



# Garbage & Recycling Advisory Committee

## 2023 Rate Review Findings

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Solid Waste & Recycling

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Department of Health and Human Services

[www.co.washington.or.us](http://www.co.washington.or.us)

# → Rate review background

Rate review is conducted on an annual basis

- **Goal:** Ensure community members are charged reasonable, fair and just rates for garbage & recycling collection services
- **Purpose:** Review programmatic and financial data submitted by all certificated haulers for accuracy and assessment of trends/industry impacts
- **Desired outcome:** Ensure the financial health of the collection system and adjust rates to target a Return on Revenue.





# County conducts annual rate reviews

## **Annual review of detailed financial information and the collection company's allocations of costs is required**

- County provided Detailed Cost Report template
- Data collected is related to wages, labor, finances, equipment, customer accounts, and operational expenses
  - Direct cost –are expenses the company can easily connect or trace to a specific product or service
  - Indirect cost – “shared” costs such as office space, or operational cost and equipment used in multiple jurisdictions



# County authority to set collection rates

## **Authority established in County Code:**

- **Section 8.04.330** provides that increases or decreases in the rates shall not be made by the board unless the board finds that the increase or decrease is based upon an increase or decrease in the cost of doing business or an increased cost of additional, better or more comprehensive service.

# → Cost of service model

**Return on Revenue (ROR)  
methodology is utilized**

Revenues – Expenses = Profit

Profit/Revenues = Return on  
Revenue

**Current target 10% ROR**





# 2022 Rate review findings

Summary	
System Revenue	\$41,293,841
Income (Profit)	\$2,622,597
Return on Revenue (ROR)	6.35%

Line of Service	(ROR)
Residential (can/cart)	6.76%
Commercial (container)	7.13%
Drop Box/Compactor	3.11%
Total Return on Revenue (ROR)	6.35%

# → Balancing the system ROR

Line of service	Revenue needed for 10% ROR	Rate change needed for 10% ROR	Cost to average customer
Residential	\$ 1,005,000	3.60%	\$ 0.96/month, 32 gal
Commercial	\$ 253,500	3.19%	\$ 8.41/month, 4 yds
Drop Box /Compactor	\$ 414,500	7.66%	\$ 12.82/haul, 10 yd box



# → Rate setting key considerations

- Variables to determining whether a rate change should be considered
  - Concentration of customer in the area served
  - System impacts (foreseen and not)
  - Methods of collection and transportation
  - Disposal costs
  - Local wage scales
  - Services of management
  - Investment in facilities and equipment
  - Reasonable return on revenue for the haulers
  - Programmatic changes







# Urban residential food scrap proposal

Proposed program parameters:

- Bi-weekly collection of residential food scraps
- Material added to the current yard debris cart



# → Program implementation costs

Staff propose an additional 1.93% increase for urban residential rates to cover program implementation costs

Urban Residential	Rate change	Cost to average customer
Base increase	3.60%	\$ 0.96 / month, 32 gal
Food waste	1.93%	\$0.48 / month, 32 gal
<b>Total</b>	<b>5.53%</b>	<b>\$ 1.44 / month, 32 gal</b>





# Staff recommendations

- Increase in rates for commercial, drop box and residential customers
- No changes in rates for medical waste or Recycle+ lines of service

Line of service	% change to return to 10% target ROR	Impact on average collection rate
Commercial (container)	3.60%	\$ (8.41)/month, 4 yds
Drop box/compactor	7.66%	\$ (12.82)/haul, 10 yd box
Rural residential (can/cart)	3.60%	\$ (0.96)/month, 32 gal
Urban residential (can/cart)	5.53%	\$(1.44)/month, 32 gal

# Questions?

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# Rate Comparison by Jurisdiction

Container Size & Service	Washington County (Urban)*	Washington County (Rural)*	Clackamas County (Urban)	Clackamas County (Rural)	Beaverton	Gresham	Hillsboro	Cornelius	Forest Grove	Portland	Tigard	Tualatin *	Troutdale
20-gallon Cart	\$ 23.86	\$ 24.34	\$ 30.90	\$ 28.10	\$ 25.70	\$ 31.78	\$ 24.38	\$ 25.00	\$ 23.15	\$ 30.15	\$ 30.79	\$ 26.75	\$ 27.86
32/35-gallon Cart	\$ 25.98	\$ 26.44	\$ 35.60	\$ 32.80	\$ 29.40	\$ 36.62	\$ 28.15	\$ 28.00	\$ 26.15	\$ 34.90	\$ 34.14	\$ 31.41	\$ 33.26
60/65 gallon Can/Cart	\$ 37.71	\$ 39.65	\$ 46.45	\$ 45.70	\$ 44.10	\$ 48.09	\$ 39.37	\$ 36.00	\$ 40.50	\$ 39.45	\$ 39.51	\$ 41.89	\$ 39.00
90/95 gallon Can/Cart	\$ 44.58	\$ 47.13	\$ 54.85	\$ 52.90	\$ 51.30	\$ 54.20	\$ 50.43	\$ 46.00	\$ 56.90	\$ 45.70	\$ 44.39		\$ 47.19
Yard Debris: Cart Size	60-gallon		60-gallon		60-gallon	60-gallon	60-gallon	65-gallon	60-gallon	60-gallon	60-gallon	65-gallon	60-gallon
Yard Debris: Frequency	EOW		Weekly		Weekly	Weekly	EOW	EOW	Weekly	Weekly	EOW	Weekly	Weekly
Recycling: Container	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart	Cart
Recycling: Size	96 gallon	96 gallon	60 gallon	60 gallon	60 gallon	60 gallon	90 gallon	65-gallon	60 gallon	60 gallon	90 gallon	65 gallon	60 - gallon
Recycling: Frequency	EOW	EOW	Weekly	Weekly	Weekly	Weekly	EOW	EOW	Weekly	Weekly	EOW	Weekly	Weekly
Recycling: Glass	EOW	EOW	Weekly	Weekly	Weekly	Weekly	EOW	EOW	Weekly	Weekly	Monthly	Weekly	Weekly
Garbage: Frequency	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	EOW	Weekly	Weekly	Weekly
Notes	* \$2 monthly residential collection surcharge	* \$2 monthly residential collection surcharge										* \$2 monthly residential collection surcharge	
EOW = Every-Other-Week											Table Updated March, 2023		