

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: June 16, 2020 **Approx. Start Time:** 3:30 **Approx. Length:** 30 minutes

Presentation Title: Annual Review of Clackamas County Solid Waste Collection Fees

Department: Transportation and Development - Sustainability & Solid Waste Program

Presenters: Rick Winterhalter, Senior Sustainability Analyst; Eben Polk, Sustainability Supervisor

Other Invitees: Dan Johnson, DTD Director; Cheryl Bell, DTD-Assistant Director; Beth Vargas Duncan representing *Clackamas County Refuse & Recycling Assoc.*

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

To accept the annual review of the County's solid waste collection fees, and take action on the July 1, 2020 fee increase recommendation from the Solid Waste Commission.

EXECUTIVE SUMMARY:

The purpose of this policy session is to present the findings of the County's annual solid waste fee review, and the fee increase recommendation from the Solid Waste Commission.

Overview

The Sustainability & Solid Waste Program, which is part of the Department of Transportation and Development (DTD), is responsible for managing the County's Integrated Solid Waste Collection System. This work includes an annual review of the production records of the nine franchised solid waste collection companies.

The purpose of the review is to ensure that solid waste collection services are provided to residents and businesses safely, cost-effectively, efficiently, and in a manner that supports the benefits of recovering materials from the system. The review is used to establish the fees charged for the variety of services required by the County, and to ensure a fair return to the collectors. A contracted certified public accountant assists in this review process by reviewing franchisee financial records, creating summaries, and providing analysis.

Historically the County has recognized the administrative and strategic value of an annual review, coupled with annual adjustments as necessary to keep fees and real costs aligned. These annual adjustments may come in the form of fee increases, adding additional collection services, or a combination of these options. This review model prevents large and unexpected increases for customers that can result from less frequent reviews. Based upon this annual review, the Solid Waste Commission recommended increasing fees in 2019, and the Board of adopted and made effective these new fees on July 1, 2019.

Background

When looking at the annual review, some context is helpful when reviewing the results.

Service Zones

The County is divided into four fee zones:

- 1) Urban Zone (defined as the area within the Metro Urban Growth Boundary established prior to March 2003),
- 2) Rural Zone,
- 3) Distant Rural Zone, and;
- 4) Mountain Zone.

These zones are differentiated by geography, the services offered (for example, curbside yard debris service is not included outside the Urban zone), and the distances traveled by the franchisees between the customers they serve and the disposal sites.

Operating Margin

Historically, the County has worked with franchised haulers to achieve an adjusted operating margin between 8-12%. This year, the adjusted rate of returns for the Urban zone fall within the acceptable range of 8-12%. The combined Rural zone returns were below the lower limit of the range. Based on the available information the total County composite falls below the range with the proposed increase. (*Attachment 1*)

Effects of the Covid-19: Global Pandemic

In response to the viral pandemic, on March 23, 2020, Governor Kate Brown issued executive order 20-12 requiring all non-essential businesses to close and citizens to shelter in place. Solid waste collection was declared as an essential service, and the County's franchised haulers have continued normal collection schedules during the crisis. The only suspension in service is the collection of bulky waste, which requires more than one person to collect.

Underscored by Clackamas County Board Order 2020-09 (issued March 2, 2020), declaring a state of emergency for Clackamas County, the franchised collectors joined PGE, Northwest Natural, and water/sewer service providers in a policy to continue service to those businesses and residences unable to pay their bill due to circumstances caused by the pandemic. Data on the impact of this policy is still being collected, and the franchisees will be submitting monthly reports to the County regarding the financial impact of COVID-19.

As the pandemic occurred outside of this year's review period, next year's review will provide a better picture of the impacts of the shelter in place policy, including:

- **Impacts on revenue.** The closure of non-essential stores, manufacturing facilities, and restaurants have caused an immediate reduction in revenue for all franchisees. The revenue loss will be experienced differently for collectors dependent on their customer demographics. The depth of the losses will depend on when the executive order is lifted and how many businesses recover or are replaced. Next year will provide insights into these impacts to the system, and lower returns may be the norm during a long recovery period.
- **Impacts of cost-saving measures.** Collectors are looking for ways they can lower expenses while continuing the high level of service required of their County issued franchise. They have reported that orders for new equipment are on hold, affecting savings in future years. A reduction in labor cost is occurring because of the elimination of overtime hours. The future review will reveal the impact of these and other cost saving measures over time.

Anecdotally, and not surprisingly, the shelter in place policy has increased the amount of garbage/recyclables coming from residences. A preliminary review reveals the additional revenue from the residential sector will not balance the commercial losses.

Metro Disposal Fees

Excise Tax

Metro's code requires a scheduled increase in their excise tax on July 1 of each year (this is an administrative procedure requiring no Council action). The next scheduled increase of \$0.90 per ton of garbage will be effective July 1, 2020. This fee increase is included in the proposal fees presented below, and will add approximately \$0.05 per month to the rate for a 35-gallon cart. (*Attachment 2*)

Future considerations: Disposal Fees

Prior to the COVID-19 pandemic, Metro staff were considering presenting a ten percent increase to their disposal fee for approval by the Metro Council. One of the key factors in determining Metro's fees is a tonnage forecast, which is based on the prior year's disposal activity. Their current forecast will no longer be accurate due to the immediate shut down of the region's businesses.

To account for this, Metro Staff has been gathering information from nine of the largest facilities in the region on a weekly basis, and report that they are currently experiencing a 10% year-to-year reduction of tons of waste collected. At the same time, due to increased residential activity, the transactions at these facilities are up roughly about the same percentage.

Metro staff have indicated they intend to bring a proposal to their Council later this year. The timing has not been determined; it may be in October or January. The proposal will include an increase in fees based on the revised tonnage forecast, operational impacts at their transfer stations, and Metro's annual budget.

If and when this action by the Metro board occurs, County staff will review fees for the effect of this increase and may need to recommend additional adjustments to account for this increase in costs.

Annual Fee Review and Proposed Fee Increase

Upon the initial review and analysis of the franchisee's annual reports, questions were submitted for clarification to the franchisees. In normal years, site visits are conducted to perform an in-depth review of the internal processes used to generate the reports. COVID-19 prevented on-site visits this year; therefore, it was not possible to prepare extensive adjustments to the composites with confidence. Due to this, only known and measurable expenses and costs were considered, with the suggested adjustments provided to simply keep fees and real costs aligned.

The three expenses that are known and measurable are:

1. The Oregon Corporate Activity Tax (CAT), which went into effect on January 1, 2020, is imposed on companies who are doing business within the State. The tax is applied to Oregon taxable commercial activity, which is considered the total amount a business realized from transactions and activity in Oregon. The CAT is computed as \$250 plus 0.57% of a company's Oregon commercial activity of more than \$1 million. The composite tax rate for waste and recycling services within Clackamas County is calculated at 0.50% of revenue.
2. Labor expense increases (wages, medical, pension, etc.) of 2.5%, and
3. Metro Excise Tax on disposed waste is effective July 1, 2020, and represents a 0.46% increase to disposal expense.

If a fee adjustment is approved on July 1, 2020 to account for these combined known and measurable increases, this action will add approximately:

- \$0.55 to a 35 gallon cart collected weekly (which is the most common service level)
- \$0.30-0.35 per yard of container service, and
- \$5.00 to drop box collection fees.

The tables below detail these proposed fee changes for each zone, along with a historical review of adjustments for residential customers. (see Attachment 3 for detailed history of fee adjustments)

Proposed Fees – Residential 35 gallon cart collected weekly

Residential 35 gallon cart	Current Monthly Rate	Proposed Monthly Rate	\$ Change	% Change
Urban	\$33.15	\$33.70	\$0.55	1.6%
Rural	30.20	30.75	\$0.55	1.8%
Distant Rural	35.10	35.65	\$0.55	1.5%
Mountain Zone	36.35	36.90	\$0.55	1.5%

Note: All other classes of service follow similar proposed increases, relative to the 35-gallon cart. (Attachment 4)

Recent History of Monthly 32-Gallon Cart Fees

	2014	2015	2016	2017	2018	2019	July 1, 2020
Urban	\$28.90	\$29.95	\$30.05	\$30.05	\$32.55	\$33.15	\$33.70
Rural	25.60	26.25	26.35	26.35	\$29.35	30.20	30.75
Distant Rural	30.60	31.25	31.35	31.35	\$34.35	35.10	35.65
Mountain	31.85	32.50	32.6	32.6	\$35.60	36.35	36.90

Proposed Fees – Container service of 4 yards collected twice a week

Fee Zone	Proposed increase Per Cubic Yard	Current fee: 4 yd container 2x/week	Proposed fee: 4 yd container 2x/week	\$ Change	% Change
Urban	\$0.30	\$593.74	\$604.13	\$10.39	1.7%
Rural/Distant Rural /Mountain	\$0.35	\$800.42	\$812.54	\$12.12	1.5%

Proposed Fees - Drop Boxes

Open Box	Current	July 1, 2020	\$Change	% Change
10 and 20 cu.yd	\$150.00	\$155.00	\$5.00	3.2%
30 cu.yd	\$160.00	\$165.00	\$5.00	3.0%
40 cu.yd	\$170.00	\$175.00	\$5.00	2.9%

NOTE: The fees adopted by the Board for drop box service do not include the cost of disposal at a landfill or transfer station. The franchisee pass that cost through to the customer separately.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? N/A

What is the cost? N/A

What is the funding source? N/A

Residential customers and businesses with container and cart service will experience an increase in their garbage and recycling collection bill. Customers using drop box service will also experience increases in costs of collection services for all sizes of open and compacted drop boxes. The County's revenues, from franchise fees, will remain relatively flat.

STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department's Strategic Business Plan goals?**
This item is a result of providing franchise oversight of the solid waste system to ensure franchisees have the ability to provide safe, efficient and timely garbage and recycling services to customers.
- **How does this item align with the County's Performance Clackamas goals?**
Every county citizen has access to safe, convenient garbage and recycling services to ensure healthy communities. The annual review provides assurances customers are provided fair value for the services they receive.

LEGAL/POLICY REQUIREMENTS:

ORS 459 and 459A authorize the County to franchise solid waste collection services. County Code Chapter 10.03 requires a review of the solid waste collection system to ensure the public receives the services required, and the County's franchisees are able to provide those services safely, efficiently, and with a reasonable return.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Staff, Bell & Associates, Inc. and the franchisees have participated in the annual review.

OPTIONS:

1. Maintain fees at current levels until next year’s annual fee review.
2.
 - a) Approve a fee adjustment based on the existing known and measurable costs, increasing fees for cart, container, and drop box services to be effective July 1, 2020, and as approved by the Solid Waste Commission.
 - b) Direct staff to bring forward a fee proposal later this year to address any Metro proposed increase in disposal costs, any additional known and measurable expenses associated with debt write-offs incurred during the pandemic and further consideration will be given to a revised review of the below target returns presented.
3. Delay the increase for known and measurable costs until later in the year when Metro proposes a disposal fee increase. If this option is chosen any additional known and measurable expenses associated with debt write-offs incurred during the pandemic will be considered, and further consideration will be given to a revised review of the below target returns presented.

RECOMMENDATION:

Staff respectfully recommends options 2(a) and 2(b).

- a) Approve a fee adjustment based on the existing known and measurable costs, increasing fees for cart, container, and drop box services to be effective July 1, 2020, and as approved by the Solid Waste Commission.
- b) Direct staff to bring forward a fee proposal later this year to address any Metro proposed increase in disposal costs, any additional known and measurable expenses associated with debt write-offs incurred during the pandemic and further

At the June 1, 2020 meeting, the Solid Waste Commission accepted this year’s financial review and approved fee increases 2(a) and 2(b).

ATTACHMENTS:

1. Annual Financial Summaries
2. Metro Fee report
3. Fee Background
4. Proposed Fees
5. Governor’s Executive Order 20-12

SUBMITTED BY:

Division Director/Head Approval Cheryl Bell

Department Director/Head Approval Dan Johnson

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Rick Winterhalter @ 503-742-4466
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Clackamas County

Solid Waste Recycling Rate Review

Total County Composite
Return on Revenues
2019 Adjusted

	Can / Cart Service	Container Service	Drop Box Service	County Total
Collection & Service Revenues	23,642,174	9,777,184	8,183,075	41,602,433
Direct Costs of Operations	18,174,023 % of revenue	7,123,578 % of revenue	7,366,104 % of revenue	32,663,705 % of revenue
Disposal Expense	6,155,845 26%	3,269,810 33%	4,331,905 53%	13,757,560 33%
Labor Expense	6,621,919 28%	1,962,424 20%	1,657,395 20%	10,241,738 25%
Truck Expense	3,531,100 15%	1,014,080 10%	827,737 10%	5,372,917 13%
Equipment Expense	551,418 2%	354,130 4%	166,005 2%	1,071,553 3%
Franchise Fees	1,068,648 5%	441,886 5%	295,032 4%	1,805,566 4%
Other Direct Expense	245,093 1%	81,248 1%	88,029 1%	414,370 1%
Indirect Costs of Operations	3,907,058	1,387,511	390,620	5,685,189
Management Expense	859,685 4%	331,793 3%	71,977 1%	1,263,455 3%
Administrative Expense	1,275,346 5%	485,846 5%	108,318 1%	1,869,510 4%
Other Overhead Expenses	1,772,027 7%	569,872 6%	210,325 3%	2,552,224 6%
Total Cost	22,081,081	8,511,089	7,756,724	38,348,894
Less Unallowable Costs	26,549	5,570	699	32,818
Allowable Costs	22,054,532	8,505,519	7,756,025	38,316,076
Franchise Income	1,587,642	1,271,665	427,050	3,286,357
Return on revenues	6.72%	13.01%	5.22%	7.90%
Carts / Yards / Drop Box Pulls	54,017	483,383	16,618	

2020 Projected Results

	Can / Cart Service	Container Service	Drop Box Service	County Total
Collection & Service Revenues	23,746,075	9,815,205	8,196,816	41,758,096
Rate Increase	178,692	70,795	41,561	291,048
Direct Costs of Operations	18,487,356	7,237,671	7,470,313	33,195,340
Disposal Expense	6,174,521	3,282,211	4,351,831	13,808,564
Labor Expense	6,793,026	2,013,747	1,700,524	10,507,297
Truck Expense	3,531,100	1,014,080	827,737	5,372,917
Equipment Expense	551,418	354,130	166,005	1,071,553
Franchise Fees	1,077,583	445,426	296,945	1,819,954
Other Direct Expense	359,708	128,078	127,269	615,055
Indirect Costs of Operations	3,912,638	1,389,764	391,366	5,693,768
Management Expense	861,695	332,623	72,251	1,266,569
Administrative Expense	1,278,916	487,270	108,790	1,874,975
Other Overhead Expenses	1,772,027	569,872	210,325	2,552,224
Total Cost	22,399,993	8,627,436	7,861,679	38,889,108
Less Unallowable Costs	42,352	15,309	699	58,360
Allowable Costs	22,357,641	8,612,127	7,860,980	38,830,748
Franchise Income	1,567,126	1,273,873	377,397	3,218,396
Return on revenues	6.55%	12.89%	4.58%	7.65%

**Urban Zone Composite
Return on Revenues
2019 Adjusted**

	Can / Cart Service	Container Service	Drop Box Service	Urban Total
Collection & Service Revenues	11,687,114	6,685,257	5,444,436	23,816,807
Direct Costs of Operations	8,948,886 % of revenue	4,920,605 % of revenue	4,850,049 % of revenue	18,719,540 % of revenue
Disposal Expense	3,300,650 28%	2,436,978 36%	2,987,246 55%	8,724,874 37%
Labor Expense	3,269,618 28%	1,299,067 19%	1,021,260 19%	5,589,945 23%
Truck Expense	1,561,295 13%	586,374 9%	495,365 9%	2,643,034 11%
Equipment Expense	198,148 2%	258,398 4%	61,438 1%	517,984 2%
Franchise Fees	541,559 5%	304,831 5%	233,069 4%	1,079,459 5%
Other Direct Expense	77,616 1%	34,957 1%	51,671 1%	164,244 1%
Indirect Costs of Operations	1,709,812	884,822	272,003	2,866,637
Management Expense	306,194 3%	203,202 3%	46,172 1%	555,568 2%
Administrative Expense	463,350 4%	290,953 4%	76,317 1%	830,620 3%
Other Overhead Expenses	940,268 8%	390,667 6%	149,514 3%	1,480,449 6%
Total Cost	10,658,698	5,805,427	5,122,052	21,586,177
Less Unallowable Costs	3,002	1,714	499	5,215
Allowable Costs	10,655,696	5,803,713	5,121,553	21,580,962
Franchise Income	1,031,418	881,544	322,883	2,235,845
Return on revenues	8.83%	13.19%	5.93%	9.39%
Carts / Yards / Drop Box Pulls	26,826	353,132	11,870	

2020 Projected Results

	Can / Cart Service	Container Service	Drop Box Service	Urban Total
Collection & Service Revenues	11,791,015	6,723,278	5,458,177	23,972,471
Rate Increase	88,454	50,015	29,691	168,160
Direct Costs of Operations	9,104,263	4,998,240	4,917,884	19,020,387
Disposal Expense	3,309,465	2,446,004	3,000,987	8,756,457
Labor Expense	3,356,917	1,333,806	1,048,486	5,739,209
Truck Expense	1,561,295	586,374	495,365	2,643,034
Equipment Expense	198,148	258,398	61,438	517,984
Franchise Fees	545,982	307,332	234,388	1,087,702
Other Direct Expense	132,456	66,327	77,218	276,001
Indirect Costs of Operations	1,715,392	887,075	272,749	2,875,216
Management Expense	308,204	204,032	46,446	558,682
Administrative Expense	466,920	292,377	76,789	836,085
Other Overhead Expenses	940,268	390,667	149,514	1,480,449
Total Cost	10,819,654	5,885,316	5,190,633	21,895,603
Less Unallowable Costs	18,805	11,453	499	30,757
Allowable Costs	10,800,849	5,873,863	5,190,134	21,864,846
Franchise Income	1,078,620	899,431	297,734	2,275,785
Return on revenues	9.08%	13.28%	5.43%	9.43%

88,454

Combined Rural & Distant Rural Zone Composite
Return on Revenues
2019 Adjusted Results

	Can / Cart Service	Container Service	Drop Box Service	Rural & Distant Rural Total
Collection & Service Revenues	11,955,060	3,091,927	2,738,639	17,785,626
Direct Costs of Operations	9,225,137 % of revenue	2,202,973 % of revenue	2,516,054 % of revenue	13,944,164 % of revenue
Disposal Expense	2,855,195 24%	832,832 27%	1,344,659 49%	5,032,686 28%
Labor Expense	3,352,301 28%	663,357 21%	636,135 23%	4,651,793 26%
Truck Expense	1,969,805 16%	427,706 14%	332,372 12%	2,729,883 15%
Equipment Expense	353,270 3%	95,732 3%	104,567 4%	553,569 3%
Franchise Fees	527,089 4%	137,055 4%	61,963 2%	726,107 4%
Other Direct Expense	167,477 1%	46,291 1%	36,358 1%	250,126 1%
Indirect Costs of Operations	2,197,246	502,689	118,617	2,818,552
Management Expense	553,491 5%	128,591 4%	25,805 1%	707,887 4%
Administrative Expense	811,996 7%	194,893 6%	32,001 1%	1,038,890 6%
Other Overhead Expenses	831,759 7%	179,205 6%	60,811 2%	1,071,775 6%
Total Cost	11,422,383	2,705,662	2,634,671	16,762,716
Less Unallowable Costs	23,547	3,856	200	27,603
Allowable Costs	11,398,836	2,701,806	2,634,471	16,735,113
Franchise Income	556,224	390,121	104,167	1,050,512
Return on revenues	4.65%	12.62%	3.80%	5.91%
Carts / Yards / Drop Box Pulls	27,191	130,251	4,748	

2020 Projected Results

	Can / Cart Service	Container Service	Drop Box Service	Rural & Distant Rural Total
Collection & Service Revenues	11,955,060	3,091,927	2,738,639	17,785,626
Rate Increase	90,238	20,780	11,870	122,888
Direct Costs of Operations	9,383,093	2,239,431	2,552,429	14,174,953
Disposal Expense	2,865,056	836,207	1,350,844	5,052,107
Labor Expense	3,436,109	679,941	652,038	4,768,088
Truck Expense	1,969,805	427,706	332,372	2,729,883
Equipment Expense	353,270	95,732	104,567	553,569
Franchise Fees	531,601	138,094	62,557	732,252
Other Direct Expense	227,252	61,751	50,051	339,054
Indirect Costs of Operations	2,197,246	502,689	118,617	2,818,552
Management Expense	553,491	128,591	25,805	707,887
Administrative Expense	811,996	194,893	32,001	1,038,890
Other Overhead Expenses	831,759	179,205	60,811	1,071,775
Total Cost	11,580,339	2,742,120	2,671,046	16,993,505
Less Unallowable Costs	23,547	3,856	200	27,603
Allowable Costs	11,556,792	2,738,264	2,670,846	16,965,902
Franchise Income	488,506	374,442	79,663	942,611
Return on revenues	4.06%	12.03%	2.90%	5.26%



May 27, 2020

To: All solid waste facilities receiving wet waste from within Metro's jurisdiction
From: Roy W. Brower, Director of Waste Prevention and Environmental Services
Re: Changes to Metro's excise tax, effective July 1, 2020

Effective July 1, 2020, Metro's per-ton excise tax on municipal solid waste will change:

- The excise tax will be \$12.47 per ton (an increase of \$0.90 per ton)

Metro has not yet adopted a change to the FY20-21 Regional System Fee. The Regional System Fee will be confirmed at some point in the fall pending review of any economic or operational impacts due to the COVID-19 pandemic.

For those facilities that file and pay online through the Solid Waste Information System (SWIS) eFile website (swis.oregonmetro.gov/efile), the new rates will appear automatically, beginning in August, for payments and reports on waste handled in July.

Please share this memo with those in your organization who are responsible for the collection and reporting of Metro's solid waste fees and taxes. If you have any questions about this information, please contact Robyn Brooks at 503-797-1618 or robyn.brooks@oregonmetro.gov.

Disposal and Processing Charges at Metro Transfer Stations

Effective July 1, 2020

Disposal and processing charges at Metro transfer stations are composed of two parts: a fixed charge ("transaction fee") for each use of the transfer station, and a variable charge ("tip fee") for each ton of waste delivered for disposal or processing.

The transaction and tip fees on this sheet are the rates at Metro transfer stations only. Other solid waste facilities may have different rate structures and/or charge different rates.

Description	Mixed Solid Waste (refuse)	Clean Wood	Yard Debris	Residential Organics	Commercial Organics
Transaction Fee					
<i>Covers transaction costs and scalehouse operation.</i>					
Staffed Scalehouse	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Automated Scalehouse	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Tip Fee					
Total Tip Fee	\$ 98.35	\$ 65.23	\$ 56.00	\$ 77.99	\$ 66.23
Tip Fee Components:					
Tonnage Charge	\$ 64.41	\$ 64.23	\$ 55.00	\$ 76.99	\$ 65.23
<i>Covers the cost of Metro's disposal and recovery operations.</i>					
Fees and Taxes					
<i>Add-on and pass-through charges.</i>					
Regional System Fee	\$ 18.58	\$ -	\$ -	\$ -	\$ -
<i>Covers costs of regional solid waste programs and services.</i>					
Metro Excise Tax	\$ 12.47	\$ -	\$ -	\$ -	\$ -
<i>Contributes toward Metro general government revenue.</i>					
DEQ Fees	\$ 1.89	\$ -	\$ -	\$ -	\$ -
<i>Fees collected on behalf of DEQ.</i>					
Enhancement Fee	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<i>Fee collected on behalf of host communities.</i>					
Minimum Charge	\$ 28.00	\$ 22.00	\$ 20.00	\$ 24.00	\$ 22.00
<i>For users of staffed scales with loads of 360 pounds or less.</i>					

Explanation and Notes on the Table

Transaction Fees: Users of staffed scales pay the higher fee; users of automated scales pay the lower fee.

Disposal and recovery operations: Include transfer station operations, recovery, oversight, management, maintenance, and capital costs; and the cost of transport, organics processing, and waste disposal.

Regional programs and services: Revenue from the Regional System Fee is dedicated to Metro's regional solid waste programs and services: household hazardous waste, latex paint recovery, waste reduction planning and programs (including waste reduction education), St. Johns Landfill post-closure activities, solid waste facility regulation, and illegal dumpsite monitoring and cleanup. The Regional System Fee is charged on solid waste generated in the region and ultimately disposed. The fee is collected at all landfills and mass burners serving the region and at the Metro stations. Revenue from this fee does not cover any of Metro's direct cost for disposal and processing.

Metro general government: The excise tax is a source of revenue for Metro's general government activities including the Metro Council. Excise taxes are levied on Metro's Solid Waste Disposal and Metro Paint Product Sales. As with the Regional System Fee, the solid waste excise tax is charged on solid waste generated in the region and ultimately disposed. It is collected at the same disposal sites as the Regional System Fee.

Solid Waste Collection Supporting Documents

June 1, 2020

Solid Waste Collection Fee Adjustment

- ORS 459A.085(3) allows the Counties and Cities to “...displace competition with a system of regulated [integrated solid waste] collection service by issuing franchises which may be exclusive if service areas are allocated.”
- The State also provides to Cities and Counties the authority to assess fees that are adequate to provide necessary collection service and allow the recovery of the costs necessary to provide the opportunity to recycle.
- The Sustainability and Solid Waste program in the Department of Transportation and Development (DTD) is responsible for managing the County’s Integrated Solid Waste Collection System.
- One condition of maintaining a County franchise in good standing is:
On an annual basis submit production, sale and purchase records, which include income and expense statements, labor hours, truck hours, customer and receptacle counts, tonnage reports, and which may include, at the County’s option, financial statements and tax returns, for 12 month periods, beginning January 1 and ending December 31 of the previous year, for purposes of Solid Waste Management Fee review...(Clackamas County Solid Waste and Recycling Collection Services Administrative Regulations for Franchisee & Customer; Adopted 10/10/1994, Last amended 11/5/2009)
- The County currently franchises 9 companies to collect solid waste. Of the 9 companies three are publicly traded corporations and six are locally owned Subchapter C corporations. Some of the franchises consolidate their annual reports, resulting in fewer reports than franchisees.
- The County has a contract with Bell & Associates, Inc. a consulting firm specializing in solid waste financial analysis, to perform an analysis of the data submitted.
- The information submitted by the individual franchises is consolidated to create a composite ‘franchisee’. Costs are adjusted to eliminate those allowed for tax purposes but not allowed for determining collection fees. This composite is used to analyze the financial health of the entire system.
- The County determines the systems’ health based on return on revenues. The county’s policy is to measure the health of the solid waste collection system within a range of 8-12% return on revenues. When the system falls within this range typically consideration is given to contractual labor increases and increases in disposal costs. Special circumstances, such as the addition of new programs or anticipated increases in expenses outside the control of the companies, may cause exceptions.

History of Fee Adjustments (copied from previous reports)

July 1, 2019

- The Metro Council has adopted an increase to the cost of yard debris disposal of \$6.38 per ton effective July 1, 2019. The cost to dispose garbage is not increasing.
- The cost of disposing yard debris is projected to increase by 6.7%.
- Additionally, labor, health benefits and the slight increase in yard debris disposal is considered in the proposed increase. Using the most common service level, the 32-gallon can/cart collected weekly, as an example the fee would increase from \$32.55 to \$33.15 per month (a \$0.60 increase) in the Urban fee zone. Residential customers in the Rural fee zone would see an increase of \$0.85 per month. The proposed increase for the Distant Rural and Mountain zones is \$0.75. All other classes of service follow similar proposed increases, relative to the 35 gallon cart.

Residential 35 gallon cart	Current	Proposed	Change	
Urban	\$32.55	\$33.15	\$0.60	1.8%
Rural	\$29.35	30.20	\$0.85	2.9%
Distant Rural	\$34.35	35.10	\$0.75	2.2%
Mountain Zone	\$35.60	36.35	\$0.75	2.1%

Recent History of Monthly 32-Gallon Cart / Can Fees							
	2013	2014	2015	2016	2017	2018	Proposed
Urban	\$28.90	\$28.90	\$29.95	\$30.05	\$30.05	\$32.55	\$33.15
Rural	25.60	25.60	26.25	26.35	26.35	\$29.35	30.20
Distant Rural	30.60	30.60	31.25	31.35	31.35	\$34.35	35.10
Mountain	31.85	31.85	32.50	32.6	32.6	\$35.60	36.35

- Increase for commercial container service reflecting the adjustments to labor, disposal and processing costs as mentioned above and a revenue adjustment to bring them into the range.

Commercial Container Fee Monthly Increase	
Fee Zone	Per Cubic Yard
Urban	\$0.20
Rural/Distant Rural/Mountain	\$0.50

- The returns in drop box service are below the targeted range. This is placing downward pressure on the composite returns. The Commission recommended an increase in general drop box service fees in 2017. Proposed increases to drop box services for 2019:

Open Box	Current	Proposed	Change	
10 and 20 cu.yd	\$125.00	\$150.00	20.0%	\$25.00
30 cu.yd	\$145.00	\$160.00	10.3%	\$15.00
40 cu.yd	\$165.00	\$170.00	3.0%	\$ 5.00

May 1, 2018

- Note the 2 month early effective date.
- The County's collection system (and others across the state) has been impacted by an increase in the cost to process recyclables. Costs to process recyclables have increased 300-500% above the cost reflected in our current fees, and are expected to remain at this level for the time being.
- Analysis focused primarily on what was needed to capture the increasing processing costs in the future and a slight look back to the beginning of 2018.
- While the full annual review is not complete, we have reviewed the impact of increased processing costs, and known contractual increases in labor and disposal for the coming year. The Metro Council had their first hearing on March 15th of a recommended 2.6% increase in the cost of disposal (\$2.50 per ton) effective July 1, 2018. Labor costs are expected to rise by 4%.
- Reflecting known costs would result in an estimated increase of approximately \$2.50 to the monthly fee for a residential 35 gallon cart in the urban fee zone (from \$30.05/month), and \$1.50 per yard for urban commercial customers with container service (see Container Service table below). The rural zones would increase \$3.00 for a residential 35 gallon cart and container service would increase by \$2.00. All other fees would increase similarly.

July 1, 2017

- The Metro Council has adopted a small decrease to the cost of disposal of \$1.30 per ton effective July 1, 2017.
- No change to cart and container fees is proposed for 2017. This year's analysis recognizes a slight decrease in cost of garbage disposal in the coming year. Other expenses will increase in the coming year but our past increases and efficiencies gained by the franchisees have allowed the system to finally move into the middle of the targeted range of returns.
- The returns in drop box service are driving overall returns below the targeted range for the composite. The last increase in general drop box service fees was adopted by the Board in 2013. Specifically, the last fee adjustment was approved in 2013 for the standard roll off service-both open box and compactors. In 2015 a separate fee was approved for lidded boxes. Staff recommends an increase to the drop box collection fees for drop box and compactor collection services. The following table illustrates the proposed increase to drop box services for 2017.

Open Box	Current	Proposed	Change	
10 and 20 yd	\$119.00	\$125.00	5.0%	\$ 6.00
30 yd	\$136.00	\$145.00	6.6%	\$ 9.00
40 yd	\$153.00	\$165.00	7.8%	\$ 12.00

Lidded/Specialized 10/20 yard	\$135.00	\$150.00	11.1%	\$ 15.00
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Compactor	Current	Proposed	Change	
<25 yards	\$135.00	\$150.00	11.1%	\$ 15.00
25-34 yards	\$169.00	\$189.00	11.8%	\$ 20.00
>34 yards	\$196.00	\$218.00	11.2%	\$ 22.00

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- Drop Box Collection from Industrial sites with Special Wastes required to be delivered to an appropriately permitted out of the region landfill

	Current	Proposed	Change	
10/20 Yards	\$119.00	\$161.00	40.3%	\$42.00
30 Yards	\$136.00	\$178.00	37.5%	\$42.00

- Food Scrap collection included in commercial container service under current fees without an additional increase.
- The fee increases presented are proposed to take effect on July 1, 2017.

July 1, 2016

- Metro Council has approved an increase in the disposal fee by \$1.27 per ton effective July 1, 2016; increasing the tip fee to \$96.25. The current transaction fee, for customers with accounts (franchisees), is decreasing from \$3.00 to \$2.00. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.40 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$ 96.65 beginning July 1, 2016. This increase has been factored into the projections calculated in the financial review.
- This year's analysis recognizes a slight increase in cost of garbage disposal, and known increases in contractual labor. While other upward pressures on expenses exist, past increases have allowed the system to finally move into the middle of the targeted range of returns. The minimal increase is being proposed to keep the composite within the range. Disposal and labor represent almost 50% of the costs to provide service and staff believes it is important to stay current with providing revenues necessary to cover expenses.
- The fee adjustment presented is proposed to take effect on July 1, 2016. Staff is proposing an increase for the most common service level, the 32 gallon can/cart collected weekly, of \$0.10 per month across all fee zones. This represents an incremental adjustment of about 0.3%.. All other classes of service follow similar adjustments for disposal. (*See Fee Background attachment for history*)
- The following tables illustrate staff's current proposed fee adjustments necessary in each zone to continue the provision of solid waste collection services the public has come to

expect. The 32-35 gallon can/cart is the predominant service level. (See attachment *Composite Summaries for proposed changes to other service levels.*)

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$29.95	\$30.05	\$0.10
Rural	\$26.25	\$26.35	\$0.10
Distant Rural	\$31.25	\$31.35	\$0.10
Mountain Zone	\$32.50	\$32.60	\$0.10

- Staff is proposing an increase for container service based on cubic yard serviced. This reflects the adjustments to labor, disposal and processing costs as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$0.09
Rural	\$0.09
Distant Rural/Mountain	\$0.09

- In 2013 the Solid Waste Commission approved bringing the commercial cart fees in the Rural, Distant Rural to parity with the residential cart fees. This was accomplished through incremental adjustments resulting with the 35 and 60 gallon commercial cart fees the same as residential services. An administrative oversight resulted in the 90 gallon commercial cart service not reaching parity this year. Bringing this service to parity with residential service will require an increase, in addition to the proposed disposal increase, of \$3.05 and \$3.40 for the Rural and Distant Rural zones respectively. This adjustment affects approximately 400 commercial customers. Staff recommends making the adjustment this year.

32/35 gallon can/ cart	Current	Proposed	Change
Rural	\$39.85	\$43.15	\$3.30
Distant Rural	\$43.40	\$47.05	\$3.65

July 1, 2015

- Metro Council has approved an increase in the disposal fee by \$1.65 per ton on July 1, 2015; increasing the tip fee to \$94.98. The ‘transaction fee’ of \$3.00 for customers with accounts (franchisees) is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$ 95.58 beginning July 1, 2015. This increase has been factored into the projections calculated in the financial review.
- A 30% increase in the cost of disposing yard debris has been factored into the projections.
- The cost to remove contaminants from recyclables has been on the rise in recent years while commodity prices respond to global market conditions. In quarter four of 2014 was the first period where there was not a positive return when delivering materials to the processor. Over the past few years the fee adjustments have calculated a decrease in the returns from recyclables. Because of recent issues at ports and lower markets for some materials, there has been zero revenue and a \$25.00 processing fee calculated for delivering recyclables to the processor.
- General inflation has not been applied.
- There has been an increase in the demand for lidded drop boxes by businesses employing best management practices for storm water management. Lids add equipment cost currently not included in the drop box fee structure. Boxes with lids or other specialty boxes require a round trip return to the business of origin. The drop box fee structure for compactors includes this in the fee structure, the open box fees do not. Therefore a monthly fee has been added to address the purchase and maintenance cost for the lid. The collection fee for small compactors will be applied to the lidded and specialized boxes.

Open Drop Box-All Zones	Current	Proposed	Change
Lidded/Specialized box	\$119.00	\$135.00	<i>\$16.00</i>
Monthly Fee for Lid	\$0.00	\$20.00	<i>\$20.00</i>

- After reviewing the production records submitted by the franchisees, and making agreed upon adjustments and applying known increases for the processing of yard debris and recyclables and the disposal of garbage, it has been determined that collection fee adjustments will need to be made in each of the collection zones for the coming year.
- The following tables illustrate staff’s current proposed fee adjustments necessary in each zone to continue the provision of solid waste collection services the public has come to expect. The 32-35 gallon can/cart is the predominant service level. (See attachments for proposed changes to other service levels.)

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$28.90	\$29.95	\$1.05
Rural	\$25.60	\$26.25	\$0.65
Distant Rural	\$30.60	\$31.25	\$0.65
Mountain Zone	\$31.85	\$32.50	\$0.65

- Staff is proposing an increase for container service based on cubic yard serviced. This reflects the adjustments to fuel and disposal costs as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$0.47
Rural	\$0.47
Distant Rural/Mountain	\$0.47

July 1, 2014

No Fee adjustment was made in 2014.

- Metro Council approved a decrease in the disposal fee by \$1.00 per ton on July 1, 2014; lowering the tip fee to \$93.33. The ‘transaction fee’ of \$3.00 for customers with accounts (franchisees) is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$93.93 beginning July 1, 2014. This increase has been factored into the projections calculated in the financial review.
- A 25% increase in the cost of disposing yard debris has been factored into the projections.
- Other notable expenses are rising, but at a lower percentage in the recent past. Driver wages are increasing by 1.24% and health insurance for all employees was held flat this year.
- Last year fuel was projected to decrease by 1.21%. This year the projected adjustment is set at -1.76%.
- General inflation is anticipated to be 2.12%.

September 1, 2013

- Metro Council has approved an increase in the disposal fee by \$0.49 per ton on September 1, 2013; raising the tip fee to \$94.33. The ‘transaction fee’ of \$3.00 for customers with accounts (franchisees) is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore

an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$94.93 beginning September 1, 2013. This increase has been factored into the projections calculated in the financial review.

- A 0% increase in the cost of disposing yard debris has been factored into the projections.
- Other notable expenses are rising, but at a lower percentage in the recent past. Driver wages are increasing by 2.0% and health insurance for all employees was held flat this year.
- Last year fuel was projected to increase by 4.99%. This year the projected adjustment is set at -1.21%.
- Other costs have not been projected to increase.
- The following tables illustrate staff's current proposed fee adjustments necessary in each zone to continue the provision of solid waste collection services the public has come to expect. The 32-35 gallon can/cart is the predominant service level. (See attachments for proposed changes to other service levels.)

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$28.65	\$28.90	\$0.25
Rural	\$25.30	\$25.60	\$0.30
Distant Rural	\$30.35	\$30.60	\$0.25
Mountain Zone	\$31.60	\$31.85	\$0.25

- Staff is proposing an increase for container service based on cubic yard serviced. This reflects the adjustments to fuel, labor and disposal costs as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$0.95
Rural	\$1.04
Distant Rural/Mountain	\$1.04

- In addition to the adjustment presented above, an additional adjustment to commercial carts is recommended. A historical differential has existed between the carts collected from residential and commercial customers, with commercial customers having a lower fee, except in the Rural zone. In the Urban area this differential can be attributed to the collection of yard debris from residential customers. However, in the rural, distant rural and mountain zones yard service is not offered in these zones. Staff is proposing this differential be equalized over the next three years.

32/35 gallon can/ cart	Current	Proposed	Change
Rural	\$25.35	\$25.60	\$0.25
Distant Rural	\$28.90	\$29.65	\$0.75

Mountain Zone	\$30.15	\$30.90	\$0.75
60 gallon cart	Current	Proposed	Change
Rural	\$35.80	\$36.30	\$0.50
Distant Rural	\$38.05	\$39.30	\$1.25
Mountain Zone	\$39.30	\$40.25	\$1.05

90 gallon cart	Current	Proposed	Change
Rural	\$38.40	\$38.90	\$0.50
Distant Rural	\$40.65	\$41.70	\$1.05
Mountain Zone	\$41.90	\$42.95	\$1.05

- Staff is recommending a slight adjustment in the hauling fees associated with open drop box service and for small compactors. Currently the composite earnings for the drop box falls below the acceptable range and has for several years. The system has seen an increase in use of lidded boxes as businesses attempt to avoid illegal dumping in their open drop boxes and adhere to storm water best management practices. The cost of new equipment along with the associated increases in labor expenses warrants this slight adjustment. The last increase on the haul portion of drop box fees was done in 2011.

Open Drop Box-All Zones	Current	Proposed	Change
10/20 Cubic Yards	\$113.00	\$119.00	\$6.00
30 Cubic Yards	\$130.00	\$136.00	\$6.00
40 Cubic Yards	\$147.00	\$153.00	\$6.00

Compactors-All Zones	Current	Proposed	Change
Less than 25 Cubic Yards	\$128.00	\$135.00	\$7.00

August 1, 2012

- Metro Council has approved an increase in the disposal fee by \$4.31 per ton on August 1, 2012; raising the tip fee to \$93.84. The 'transaction fee' of \$3.00 for account customers is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$94.44 beginning August 1, 2011. A 4.5% increase has been factored into the projections calculated in the financial review.
- A 0% increase in the cost of disposing yard debris has been factored into the projections.

- Other notable expenses are rising, but at a lower percentage in the recent past. Driver wages are increasing by 2.0% and health insurance for all employees was held flat this year.
- Fuel was projected to increase by 4.99%.
- Other costs have not been projected to increase.
- After reviewing the production records submitted by the franchisees, and making agreed upon adjustments and applying projected increases, it has been determined that collection fee adjustments will need to be made in each of the collection zones for the coming year.
- A monthly rent was applied to all customers with a permanent box on site. Past practice had been to apply rental based on frequency of service for both temporary (occasional) and permanent customers.

In August 2012 fees were adjusted upwards in all zones for all service types.

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$28.20	\$28.65	\$0.45
Rural	\$24.85	\$25.30	\$0.45
Distant Rural	\$29.80	\$30.35	\$0.55
Mountain Zone	\$31.05	\$31.60	\$0.55

An increase for container service based on cubic yard serviced was approved. This reflects the adjustments to fuel, labor and disposal costs as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$2.62
Rural	\$2.82
Distant Rural/Mountain	2.77

August 1, 2011

- Metro Council approved an increase in the disposal fee by \$3.68 per ton on August 1, 2011; raising the tip fee to \$89.53. The ‘transaction fee’ of \$3.00 for account customers is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$90.13 beginning August 1, 2011. This 4.3% increase has been factored into the projections calculated in the financial review.
- A 0% increase in the cost of disposing yard debris has been factored into the projections.

- Other notable expenses are rising, but at a lower percentage in the recent past.. Driver wages are increasing by 3.17% and health insurance for all employees is increasing by 12.86%.
- Last year fuel was projected as a negative 12.73%. This year a projected increase is at 30.86%.
- Other identified costs have been projected to increase at 3.17%.
- After reviewing the production records submitted by the franchisees, and making agreed upon adjustments and applying projected increases, it has been determined that collection fee adjustments will need to be made in each of the collection zones for the coming year.

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$27.45	\$28.20	\$0.75
Rural	\$24.20	\$24.85	\$0.65
Distant Rural	\$29.10	\$29.80	\$0.70
Mountain Zone	\$30.35	\$31.05	\$0.70

- Staff is proposing an increase for container service based on cubic yard serviced. This reflects the effects as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$2.51
Rural	\$2.90
Distant Rural/Mountain	\$2.99

- Staff is also proposing a small increase to drop box service fees and an increase in the Urban Zone delivery fee to more accurately capture the costs associated with this service.

Urban Zone	Current	Proposed	Change
Delivery Fee	\$25.00	\$40.00	\$15.00

- The basic service charges for collecting and tipping a drop box/compactor have not changed since 2009. The following are the proposed changes to Open Drop Box and Compactor service in all zones.

Open Drop Box-All Zones	Current	Proposed	Change
10/20 Cubic Yards	\$110.00	\$113.00	\$3.00
30 Cubic Yards	\$127.00	\$130.00	\$3.00
40 Cubic Yards	\$144.00	\$147.00	\$3.00

Compactors-All Zones	Current	Proposed	<i>Change</i>
Less than 25 Cubic Yards	\$125.00	\$128.00	<i>\$3.00</i>
25-34 Cubic Yards	\$165.00	\$169.00	<i>\$4.00</i>
Greater than 35 Cubic Yards	\$191.00	\$196.00	<i>\$5.00</i>

August 1, 2010

- A 0% increase in the cost of disposing yard debris has been factored into the projections.
- Other notable expenses are rising, but at a lower percentage in the recent past.. Driver wages are increasing by 3.23% and health insurance for all employees is increasing by 9.83%.
- Last year fuel was projected as a negative 21.01%. This year a projected increase is at 12.73%, considerably lower than the 60% increase experienced 2 years ago.
- Other identified costs have been projected to increase at 3.04%.
- This year an unusual 30% increase in the PUC fees was experienced and expressed in the projections.
- Metro Council has approved an increase in the disposal fee by \$5.10 per ton on August 1, 2010; raising the tip fee to \$85.85. The ‘transaction fee’ of \$3.00 for account customers is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$86.45 beginning August 1, 2010. This 6.32% increase has been factored into the projections calculated in the financial review.

32/35 gallon can/ cart	Current	Proposed	<i>Change</i>
Urban	\$26.35	\$27.45	<i>\$1.10</i>
Rural	\$23.30	\$24.20	<i>\$0.90</i>
Distant Rural	\$28.20	\$29.10	<i>\$0.90</i>
Mountain Zone	\$29.45	\$30.35	<i>\$0.90</i>

Staff is proposing an increase for container service based on cubic yard serviced. The adjustment takes into consideration effects on costs as mentioned above.

Fee Zone	Proposed per Yard Adjustment
All Zones	\$1.62

The distances traveled to deliver and collect a box in this area of the County and the infrequency of service continues to have a tremendous impact on the cost of delivering service to the outlying portions of the County. Staff believes the best way to address this concern is to increase the mileage fee. The proposed changes is:

Drop Box Mileage Fee	Current	Proposed	Change
Over 18 miles round trip	\$2.70	\$4.70	\$2.00

August 1, 2009

35 gallon cart: Urban fees were increased by \$1.35; Rural by \$0.50; Distant Rural & Mountain by \$2.25. *(The 32/35 gallon service is the predominant service in the customer mix. Other fees were adjusted proportionally based on the 32-gallon fee.)*

Container Urban/Rural fees increased by \$1.59 and Distant Rural/Mountain fees increased by \$3.21 per cubic yard served.

Drop Box:

	Current	Proposed	Change
Outside the Urban Zone			
Delivery Fee	\$45.00	\$50.00	\$5.00
Mileage Fee	\$2.30	\$2.70	\$0.40

The basic service charges for collecting and tipping a drop box/compactor have not changed since 1993. The following were the changes made in 2009 to Open Drop Box service in all zones.

Open Drop Box-All Zones	Current	Proposed	Change
10/20 Cubic Yards	\$80.55	\$110.00	\$29.45
30 Cubic Yards	\$98.10	\$127.00	\$28.90
40 Cubic Yards	\$113.35	\$144.00	\$30.65

The compactor fees as developed in 1993 were priced on a per yard basis within particular size ranges. This practice seemed to be dated per review of the standard throughout the region which revealed a fixed price within a size range. After surveying the size of compactors in service the proposed size ranges were created. The fees are based on those assessed by the City of Milwaukie.

Compactors-All Zones	Current Low-High	Proposed	Change Low-High
Less than 25 Cubic Yards	\$91.95-135.60	\$125.00	\$33.05-(10.60)
25-34 Cubic Yards	\$141.25-171.70	\$165.00	\$23.75-(6.70)
Greater than 35 Cubic Yards	\$176.75-178.00	\$191.00	\$14.25-13.00

- ◆ September 1, 2008
35 gallon cart: Urban fees were increased by \$1.00; Rural by \$1.45; DistantRural & Mountain by \$1.65.
Container fees increased by \$1.47 per cubic yard served.
Drop Box: Mileage increased to \$2.30.; Delivery charges -Urban increased from \$20 to \$25; All rural delivery from \$40 to \$45. Several incidental fees charged by most drop box companies were codified on the fee schedule, these include but are not limited to: wash out fee; dead head fee; clarified hourly increments.
- ◆ September 1, 2007
Urban fees were increased by \$1.05. All other fee zones remained static.
Yard Debris exemption program was eliminated. Those currently enrolled, “grandfathered” until leave County system regardless of address.
- ◆ July 1, 2006 Changes to Drop Box fees occurred for the first time since 1993.

Rural Distant Rural	Current	Proposed & Adopted
Delivery Fee	\$20	\$40
Mileage Fee	\$1.70	\$2.00

- ◆ July 1, 2006 added the Mountain Zone to address increased services and collection challenges associated with this part of the County. Primarily the Mt. Hood area east of Rhondendron.
- ◆ There were no fee adjustments in 2005, although Metro did increase fees for disposal in September by 0.62% and other costs increased.

- ◆ On October 1, 2004 the following increases were made to residential and commercial services in each of the collection zones. *(The 32/35 gallon service is the predominant service in the customer mix. Other fees were adjusted proportionally based on the 32-gallon fee.):*

32/35 gallon can/ cart	Current	Adopted 2004	Change
Urban	\$21.10	\$21.55	\$0.45
Rural	\$19.50	\$19.90	\$0.40
Distant Rural	\$22.75	\$23.55	\$0.80

The changes in commercial container service were made on a per-yard basis. The following table shows the increase per yard in each of the fee zones.

Fee Zone	Adopted per Yard Increase 2004
Urban	\$1.75
Rural	\$1.75
Distant Rural	\$3.50

- ◆ In 2003 Metro increased the disposal fee but the County did not adopt a fee adjustment.
- ◆ In July 2002 the Board approved the following increases for 32-gallon can/cart service *(The 32-gallon service is the predominant service in the customer mix. Other fees were adjusted proportionally based on the 32-gallon fee.):*

32/35 gallon can/cart	2002
Urban	\$1.20
Rural	\$1.20
Distant Rural	\$2.70

- ◆ In 2001, residential and commercial fees were adjusted in the Urban zone only. Commercial containers fees were **decreased** 5-20%. The residential 32-gallon fee was increased by 11% (\$2.20) and residential customers were provided a large roller cart for yard debris collection service.

Proposed Fee Changes 2020

Urban		Adjustment		
Current Fee	Service Level	Proposed	\$	%
\$ 29.15	20 gal Singlefamily	\$ 29.70	0.55	1.9%
\$ 33.15	32 gal	\$ 33.70	0.55	1.7%
\$ 42.80	60 gal	\$ 43.40	0.60	1.4%
\$ 49.90	90 gal	\$ 50.55	0.65	1.3%
\$ 14.90	On Call	\$ 15.45	0.55	3.7%
\$ 15.65	Monthly	\$ 16.20	0.55	3.5%
\$ 24.65	20 gal Multifamily	\$ 25.20	0.55	2.2%
\$ 28.65	32 gal	\$ 29.20	0.55	1.9%
\$ 29.20	35 gal Commercial	\$ 29.75	0.55	1.9%
\$ 40.75	60 gal	\$ 41.35	0.60	1.5%
\$ 43.75	90 gal	\$ 44.40	0.65	1.5%
\$ 7.35	Recycling Only	\$ 7.45	0.10	1.4%
\$ 5.95	YD Subscription	\$ 6.05	0.10	1.7%
\$ 4.25	YD 2nd Cart	\$ 4.30	0.05	1.2%
Urban		Adjustment		
Current Fee	Service Level	Proposed	Adjustment	%
\$ 103.70	1 yard weekly	\$ 104.99	\$ 1.30	1.3%
\$ 173.47	2 yard weekly	\$ 176.07	\$ 2.60	1.5%
\$ 339.20	2 yard 2x weekly	\$ 344.40	\$ 5.20	1.5%
\$ 593.74	4 yard 2x weekly	\$ 604.13	\$ 10.39	1.8%

Rural		Adjustment		
Current Fee	Service Level	Proposed	\$	%
\$ 26.25	20 gal Singlefamily	\$ 26.80	0.55	2.1%
\$ 30.20	32 gal	\$ 30.75	0.55	1.8%
\$ 41.95	60 gal	\$ 42.55	0.60	1.4%
\$ 47.80	90 gal	\$ 48.45	0.65	1.4%
\$ 15.35	On Call	\$ 15.90	0.55	3.6%
\$ 16.20	Monthly	\$ 16.70	0.50	3.1%
\$ 24.65	20 gal Multifamily	\$ 25.20	0.55	2.2%
\$ 28.60	32 gal	\$ 29.10	0.50	1.7%
\$ 30.20	35 gal Commercial	\$ 30.75	0.55	1.8%
\$ 41.95	60 gal	\$ 42.55	0.60	1.4%
\$ 47.80	90 gal	\$ 48.45	0.65	1.4%
\$ 10.15	Recycling Only	\$ 10.30	0.15	1.5%
Rural		Adjustment		
Current Fee	Service Level	Proposed	\$	%
\$ 119.05	1 yard weekly	\$ 120.57	\$ 1.52	1.3%
\$ 208.13	2 yard weekly	\$ 211.16	\$ 3.03	1.5%
\$ 403.41	2 yard 2x weekly	\$ 409.47	\$ 6.06	1.5%
\$ 744.11	4 yard 2x weekly	\$ 756.23	\$ 12.12	1.6%

Distant Rural		Adjustment		
Current Fee	Service Level	Proposed	\$	%
\$ 30.85	20 gal Singlefamily	\$ 31.35	0.50	1.6%
\$ 35.10	32 gal	\$ 35.60	0.50	1.4%
\$ 45.60	60 gal	\$ 46.20	0.60	1.3%
\$ 51.45	90 gal	\$ 52.10	0.65	1.3%
\$ 15.70	On Call	\$ 16.25	0.55	3.5%
\$ 17.80	Monthly	\$ 18.33	0.53	3.0%
\$ 29.25	20 gal Multifamily	\$ 29.80	0.55	1.9%
\$ 33.50	32 gal	\$ 34.05	0.55	1.6%
\$ 35.10	35 gal Commercial	\$ 35.60	0.50	1.4%
\$ 45.60	60 gal	\$ 46.20	0.60	1.3%
\$ 51.45	90 gal	\$ 52.10	0.65	1.3%
\$ 10.25	Recycling Only	\$ 10.40	0.15	1.5%
Distant Rural		Adjustment		
Current Fee	Service Level	Proposed	\$	%
\$ 133.31	1 yard weekly	\$ 134.83	\$ 1.52	1.1%
\$ 228.40	2 yard weekly	\$ 231.43	\$ 3.03	1.3%
\$ 435.69	2 yard 2x weekly	\$ 441.75	\$ 6.06	1.4%
\$ 800.42	4 yard 2x weekly	\$ 812.54	\$ 12.12	1.5%

Mountain		Adjustment		
Current Rate	Service Level	Proposed	\$	%
\$ 32.10	20 gal Singlefamily	\$ 32.60	\$ 0.50	1.6%
\$ 36.35	32 gal	\$ 36.85	\$ 0.50	1.4%
\$ 16.00	On Call	\$ 16.55	\$ 0.55	3.4%
\$ 18.10	Monthly	\$ 18.63	\$ 0.53	2.9%
\$ 30.50	20 gal Multifamily	\$ 31.05	\$ 0.55	1.8%
\$ 34.75	32 gal	\$ 35.30	\$ 0.55	1.6%
\$ 36.35	35 gal Commercial	\$ 36.85	\$ 0.50	1.4%
\$ 10.25	Recycling Only	\$ 10.40	0.15	1.5%
Mountain		Adjustment		
Current Rate	Service Level	Proposed	\$	%
\$ 152.36	1 yard weekly	\$ 153.88	\$ 1.52	1.0%
\$ 266.50	2 yard weekly	\$ 269.53	\$ 3.03	1.1%
\$ 511.90	2 yard 2x weekly	\$ 517.96	\$ 6.06	1.2%
\$ 952.84	4 yard 2x weekly	\$ 964.96	\$ 12.12	1.3%



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STAY HOME, SAVE LIVES: ORDERING OREGONIANS TO STAY AT HOME, CLOSING SPECIFIED RETAIL BUSINESSES, REQUIRING SOCIAL DISTANCING MEASURES FOR OTHER PUBLIC AND PRIVATE FACILITIES, AND IMPOSING REQUIREMENTS FOR OUTDOOR AREAS AND LICENSED CHILDCARE FACILITIES

On February 28, 2020, I appointed the State of Oregon's Coronavirus Response Team.

On February 29, 2020, the Department of Human Services issued strict guidelines, restricting visitation at congregated care facilities, including nursing homes.

On March 2, 2020, the State of Oregon Emergency Coordination Center was activated.

On March 8, 2020, I declared an emergency under ORS 401.165 *et seq.* due to the public health threat posed by the novel infectious coronavirus (COVID-19).

On March 12, 2020, I prohibited gatherings of 250 or more people, and announced a statewide closure of Oregon K-12 schools from March 16, 2020, through March 31, 2020.

On March 13, 2020, the President of the United States declared the COVID-19 outbreak a national emergency.

On March 16, 2020, the Department of Human Services imposed its most recent protective measures to restrict visitors to long-term care facilities and other residential facilities. The Oregon Health Authority has adopted similar measures at the Oregon State Hospital and other behavioral health settings and has limited admissions to the Oregon State Hospital. The Oregon Department of Corrections has suspended all visits to state prisons.

On March 17, 2020, I prohibited gatherings of 25 or more people, banned on-site consumption of food and drink at food establishments statewide, and extending school closures until April 28, 2020. I also encouraged all businesses not subject to the prohibitions to implement social distancing protocols.

On March 18, 2020, I suspended in-person instructional activities at higher education institutions through April 28, 2020.



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On March 19, 2020, I ordered the postponement of non-urgent health care procedures, in order to conserve personal protective equipment and hospital beds for the state's COVID-19 emergency response efforts. I also directed the Oregon Health Authority to provide guidance regarding limitations and screening for visitors to hospitals and ambulatory surgical centers.

COVID-19 may cause respiratory disease leading to serious illness or death. The World Health Organization considers COVID-19 to be a global pandemic. COVID-19 spreads person-to-person through coughing, sneezing, and close personal contact, including touching a surface with the virus on it and then touching your mouth, nose, or eyes.

To reduce spread of COVID-19, the United States Centers for Disease Control and Prevention (CDC) has recommended community mitigation strategies to increase containment of the virus and to slow transmission of the virus, including cancellation of gatherings of people and social distancing in smaller gatherings.

State and local public health officials advise that the virus is circulating in the community and expect the number of cases to increase. The CDC reports that COVID-19 is most contagious when the individual is most symptomatic but may also spread before symptoms appear.

The number of COVID-19 cases continues to rise in Oregon. On March 8, 2020, at the time I declared an emergency, there were 14 presumptive or confirmed cases in Oregon. By March 12, 2020, there were 21. As of today, there are at least 161 cases and five deaths.

In a short time, COVID-19 has spread rapidly. Additionally, some Oregonians are not adhering to social distancing guidance provided by the Oregon Health Authority, as represented by crowds this last weekend at the Oregon Coast, Smith Rock State Park, the Columbia River Gorge, and other places around the state. To slow the spread of COVID-19 in Oregon, to protect the health and lives of Oregonians, particularly those at highest risk, and to help avoid overwhelming local and regional healthcare capacity, I find that immediate implementation of additional measures is necessary. The purpose of this Executive Order is to reduce person-to-person interaction with the goal of slowing transmission.



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NOW THEREFORE, IT IS HEREBY DIRECTED AND ORDERED THAT:

Stay Home, Save Lives

1. It is essential to the health, safety, and welfare of the State of Oregon during the ongoing state of emergency that, to the maximum extent possible, individuals stay at home or at their place of residence, consistent with the directives set forth in my Executive Orders and guidance issued by the Oregon Health Authority. To that end, pursuant to ORS 433.441(3), ORS 401.168(1), ORS 401.175(3), and ORS 401.188(2) to (3), I am ordering the following:
 - a. Non-essential social and recreational gatherings of individuals outside of a home or place of residence (e.g., parties, celebrations, or other similar gatherings and events) are prohibited immediately, regardless of size, if a distance of at least six feet between individuals cannot be maintained.
 - b. Individuals are prohibited from patronizing businesses that are closed pursuant to paragraph 2 of this Executive Order, and from engaging in conduct prohibited by prior Executive Orders or inconsistent with guidance provided by the Oregon Health Authority.
 - c. When individuals need to leave their homes or residences, they should at all times maintain social distancing of at least six feet from any person who is not a member of their immediate household, to the greatest extent possible, and comply with the other Social Distancing Requirements guidance issued by the Oregon Health Authority.
 - d. Individuals may go outside for outside recreational activities (walking, hiking, etc.), but must limit those activities to non-contact, and are prohibited from engaging in outdoor activities where it is not possible to maintain appropriate social distancing (six feet or more between individuals).
 - e. Failure to comply with any of the provisions of this Executive Order constitutes an imminent threat and creates an immediate danger to



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public health. Any person found to be in violation of this Executive Order is subject to the penalties described in ORS 401.990.

Closure of Certain Businesses

2. Pursuant to ORS 433.441(3)(a), (b), (d) and (f), ORS 401.168(1), and ORS 401.188(1) to (3), and effective 12:01 a.m. on March 24, 2020, I prohibit the operation of the following businesses, for which close personal contact is difficult or impossible to avoid:

Amusement parks; aquariums; arcades; art galleries (to the extent that they are open without appointment); barber shops and hair salons; bowling alleys; cosmetic stores; dance studios; esthetician practices; fraternal organization facilities; furniture stores; gyms and fitness studios (including climbing gyms); hookah bars; indoor and outdoor malls (i.e., all portions of a retail complex containing stores and restaurants in a single area); indoor party places (including jumping gyms and laser tag); jewelry shops and boutiques (unless they provide goods exclusively through pick-up or delivery service); medical spas, facial spas, day spas, and non-medical massage therapy services; museums; nail and tanning salons; non-tribal card rooms; skating rinks; senior activity centers; ski resorts; social and private clubs; tattoo/piercing parlors; tennis clubs; theaters; yoga studios; and youth clubs.

3. Paragraph 2 of this Executive Order does not apply to restaurants, bars, taverns, brew pubs, wine bars, cafes, food courts, coffee shops, or other similar establishments that offer food or drink, which remain subject to Executive Order No. 20-07 (prohibiting on-premises consumption of food or drink, but allowing take-out or delivery service).
4. Indoor and outdoor malls, and other businesses subject to paragraph 2 of this Executive Order, are not prohibited from operating to provide food, grocery, health care, medical, pharmacy, or pet store services.
5. Subject to approval by the Governor, the Oregon Health Authority has the authority to determine if additional business closures are necessary to slow the spread of COVID-19 during the ongoing state of emergency.



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Required Social Distancing for Other Retail Businesses

6. Pursuant to ORS 433.441(3)(a), (b), (d) and (f), ORS 401.168(1), and ORS 401.188(1) to (3), and effective 12:01 a.m. on March 24, 2020, I prohibit the operation of any other retail business not subject to paragraph 2 of this Executive Order, unless the business designates an employee or officer to establish, implement, and enforce social distancing policies, consistent with guidance from the Oregon Health Authority.
7. Retail businesses that fail to comply with paragraph 6 of this Executive Order will be closed until they demonstrate compliance.
8. Paragraphs 6 and 7 of this Executive Order do not apply to grocery, health care, medical, or pharmacy services, which also are encouraged to comply with social distancing guidelines.

Workspace Restrictions

9. Pursuant to ORS 433.441(3)(a), (b), (d) and (f), ORS 401.168(1), and ORS 401.188(1) to (3), and effective March 25, 2020, all businesses and non-profit entities with offices in Oregon shall facilitate telework and work-at-home by employees, to the maximum extent possible. Work in offices is prohibited whenever telework and work-at-home options are available, in light of position duties, availability of teleworking equipment, and network adequacy.
10. When telework and work-from-home options are not available, businesses and non-profits must designate an employee or officer to establish, implement, and enforce social distancing policies, consistent with guidance from the Oregon Health Authority. Such policies also must address how the business or non-profit will maintain social distancing protocols for business-critical visitors.
11. Businesses and non-profits that fail to comply with paragraphs 9 and 10 of this Executive Order will be closed until they demonstrate compliance.



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Government Buildings

12. Pursuant to ORS 433.441(3)(a), (b), (d) and (f), ORS 401.168(1), and ORS 401.188(1) to (3), and effective March 25, 2020, all state executive branch offices and buildings, to the maximum extent possible, shall close to the public and provide public services by phone and online during regular business hours. To the extent that closure is not feasible, in-person interactions between staff and the public should be by appointment, whenever possible. When public services require in-person interactions, social distancing measures must be established, implemented, and enforced, to the maximum extent possible.
13. State executive branch offices and buildings shall facilitate telework and work-at-home by employees, to the maximum extent possible. When telework and work-from-home options are not possible, agencies must designate an employee or officer to establish, implement, and enforce social distancing policies, consistent with guidance from the Oregon Health Authority.
14. Paragraphs 12 and 13 of this Executive Order apply to all offices and buildings owned or occupied by the state executive branch. This Executive Order does not apply to offices and buildings owned or occupied by the state legislative and judicial branches, federal government, local governments, and tribal governments, but those governments are nonetheless strongly encouraged to adhere to the policies underlying these directives.

Childcare Facilities

15. Pursuant to ORS 433.441(3)(a) and (d), ORS 401.168(1), and ORS 401.188(2) and (3), it is ordered that any childcare facility licensed under ORS 329A.030 and ORS 329A.250 to ORS 329A.450 that does not meet the requirements of paragraph 16 of this Executive Order shall close from March 25, 2020, through April 28, 2020 (“effective period”), unless that period is extended or terminated earlier by the Governor.
16. Notwithstanding paragraph 15, childcare facilities are allowed to remain open during the effective period if they meet the following requirements:



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- a. Childcare must be carried out in maximum stable groups of 10 or fewer children (“stable” means the same 10 or fewer children are in the same group each day), and in a classroom that cannot be accessed by children outside the stable group; and
 - b. Facilities must prioritize the childcare needs of first responders, emergency workers, health care professionals, followed by critical operations staff and essential personnel, consistent with guidance provided by the Oregon Department of Education, Early Learning Division.
17. I delegate authority to the Oregon Department of Education, Early Learning Division, to set forth exceptions to the rules provided by paragraph 16 of this Executive Order, if it becomes necessary to do so.

Outdoor Recreation and Travel

18. Pursuant to the powers vested in me by ORS 433.441(3), ORS 401.168(1) and (3), and ORS 401.188(1) to (3), I hereby order all private and public campgrounds to be closed immediately. This order does not prohibit camp hosts or veterans from remaining in state campgrounds, nor does it extend to RV parks and other housing.
19. I authorize the Oregon Parks and Recreation Department to close any property or facility, when proper social distancing cannot be maintained.
20. I order the immediate closure of all pools, skate parks, outdoor sports courts, and playground equipment areas.
21. For public recreational areas that are permitted to remain open subject to this Executive Order, signs requiring social distancing must be posted at all entrances, exits, and in prominent areas. On-site restrooms must have trash cans, and soap and water or hand sanitizer available. Users of open public recreational areas must strictly adhere to social distancing guidelines.
22. Individuals are directed to minimize travel, other than essential travel to or from a home, residence, or workplace; for obtaining or providing food, shelter, essential consumer needs, education, health care, or emergency services; for essential business and government services; for the care of family members, household members, elderly persons, minors, dependents,



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persons with disabilities, or other vulnerable persons, pets or livestock; travel as directed by government officials, law enforcement, or courts; and other essential travel consistent with the directives of my Executive Orders and guidance from the Oregon Health Authority.

Enforcement

23. The directives in this Executive Order are effective statewide.
24. This Executive Order is a public health law, as defined in ORS 431A.005, and may be enforced as permitted under ORS 431A.010. Additionally, any person found to be in violation of this Executive Order is subject to the penalties described in ORS 401.990.

This Executive Order is issued under the authority conferred to the Governor by ORS 401.165 to 401.236. Pursuant to ORS 401.192(1), the directives set forth in this Executive Order have the full force and effect of law, and any law, ordinances, rules and orders shall be inoperative to the extent that they are inconsistent with this exercise of the Governor's emergency powers.

This Executive Order is effective immediately, and remains in effect until terminated by the Governor.

Done at Salem, Oregon this 23rd day of March, 2020.

A handwritten signature in black ink that reads "Kate Brown". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kate Brown
GOVERNOR

ATTEST:

Bev Clarno
SECRETARY OF STATE