY15-16		(0.15)	
Rate	21.75	21.60	8%

*Percentages do not sum to 100 because a small number of customers subscribe to other service levels, such as multiple carts at duplex, tri-plex and four-plex units.



COMMERCIAL TONNAGE FEE

As noted in prior PSC meetings, the City does not set rates for the commercial sector; however, it does collect a tonnage fee on each ton of garbage collected by commercial haulers in Portland. These revenues fund the City's commercial solid waste programs, including work to reduce waste and increase recycling and composting in the commercial sector.

In 2016-17, this fee is proposed to increase \$1.30 per ton to \$9.60 per ton of garbage disposed. The proposed fee increase is to provide funding for an expansion of the public trash can program to business districts throughout the city. This program expansion has been submitted as a decision package in the City budget process and is included in the Mayor's proposed budget.

PSC RECOMMENDATION

BPS seeks a recommendation from PSC that City Council adopt the residential rates and commercial tonnage fee described in this memo.

