



Garbage & Recycling Advisory Committee

2024 Rate Review Findings

Erin Stein, Interim Manager
Solid Waste & Recycling

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Department of Health and Human Services

www.washingtoncountyor.gov

→ 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





Rate Comparison by Jurisdiction

Residential Garbage Rates**													
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	\$ 27.18	\$ 27.22	\$ 32.00	\$ 29.20	\$ 26.70	\$ 33.68	\$ 26.44	\$ 27.82	\$ 23.60	\$ 33.95	\$ 33.25	\$ 30.36	\$ 28.19
32/35-gallon Cart	\$ 29.42	\$ 29.39	\$ 37.10	\$ 34.30	\$ 30.80	\$ 38.98	\$ 30.63	\$ 31.43	\$ 26.70	\$ 39.00	\$ 36.87	\$ 35.29	\$ 33.87
60/64/65 gallon Can/Cart	\$ 41.80	\$ 43.08	\$ 48.55	\$ 47.80	\$ 46.19	\$ 51.21	\$ 42.55	\$ 40.65	\$ 41.45	\$ 43.55	\$ 42.67	\$ 46.40	\$ 40.05
90/95/96 gallon Can/Cart	\$ 49.05	\$ 50.83	\$ 57.60	\$ 55.65	\$ 54.08	\$ 57.82	\$ 54.32	\$ 51.57	\$ 58.35	\$ 49.90	\$ 47.94		\$ 48.69
Yard Debris: Cart Size	60-gallon	NA	60-gallon	NA	60-gallon	60-gallon	60-gallon	60-gallon	60-gallon	60-gallon	60-gallon	65-gallon	60-gallon
Yard Debris: Frequency	EOW	NA	Weekly	NA	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 X (2)	96 gallon X (2)	60 gallon	60 gallon	60 gallon	60 gallon	90 gallon	60-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

* Washington County & Tualatin rates reflected with a \$2.00 recycling surcharge added in

** Published rates as of April 2024



Rate review findings

2023 Summary	
System Revenue	\$42,944,749
Income (Profit)	\$2,257,282
Return on Revenue (ROR)	5.26%

Line of Service	(ROR)
Residential (can/cart)	5.65%
Commercial (container)	1.69%
Drop Box/Compactor	8.13%
Total Return on Revenue (ROR)	5.26%

→ Balancing the system ROR

Line of service	Revenue needed for 10% ROR	Rate change needed for 10% ROR	Cost to average customer
Residential	\$ 1,392,000	4.8%	\$ 1.33/month, 32 gal
Commercial	\$ 744,000	9.2%	\$ 25.02/month, 4 yds
Drop Box /Compactor	\$ 127,000	2.1%	\$ 3.79/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

→ Rate Equity

- Reduced Rate Program implemented on January 1, 2023
 - Income based eligibility (185% of federal poverty level)
 - Provides a 75% reduction on the monthly bill

Reduced Rate Program - Year One Results

667 Households received assistance

Participants in 5 of the 8 certificate areas

49% of households elected service at the 32-gallon can/cart rate

Steady program growth month of over month

45% of approvals are a result of the direct partnership with
Community Action



→ Rate Transparency

- Metro Regional Waste Plan Goal 14: Adopt rates for all services that are reasonable, responsive to user economic needs, regional consistent and well understood
- Staff recommend a new rate structure for bulky item collection effective August 1, 2024
 - Priced per item
 - Rate set by size and weight
 - Two step fee structure, Pick Up Fee and Cost Per Item
 - Available to urban and rural residential and commercial customers
 - New rates accompanied by additional online resources



Bulky Item Collection Rates

Bulky Waste Categories & Per Item Pricing			
Waste category* (by size/material type)		Cost Per Item	
Extra large items: (entertainment center, couch, king size mattress including box springs)		\$39.00	
Large items: (recliner, dresser, other size mattress including the box spring)		\$27.00	
Medium items: (desk, bookshelf, chair)		\$15.00	
Small items: (pallet, end table, bicycle)		\$11.00	
Appliance items - coolant containing: (freezer, refrigerator, portable air conditioner)		\$26.00	
Appliance items: (BBQ grill, stove, washer, dryer)		\$16.00	
Electronics: (television, laptop, printer)		\$10.00	
Tire: (passenger vehicle, tire off the rim)		\$23.00 first tire, each additional is \$15.00	
<i>*Table includes example items for each waste category type.</i>			
Pick Up Fee* applies to each service request			
Pick up fee (urban)	\$16.00	Pick up fee (rural)	\$32.00
Pick Up Fee is applied as a flat rate regardless of the number of items for disposal.			
Pick Up Fee is billed regardless of whether the item(s) are onsite at time of agreed upon pick up. Standard Call Back rates apply if the customer does not set out as directed.			
Unscheduled Service: Charged for non-routine services related to the collection of waste; such as, wait times in excess of 15 minutes or enclosure clean outs.		\$95.00 per hour	



Staff recommendations

- Increase in rates for residential, commercial, and drop box & compactor services

Line of service	% change to return to 10% target ROR	Impact on average collection rate
Residential (can/cart)	4.8%	\$ 1.33/month, 32 gal
Commercial (containerized)	9.2%	\$ 25.02/month, 4 yds
Drop box & compactor	2.1%	\$ 3.79/haul, 10 yd box

- Implementation of bulky item collection rates

Questions?

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