



Bureau of Planning and Sustainability  
Innovation. Collaboration. Practical Solutions.

# Bureau of Planning and Sustainability

## Fiscal Year 2014-15

## Requested Budget



City of Portland, Oregon | Bureau of Planning and Sustainability  
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Office of Mayor Charlie Hales  
City of Portland

To: Budget Office  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman  
City Auditor LaVonne Griffin Valade

From: Mayor Charlie Hales *jp*

Date: February 3, 2013

Subject: Requested Budget FY14-15 – Bureau of Planning and Sustainability

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I am pleased to convey to you the FY14-15 BPS Requested Budget.

With the Portland Plan in place and the full overhaul of the Comprehensive Plan heading into its final phase, BPS is shifting into specific zoning and implementation projects. This includes efforts such as new code to address mixed-use development in corridors such as SE Powell/Division, a review process for major campus institutions (hospitals and universities), finalizing Central City 2035 and drafting IGAs with the other governmental organizations providing services within Portland.

Over the past six years, General Fund support for BPS has been reduced from \$11 million to \$7.5 million. During that time, BPS has eliminated more than 30 full-time positions. The bureau's ongoing General Fund resources are now severely stretched to carry out critical planning functions.

As a result, BPS is proposing two decision packages for Council consideration that would secure the City's planning capabilities and give the bureau a stable base from which to pursue external funding. It is noteworthy that BPS has brought in nearly \$40 million in outside grants since 2007. BPS decision packages for FY14-15 are:

- \$384,986 in on-going General Fund for District Liaisons
- \$382,144 in on-going General Fund for State-Mandated Planning and Code Projects
- \$253,056 in one-time General Fund for RICAP (Regulatory Improvement and Code Amendment Project)

Thank you for your consideration.

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**Bureau of Planning and Sustainability**  
Innovation. Collaboration. Practical Solutions.

**To:** Mayor Charlie Hales  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman

**From: Budget Advisory Committee for the Bureau of Planning and Sustainability**  
Janis Adler, Portland Utility Review Board  
Al Burns, BPS staff, representing COPPEA  
Catherine Ciarlo, CH2M Hill  
Ralph DiNola, New Buildings Institute  
Christine Ervin, Christine Ervin Consulting  
Erin Flynn, Strategic Partnerships, Research & Strategic Partnerships, Portland State University  
Ingrid Fish, BPS staff, representing non-represented employees  
NaTasha Gaskin, BPS staff, representing DCTU  
Annette Mattson, East Portland Action Plan  
Linda Nettekoven, Hosford-Abernethy Neighborhood District  
David Posada, GBD Architects  
Katherine Schultz, Planning and Sustainability Commission

**Date:** January 31, 2014

**RE: Recommendations for BPS FY14-15 Requested Budget**

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The City is at a once-in-a-generation juncture in formulating its strategy for growth and development for the next 20 years, and the work of the Bureau of Planning and Sustainability in FY14-15 is critical to the success of our long-term planning. This year we enter the final phase of the most extensive update to the Comprehensive Plan since 1980. While technically an update to an existing document, the new Plan will be much closer to a complete overhaul and replacement because of Portland's growth and change from 35 years ago. General Fund support for BPS in FY14-15 will produce a tremendous return on investment for Portland for decades to come.

#### **Primary Recommendation**

**Convert BPS' serial one-time General Fund support to ongoing funding.** The bureau has already experienced an 80 percent reduction in one-time General Fund support, and the remaining one-time resources are critical to the core functions of the bureau. Continuing to provide only one-time support creates uncertainty for staff and challenges for work planning, reducing efficiency and productivity. It hinders the bureau's ability to lead the type of planning and sustainability innovations that drive the City's reputation and success. We strongly urge you to approve BPS' request for ongoing General Fund to carry out core planning functions.



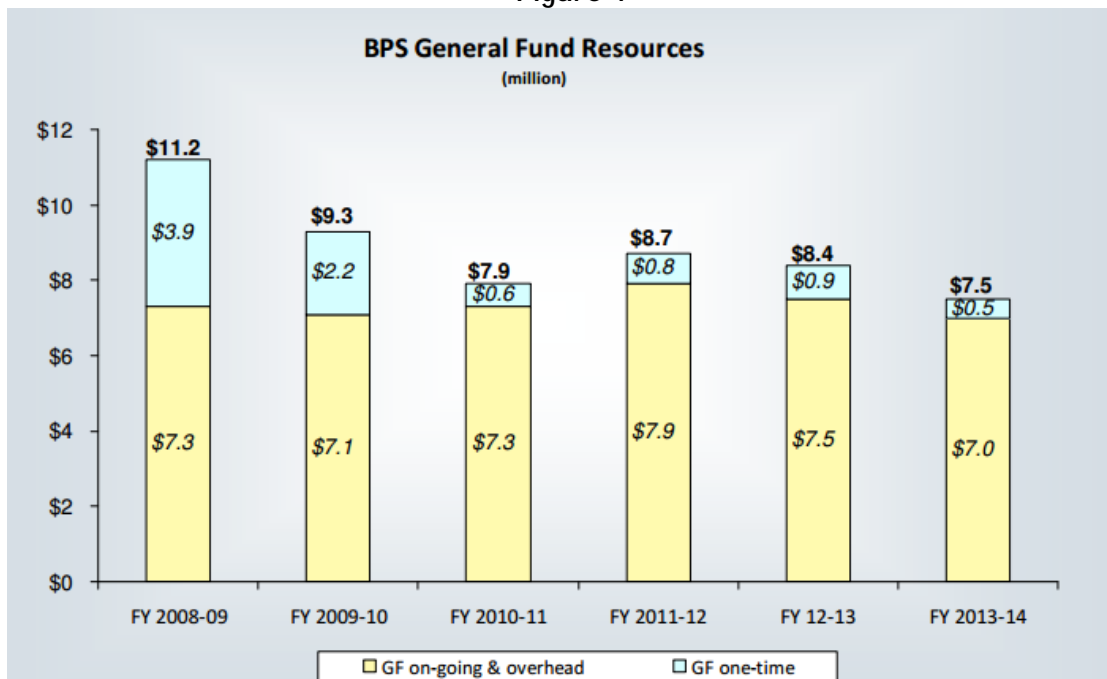
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### Detailed Recommendations for FY14-15

As Figure 1 shows, over the past five years total BPS General Fund resources (ongoing and one-time) have declined by more than 30 percent, or about \$3 million.

As a result of a five-year trend of declining one-time funding and reduced staffing (see Figure 1), BPS planning capacity is now at a bare-bones level. We recognize that financial pressure to make good decisions is not a bad thing and can result in more efficient service delivery. However, five years of deep cuts have gone far beyond eliminating inefficiencies. BPS services and staff are stretched thin, and the constant threat of losing funding for critical projects and staff is now damaging to the City.

Figure 1



As noted in the primary recommendation above, it is critical to move away from one-time funding for BPS projects and programs that are ongoing or will take more than one year to complete. The uncertainty has very real costs in terms of morale, productivity, and the bureau's ability to retain talented staff. With the improved economy, this year the reality of losing talented planners whose jobs are annually in jeopardy has become much more real. Planning is analogous to infrastructure in that the impacts of under-investing are not evident in the near term, but the long-term consequences of project delays and "deferred maintenance" are much more expensive than making smart investments consistently.

As a result, we believe it is in the City's fiscal interest to fund the bureau's requests for ongoing and one-time funding, as follows:

\$385,000 for District Planning (ongoing General Fund)

This funding will stabilize long-range district planning efforts by including more ongoing General Fund resources for this work. This ongoing request is reasonable for a bureau

that has already taken such substantial cuts while absorbing so many key functions for the City.

\$382,000 for State-Mandated Planning and Code Projects (ongoing General Fund)

In FY14-15 these funds allow BPS to complete the Comprehensive Plan, which is both required by the State and represents a rare opportunity to definitively shape the long-term growth of Portland. But the Comprehensive Plan is just one of the required planning and code projects that BPS is responsible for, and funding needs to be available on an ongoing basis to carry out these core functions.

\$253,000 for RICAP (one-time General Fund or an interagency with the Bureau of Development Services)

The Regulatory Improvement and Code Amendment Project revises Portland's zoning code to make the code more efficient to interpret, comply with, and administer.

We understand the bureau is also considering proposing funding to initiate a brownfields program. This is an excellent example of an area where, with adequate funding, BPS can lead in a way that makes both economic and environmental sense. Addressing brownfields is an important opportunity for the region and has the potential to make much better use of existing infrastructure and services. It can also help address a potential shortage in industrial lands. But taking on this new work will be difficult if BPS doesn't receive the resources it needs to complete the Comp Plan and maintain its core planning expertise.

Finally, we want to call attention to the City's history of innovation around planning and sustainability issues. Much of what Portland is known for nationally and globally has its origins in the City's innovative work on planning and sustainable development. Innovation requires resources. Ongoing General Fund will enable BPS to be innovative in its work once again. This is the time to invest in innovation, and we believe a relatively modest investment will produce big returns.

### **Results of the Program Ranking Process**

At the start of the BAC process, BPS staff provided an orientation to the bureau's work, shared key components of the emerging BPS strategic plan, and briefed the BAC on current and proposed BPS programs and projects.

After discussing BPS programs and funding sources, BAC members established the following eight criteria to help rank all 47 BPS programs.

1. Is the project/program legally mandated?
2. Does the project/program respond to time-sensitive needs or opportunities?
3. Is this a role BPS is uniquely able to provide?
4. Does this work enable other BPS programs to succeed?
5. What is the impact on prosperity, complete neighborhoods and carbon reduction?
6. Does the project/program help to reduce disparities?
7. Does the work advance innovation?
8. Does the project/program support community priorities?

To help BAC members inform their rankings, BPS senior management provided information about each program for criteria 1-4. BAC members then used a five-point scale to rank each project/program for criteria 5-8. At the final BAC meeting, members settled on a ranking of programs that reflected a double-weighting of the impact criteria (number 5). The results of the

ranking exercise are shown in Tables 1, 2 and 3. Note that while the ranking exercise was done across all programs, we are presenting our rankings separately for programs that are primarily funded by General Fund, by the Solid Waste Management Fund or grants, both of which are subject to restrictions, and by internal or General Fund overhead. For additional perspective, the tables below also include the rankings developed by BPS leadership according to closeness to bureau mission.

**Table 1: Ranking of Programs Primarily Funded by General Fund**

| <b>Program/ Project</b>   | <b>BAC ranking</b> | <b>BPS ranking of "closeness to mission"</b> |
|---|--------------------|--|
| District Liaison Program*   | 1                  | 12   |
| Comprehensive Plan Program  | 2                  | 2  |
| Research and Policy: Economic Development, Housing and Demographics | 3                  | 15   |
| Central City 2035   | 4                  | 4  |
| Comprehensive Plan Implementation                                   | 5                  | 3  |
| Portland Plan Implementation: Indicators and Equity Metrics         | 6                  | 32   |
| Health  | 7                  | 36   |
| Fix-It Fairs  | 13                 | 22   |
| Environmental Planning  | 14                 | 19   |
| Sustainable Food  | 17                 | 42   |
| Urban Design Studio   | 21                 | 31   |
| Corridor Planning: SW Corridor High-Capacity Transit Project        | 22                 | 30   |
| Intergovernmental Coordination                                      | 24                 | 26   |
| Major Code Projects   | 25                 | 9  |
| Citywide Systems Plan   | 29                 | 16   |
| Code Editing and consultation                                       | 30                 | 34   |
| Portland Plan Implementation: Progress Reporting                    | 33                 | 33   |
| Central City development support                                    | 36                 | 24   |
| Portland Plan Implementation: City Budget Coordination              | 39                 | 5  |
| PSC Coordination  | 40                 | 39   |
| RICAP 6 and 7   | 42                 | 28   |
| West Hayden Island Plan   | 44                 | 38   |
| Historic Resources  | 46                 | 44   |

\* Funding for the District Liaison program is split between General Fund Overhead and General Fund.

**Table 2: Ranking of Programs Funded Primarily by Solid Waste Management Fund or Grants**

| Program/ Project   | BAC ranking | BPS ranking of "closeness to mission" |
|--|-------------|---------------------------------------|
| Corridor Planning: SE Powell/Division and SW Barbur          | 9           | 18                                    |
| Multifamily Waste Reduction Program                          | 10          | 23                                    |
| Climate Preparation Strategy                                 | 11          | 10                                    |
| Climate Action Plan  | 12          | 1                                     |
| Solid Waste Policy and Operations                            | 15          | 21                                    |
| Solid Waste Customer Service                                 | 16          | 37                                    |
| Sustainability Outreach                                      | 18          | 41                                    |
| Ecodistricts   | 19          | 40                                    |
| Neighborhood Clean-Ups                                       | 20          | 46                                    |
| Corridor Planning: SW Corridor High-Capacity Transit Project | 22          | 30                                    |
| Green Building & Development Program                         | 26          | 8                                     |
| Clean Energy Works   | 31          | 11                                    |
| Commercial Energy Retrofits                                  | 32          | 7                                     |
| Sustainability @ Work  | 34          | 17                                    |
| Master Recycler Program                                      | 35          | 45                                    |
| Solar  | 37          | 35                                    |
| City Energy Challenge  | 43          | 27                                    |
| Event Recycling and Composting Program                       | 45          | 47                                    |
| Sustainable City Government                                  | 47          | 29                                    |

**Table 3: Ranking of Programs Primarily Funded by Internal (BPS) or General Fund Overhead**

| Program/ Project                             | BAC ranking | BPS ranking of "closeness to mission" |
|--|-------------|---------------------------------------|
| District Liaison Program                     | 1           | 12                                    |
| Equity                                       | 8           | 6                                     |
| Communications                               | 23          | 13                                    |
| Technical, Graphic, and Information Services | 27          | 14                                    |
| Customer Service                             | 28          | 20                                    |
| Asset management                             | 38          | 43                                    |
| Finance and HR                               | 41          | 25                                    |

As requested, the BAC produced an ordinal ranking all the projects/programs, but it is important to note that there was not a wide spread between the highest and lowest rankings. Even programs at the bottom of the list received respectable rankings and are of ongoing importance to the work of the bureau.

Finally, we support the intent of the program ranking process but find that the resulting rankings are of limited value. Rankings are useful in identifying avenues of inquiry, but they should be taken as a starting point rather than a conclusion.

**Continued Involvement**

BPS has continued to refine its budget options, decision packages, and alternative funding strategies over the course of the BAC meetings, and we recognize that the process has several important stages still ahead. If members of the BPS BAC can contribute to your review and decision-making in the months ahead, please let us know. BPS is a bureau unique in structure and offerings and is at a critical juncture on projects with far-reaching impacts. We welcome the opportunity to continue to engage with you.



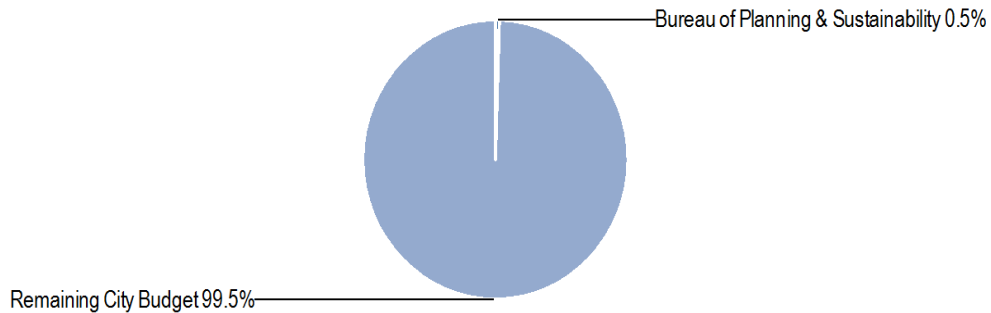
# Bureau of Planning & Sustainability

Community Development Service Area

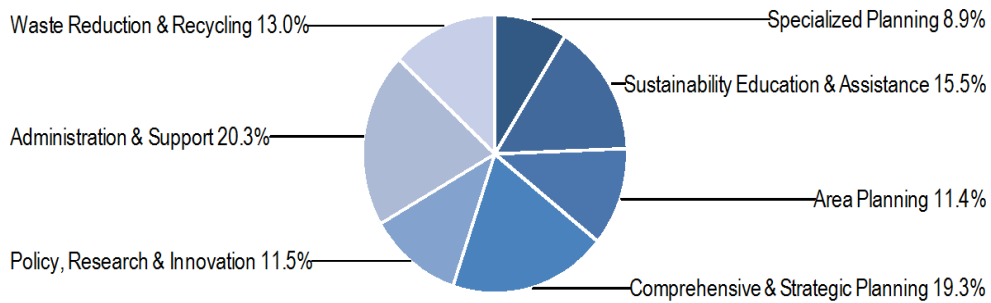
Mayor Charlie Hales, Commissioner-in-Charge

Susan Anderson, Director

**Percent of City Budget**



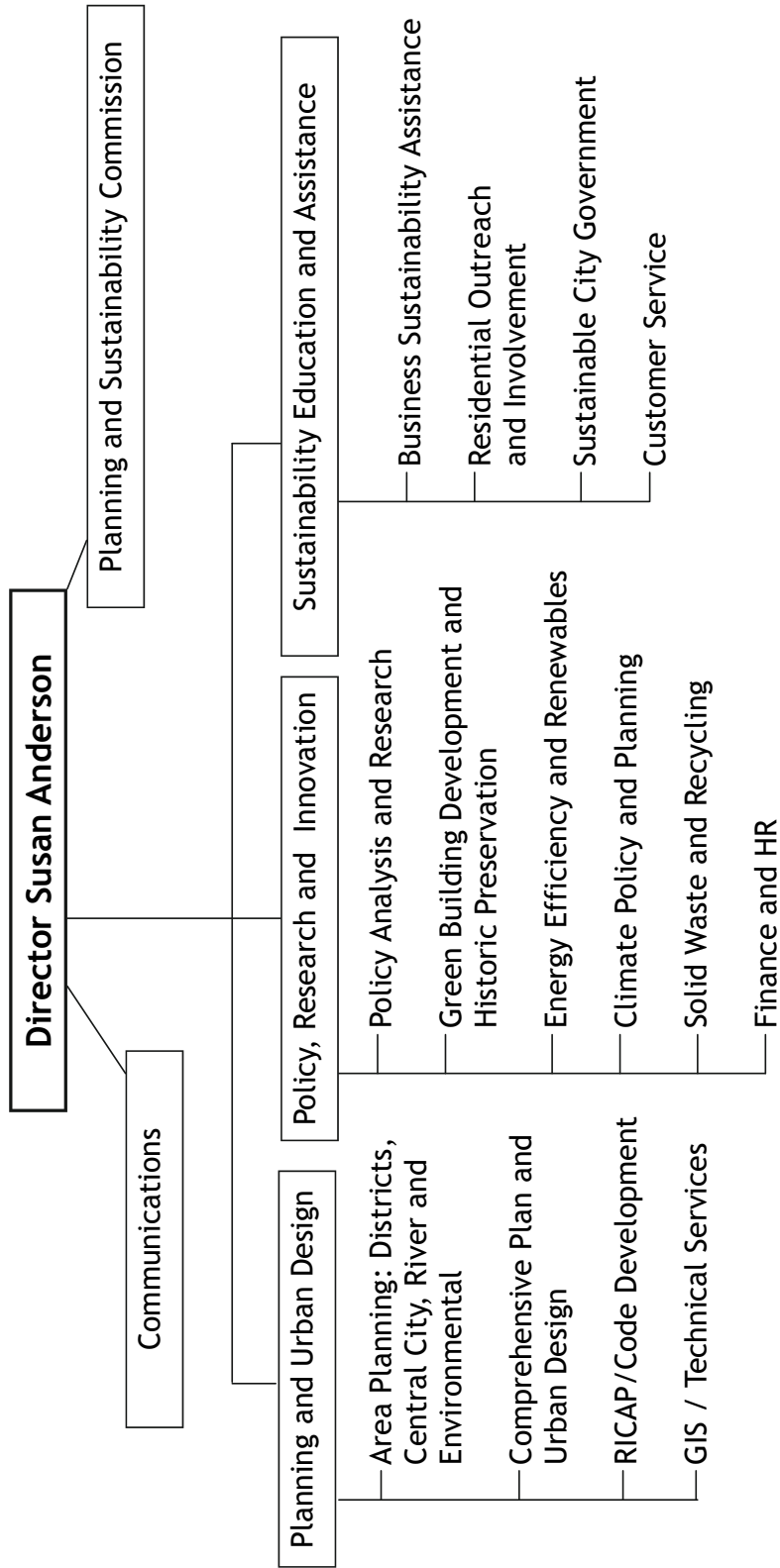
**Bureau Programs**



**Bureau Overview**

| Expenditures              | Revised<br>FY 2013-14 | Requested<br>FY 2014-15 | Change from<br>Prior Year | Percent<br>Change |
|---------------------------|-----------------------|-------------------------|---------------------------|-------------------|
| Operating                 | 16,943,952            | 17,077,360              | 133,408                   | 0.79              |
| Capital                   | 0                     | 0                       | 0                         | 0.00              |
| <b>Total Requirements</b> | <b>16,943,952</b>     | <b>17,077,360</b>       | <b>133,408</b>            | <b>0.79</b>       |
| Authorized Positions      | 99.51                 | 96.80                   | (2.71)                    | (2.72)            |

# Bureau of Planning and Sustainability



## Bureau Summary

### Bureau Mission

Advance a sustainable city that is prosperous, healthy, resilient and equitable.

### Bureau Overview

The Bureau of Planning and Sustainability (BPS) integrates sustainability principles into the core of Portland's strategic planning, land use planning and development policies. The depth of staff expertise and extensive community engagement help affirm the bureau's reputation as a world class "planning and doing" organization.

The bureau also develops and implements policies and programs that provide health, environmental, economic, and social benefits to residents, businesses, and government. To accomplish these objectives, BPS works with the City Council, Planning and Sustainability Commission, other City bureaus, public agencies, businesses, non-profits and community members to:

1. Create and champion big picture plans.
  - ◆ Portland Plan
  - ◆ Comprehensive Plan
  - ◆ Climate Action Plan
  - ◆ Portland Recycles! Plan
  - ◆ Central City 2035
  - ◆ Willamette River Plan
  - ◆ Area and Neighborhood Plans
2. Set development rules, code and policies.
  - ◆ Zoning code and standards and private and public development.
  - ◆ Environmental and industrial land policies.
  - ◆ Solid waste and recycling collection rules.
  - ◆ Green building and energy policies.
3. Motivate voluntary and market-based action.
  - ◆ Engage, educate and collaborate with residents, businesses, community organizations and neighborhoods.
  - ◆ Provide technical assistance and financing tools to build capacity.
  - ◆ Recognize community innovators and leaders for their contributions and commitment.
4. Research, demonstrate and evaluate innovative approaches.
  - ◆ Investigate local conditions and national and international best practices, and pilot new projects and programs.
  - ◆ Take action to inform policy makers and the community on significant and emerging issues.

## Strategic Direction

### **Create and champion big picture plans.**

1. Champion the implementation of the Portland Plan. Collaborate with partners, businesses and the community to take action on the Plans equity framework and three integrated strategies including promoting development in centers, corridors and greenways to support healthy, connected and resilient neighborhoods. Support the City Budget Office on incorporating Portland Plan into annual budget process. Continue to work with Office of Equity and Human rights to advance the Equity Framework.
2. Complete the Comprehensive Plan update. Update the City Comprehensive Plan by July 2015 as required by State Periodic Review. This includes adoption of final economic opportunity analysis, environmental policies and programs, revised goals and policies, updated land use map, list of capital projects, and related Zoning Code updates.
3. Complete the Central City 2035 Plan. Complete the West and SE Quadrant Plans and develop a final Central City 2035 Plan by Spring 2016. This will include a long range development plan for the Central City and Willamette River Central Reach, urban design framework, Zoning and Comprehensive Plan Map amendments, Zoning Code amendments, and other related tools that will help implement the plan.
4. Update and implement the Climate Action Plan and complete the Climate Preparation Strategy. Partner with businesses, residents, community organizations and public agencies to reduce carbon emissions and build resiliency through policy, regulations, investment and behavior change. In 1993 the City first adopted a plan to reduce carbon emissions. City Council subsequently established a goal of reducing carbon emissions 80 percent by 2050. In the last two years, bureaus have undertaken a thorough assessment of vulnerabilities to changes in the climate, resulting in a Climate Preparation Strategy. A major revision to the Citys Climate Action Plan is also underway that identifies specific actions for the City to take to accelerate the transition to a low-carbon community.
5. Update the Portland Recycles Plan. Develop the next generation of policy and programs to reduce waste and increase recycling and composting. Partner with haulers to provide high-quality customer service and maintain reasonable rates.

### **Set development rules, code and policies.**

Begin multi-year implementation of the Comprehensive Plan:

1. Focus on East Portland. Take a multi-faceted approach to catalyze improvements and advance equity. Revise codes and create a strategy to provide needed infrastructure, including parks and transportation investments. Develop partnerships and engage the community through neighborhood Fix-It Fairs, business assistance and other community events.
2. Focus on the growing number of multifamily dwellings and tenants. Establish new design standards and code for multifamily and mixed use developments to promote both neighborhood livability and density. Expand and enhance communication and sustainability assistance to residents who live in rental housing and in multifamily communities.

**Motivate voluntary and market-based action.**

1. Promote and inspire sustainable business practices. Connect businesses with assistance to reduce utility costs, provide active transportation options, support healthy workplaces, and encourage recycling, composting, and construction debris recycling, and support healthy workplaces.
2. Leverage emerging technologies to foster engagement and innovation, improve transparency, and motivate change. Use maps, social media and web-based tools to put useful and relevant data in the hands of residents, neighborhoods and businesses.
3. Make City government operations a model of sustainable practices. In partnership with City bureaus, create and implement a strategic sustainability plan for City operations. Investigate and model innovative technologies and practices.

**Research, demonstrate and evaluate innovative approaches.**

1. Advance equity and workplace excellence. Development and implementation of major efforts like the Portland Plan, Comprehensive Plan and Climate Action Plan present critical opportunities to ensure that equity for all Portlanders is a central component of BPS work. In addition, the bureau is committed to integrating the social elements of sustainability into all aspects of its other programs, policies and plans. BPS will continue to support all its employees and provide training to build and enhance technical, management and communication skills. We will also work to help staff address institutional racism and disparities and create an environment where staff can achieve their maximum potential.
2. Increase the productivity of industrial employment land. Accelerate brownfields clean-up by developing partnerships to create policy, innovative and technical tools, and pursue financial resources. Intensify use and increase jobs per acre, and reduce non-industrial uses on industrial zoned land.

## **Summary of Budget Decisions**

BPS is requesting funding for three decision packages totaling \$1,020,186 and one revenue-neutral package of position re-alignments. The funding requests are:

1. \$384,986 ongoing for District Liaisons (3.5 FTE).
2. \$382,144 ongoing for State-Mandated Planning and Code Projects (4 FTE).
3. \$253,056 one-time for RICAP (Regulatory Improvement Code Amendment Package) (2.5 FTE).

## Comprehensive & Strategic Planning

### Description

The Comprehensive & Strategic Planning program focuses on policies, projects and services that have citywide impact. This program's functions are at the core of the City's long-range planning efforts and engagement with the region's growth management program.

This program includes three subprograms:

- ◆ Comprehensive Plan Update/Portland Plan
- ◆ Comprehensive & Strategic Planning
- ◆ Code Development

Top priorities for FY 14-15 include:

- ◆ Completion of the State-mandated Comprehensive Plan.
- ◆ Beginning a multi-year program of implementing program based on the new Comprehensive Plan.
- ◆ Continued implementation of the Portland Plan (the City's strategic plan for the next 25 years).
- ◆ Transit corridor planning including Inner Powell/Outer Division transit plan and SW Corridor transit plan.
- ◆ The Regulatory Improvement Code Amendment program (RICAP).

### Goals

This program works to advance a prosperous, healthy, resilient and equitable city. Specific goals focus on creating healthy connected neighborhoods, centers and corridors; promoting economic prosperity for business and households; protecting and improving natural resources; and guiding future growth to increase equity and resilience.

### Performance

Reaching a capture rate of greater than 30 percent of the development of new housing in the region is important for the vitality of Portland neighborhoods as well as for regional climate change and compact growth objectives.

With the Portland Plan, Council adopted 12 measures to track overall success, including equity, resident satisfaction, educational progress, household prosperity, job growth, business growth, access to transit and active transportation options, carbon emissions, human health, complete neighborhoods, watershed health, and safety. Through the Comprehensive Plan Update, BPS is evaluating how different land use and infrastructure investment choices may impact these metrics. The bureau's planning programs may be evaluated against these metrics in the future.

### Changes to Services and Activities

The proposed FY 14-15 budget includes a request for ongoing funding for State-Mandated Planning and Code Projects and a request for one-time funding to continue RICAP. The size of the Comprehensive Plan project and necessary code revisions to implement the new plan have required the bureau to tap staff from all of its planning its programs. Without funding from the decision packages, BPS will need to reallocate resources from the CC2035 Plan and the Code Development group to finish the Comprehensive Plan. The CC2035 Plan would be delayed, continuing under a significantly reduced staffing level and/or put on hiatus until completion of the Comprehensive Plan. The RICAP project would not happen.

# Bureau of Planning & Sustainability

## Community Development Service Area

| FTE & Financials                   | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14 | Requested No<br>DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|------------------------------------|----------------------|----------------------|-----------------------|----------------------------------|-------------------------|
| FTE                                | 17.65                | 19.55                | 22.03                 | 13.55                            | 19.55                   |
| <b>Expenditures</b>                |                      |                      |                       |                                  |                         |
| Code Development                   | 0                    | 0                    | 570,513               | 282,936                          | 586,620                 |
| Comprehensive & Strategic Planning | 833,867              | 934,541              | 853,381               | 719,604                          | 719,604                 |
| Portland & Comprehensive Plan      | 2,123,554            | 1,879,379            | 1,115,166             | 1,191,298                        | 1,483,624               |
| River Renaissance Initiative       | 11                   | 0                    | 0                     | 0                                | 0                       |
| Strategic Planning                 | 44,752               | 22,154               | 0                     | 0                                | 0                       |
| <b>Total Expenditures</b>          | <b>3,002,184</b>     | <b>2,836,074</b>     | <b>2,539,060</b>      | <b>2,193,838</b>                 | <b>2,789,848</b>        |

| Performance | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Yr End Est.<br>FY 2013-14 | Base<br>FY 2014-15 | Target<br>FY 2014-15 |
|-------------|----------------------|----------------------|---------------------------|--------------------|----------------------|
|-------------|----------------------|----------------------|---------------------------|--------------------|----------------------|

### Effectiveness

|  |     |     |     |  |  |
|--|-----|-----|-----|--|--|
| Overall city livability: Percentage of respondents rating "good" or "very good"                        | 78% | 80% | 82% |  |  |
| Planning for future land use: Percentage of respondents rating "good" or "very good"                   | 40% | 40% | 42% |  |  |
| Percentage of residents rating the attractiveness of new residential development "good" or "very good" | 62% | 53% | 63% |  |  |
| Percentage of housing built in four-county region within City of Portland limits                       | 28% | 35% | 33% |  |  |

# Bureau of Planning & Sustainability

Community Development Service Area

## Administration & Support

**Description** The group offers a broad array of services and skills that contribute to an efficient, well-functioning organization. These actions include leadership by the Bureau Director, communications team, and day-to-day support of finance and administrative staff.

**Goals** The program works to make the bureau operations run as efficiently and smoothly as possible in support of the overall bureau goal of creating a prosperous, healthy, resilient and equitable city.

**Performance** The bureau continues to meet stringent federal requirements for grant compliance. In internal administration, BPS conducts annual surveys of internal customer service and continually refines operating procedures for clarity and ease of access to program staff.

**Changes to Services and Activities** No major changes are anticipated for FY 14-15.

| FTE & Financials                      | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14     | Requested No<br>DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|---------------------------------------|----------------------|----------------------|---------------------------|----------------------------------|-------------------------|
| FTE                                   | 12.90                | 12.83                | 10.25                     | 11.25                            | 11.25                   |
| <b>Expenditures</b>                   |                      |                      |                           |                                  |                         |
| Administration                        | 794,094              | (138,930)            | 0                         | 0                                | 0                       |
| Bureau Operating Costs                | 1,603,889            | 1,372,115            | 1,687,587                 | 1,707,102                        | 1,707,102               |
| Business Services                     | 130,881              | 1,124,219            | 618,750                   | 710,276                          | 710,276                 |
| Communications                        | 127,929              | 127,401              | 159,577                   | 0                                | 0                       |
| Director's Office                     | 288,912              | 402,434              | 375,983                   | 370,424                          | 370,424                 |
| Operations                            | 211,073              | 173,665              | 0                         | 0                                | 0                       |
| Technical Administrative Support      | 11,834               | 21,018               | 5,050                     | 148,566                          | 148,566                 |
| <b>Total Expenditures</b>             | <b>3,168,612</b>     | <b>3,081,922</b>     | <b>2,846,947</b>          | <b>2,936,368</b>                 | <b>2,936,368</b>        |
| Performance                           | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Yr End Est.<br>FY 2013-14 | Base<br>FY 2014-15               | Target<br>FY 2014-15    |
| <b>Workload</b>                       |                      |                      |                           |                                  |                         |
| Value of grants and contracts awarded | \$16,135,834         | \$8,600,000          | \$2,250,000               | \$1,350,000                      | \$1,350,000             |



## Specialized Planning

**Description** The Specialized Planning program provides specific planning services and expertise to ensure ongoing City compliance with State and regional environmental and land use policies.

This program includes three subprograms:

- ◆ Environmental Planning
- ◆ Policy & Research economic, demographic, and housing analysis
- ◆ Urban Design

The top priorities for FY 14-15 for this program are:

- ◆ Continued support for completion of the State-mandated Comprehensive Plan, the Central City 2035 Plan and Willamette River Central Reach planning.
- ◆ Initial implementation of the Comprehensive Plan with specific focus on economic and urban design analysis related to new Zoning Code provisions for neighborhood mixed-use corridors, gentrification and urban design analysis related to corridor planning and PDC focus areas, and establishing land use provisions (e.g., impervious area limits) to address stormwater system deficiencies, natural hazards and other constraints.
- ◆ Development of a brownfields remediation program.
- ◆ Continued support for community development-related projects.
- ◆ Completion of the State-mandated Goal 15 Inventory for the Willamette River.

Staff within this program will also provide required match related to several grants (Mixed Use Zones and Powell-Division Corridor), providing economic and urban design expertise to those grant projects.

**Goals** This program also works to advance a prosperous, healthy, resilient and equitable city with a focus on promoting habitat health, nature in neighborhoods, housing affordability and economic development objectives.

**Performance** Creating a path to meeting the City’s Goal 9 industrial lands State obligations.

**Changes to Services and Activities** No major changes are anticipated for FY 14-15.

| FTE & Financials              | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14 | Requested No<br>DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|-------------------------------|----------------------|----------------------|-----------------------|----------------------------------|-------------------------|
| FTE                           | 2.90                 | 8.57                 | 10.60                 | 10.60                            | 11.60                   |
| <b>Expenditures</b>           |                      |                      |                       |                                  |                         |
| Code Development              | 1,537                | 41                   | 0                     | 0                                | 0                       |
| Economic Development Planning | 6,155                | 81                   | 0                     | 0                                | 0                       |
| Environmental Planning        | 119,938              | 151,355              | 192,225               | 324,938                          | 324,938                 |
| Historic Preservation         | 840                  | 0                    | 0                     | 0                                | 0                       |
| Policy & Research             | 0                    | 0                    | 571,705               | 570,398                          | 570,398                 |
| Urban Design                  | 33                   | 0                    | 353,524               | 304,058                          | 386,750                 |
| <b>Total Expenditures</b>     | <b>128,503</b>       | <b>151,477</b>       | <b>1,117,454</b>      | <b>1,199,394</b>                 | <b>1,282,086</b>        |

# Bureau of Planning & Sustainability

## Community Development Service Area

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| Performance   | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Yr End Est.<br>FY 2013-14 | Base<br>FY 2014-15 | Target<br>FY 2014-15 |
|---|----------------------|----------------------|---------------------------|--------------------|----------------------|
| <b>Effectiveness</b>  |                      |                      |                           |                    |                      |
| Percentage of significant natural resources protected through non-regulatory and/or regulatory measures | 80%                  | 81%                  | 82%                       |                    |                      |

## Area Planning

|   |   |
|---|---|
| <b>Description</b>                        | <p>The Area Planning program undertakes plans, development strategies and code amendments for development in geographically specific sections of the City. Also referred to as "place-making," the focus of long-range area planning is to guide the growth and development to produce economically vital and livable districts, neighborhoods, corridors, and places in Portland. The program includes the District Planning Liaison function, which provides a key part of the City's community development work. District Liaisons maintain relationships and lines of communication with neighborhood interests and provide ongoing expertise about local trends and issues.</p> <p>The top priorities for FY 14-15 for this program are:</p> <ul style="list-style-type: none"><li>◆ Completion of the public hearing draft of the Central City 2035 Plan, the long-range development plan for the Central City.</li><li>◆ Support for completion of the State-mandated Comprehensive Plan.</li><li>◆ Beginning a multi-year program of implementation actions related to development pressures facing East Portland.</li><li>◆ Supporting BPS work on transportation and transit corridor planning including Inner Powell/Outer Division transit plan and SW Corridor transit plan.</li></ul> |
| <b>Goals</b>                              | <p>This program also works to support a prosperous, healthy, resilient and equitable city with a focus on helping neighborhood and district interests manage the changes that come with growth and development.</p> <p>Specific goals focus on creating healthy connected neighborhoods, centers and corridors; promoting economic prosperity for business and households; protecting and improving natural resources; and guiding future growth to increase equity and resilience. This program leads the update of the Central City 2035 Plan and the Willamette River Plan and plays a lead role in preparing the Comprehensive Plan.</p>  |
| <b>Performance</b>                        | <p>The ratings for percentage of people living in walkable 20-minute neighborhoods and access to shopping are headed in a positive direction, but the citywide average does not reveal the unequal distribution of this access.</p> <p>In East Portland neighborhoods, the program's work seeks to increase these complete community characteristics and address gentrification pressures.</p> <p>In Inner East neighborhoods, the program works to increase or maintain community satisfaction with the design and management of new development/change and address gentrification pressures where relevant.</p>   |
| <b>Changes to Services and Activities</b> | <p>The budget includes a request for ongoing resources to fund half of the District Liaison program. Success of the District Liaison function depends on continuity of service, maintenance of knowledge of a changing and growing city landscape and maintenance of trusted communication channels with neighborhood interests. This program is a core ongoing function that cannot succeed with serial one-time funding. If the program is not funded, BPS would need to reduce the level of service from the District Liaison function to be able to maintain staffing for the Comprehensive Plan, corridor planning and other committed projects.</p>   |

# Bureau of Planning & Sustainability

## Community Development Service Area

| FTE & Financials   | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14     | Requested No<br>DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|--|----------------------|----------------------|---------------------------|----------------------------------|-------------------------|
| FTE  | 25.63                | 18.90                | 13.55                     | 11.00                            | 14.00                   |
| <b>Expenditures</b>  |                      |                      |                           |                                  |                         |
| Area Planning  | 2,578                | 0                    | 0                         | 0                                | 0                       |
| Central City Planning  | 1,086,990            | 1,106,351            | 1,116,995                 | 572,278                          | 847,198                 |
| District Planning  | 1,309,434            | 1,347,838            | 752,886                   | 802,558                          | 802,558                 |
| River Planning   | 323,337              | 329,031              | 138,398                   | 0                                | 0                       |
| Youth Program  | 126,069              | 68,570               | 0                         | 0                                | 0                       |
| <b>Total Expenditures</b>  | <b>2,848,408</b>     | <b>2,851,790</b>     | <b>2,008,279</b>          | <b>1,374,836</b>                 | <b>1,649,756</b>        |
| Performance  | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Yr End Est.<br>FY 2013-14 | Base<br>FY 2014-15               | Target<br>FY 2014-15    |
| <b>Effectiveness</b>   |                      |                      |                           |                                  |                         |
| Percentage of residents rating neighborhood livability "good" or "very good"               | 86%                  | 88%                  | 85%                       |                                  |                         |
| Percentage of residents rating access to shopping and other services "good" or "very good" | 75%                  | 75%                  | 76%                       |                                  |                         |

## **Policy, Research & Innovation**

|   |  |
|---|--|
| <b>Description</b>                        | <p>The Policy, Research &amp; Innovation Program provides research, analysis, technical assistance, demonstration projects, and policy and program development to advance City and bureau goals around an equitable, prosperous, and healthy, low-carbon community. Specifically, the program addresses:</p> <ul style="list-style-type: none"><li>◆ Climate change</li><li>◆ Historic resources</li><li>◆ Green building and development</li><li>◆ Ecodistricts</li><li>◆ Energy efficiency and renewable energy</li><li>◆ Food policy and programs</li><li>◆ City asset management</li><li>◆ Equity</li></ul> <p>Efforts focus on policy, programs and projects that support innovation and institutionalize sustainable practices. The program also monitors legislative issues related to sustainable development, develops funding proposals to support bureau priorities, and coordinates broad sustainability initiatives such as the City's Climate Action Plan.</p> |
| <b>Goals</b>                              | <p>Key goals for FY 14-15 include revising the City's Green Building Policy, developing policy options to support high-performance commercial buildings, securing resources to install solar electric systems on public and community buildings, and supporting district-scale sustainability initiatives and access to healthy food in Portland neighborhoods.</p>  |
| <b>Performance</b>                        | <p>Countering the national trend, local emissions of carbon dioxide, the primary cause of climate change, continue to decline in both per capita and absolute terms; Portland has achieved a 10 percent reduction compared to a 5 percent increase for the U.S. as a whole. On a per capita basis, emissions are now 30 percent lower than 1990 levels. This reflects a wide range of efforts by the City, businesses, residents, and many community partners to create walkable neighborhoods, reduce energy use, increase active transportation, and increase renewable energy sources like solar, wind, and biomass. The number of solar energy systems installed in Portland has increased more than five-fold in the past six years as a result of strong incentives, City outreach and technical assistance and innovative bulk-purchase efforts by neighborhood associations (the Solarize Portland initiatives).</p>   |
| <b>Changes to Services and Activities</b> | <p>Following the completion of a large U.S. Department of Energy grant in 2013, the energy efficiency and renewable energy program is currently seeking additional external funding to support implementation of the Climate Action Plan.</p>  |

# Bureau of Planning & Sustainability

## Community Development Service Area

| FTE & Financials              | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14 | Requested No<br>DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|-------------------------------|----------------------|----------------------|-----------------------|----------------------------------|-------------------------|
| FTE                           | 25.90                | 19.30                | 15.17                 | 13.25                            | 13.50                   |
| <b>Expenditures</b>           |                      |                      |                       |                                  |                         |
| Clean Energy                  | 13,880,922           | 6,888,431            | 678,404               | 205,492                          | 249,773                 |
| Climate Policy & Planning     | 199,074              | 353,699              | 664,117               | 615,632                          | 734,591                 |
| Economic Development          | 117,948              | 0                    | 0                     | 0                                | 0                       |
| Green Building & Development  | 646,071              | 765,965              | 624,227               | 656,754                          | 560,078                 |
| Policy Analysis and Research  | 759,794              | 834,976              | 0                     | 0                                | 0                       |
| Policy, Research & Innovation | 62,088               | 68,794               | 0                     | 0                                | 0                       |
| Sustainable City Government   | 211,239              | 137,799              | 98,846                | 0                                | 0                       |
| Sustainable Food              | 132,167              | 125,407              | 117,274               | 117,682                          | 117,682                 |
| <b>Total Expenditures</b>     | <b>16,009,303</b>    | <b>9,175,071</b>     | <b>2,182,868</b>      | <b>1,595,560</b>                 | <b>1,662,124</b>        |

| Performance   | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Yr End Est.<br>FY 2013-14 | Base<br>FY 2014-15 | Target<br>FY 2014-15 |
|---|----------------------|----------------------|---------------------------|--------------------|----------------------|
| <b>Effectiveness</b>  |                      |                      |                           |                    |                      |
| Per capita residential energy use (million BTUs)  | 28.60                | 26.20                | 26.00                     | 25.00              | 25.00                |
| Number of certified green buildings in Portland   | 2,378                | 2,051                | 2,150                     | 2,150              | 2,150                |
| Utility savings to City from energy- and water-efficiency projects and waste and toxics reduction (million dollars) | \$5.50               | \$5.60               | \$5.70                    | \$5.70             | \$5.70               |
| Percentage of City electricity use from renewable resources   | 15.0%                | 15.0%                | 70.0%                     | 100.0%             | 100.0%               |
| Number of residential and commercial solar energy systems installed in Portland since 2006                          | 1,820                | 2,160                | 2,400                     | 2,650              | 2,650                |
| <b>Efficiency</b>   |                      |                      |                           |                    |                      |
| Percentage reduction in local per capita CO2 emissions from 1990 levels   | 26%                  | 30%                  | 31%                       | 32%                | 32%                  |
| <b>Workload</b>   |                      |                      |                           |                    |                      |
| Number of development projects provided with green building assistance  | 11                   | 13                   | 20                        | 20                 | 20                   |
| Number of design and construction industry professionals trained in green building practices                        | 994                  | 1,565                | 1,000                     | 800                | 800                  |

## Waste Reduction & Recycling

**Description** The Waste Reduction & Recycling program is responsible for the collection of solid waste, recycling and yard debris and other compostable materials from residences and businesses within the Portland Urban Services Boundary. The program carries out City Council's policy direction to reduce waste, increase recycling and composting, and maintain high-quality garbage and recycling collection at reasonable rates.

Residential waste program responsibilities include franchising residential collection companies, enforcing service standards, setting rates, educating customers and promoting waste reduction and recycling in coordination with the Sustainability Education & Assistance program.

The commercial waste program establishes service standards, issues permits and ensures compliance with the City's requirement that businesses recycle at least 75 percent of their waste by 2015. Commercial service is not franchised or rate regulated in Portland. The commercial program is also responsible for contracting for collection of public garbage and recycling cans in several business districts and for addressing garbage or recycling containers that are inappropriately stored by businesses in the public right-of-way.

**Goals** The program works to achieve City Council's goal of recycling 75 percent of all solid waste by 2015.

**Performance** City Council established a goal of recycling 75 percent of all solid waste by 2015. The current recycling rate among businesses is about 67 percent, and the household recycling rate is 70 percent

**Changes to Services and Activities** There are no major changes in FY 14-15.

| FTE & Financials             | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14 | Requested No<br>DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|------------------------------|----------------------|----------------------|-----------------------|----------------------------------|-------------------------|
| FTE                          | 10.50                | 10.50                | 11.00                 | 9.60                             | 9.60                    |
| <b>Expenditures</b>          |                      |                      |                       |                                  |                         |
| Operations                   | 1,333                | 0                    | 0                     | 0                                | 0                       |
| Policy & Program Development | 2                    | 0                    | 0                     | 0                                | 0                       |
| Solid Waste Commercial       | 623,847              | 919,337              | 814,896               | 772,705                          | 772,705                 |
| Solid Waste Residential      | 1,117,505            | 1,271,236            | 1,182,275             | 1,106,112                        | 1,106,112               |
| Waste Reduction & Recycling  | 111,949              | 1,052                | 0                     | 0                                | 0                       |
| <b>Total Expenditures</b>    | <b>1,854,636</b>     | <b>2,191,625</b>     | <b>1,997,171</b>      | <b>1,878,817</b>                 | <b>1,878,817</b>        |

# Bureau of Planning & Sustainability

## Community Development Service Area

| Performance  | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Yr End Est.<br>FY 2013-14 | Base<br>FY 2014-15 | Target<br>FY 2014-15 |
|--|----------------------|----------------------|---------------------------|--------------------|----------------------|
| <b>Effectiveness</b>   |                      |                      |                           |                    |                      |
| Percentage of residential material diverted from wastestream   | 56%                  | 68%                  | 71%                       | 73%                | 73%                  |
| Percentage of commercial material diverted from wastestream  | 66%                  | 60%                  | 65%                       | 65%                | 65%                  |
| Citizens' satisfaction with solid waste and recycling programs:<br>Percentages of respondents rating "good" or "very good" | 78%                  | 66%                  | 72%                       | 74%                | 74%                  |
| <b>Efficiency</b>  |                      |                      |                           |                    |                      |
| Typical residential garbage and recycling monthly bill, adjusted for<br>inflation (2000 dollars)                           | \$28.29              | \$29.70              | \$29.50                   | \$29.80            | \$29.80              |
| <b>Workload</b>  |                      |                      |                           |                    |                      |
| Pounds of solid waste generated per household  | 1,134                | 802                  | 785                       | 780                | 780                  |
| Tons of solid waste generated by businesses  | 197,210              | 252,361              | 225,000                   | 225,000            | 225,000              |



## Sustainability Education & Assistance

|   |  |
|---|--|
| <b>Description</b>                        | <p>The Sustainability Education &amp; Assistance program engages, educates and collaborates with residents, businesses, community organization and neighborhoods to make informed decisions about sustainable practices with a particular focus on resource conservation. The team's responsibilities include design, development, coordination, implementation and evaluation of public outreach and involvement programs and events.</p> <p>The Solid Waste and Recycling Hotline fields about 18,000 calls each year from citizens as staff answer questions, resolve concerns, and provide guidance about curbside recycling.</p> <p>Programs run by the Sustainability Education &amp; Assistance team include:</p> <ul style="list-style-type: none"> <li>◆ Business Sustainability Assistance</li> <li>◆ Multifamily and Event Waste Reduction</li> <li>◆ Residential Outreach, Events, and Involvement</li> <li>◆ Customer Service</li> <li>◆ Sustainable City Government Operations</li> </ul> <p>Efforts focus on motivating voluntary and market-based actions through the implementation of customer-focused programs and campaigns that advance City and bureau goals around a sustainable city that is prosperous, healthy, resilient and equitable. The program also staffs Sustainability at Work, Master Recycler Program, Be Cart Smart, and Fix-It Fairs, and coordinates the bureau and inter-bureau participation at diverse community events. The Customer Service team provides administrative and customer support services to all BPS staff and community. The team ensures that the bureau and residential curbside collection services run smoothly where issues are resolved, questions are answered and gaps are addressed.</p> |
| <b>Goals</b>                              | <p>The Sustainable Education &amp; Assistance programs support the City's goals to reduce carbon emissions 80 percent below 1990 levels by 2050, recycle 75 percent of all solid waste by 2015 and reduce per capita waste generation below 2005 levels by the year 2015. The program also advances the bureau goals of a prosperity, health, resiliency and equity.</p>   |
| <b>Performance</b>                        | <p>In FY 14-15, the program expects to reach 80,000 residents, 18,000 multifamily households and 900 businesses with sustainability outreach and assistance. The Curbside Hotline will respond to 18,000 inquiries.</p>  |
| <b>Changes to Services and Activities</b> | <p>There are no major changes planned for FY 14-15.</p>  |

| FTE & Financials                   | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14 | Requested No<br>DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|------------------------------------|----------------------|----------------------|-----------------------|----------------------------------|-------------------------|
| FTE                                | 20.07                | 19.90                | 16.90                 | 17.30                            | 17.30                   |
| <b>Expenditures</b>                |                      |                      |                       |                                  |                         |
| Business Sustainability Assistance | 977,796              | 857,144              | 822,477               | 776,046                          | 776,046                 |

# Bureau of Planning & Sustainability

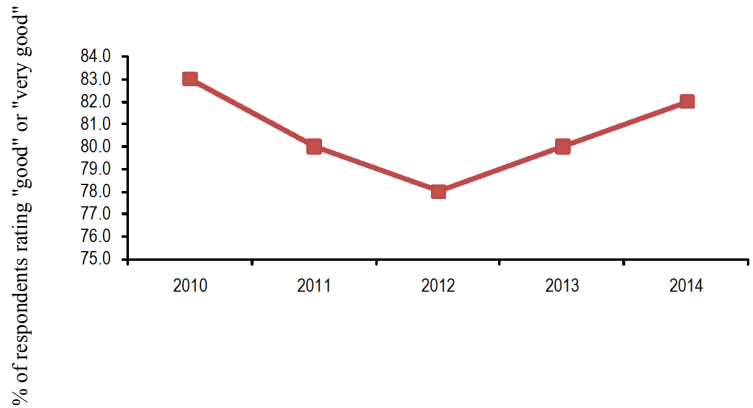
## Community Development Service Area

| FTE & Financials   | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14     | Requested No<br>DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|--|----------------------|----------------------|---------------------------|----------------------------------|-------------------------|
| Communications   | 612,353              | 384,015              | 396,946                   | 401,310                          | 401,310                 |
| Multifamily  | 212,020              | 215,601              | 279,449                   | 283,232                          | 283,232                 |
| Residential Outreach   | 1,275,836            | 561,914              | 806,979                   | 776,727                          | 776,727                 |
| Sustainability Education & Assistance                                | 197,703              | 167,273              | 0                         | 0                                | 0                       |
| Technical Outreach   | 11,518               | (600)                | 0                         | 0                                | 0                       |
| <b>Total Expenditures</b>  | <b>3,287,226</b>     | <b>2,185,347</b>     | <b>2,305,851</b>          | <b>2,237,315</b>                 | <b>2,237,315</b>        |
| Performance  | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Yr End Est.<br>FY 2013-14 | Base<br>FY 2014-15               | Target<br>FY 2014-15    |
| <b>Efficiency</b>  |                      |                      |                           |                                  |                         |
| Cost per Fix-It Fair participant                                     | \$59.00              | \$56.00              | \$59.00                   | \$58.00                          | \$58.00                 |
| <b>Workload</b>  |                      |                      |                           |                                  |                         |
| Number of residents reached by sustainability training and outreach  | 138,448              | 81,800               | 75,000                    | 75,000                           | 75,000                  |
| Number of businesses reached by sustainability outreach and training | 933                  | 941                  | 900                       | 900                              | 900                     |
| Number of multifamily units provided with recycling assistance       | 15,600               | 18,409               | 18,500                    | 18,500                           | 18,500                  |
| Number of bureaus assisted with sustainability projects              | 25                   | 26                   | 26                        | 26                               | 26                      |
| Number of city employees provided with sustainability training       | 138                  | 104                  | 75                        | 75                               | 75                      |
| Number of citizens participating in workshops                        | 1,598                | 1,923                | 1,900                     | 2,000                            | 2,000                   |

## Performance Measures

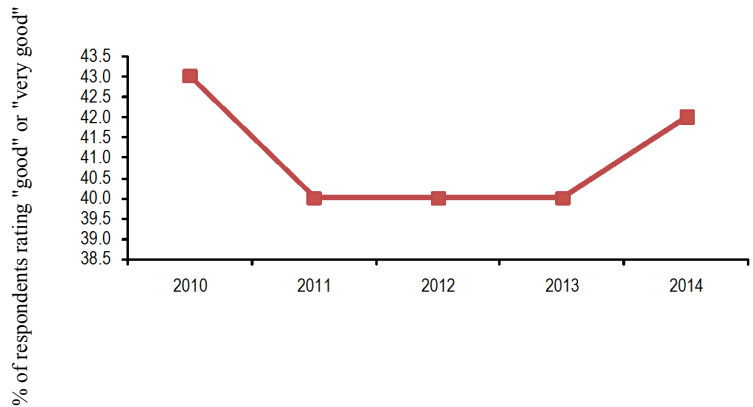
### Citywide Livability Rating

Overall city livability ratings have remained fairly high, but some neighborhoods (particularly in East Portland) are significantly less satisfied with city livability than other neighborhoods.



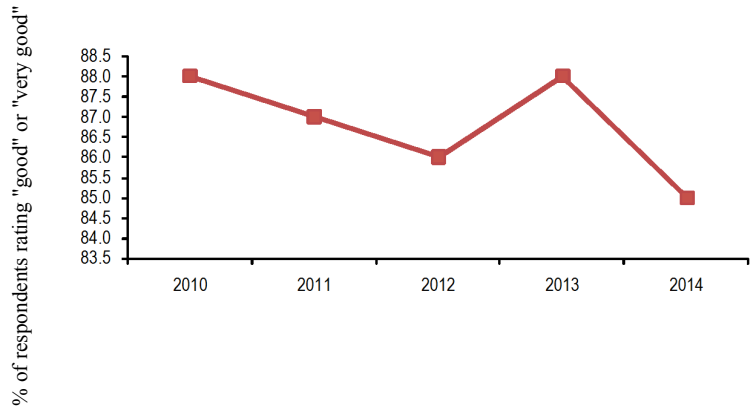
### Overall Rating - Planning for Future Land Use

Residents' satisfaction with City planning for future land use remained the same in 2012. A third of respondents remain neutral.



### Neighborhood Livability Rating

In most areas of the city, citizens are more satisfied with neighborhood livability than city livability. However, neighborhood livability ratings are lower in East and Central Northeast Portland.

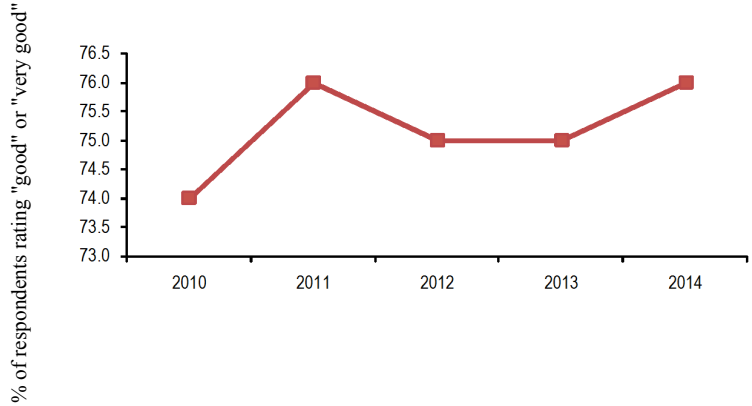


# Bureau of Planning & Sustainability

## Community Development Service Area

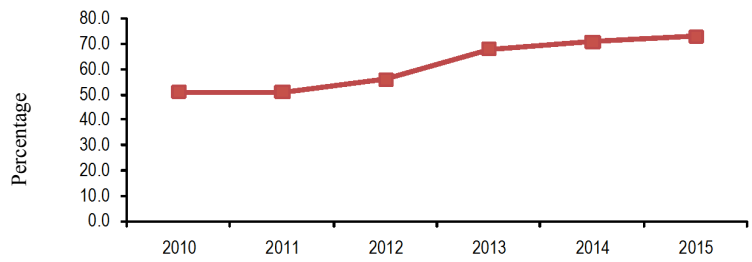
### Access to Shopping and Other Services

Satisfaction with access to shopping and other services remains relatively high.



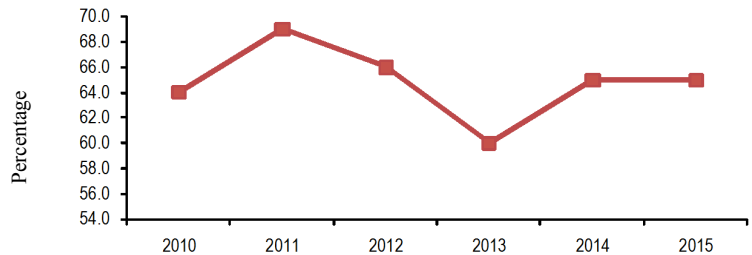
### % of Residential Waste Diverted

The 2011 changes to Portland's curbside garbage and recycling system resulted in an increase in the residential recycling rate.



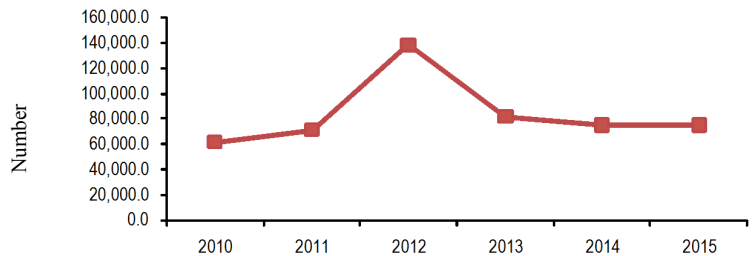
### % of Commercial Waste Diverted

Because commercial solid waste comprises three-quarters of Portland's waste stream, increasing recycling rates for businesses is essential in meeting City Council's 75% recycling goal.



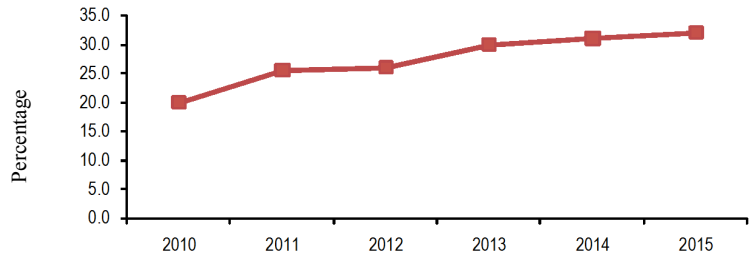
### Residents reached by sustainability outreach/training

The spike in 2012 reflects the bureau's outreach efforts to support the changes to the residential solid waste and recycling service.



**% Reduction in per capita CO2 Emissions**

Portland residents and businesses are making progress in reducing global warming pollution, but efforts need to accelerate if Portland is to do its part to meet the rising urgency of climate change.



# Bureau of Planning & Sustainability

## Summary of Bureau Budget

### Community Development Service Area

|                                       | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14 | Requested No DP<br>FY 2014-15 | Requested<br>FY 2014-15 |
|---------------------------------------|----------------------|----------------------|-----------------------|-------------------------------|-------------------------|
| <b>Resources</b>                      |                      |                      |                       |                               |                         |
| <b>External Revenues</b>              |                      |                      |                       |                               |                         |
| Licenses & Permits                    | 2,572,010            | 2,714,993            | 2,858,230             | 2,851,643                     | 2,851,643               |
| Charges for Services                  | 1,667,886            | 2,102,306            | 2,224,620             | 2,223,486                     | 2,223,486               |
| Intergovernmental                     | 15,952,988           | 9,813,187            | 2,113,830             | 1,383,232                     | 1,383,232               |
| Miscellaneous                         | 154,521              | 82,012               | 98,707                | 73,466                        | 73,466                  |
| <b>Total External Revenues</b>        | <b>20,347,405</b>    | <b>14,712,498</b>    | <b>7,295,387</b>      | <b>6,531,827</b>              | <b>6,531,827</b>        |
| <b>Internal Revenues</b>              |                      |                      |                       |                               |                         |
| General Fund Discretionary            | 8,239,232            | 7,873,544            | 6,898,594             | 6,538,217                     | 7,145,457               |
| General Fund Overhead                 | 556,665              | 529,061              | 544,977               | 587,547                       | 1,000,493               |
| Fund Transfers - Revenue              | 70,787               | 4,348                | 183                   | 0                             | 0                       |
| Interagency Revenue                   | 103,878              | 177,727              | 361,334               | 130,000                       | 130,000                 |
| <b>Total Internal Revenues</b>        | <b>8,970,562</b>     | <b>8,584,680</b>     | <b>7,805,088</b>      | <b>7,255,764</b>              | <b>8,275,950</b>        |
| Beginning Fund Balance                | 1,488,691            | 320,795              | 1,843,477             | 2,269,583                     | 2,269,583               |
| <b>Total Resources</b>                | <b>\$30,806,658</b>  | <b>\$23,617,973</b>  | <b>\$16,943,952</b>   | <b>\$16,057,174</b>           | <b>\$17,077,360</b>     |
| <b>Requirements</b>                   |                      |                      |                       |                               |                         |
| <b>Bureau Expenditures</b>            |                      |                      |                       |                               |                         |
| Personnel Services                    | 10,983,737           | 10,773,690           | 10,514,099            | 9,414,386                     | 10,464,210              |
| External Materials and Services       | 16,454,047           | 9,185,657            | 2,080,754             | 1,606,660                     | 1,577,022               |
| Internal Materials and Services       | 2,861,088            | 2,513,959            | 2,402,777             | 2,395,082                     | 2,395,082               |
| <b>Total Bureau Expenditures</b>      | <b>30,298,872</b>    | <b>22,473,306</b>    | <b>14,997,630</b>     | <b>13,416,128</b>             | <b>14,436,314</b>       |
| <b>Fund Expenditures</b>              |                      |                      |                       |                               |                         |
| Debt Service                          | 38,675               | 42,366               | 48,486                | 52,307                        | 52,307                  |
| Contingency                           | 0                    | 0                    | 4,554                 | 0                             | 0                       |
| Fund Transfers - Expense              | 148,316              | 195,783              | 206,699               | 156,822                       | 156,822                 |
| <b>Total Fund Expenditures</b>        | <b>186,991</b>       | <b>238,149</b>       | <b>259,739</b>        | <b>209,129</b>                | <b>209,129</b>          |
| Ending Fund Balance                   | 320,795              | 906,518              | 1,686,583             | 2,431,917                     | 2,431,917               |
| <b>Total Requirements</b>             | <b>\$30,806,658</b>  | <b>\$23,617,973</b>  | <b>\$16,943,952</b>   | <b>\$16,057,174</b>           | <b>\$17,077,360</b>     |
| <b>Programs</b>                       |                      |                      |                       |                               |                         |
| Administration & Support              | 3,168,612            | 3,081,922            | 2,846,947             | 2,936,368                     | 2,936,368               |
| Area Planning                         | 2,848,408            | 2,851,790            | 2,008,279             | 1,374,836                     | 1,649,756               |
| Comprehensive & Strategic Planning    | 3,002,184            | 2,836,074            | 2,539,060             | 2,193,838                     | 2,789,848               |
| Policy, Research & Innovation         | 16,009,303           | 9,175,071            | 2,182,868             | 1,595,560                     | 1,662,124               |
| Specialized Planning                  | 128,503              | 151,477              | 1,117,454             | 1,199,394                     | 1,282,086               |
| Sustainability Education & Assistance | 3,287,226            | 2,185,347            | 2,305,851             | 2,237,315                     | 2,237,315               |
| Waste Reduction & Recycling           | 1,854,636            | 2,191,625            | 1,997,171             | 1,878,817                     | 1,878,817               |
| <b>Total Programs</b>                 | <b>30,298,872</b>    | <b>\$22,473,306</b>  | <b>\$14,997,630</b>   | <b>\$13,416,128</b>           | <b>\$14,436,314</b>     |

| Class                            | Title                                   | Salary Range |         | Revised FY 2013-14 |         | Requested No DP FY 2014-15 |                  | Requested FY 2014-15 |                  |              |                  |
|----------------------------------|---|--------------|---------|--------------------|---------|----------------------------|------------------|----------------------|------------------|--------------|------------------|
|                                  |   | Minimum      | Maximum | No.                | Amount  | No.                        | Amount           | No.                  | Amount           |              |                  |
| 30000063                         | Accountant II                           | 51,397       | 64,688  | 1.00               | 64,692  | 1.00                       | 64,692           | 1.00                 | 64,692           |              |                  |
| 30000434                         | Administrative Assistant                | 46,571       | 71,739  | 1.00               | 66,131  | 1.00                       | 68,839           | 1.00                 | 68,839           |              |                  |
| 30000433                         | Administrative Specialist, Sr           | 43,368       | 66,768  | 5.00               | 255,235 | 5.00                       | 263,506          | 5.00                 | 263,506          |              |                  |
| 30000436                         | Administrative Supervisor I             | 56,534       | 75,338  | 1.00               | 58,848  | 1.00                       | 61,260           | 1.00                 | 61,260           |              |                  |
| 30000184                         | Code Specialist II                      | 43,722       | 57,886  | 1.00               | 57,888  | 1.00                       | 57,888           | 1.00                 | 57,888           |              |                  |
| 30000492                         | Community Outreach & Informtn Rep       | 56,534       | 75,338  | 5.00               | 348,424 | 6.00                       | 429,199          | 6.00                 | 448,003          |              |                  |
| 30000506                         | Conservation Program Coordinator        | 62,338       | 83,138  | 3.00               | 231,828 | 3.00                       | 234,132          | 3.00                 | 234,132          |              |                  |
| 30000507                         | Conservation Program Coordinator, Sr    | 65,478       | 87,422  | 5.00               | 408,807 | 5.00                       | 417,034          | 5.35                 | 447,634          |              |                  |
| 30000509                         | Conservation Program Manager            | 77,584       | 103,355 | 1.00               | 93,658  | 1.00                       | 97,490           | 1.00                 | 97,490           |              |                  |
| 30000505                         | Conservation Program Specialist         | 56,534       | 75,338  | 5.00               | 301,599 | 4.80                       | 311,345          | 5.40                 | 358,937          |              |                  |
| 30000566                         | Financial Analyst, Assistant            | 46,571       | 71,739  | 1.00               | 61,508  | 1.00                       | 64,024           | 1.00                 | 64,024           |              |                  |
| 30000568                         | Financial Analyst, Sr                   | 65,478       | 87,422  | 1.00               | 87,420  | 1.00                       | 87,420           | 1.00                 | 87,420           |              |                  |
| 30000343                         | GIS Technician III                      | 64,189       | 81,973  | 1.00               | 64,146  | 1.00                       | 67,984           | 1.00                 | 67,984           |              |                  |
| 30000373                         | Graphics Designer III                   | 64,189       | 81,973  | 1.00               | 81,240  | 1.00                       | 81,972           | 1.00                 | 81,972           |              |                  |
| 30000212                         | Inf Syst Tech Analyst IV-Vertical GIS   | 59,883       | 79,830  | 1.00               | 79,836  | 1.00                       | 79,836           | 1.00                 | 79,836           |              |                  |
| 30000451                         | Management Analyst                      | 59,342       | 79,123  | 2.00               | 147,371 | 2.00                       | 152,352          | 2.00                 | 152,352          |              |                  |
| 30000450                         | Management Assistant                    | 46,571       | 71,739  | 2.00               | 114,192 | 1.00                       | 55,212           | 1.00                 | 55,212           |              |                  |
| 30000011                         | Office Support Specialist I             | 29,640       | 42,370  | 1.00               | 34,052  | 1.00                       | 35,954           | 1.00                 | 35,954           |              |                  |
| 30000012                         | Office Support Specialist II            | 32,552       | 46,758  | 1.00               | 46,764  | 1.00                       | 46,764           | 1.00                 | 46,764           |              |                  |
| 30000383                         | Planner II. City-Economic               | 61,755       | 71,365  | 1.00               | 67,272  | 1.00                       | 71,073           | 1.00                 | 71,073           |              |                  |
| 30000385                         | Planner II. City-Land Use               | 61,755       | 71,365  | 9.00               | 617,436 | 8.00                       | 563,340          | 9.50                 | 684,804          |              |                  |
| 30000389                         | Planner II. City-Urban Design           | 61,755       | 71,365  | 1.00               | 70,716  | 1.00                       | 71,364           | 1.00                 | 71,364           |              |                  |
| 30000375                         | Planner, Associate                      | 50,960       | 58,968  | 0.00               | 0       | 0.00                       | 0                | 3.00                 | 174,204          |              |                  |
| 30001053                         | Planner, Chief                          | 115,648      | 161,512 | 1.00               | 153,696 | 1.00                       | 159,378          | 1.00                 | 159,378          |              |                  |
| 30000725                         | Planner, Principal                      | 89,710       | 121,576 | 2.00               | 231,696 | 2.00                       | 236,868          | 2.00                 | 236,868          |              |                  |
| 30000391                         | Planner, Sr City-Economic               | 64,189       | 81,973  | 1.00               | 81,240  | 1.00                       | 81,972           | 1.00                 | 81,972           |              |                  |
| 30000392                         | Planner, Sr City-Environmental          | 64,189       | 81,973  | 1.00               | 81,240  | 1.00                       | 81,972           | 1.00                 | 81,972           |              |                  |
| 30000393                         | Planner, Sr City-Land Use               | 64,189       | 81,973  | 7.00               | 561,072 | 6.00                       | 487,651          | 7.00                 | 587,407          |              |                  |
| 30000397                         | Planner, Sr City-Urban Design           | 64,189       | 81,973  | 1.00               | 81,240  | 1.00                       | 81,972           | 1.00                 | 81,972           |              |                  |
| 30000724                         | Planner, Supervising                    | 77,584       | 103,355 | 3.00               | 295,418 | 3.00                       | 299,054          | 3.00                 | 299,054          |              |                  |
| 30001054                         | Planning & Sustainability Director      | 134,118      | 192,192 | 1.00               | 190,716 | 1.00                       | 192,192          | 1.00                 | 192,192          |              |                  |
| 30001658                         | Plg & Sust Policy, Rsrch & Oper Mgr     | 96,366       | 134,597 | 0.00               | 0       | 0.00                       | 0                | 0.30                 | 37,476           |              |                  |
| 30000464                         | Program Coordinator                     | 62,338       | 83,138  | 2.00               | 157,932 | 1.00                       | 83,136           | 2.00                 | 162,336          |              |                  |
| 30000466                         | Program Manager, Sr                     | 77,584       | 103,355 | 1.00               | 99,890  | 1.00                       | 103,356          | 1.00                 | 103,356          |              |                  |
| 30000463                         | Program Specialist                      | 56,534       | 75,338  | 1.00               | 63,634  | 1.00                       | 66,234           | 1.00                 | 75,942           |              |                  |
| 30000462                         | Program Specialist, Assistant           | 46,571       | 71,739  | 4.00               | 231,032 | 4.00                       | 239,839          | 4.00                 | 239,839          |              |                  |
| 30000495                         | Public Information Officer              | 65,478       | 87,422  | 1.00               | 69,936  | 1.00                       | 88,212           | 1.00                 | 88,212           |              |                  |
| 30000508                         | Solid Waste & Recycling Program Manager | 77,584       | 103,355 | 1.00               | 103,356 | 1.00                       | 103,356          | 1.00                 | 103,356          |              |                  |
| 30001509                         | Web Designer                            | 46,571       | 71,739  | 1.00               | 69,024  | 1.00                       | 71,664           | 1.00                 | 71,664           |              |                  |
| <b>TOTAL FULL-TIME POSITIONS</b> |   |              |         |                    |         | <b>78.00</b>               | <b>5,830,185</b> | <b>74.80</b>         | <b>5,759,536</b> | <b>82.55</b> | <b>6,378,340</b> |
| 30000448                         | Business Systems Analyst                | 59,342       | 79,123  | 0.00               | 0       | 1.00                       | 67,764           | 1.00                 | 67,764           |              |                  |
| 30000447                         | Business Systems Analyst, Assistant     | 46,571       | 71,739  | 0.90               | 43,596  | 0.00                       | 0                | 0.00                 | 0                |              |                  |
| 30000338                         | Environmental Technician II             | 52,832       | 67,413  | 0.90               | 60,132  | 0.90                       | 60,672           | 0.90                 | 60,672           |              |                  |
| 30000385                         | Planner II. City-Land Use               | 61,755       | 71,365  | 1.80               | 118,740 | 0.00                       | 0                | 0.00                 | 0                |              |                  |
| 30000462                         | Program Specialist, Assistant           | 46,571       | 71,739  | 0.90               | 36,408  | 0.90                       | 37,658           | 0.90                 | 37,658           |              |                  |
| <b>TOTAL PART-TIME POSITIONS</b> |   |              |         |                    |         | <b>4.50</b>                | <b>258,876</b>   | <b>2.80</b>          | <b>166,094</b>   | <b>2.80</b>  | <b>166,094</b>   |
| 30000492                         | Community Outreach & Informtn Rep       | 56,534       | 75,338  | 1.50               | 102,684 | 1.00                       | 75,016           | 1.00                 | 75,016           |              |                  |
| 30000506                         | Conservation Program Coordinator        | 62,338       | 83,138  | 1.00               | 81,828  | 1.00                       | 83,136           | 1.00                 | 83,136           |              |                  |
| 30000507                         | Conservation Program Coordinator, Sr    | 65,478       | 87,422  | 1.00               | 87,420  | 0.65                       | 56,820           | 0.65                 | 56,820           |              |                  |
| 30000505                         | Conservation Program Specialist         | 56,534       | 75,338  | 0.50               | 29,952  | 0.00                       | 0                | 0.00                 | 0                |              |                  |

**Community Development Service Area**

| Class                               | Title                               | Salary Range |         | Revised<br>FY 2013-14 |         | Requested No DP<br>FY 2014-15 |           | Requested<br>FY 2014-15 |           |       |           |
|-------------------------------------|-------------------------------------|--------------|---------|-----------------------|---------|-------------------------------|-----------|-------------------------|-----------|-------|-----------|
|                                     |                                     | Minimum      | Maximum | No.                   | Amount  | No.                           | Amount    | No.                     | Amount    |       |           |
| 30000567                            | Financial Analyst                   | 59,342       | 79,123  | 0.68                  | 31,149  | 0.00                          | 0         | 0.00                    | 0         |       |           |
| 30000372                            | Graphics Designer II                | 52,832       | 67,413  | 1.00                  | 66,816  | 1.00                          | 67,416    | 1.00                    | 67,416    |       |           |
| 30000450                            | Management Assistant                | 46,571       | 71,739  | 2.00                  | 99,254  | 1.60                          | 103,381   | 1.60                    | 103,381   |       |           |
| 30000385                            | Planner II, City-Land Use           | 61,755       | 71,365  | 1.00                  | 70,716  | 0.00                          | 0         | 2.50                    | 178,416   |       |           |
| 30000375                            | Planner, Associate                  | 50,960       | 58,968  | 3.67                  | 199,560 | 1.00                          | 59,004    | 1.00                    | 59,004    |       |           |
| 30000393                            | Planner, Sr City-Land Use           | 64,189       | 81,973  | 1.67                  | 123,648 | 1.00                          | 81,984    | 1.00                    | 81,984    |       |           |
| 30000396                            | Planner, Sr City-Transportation     | 64,189       | 81,973  | 1.00                  | 70,772  | 0.00                          | 0         | 0.00                    | 0         |       |           |
| 30001658                            | Plg & Sust Policy, Rsrch & Oper Mgr | 96,366       | 134,597 | 1.00                  | 120,000 | 0.70                          | 87,444    | 0.70                    | 87,444    |       |           |
| 30000462                            | Program Specialist, Assistant       | 46,571       | 71,739  | 1.00                  | 62,820  | 1.00                          | 64,960    | 1.00                    | 64,960    |       |           |
| <b>TOTAL LIMITED TERM POSITIONS</b> |                                     |              |         |                       |         | 17.01                         | 1,146,619 | 8.95                    | 679,161   | 11.45 | 857,577   |
| <b>GRAND TOTAL</b>                  |                                     |              |         |                       |         | 99.51                         | 7,235,680 | 86.55                   | 6,604,791 | 96.80 | 7,402,011 |



|                                  | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14 | Requested<br>No DP<br>FY 2014-15 | Requested<br>FY 2014-15 | Proposed<br>FY 2014-15 |
|----------------------------------|----------------------|----------------------|-----------------------|----------------------------------|-------------------------|------------------------|
| <b>Resources</b>                 |                      |                      |                       |                                  |                         |                        |
| Licenses & Permits               | 2,572,010            | 2,714,993            | 2,858,230             | 2,851,643                        | 2,851,643               |                        |
| Charges for Services             | 1,668,266            | 2,102,226            | 2,224,620             | 2,223,486                        | 2,223,486               |                        |
| Intergovernmental                | 111,589              | 29,190               | 26,000                | 26,000                           | 26,000                  |                        |
| Miscellaneous                    | 114,109              | 77,484               | 48,707                | 48,466                           | 48,466                  |                        |
| <b>Total External Revenues</b>   | <b>4,465,974</b>     | <b>4,923,893</b>     | <b>5,157,557</b>      | <b>5,149,595</b>                 | <b>5,149,595</b>        |                        |
| Fund Transfers - Revenue         | 70,787               | 4,348                | 183                   | 0                                | 0                       |                        |
| Interagency Revenue              | 9,305                | 8,500                | 10,000                | 10,000                           | 10,000                  |                        |
| <b>Total Internal Revenues</b>   | <b>80,092</b>        | <b>12,848</b>        | <b>10,183</b>         | <b>10,000</b>                    | <b>10,000</b>           |                        |
| Beginning Fund Balance           | 3,469,605            | 2,849,555            | 1,843,477             | 2,269,583                        | 2,269,583               |                        |
| <b>Total Resources</b>           | <b>8,015,671</b>     | <b>7,786,296</b>     | <b>7,011,217</b>      | <b>7,429,178</b>                 | <b>7,429,178</b>        |                        |
| <b>Requirements</b>              |                      |                      |                       |                                  |                         |                        |
| Personnel Services               | 2,064,858            | 2,104,158            | 2,360,085             | 2,108,776                        | 2,108,776               |                        |
| External Materials and Services  | 1,429,992            | 1,319,952            | 1,101,324             | 1,068,900                        | 1,068,900               |                        |
| Internal Materials and Services  | 1,484,275            | 1,534,707            | 1,603,486             | 1,610,456                        | 1,610,456               |                        |
| <b>Total Bureau Expenditures</b> | <b>4,979,125</b>     | <b>4,958,817</b>     | <b>5,064,895</b>      | <b>4,788,132</b>                 | <b>4,788,132</b>        |                        |
| Debt Service                     | 38,675               | 42,366               | 48,486                | 52,307                           | 52,307                  |                        |
| Contingency                      | 0                    | 0                    | 4,554                 | 0                                | 0                       |                        |
| Fund Transfers - Expense         | 148,316              | 155,783              | 206,699               | 156,822                          | 156,822                 |                        |
| <b>Total Fund Expenditures</b>   | <b>186,991</b>       | <b>198,149</b>       | <b>259,739</b>        | <b>209,129</b>                   | <b>209,129</b>          |                        |
| Ending Fund Balance              | 2,849,555            | 2,629,330            | 1,686,583             | 2,431,917                        | 2,431,917               |                        |
| <b>Total Requirements</b>        | <b>8,015,671</b>     | <b>7,786,296</b>     | <b>7,011,217</b>      | <b>7,429,178</b>                 | <b>7,429,178</b>        |                        |

## Fund Overview

The Solid Waste Management Fund accounts for expenses and revenues associated with the City's oversight of solid waste collection activities in Portland and the City's efforts to reduce the amount of solid waste and increase recycling and composting. The fund supports BPS' Solid Waste and Recycling, Green Building and Sustainable Education and Assistance programs. Revenue sources for the Solid Waste Management Fund include residential franchise, commercial tonnage and permit fees.

**Managing Agency** Bureau of Planning & Sustainability



|                                  | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Revised<br>FY 2013-14 | Requested<br>No DP<br>FY 2014-15 | Requested<br>FY 2014-15 | Proposed<br>FY 2014-15 |
|----------------------------------|----------------------|----------------------|-----------------------|----------------------------------|-------------------------|------------------------|
| <b>Resources</b>                 |                      |                      |                       |                                  |                         |                        |
| Miscellaneous                    | 0                    | 0                    | 50,000                | 25,000                           | 25,000                  |                        |
| <b>Total External Revenues</b>   | <b>0</b>             | <b>0</b>             | <b>50,000</b>         | <b>25,000</b>                    | <b>25,000</b>           |                        |
| <b>Total Internal Revenues</b>   | <b>0</b>             | <b>0</b>             | <b>0</b>              | <b>0</b>                         | <b>0</b>                |                        |
| Beginning Fund Balance           | 0                    | 0                    | 0                     | 0                                | 0                       |                        |
| <b>Total Resources</b>           | <b>0</b>             | <b>0</b>             | <b>50,000</b>         | <b>25,000</b>                    | <b>25,000</b>           |                        |
| <b>Requirements</b>              |                      |                      |                       |                                  |                         |                        |
| External Materials and Services  | 0                    | 0                    | 50,000                | 25,000                           | 25,000                  |                        |
| <b>Total Bureau Expenditures</b> | <b>0</b>             | <b>0</b>             | <b>50,000</b>         | <b>25,000</b>                    | <b>25,000</b>           |                        |
| <b>Total Fund Expenditures</b>   | <b>0</b>             | <b>0</b>             | <b>0</b>              | <b>0</b>                         | <b>0</b>                |                        |
| Ending Fund Balance              | 0                    | 0                    | 0                     | 0                                | 0                       |                        |
| <b>Total Requirements</b>        | <b>0</b>             | <b>0</b>             | <b>50,000</b>         | <b>25,000</b>                    | <b>25,000</b>           |                        |

## Fund Overview

The Community Solar Fund accounts for expenses and revenues associated with the installation of solar electric systems on publicly-owned facilities. The fund receives revenue from two sources:

1. the electric utility companies, in the form of a fifteen-year stream of incentive payments based on the energy produced from each solar energy system
2. community (crowd-funded) donations

The accrued revenue is used to install new, small-scale solar electric systems on community buildings.

### Managing Agency

Bureau of Planning and Sustainability

## Significant Changes from Prior Year



## Decision Package Summary

**Bureau:** Bureau of Planning & Sustainability

**Priority:** 01

**Type:** Key Priorities

**Decision Package:** PN\_01 - District Liaisons

**Program:** Planning & Urban Design

|                            | FY 2014-15<br>Requested<br>1 Time DP | FY 2014-15<br>Requested<br>Ongoing DP | FY 2014-15<br>Requested<br>Budget | FY 2015-16<br>Estimated<br>Budget | FY 2016-17<br>Estimated<br>Budget | FY 2017-18<br>Estimated<br>Budget | FY 2018-19<br>Estimated<br>Budget |             |
|----------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------|
| <b>EXPENDITURES</b>        |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| Personnel Services         | 0                                    | 384,986                               | 384,986                           | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| <b>TOTAL EXPENDITURES</b>  | <b>0</b>                             | <b>384,986</b>                        | <b>384,986</b>                    | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>    |
| <b>REVENUES</b>            |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| General Fund Discretionary | 0                                    | 177,748                               | 177,748                           | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| General Fund Overhead      | 0                                    | 207,238                               | 207,238                           | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| <b>TOTAL REVENUES</b>      | <b>0</b>                             | <b>384,986</b>                        | <b>384,986</b>                    | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>    |
| <b>FTE</b>                 |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| Full-Time Positions        | 0.00                                 | 3.50                                  | 3.50                              | 0.00                              | 0.00                              | 0.00                              | 0.00                              | 0.00        |
| <b>TOTAL FTE</b>           | <b>0.00</b>                          | <b>3.50</b>                           | <b>3.50</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b> |

**Description:**

District Liaisons are focused on community development planning with close and ongoing ties to neighborhoods and other local stakeholders. One District Liaison is assigned to each of five neighborhood districts and the Central City.

The program's staff are experts in their districts' physical, social, and economic conditions, as well as local issues, opportunities, and priorities related to livability and the built environment. District Liaisons serve as problem solvers, technical advisors, and advocates for residents, business owners and employees, youth, institutions, non-profit organizations, property owners, and others engaged in improving Portland's quality of life.

Typically District Liaisons divide their work program between specific area planning projects relevant to their districts and supporting the work of other bureaus in these districts including:

- Specific Map and Zoning changes to be adopted with the Comp Plan;
- New zoning and development standards for neighborhood mixed-use districts;
- New approach to zoning for universities and hospitals;
- Cully and Lents Town Center community development work;
- SW Corridor (Barbur) High-Capacity-Transit planning;
- Inner Powell/Outer Division High-Capacity-Transit planning;
- New multi-family residential building parking requirements;
- Planning assistance for development proposals in South Waterfront, Rose Quarter, University District, and Centennial Mills;
- Assistance with review of urban renewal area boundaries and plans; and
- Tracking/monitoring of new development.

District Liaisons also work on concerns and issues the community brings forward. They also serve as the bureau's lead for connections to specific citywide constituency groups including groups associated with the Coalition of Communities of Color and small business groups.

**Expected Results:**

District Liaisons will:

- Reestablish the level of support expected by community stakeholders and bureaus on priority community development issues.
- Support the Central City District.
- Provide customer service to local stakeholders and bureaus on planning and development questions and projects.
- Work with local stakeholders to develop larger projects to respond to local community development needs and priorities.

## Decision Package Summary

**Bureau:** Bureau of Planning & Sustainability

**Priority:** 02

**Type:** Key Priorities

**Decision Package:** PN\_02 - State-Mandated Planning and Code Projects

**Program:** Planning & Urban Design

|                            | FY 2014-15<br>Requested<br>1 Time DP | FY 2014-15<br>Requested<br>Ongoing DP | FY 2014-15<br>Requested<br>Budget | FY 2015-16<br>Estimated<br>Budget | FY 2016-17<br>Estimated<br>Budget | FY 2017-18<br>Estimated<br>Budget | FY 2018-19<br>Estimated<br>Budget |             |
|----------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------|
| <b>EXPENDITURES</b>        |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| Personnel Services         | 0                                    | 382,144                               | 382,144                           | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| <b>TOTAL EXPENDITURES</b>  | <b>0</b>                             | <b>382,144</b>                        | <b>382,144</b>                    | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>    |
| <b>REVENUES</b>            |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| General Fund Discretionary | 0                                    | 176,436                               | 176,436                           | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| General Fund Overhead      | 0                                    | 205,708                               | 205,708                           | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| <b>TOTAL REVENUES</b>      | <b>0</b>                             | <b>382,144</b>                        | <b>382,144</b>                    | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>    |
| <b>FTE</b>                 |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| Full-Time Positions        | 0.00                                 | 4.00                                  | 4.00                              | 0.00                              | 0.00                              | 0.00                              | 0.00                              | 0.00        |
| <b>TOTAL FTE</b>           | <b>0.00</b>                          | <b>4.00</b>                           | <b>4.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b> |

**Description:**

Currently, BPS is managing a multi-agency effort to update the City's Comprehensive Plan to fulfill the state of Oregon's "Periodic Review" requirement. This work is done under the direction of a workplan order approved by Oregon Department of Land Conservation and Development (DLCD).

In FY14-15 this work will include a series of priority Zoning Code and Map amendments to implement the new policies, including updated zoning for hospitals and colleges, changes to zoning rules along mixed-use commercial corridors, zoning or program changes to address employment land supply shortfalls, and changes to the way the City evaluates transportation impacts. For this year, the funds requested will allow BPS to complete the mandated periodic review requirement. In future years, these ongoing funds will pay for other code projects required to implement the Comprehensive Plan.

As part of the mandated Comprehensive Plan update, new long-range development plans are being developed for the Central City that will be the basis for new zoning regulations for Central City growth and development. In FY14-15, staff will complete the SE Quadrant Plan, which includes the Central Eastside, develop codes and combine the Quadrant Plans into the final CC2035 Plan for Council adoption in FY15-16.

**Expected Results:**

The proposed package will enable completion of the Comprehensive Plan and related zoning map and code projects and CC2035 Quadrant Plans (Central City). Specific results in FY14-15 include:

- Completion of the proposed Comprehensive Plan including public involvement and public hearings.
- Update of the discussion draft of the Plan to incorporate Planning and Sustainability Commission and City Council amendments.
- Revision of the State-mandated alternatives analysis, and related findings to incorporate any Planning and Sustainability Commission and City Council amendments.
- Zoning Code and Map amendments, including updated zoning for hospitals and colleges, changes to zoning rules along mixed-use commercial corridors, zoning or program changes to address employment land supply shortfalls, and changes to the way the City evaluates transportation impacts.
- Completion of the Quadrant Plans for the CC2035 Plan and preparation of final plan for adoption in FY15-16.

## Decision Package Summary

**Bureau:** Bureau of Planning & Sustainability

**Priority:** 03

**Type:** Critical Needs

**Decision Package:** PN\_03 - Regulatory Improvement Code Amendment Package

**Program:** Planning & Urban Design

|                            | FY 2014-15<br>Requested<br>1 Time DP | FY 2014-15<br>Requested<br>Ongoing DP | FY 2014-15<br>Requested<br>Budget | FY 2015-16<br>Estimated<br>Budget | FY 2016-17<br>Estimated<br>Budget | FY 2017-18<br>Estimated<br>Budget | FY 2018-19<br>Estimated<br>Budget |             |
|----------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------|
| <b>EXPENDITURES</b>        |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| Personnel Services         | 253,056                              | 0                                     | 253,056                           | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| <b>TOTAL EXPENDITURES</b>  | <b>253,056</b>                       | <b>0</b>                              | <b>253,056</b>                    | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>    |
| <b>REVENUES</b>            |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| General Fund Discretionary | 253,056                              | 0                                     | 253,056                           | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| General Fund Overhead      | 0                                    | 0                                     | 0                                 | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| <b>TOTAL REVENUES</b>      | <b>253,056</b>                       | <b>0</b>                              | <b>253,056</b>                    | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>    |
| <b>FTE</b>                 |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| Limited Term Positions     | 2.50                                 | 0.00                                  | 2.50                              | 0.00                              | 0.00                              | 0.00                              | 0.00                              | 0.00        |
| <b>TOTAL FTE</b>           | <b>2.50</b>                          | <b>0.00</b>                           | <b>2.50</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b> |

**Description:**

Regulatory Improvement is designed to continuously improve the City's development regulations. The improvements are made through a combination of policy initiatives, amendments to codes that fine tune existing provisions, and monitoring and evaluation of regulations. The program allows the City to respond quickly to changing conditions, innovative ideas, best practices in the field, and other emerging issues or opportunities.

Amendments to codes are grouped into packages for efficiency. Selection of items and development of solutions for each amendment package is coordinated with the Bureau of Development Services and other bureaus. Each Regulatory Improvement Code Amendment Package (RICAP) takes about 12 months to complete, including City Council's adoption of new regulations.

Topics in the FY13-14 RICAP include short-term rentals (Airbnb type uses), wireless towers/facilities, commercial filming and streamlining a number of other regulations to improve implementation. Staff is currently scoping the FY14-15 RICAP, which may include revising the standards that apply to detached accessory structures and to properties in the 'a' overlay zone (alternative design density zones).

**Expected Results:**

The ongoing program will:

- Adopt a Regulatory Improvement Code Amendment Package (RICAP) on a 12-month cycle.
- Provide an up-to-date and online database of suggestions and ideas for regulatory improvement (Regulatory Improvement Requests).
- Establish and staff one or more advisory committees (depending on the items selected and stakeholders affected) to ensure adequate community involvement.
- Improve customer service by providing ongoing and timely tools for regulatory improvement requests and for amendments to the zoning code or other solutions.

## Decision Package Summary

**Bureau:** Bureau of Planning & Sustainability

**Priority:** 04      **Type:** Realignments

**Decision Package:** PN\_04 - GFOG Realignments

**Program:** Planning & Urban Design

|                                 | FY 2014-15<br>Requested<br>1 Time DP | FY 2014-15<br>Requested<br>Ongoing DP | FY 2014-15<br>Requested<br>Budget | FY 2015-16<br>Estimated<br>Budget | FY 2016-17<br>Estimated<br>Budget | FY 2017-18<br>Estimated<br>Budget | FY 2018-19<br>Estimated<br>Budget |             |
|---------------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------|
| <b>EXPENDITURES</b>             |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| Personnel Services              | 0                                    | 29,638                                | 29,638                            | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| External Materials and Services | 0                                    | (29,638)                              | (29,638)                          | 0                                 | 0                                 | 0                                 | 0                                 | 0           |
| <b>TOTAL EXPENDITURES</b>       | <b>0</b>                             | <b>0</b>                              | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>    |
| <b>FTE</b>                      |                                      |                                       |                                   |                                   |                                   |                                   |                                   |             |
| Full-Time Positions             | 0.00                                 | 0.25                                  | 0.25                              | 0.00                              | 0.00                              | 0.00                              | 0.00                              | 0.00        |
| <b>TOTAL FTE</b>                | <b>0.00</b>                          | <b>0.25</b>                           | <b>0.25</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b>                       | <b>0.00</b> |

**Description:**

With nearly \$1 million in one-time resources (grants, General Fund, interagencies, etc.) concluding by June 2014, BPS re-assessed which functions and positions were critical to cover with continuing resources. This decision package re-aligns positions to recognize the on-going function performed by the limited duration positions such as leading the Comprehensive Plan completion and implementation, providing Urban Design services for the Planning the Urban Design group, and allocating staff to implement the Climate Action Plan.

**Expected Results:**



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## PART I - OVERVIEW

### BUREAU MISSION

The mission of the Bureau of Planning and Sustainability (BPS) is to create a prosperous, equitable and healthy city. To do this, we create and champion big picture plans; set development rules, code and policies; motivate voluntary and market-based action; and research, demonstrate and evaluate innovative approaches.

### BUREAU PROGRAMS

BPS is organized into the following three major functional areas, each of which has a number of significant programs and policy responsibilities.

**Planning and Urban Design Division:** Provides strategic, comprehensive, long-range and district planning and urban design services. Efforts include:

- Comprehensive Plan / Periodic Review
- Portland Plan
- Central Portland Plan
- River and Watershed Planning
- Code Development
- District Planning
- Environmental Planning
- Economic, Demography and Housing Analysis
- Metro and State Land Use Coordination
- Special Projects such as West Hayden Island, Historic Resources Code Improvement and the Barbur Concept Plan
- GIS and Graphics

**Policy, Research and Innovation Division:** Provides research and analysis, policy and program development, project demonstration, monitoring and evaluation, and grant writing. This program also sets policy and regulations for the collection of solid waste, recyclables, and compostables from Portland households and businesses. Key program areas include:

- Climate Change Policy and Planning
- Equity
- Solid Waste and Recycling Operations
- Citywide Asset Management
- Historic Resources
- Green Building and Development
- Clean Energy Policy and Programs
- Human Health and Food

**Sustainability Education and Assistance Division:** Develops and implements programs, events and educational campaigns to engage a diverse range of residents and businesses in household and operational practices in the areas of waste reduction, recycling, energy and water use, and overall sustainability practices.

Key audiences and initiatives include:

- Business and Government Services and Certification
- Residential Services
- Outreach and Events

Additionally, the bureau has three organizational units, Operations, Communications and the Director's Office that provide bureau-wide services. The Director's Office provides leadership within the bureau, City and a broad range of local, regional, national, and international stakeholders and partners. The Communications team provides communications services for the bureau, including public information, materials production and website development. The Operations staff provides administration, business services, technical services and other central functions bureau-wide to ensure efficient, effective operation of the organization.

#### **BUDGET ISSUES FOR FY14-15**

The Bureau of Planning and Sustainability's overall budget reflects a diversified mix of revenue sources. However, the bureau's planning programs have historically been funded overwhelmingly by General Fund (GF) resources. In recent years, ongoing GF resources allocated to the bureau's planning programs have been insufficient to carry out the workload, and City Council has relied on General Fund one-time resources to supplement the bureau's core funding.

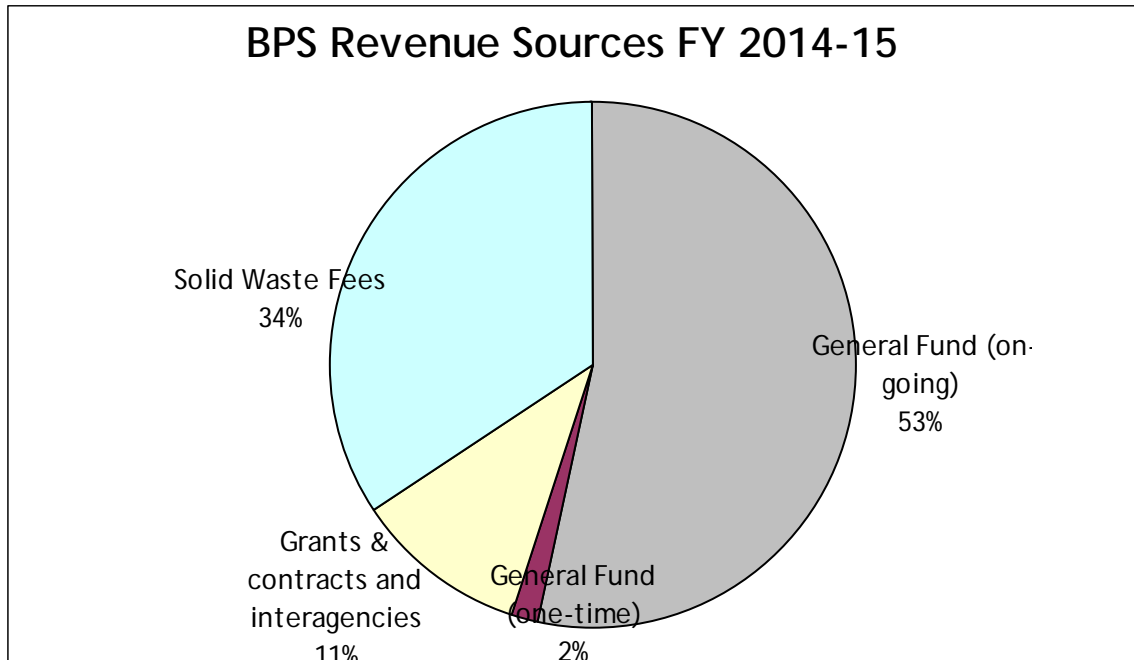
Six years ago, for example, Council approved \$3.3 million in GF one-time for the Bureau of Planning. In FY13-14, the BPS budget included \$481,000 of GF one-time resources – a decrease of nearly \$3 million that had supported staff, contracts and interagency agreements.

For FY14-15, BPS is requesting two decision packages totaling \$767,000 in ongoing GF resources. These funds support six FTE to continue the District Liaison program and to provide core planning capabilities required to fulfill the City's obligations under the Comprehensive Plan and related code projects. BPS is also requesting \$253,000 in one-time General Fund to continue the Regulatory Improvement and Code Amendment Project, which revises City zoning code to streamline regulations and respond to emerging issues.

## **PART II - REVENUES**

### **FIVE-YEAR REVENUE FORECAST - Current Service Level**

| Revenue Source                         | FY 2012-13        | FY 2013-14        | Year 1<br>FY 2014-15 | Year 2<br>FY 2015-16 | Year 3<br>FY 2016-17 | Year 4<br>FY 2017-18 | Year 5<br>FY 2018-19 |
|--|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Actual            | Revised           | Requested            | Projected            | Projected            | Projected            | Projected            |
| General Fund Discretionary - ongoing   | 6,977,209         | 6,417,568         | 6,892,401            | 6,892,401            | 6,892,401            | 6,892,401            | 6,892,401            |
| General Fund Discretionary - one-time  | 886,188           | 481,026           | 253,056              | 253,056              | 253,056              | 253,056              | 253,056              |
| General Fund Overhead                  | 529,061           | 544,977           | 1,000,493            | 1,000,493            | 1,000,493            | 1,000,493            | 1,000,493            |
| Grants                                 | 9,295,594         | 2,235,643         | 1,357,232            | 1,350,000            | 1,350,000            | 1,350,000            | 1,350,000            |
| Local Sources                          | 517,590           | 270,231           | 26,000               | 26,000               | 26,000               | 26,000               | 26,000               |
| Solid Waste Residential Franchise Fees | 2,714,993         | 2,858,230         | 2,820,843            | 2,892,238            | 2,965,426            | 3,040,450            | 3,117,357            |
| Solid Waste Commercial Tonnage & Perr  | 2,101,376         | 2,224,620         | 2,254,286            | 2,286,833            | 2,306,529            | 2,307,060            | 2,307,931            |
| Interagency Revenue                    | 177,727           | 361,334           | 130,000              | 130,000              | 130,000              | 130,000              | 130,000              |
| Misc. Revenue                          | 82,942            | 98,707            | 73,466               | 45,000               | 45,000               | 45,000               | 45,000               |
| Cash Transfer Revenue                  | 4,348             | 183               | -                    | -                    | -                    | -                    | -                    |
| Beginning Fund Balance                 | 2,849,555         | 2,629,330         | 2,269,583            | 2,058,817            | 2,058,556            | 1,987,852            | 1,805,478            |
| <b>Total</b>                           | <b>26,136,583</b> | <b>18,121,849</b> | <b>17,077,360</b>    | <b>16,934,839</b>    | <b>17,027,460</b>    | <b>17,032,311</b>    | <b>16,927,717</b>    |



**ASSUMPTIONS FOR REVENUE FORECAST**

| Revenue Source                               | Projection Assumptions  |
|--|---|
| General Fund ongoing                         | Year 1 - Requested Amount approved<br>Yrs 2-5: No change.         |
| General Fund one-time                        | Year 1 - Requested Amount approved<br>Yrs 2-5 No change.          |
| General Fund Overhead                        | Years 1-5: No change  |
| Grants                                       | Year 1 - Requested Amount approved<br>Yrs 2-5 flat at \$1,350,000 |
| Local Sources                                | Year 1 - Requested Amount approved<br>Yrs 2-5 flat 26,000         |
| Solid Waste Residential Franchise            | SWMF Five-Year Plan   |
| Solid Waste Commercial Tonnage & Permit Fees | SWMF Five-Year Plan   |
| Interagency Revenue                          | Year 1 - Requested Amount approved<br>Yrs 2-5 flat at \$130,000   |
| Misc. Revenues                               | Year 1 - Requested Amount approved<br>Yrs 2-5 flat at \$45,000    |

**GRANTS**

In FY14-15, BPS has the following active grants:

| Granting Agency            | Amount    | Purpose                             |
|----------------------------|-----------|-------------------------------------|
| ARRA BetterBuilding        | \$364,000 | Clean Energy Works (last year)      |
| CET E-TOD                  | \$360,000 | Portland-Milwaukie Lightrail        |
| CET Powell-Division        | \$164,000 | Powell-Division Transit             |
| CET Mixed Use              | \$113,000 | Mixed-Use Zoning                    |
| CET-SW Corridor            | \$80,000  | SW Corridor Concept Plan            |
| Metro Recycle              | \$573,000 | Recycle at Work and Waste Reduction |
| Master Recycler            | \$50,000  | Master Recycler Program             |
| OR Foundation Clean Energy | \$100,000 | Community Clean Energy              |
| DLCD FY 13-15              | \$40,000  | Oregon DLCD Periodic Review         |
| WA Commerce Rooftop Solar  | \$27,000  | Rooftop Solar Challenge             |
| Bullitt Foundation         | \$25,000  | Climate Equity Metrics              |
| OMSI Sustainability        | \$17,000  | Sustainability exhibit development  |

Since 2007, BPS received over \$39 millions in grants and contracts.

**Risks to Grant Funding**

Metro grant funding declined by \$182,000 from previous years in FY12-13, but there is relatively low risk that these grants will decrease further in the near future. Other grant sources are less predictable and depend on how funding opportunities align with the Bureau's workplan priorities. In particular, the large federal ARRA grants enabled BPS to carry out priority energy programs through 13-14 at an unprecedented scale and pace, but continued funding beyond 2013 is unlikely. BPS expects to continue to aggressively pursue grants for planning and sustainability projects.

**PART III - EXPENDITURES****FIVE-YEAR PROGRAM EXPENDITURE FORECAST**

| Program   | FY 2012-13<br>Actual | FY 2013-14<br>Revised | Year 1<br>FY 2014-15<br>Requested | Year 2<br>FY 2015-16<br>Projected | Year 3<br>FY 2016-17<br>Projected | Year 4<br>FY 2017-18<br>Projected | Year 5<br>FY 2018-19<br>Projected |
|---|----------------------|-----------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Central City and Urban Design Program                 | 1,106,351            | 1,116,995             | 847,198                           | 847,198                           | 847,198                           | 847,198                           | 847,198                           |
| District Planning and Area Projects                   | 1,347,841            | 752,886               | 802,558                           | 802,558                           | 802,558                           | 802,558                           | 802,558                           |
| River and Watershed Planning                          | 480,388              | 330,623               | 324,938                           | 324,938                           | 324,938                           | 324,938                           | 324,938                           |
| Portland Plan/ Comprehensive Plan Update Program      | 1,892,816            | 1,480,210             | 1,483,624                         | 1,483,624                         | 1,483,624                         | 1,483,624                         | 1,483,624                         |
| General Planning & Code Development                   | 934,583              | 1,423,894             | 1,282,574                         | 1,282,574                         | 1,282,574                         | 1,282,574                         | 1,282,574                         |
| Youth Planning Program                                | 68,568               | -                     | -                                 | -                                 | -                                 | -                                 | -                                 |
| Policy & Research and Urban Design                    | 834,973              | 925,229               | 957,148                           | 957,148                           | 957,148                           | 957,148                           | 957,148                           |
| Solid Waste Policy & Operations                       | 2,191,636            | 1,997,171             | 1,878,817                         | 1,933,303                         | 1,983,569                         | 2,035,141                         | 2,088,055                         |
| Business Sustainability Outreach                      | 1,155,777            | 1,101,926             | 1,066,302                         | 1,097,225                         | 1,125,753                         | 1,155,022                         | 1,185,053                         |
| Residential Sustainability Outreach                   | 645,542              | 806,979               | 769,703                           | 792,024                           | 812,617                           | 833,745                           | 855,422                           |
| Energy and Climate Policy                             | 560,289              | 762,963               | 734,591                           | 734,591                           | 734,591                           | 734,591                           | 734,591                           |
| Clean Energy  | 6,703,080            | 705,404               | 249,773                           | 225,000                           | 225,000                           | 225,000                           | 225,000                           |
| Green Building & Development                          | 765,965              | 624,227               | 560,078                           | 576,320                           | 591,305                           | 606,679                           | 622,452                           |
| Sustainable Food                                      | 125,408              | 117,274               | 117,682                           | 117,682                           | 117,682                           | 117,682                           | 117,682                           |
| Communications  | 384,015              | 396,946               | 401,310                           | 401,310                           | 401,310                           | 401,310                           | 401,310                           |
| Director's Office                                     | 402,432              | 375,983               | 370,424                           | 370,424                           | 370,424                           | 370,424                           | 370,424                           |
| Bureau Operations (Budget, Finance, HR, IT, GIS and C | 1,133,705            | 783,377               | 882,492                           | 882,492                           | 882,492                           | 882,492                           | 882,492                           |
| Bureau Operating Costs                                | 1,545,780            | 1,687,587             | 1,707,102                         | 1,707,102                         | 1,707,102                         | 1,707,102                         | 1,707,102                         |
| Debt Service  | 42,366               | 48,486                | 52,307                            | 53,824                            | 55,223                            | 56,659                            | 58,132                            |
| Solid Waste Cash Transfer                             | 195,783              | 206,699               | 156,822                           | 161,370                           | 165,565                           | 169,870                           | 174,287                           |
| Unappropriated Fund Balance                           | 3,619,287            | 2,476,990             | 2,431,917                         | 2,184,132                         | 2,156,788                         | 2,038,554                         | 1,807,674                         |
| <b>Total Bureau Budget</b>                            | <b>26,136,583</b>    | <b>18,121,849</b>     | <b>17,077,360</b>                 | <b>16,934,839</b>                 | <b>17,027,461</b>                 | <b>17,032,311</b>                 | <b>16,927,716</b>                 |

**RISKS TO THE FIVE-YEAR FORECAST**

Risks to BPS' five-year plan forecast include:

**REVENUES**

- Reduced General Fund ongoing resources available Citywide and allocated to BPS.
- Reduced General Fund one-time resources available Citywide and allocated to BPS.
- Reduced federal grant support and reduced IGAs with Metro and PDC.

**EXPENDITURES**

- New, unanticipated and unbudgeted projects may continue to emerge as priorities from the community or from Council and require existing staff resources to be redeployed from their original assignments.
- Other bureaus' participation (secured by interagency or intergovernmental agreements) may take more time and/or more resources. This threatens the ability of the bureau to complete projects on time and on budget. In addition, other bureaus, such as PBOT, and agencies that are experiencing their own budget challenges may reduce their involvement on a planning project which could impact the quality and effectiveness of the work and slow progress.

**Bureau of Planning and Sustainability  
Solid Waste Management Fund  
FY13-14 Five-Year Financial Plan**

**Introduction**

The Solid Waste Management Fund currently supports the efforts of the Bureau of Planning and Sustainability (BPS) Solid Waste and Recycling, Green Building and Sustainability at Work and Public Trash Can programs and the Bureau of Development Services Residential Nuisance Abatement program.

**The Solid Waste and Recycling program** develops policy and oversees the collection of solid waste, recyclables and compostable materials from residential and commercial sources within the Portland Urban Services Boundary. Goals and policy guidance for residential and commercial recovery programs were established by City Council with adoption of the Portland Recycles! Plan in 2007 and 2008.

Residential program responsibilities include franchising residential collection companies, enforcing service standards, setting rates, educating customers and promoting programs. The Commercial program provides recycling technical assistance to multifamily property managers and local businesses, issues permits, and enforces service standards and compliance with the City's mandatory commercial recycling requirement. Commercial service is not franchised or rate regulated in Portland.

**The Green Building program** advances the design, development and operation of healthy, resource-efficient buildings and districts with a focus on recycled building materials, energy and water conservation, construction site recycling, stormwater management and indoor air quality. Activities include policy development, training, education, and technical assistance for businesses, homeowners, developers, contractors and City government projects.

**Sustainability at Work** connects Portland businesses to the technical and financial assistance needed to green their operations through a partnership with City and regional resource conservation organizations. Sustainability at Work assists businesses by providing free sustainability evaluations and customized recommendations around energy, water, transportation, green building, operations, waste reduction and recycling. Sustainability at Work also helps businesses find technical assistance, expert advice, loans and cash incentives.

**The Public Trash Can program** provides trash receptacles and contracts for collection service in downtown and six other business areas of the city. In high-volume areas downtown, the program also provides receptacles and collection for recyclable cans, bottles and paper.

**The Nuisance Abatement program** provides nuisance abatement and cleanup services by the Bureau of Development Services to residential properties with accumulations of garbage.

### Revenue Sources

Solid Waste Management Fund revenue sources include residential franchise fees, commercial tonnage and permit fees, grants, and intergovernmental revenues.

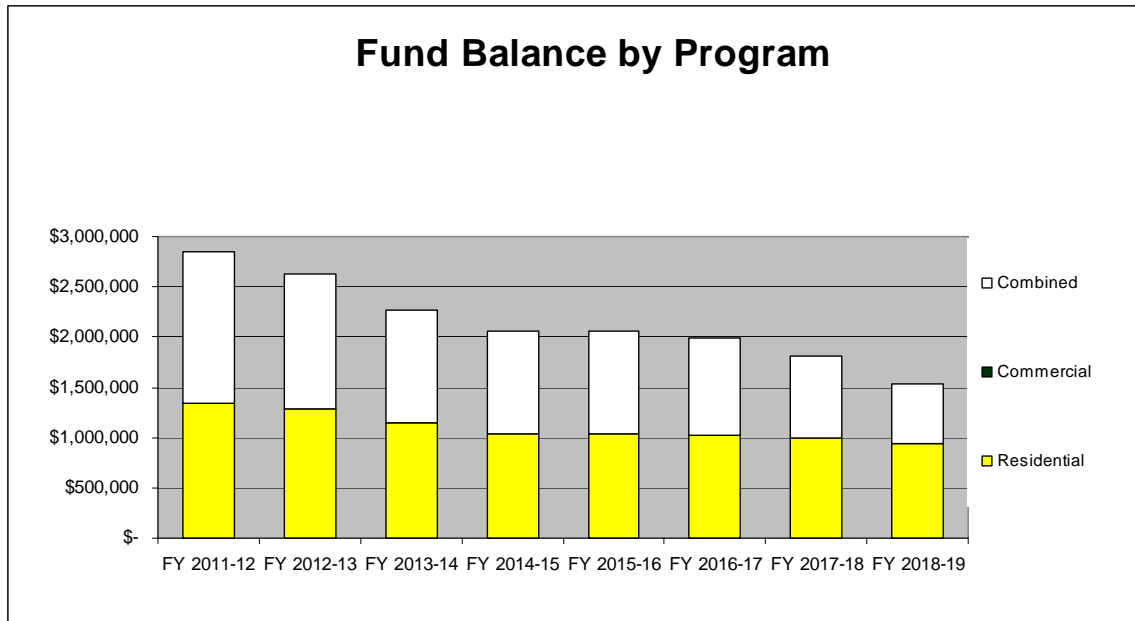
- Residential franchise fees are set at five percent of total revenues collected by haulers serving single-family through four-unit complexes.
- Commercial tonnage fees are set at \$8.30/ton of garbage disposed.

### Fund Balance

The minimum fund balance level is set at \$500,000 to provide an operating reserve and contingency in the case of an emergency such as a natural disaster requiring immediate clean-up of debris. The current fund balance is separated into residential, commercial and combined sources. Combined sources are from grants and miscellaneous revenues that replaced City funds and could be applied to either residential or commercial programs.

The fund balance on July 1, 2013 was \$2,269,000 and comprised of:

- \$1,154,000 from the Residential program.
- \$1,115,000 from combined sources.



BPS projects a fund balance of approximately \$1,540,000 in FY18-19.

## Issues Affecting the Financial Plan

The following issues impact the Five-Year Financial Plan including:

- Portland Recycles! Plan
- Residential Rates
- Green Building Program
- Sustainability at Work Program
- Public Trash Cans and Recycling Containers
- Containers in the Right of Way
- Nuisance Abatement Program

### Portland Recycles! Plan

Portland City Council adopted the Portland Recycles! Plan in 2007 and 2008. The plan calls for residents and businesses to achieve a 75 percent recycling rate by 2015. Expanded recycling services will be provided to over 145,000 households and 20,000 businesses in Portland in an effort to reach the new goals.

The first phase of the Portland Recycles! Plan residential section included adding new recyclables (plastic tubs, buckets and nursery pots) and delivering recycling and yard debris roll carts to households in 2008. Following a year-long pilot program, in 2011 haulers began collecting all food scraps (including meat, dairy, grains, bones and food-soiled paper) placed in the green compost cart and increasing its collection frequency from every other week to weekly. At the same time, garbage collection shifted to every other week. Analysis of the first two years of the program found that the new system resulted in a 37 percent decrease in residential garbage quantities and nearly three times the amount of yard debris/food scraps recovered for composting.

The commercial section of the Portland Recycles! Plan includes greater engagement with businesses to increase participation in paper recycling, construction and demolition recovery, and food composting programs. Funds are also allocated to purchase commercial recycling and food composting roll cart costs to assure necessary containers are available to businesses in the Recycle at Work and Portland Composts programs.

In FY 14-15, BPS will begin the process of revising the Portland Recycles! Plan, including evaluating progress toward the 2015 goal of recycling 75 percent of Portland's solid waste.

### Residential Rates

Each year BPS reviews and proposes rates to reflect the current costs of providing residential garbage, recycling, and compostables collection. Analysis includes independent CPA review of hauler financial records, monitoring of the average weights of garbage in each can size and forecasting the market value of recyclables. Rates are developed using cost-of-service rate-making principles, with solid waste and recycling haulers projected to earn a 9.5 percent operating margin and the City receiving a 5 percent franchise fee. Prior to submittal for City Council consideration, the Portland Utility Review Board reviews the proposed rates.

Portland residential customers received a slight reduction in monthly solid waste rates in July 2013 when City Council approved rates that decreased about one percent



overall. The rate for the 35 gallon roll cart, the most common service level, decreased \$0.20 per month, from \$29.70 to \$29.50. Since changes to the curbside collection service went into effect in 2011, Portland residents have reduced garbage going to the landfill by 37 percent, while increasing composting and recycling. At the same time, garbage and recycling companies have reduced costs for collecting food scraps and yard debris and the cost for composting those materials remains less than landfill disposal. This rate decrease for residential customers comes even with garbage and recycling companies' investments in safer, less-polluting trucks and increases in Metro disposal costs.

### **Green Building**

The Green Building Program provides technical assistance on comprehensive sustainable building practices and district-scale resource-conservation strategies, including a strong emphasis on waste prevention and reduction, job-site recycling, recycling facilities in buildings, reuse of salvage materials, recycled-content building products, and energy-efficient buildings.

### **Sustainability at Work**

BPS has formed a partnership of public and private service providers to achieve specific resource conservation goals in the commercial sector. The program offers businesses a menu of resource conservation services and incentives that are locally available in a simple, one-stop shop format. BPS houses the program and serves as the coordinating body for the partners, including BPS internal programs, Metro, Portland Water Bureau, Portland Development Commission, Pacific Power, Portland General Electric and others.

### **Public Trash Cans and Recycling Containers**

BPS contracts for collection of garbage from approximately 600 public trash cans located downtown and in six other business districts. Collection is provided by commercial haulers selected through a competitive process. Establishing a public recycling program was part of the Portland Recycles Plan adopted by City Council in 2008. In 2011, 165 public recycling containers were installed along the downtown transit mall to provide convenient recycling in public settings and boosting overall public awareness of recycling. The annual cost to BPS for collection services of public trash cans and recycling containers is approximately \$312,000.

### **Containers in the Right of Way**

In 2012 Portland City Council updated BPS Administrative Rules that clarified 2008 City Code amendments to address nuisance and public access issues caused by containers in the right of way. Using these new rules, BPS successfully closed the remaining cases where businesses were storing containers in the right of way. The bureau continues to respond to complaints regarding new placement of containers in the right of way.

### **Nuisance Abatement**

BPS has an interagency agreement with the Bureau of Development Services (BDS) for nuisance abatement activities related to garbage accumulation on private property. BDS also assists in the enforcement of the City Code requirement that garbage, recycling and composting service be arranged and paid for by owners of rental properties.

### **Risks to the Forecast**

Several factors pose risks to the Solid Waste Management Fund Five-Year Plan forecast. In the recent economic downturn, businesses generated less solid waste, reducing commercial tonnage fee revenues paid to BPS. On the residential side, some one-time costs of the new composting collection program were paid for from the fund balance; however, this substantial program change provides some uncertainty to revenue forecasts. Based on analysis of commercial and residential revenues generated during the prior year, revenues are projected at slightly lower levels than last year's forecast. Local cost-sharing funds from Metro that are provided to local governments in the region were recently reduced from previous levels. The Portland share of Metro waste reduction funding is \$573,000 in FY13-14. These factors combine to create some uncertainty to the forecast provided in this report.

### **Forecast Assumptions**

#### **Assumptions in current plan**

##### **Resources**

- The five-year forecast for revenues generated by residential franchise and commercial tonnage fees have decreased slightly from last year's forecast.
- The commercial tonnage fee is currently \$8.30/ton of solid waste disposed by commercial permittees. This fee is proposed to remain the same over the course of the five-year period.
- The plan assumes \$639,000 per year from Metro to fund staff and program expenses for waste reduction and recycling projects.

**Bureau of Planning and Sustainability  
Solid Waste Management Fund  
FY 2013-14 Five Year Financial Plan**

**Economic and Other Assumptions**

|                               | <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
|-------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
|                               | FY 2013-14     | FY 2014-15    | FY 2015-16    | FY 2016-17    | FY 2017-18    | FY 2018-19    |
| Interest Earnings             | 0.48%          | 0.50%         | 0.50%         | 0.60%         | 0.60%         | 0.60%         |
| Personal Services             |                | 2.80%         | 4.20%         | 3.30%         | 3.80%         | 2.80%         |
| External Materials & Services |                | 2.60%         | 2.70%         | 2.70%         | 2.70%         | 2.50%         |
| Internal Materials & Services |                | 2.30%         | 2.40%         | 2.20%         | 2.20%         | 2.20%         |
| General Fund & Other Overhead |                | 2.60%         | 2.90%         | 2.60%         | 2.80%         | 2.80%         |

**NOTES**

- Economic and inflationary assumptions are provided by the Office of Management and Finance and City Budget Office.

**Rate History and Forecast  
Weekly 32 Gallon Can Service (1)**

**HISTORY**

| FY 2001-02 | FY 2002-03 | FY 2003-04 | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|------------|------------|------------|------------|------------|------------|
| \$18.25    | \$18.75    | \$18.75    | \$18.55    | \$19.65    | \$20.60    |
| FY 2007-08 | FY 2008-09 | FY 2009-10 | FY 2010-11 | FY 2011-12 | 2012-13    |
| \$20.85    | \$24.45    | \$25.30    | \$26.40    | \$27.00    | \$28.20    |

**FORECAST**

| <b>Current</b> | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
|----------------|---------------|---------------|---------------|---------------|---------------|
| 2013-14        | 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19       |
| \$28.10        | \$28.66       | \$29.24       | \$29.82       | \$30.42       | \$31.02       |

**NOTES**

- This is the most common level of service City-wide, with a 50% subscription rate.
- Prior to 11-12, rates included weekly garbage and recycling collection bi-weekly yard debris collection. Beginning October 31, 2011, rates included weekly recycling and yard debris collection and bi-weekly garbage collection.
- Rates inflated 2.0% annually for planning purposes; franchise fee set at 5.0%.

|                               | <b>Current</b>  | <b>Year 1</b>   | <b>Year 2</b>   | <b>Year 3</b>   | <b>Year 4</b>   | <b>Year 5</b>   |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                               | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> | <b>Forecast</b> |
|                               | <b>2013-14</b>  | <b>2014-15</b>  | <b>2015-16</b>  | <b>2016-17</b>  | <b>2017-18</b>  | <b>2018-19</b>  |
| Total Commercial Tonnage      | 256,788         | 267,890         | 271,811         | 274,184         | 274,248         | 274,353         |
| Commercial Permit Fee \$/Ton  | \$8.30          | \$8.30          | \$8.30          | \$8.30          | \$8.30          | \$8.30          |
| Commercial Permit Fee Revenue | \$2,131,342     | \$2,223,486     | \$2,256,033     | \$2,275,729     | \$2,276,260     | \$2,277,131     |

**BUREAU OF PLANNING AND SUSTAINABILITY**  
**Solid Waste Management Fund**  
**FY 2013-14 Five Year Financial Plan**  
**Historical & Forecast Sources and Uses of Funds**

| Resources   | Actual<br>2011-12 | Actual<br>2012-13 | Estimated<br>Year-End<br>2013-14 | Year 1<br>Requested<br>2014-15 | Year 2<br>Projected<br>2015-16 | Year 3<br>Projected<br>2016-17 | Year 4<br>Projected<br>2017-18 | Year 5<br>Projected<br>2018-19 |
|---|-------------------|-------------------|----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Residential Program Revenue</b>                  |                   |                   |                                  |                                |                                |                                |                                |                                |
| Residential Franchise Fee (1)                       | 2,541,210         | 2,714,993         | 2,792,391                        | 2,820,843                      | 2,892,238                      | 2,965,426                      | 3,040,450                      | 3,117,357                      |
| Restricted Residential Grants                       | 81,051            | 83,698            | 76,000                           | 76,000                         | 76,000                         | 76,000                         | 76,000                         | 76,000                         |
| <b>Total Residential Revenue</b>                    | <b>2,622,261</b>  | <b>2,798,691</b>  | <b>2,868,391</b>                 | <b>2,896,843</b>               | <b>2,968,238</b>               | <b>3,041,426</b>               | <b>3,116,450</b>               | <b>3,193,357</b>               |
| <b>Commercial &amp; Multifamily Program Revenue</b> |                   |                   |                                  |                                |                                |                                |                                |                                |
| Commercial Permit Fee                               | 1,668,036         | 2,101,376         | 2,131,342                        | 2,223,486                      | 2,256,033                      | 2,275,729                      | 2,276,260                      | 2,277,131                      |
| Commercial Permit Application                       | 30,800            | 0                 | 30,800                           | 30,800                         | 30,800                         | 30,800                         | 30,800                         | 30,800                         |
| Restricted Commercial/Multifamily Grants            | 502,624           | 336,222           | 302,249                          | 302,249                        | 302,249                        | 302,249                        | 302,249                        | 302,249                        |
| <b>Total Commercial/MF Revenue</b>                  | <b>2,201,460</b>  | <b>2,437,598</b>  | <b>2,464,391</b>                 | <b>2,556,535</b>               | <b>2,589,082</b>               | <b>2,608,778</b>               | <b>2,609,309</b>               | <b>2,610,180</b>               |
| <b>Internal Revenues</b>                            |                   |                   |                                  |                                |                                |                                |                                |                                |
| BEST Ct, BEST Awards, GB, GIF                       | 80,092            | 12,848            | 10,000                           | 10,000                         | 10,000                         | 10,000                         | 10,000                         | 10,000                         |
| <b>Total Other Restricted Revenues</b>              | <b>80,092</b>     | <b>12,848</b>     | <b>10,000</b>                    | <b>10,000</b>                  | <b>10,000</b>                  | <b>10,000</b>                  | <b>10,000</b>                  | <b>10,000</b>                  |
| <b>Unrestricted Revenues</b>                        |                   |                   |                                  |                                |                                |                                |                                |                                |
| Interest Income                                     | 14,324            | 9,574             | 12,016                           | 10,966                         | 10,260                         | 12,167                         | 11,523                         | 10,267                         |
| Unrestricted Grants                                 | 352,323           | 272,505           | 270,855                          | 270,855                        | 270,855                        | 270,855                        | 270,855                        | 270,855                        |
| Fines and Penalties                                 | 500               | 3,908             | 2,500                            | 2,500                          | 2,500                          | 2,500                          | 2,500                          | 2,500                          |
| Other Revenues                                      | 99,514            | 61,570            | 39,713                           | 35,000                         | 35,000                         | 35,000                         | 35,000                         | 35,000                         |
| <b>Total Unrestricted Revenues</b>                  | <b>466,661</b>    | <b>347,557</b>    | <b>325,084</b>                   | <b>319,321</b>                 | <b>318,615</b>                 | <b>320,522</b>                 | <b>319,878</b>                 | <b>318,622</b>                 |
| <b>Total Fund Revenue</b>                           | <b>5,370,474</b>  | <b>5,596,694</b>  | <b>5,667,866</b>                 | <b>5,782,699</b>               | <b>5,885,936</b>               | <b>5,980,726</b>               | <b>6,055,637</b>               | <b>6,132,160</b>               |
| Beginning Fund Balance/Contingency                  | 3,469,605         | 2,849,555         | 2,629,330                        | 2,269,583                      | 2,058,817                      | 2,058,556                      | 1,987,852                      | 1,805,478                      |
| <b>TOTAL RESOURCES</b>                              | <b>8,840,079</b>  | <b>8,446,249</b>  | <b>8,297,196</b>                 | <b>8,052,282</b>               | <b>7,944,753</b>               | <b>8,039,282</b>               | <b>8,043,489</b>               | <b>7,937,638</b>               |
|   |                   |                   |                                  |                                |                                |                                |                                |                                |
| Expenses  | Actual<br>2011-12 | Actual<br>2012-13 | Estimated<br>Year-End<br>2013-14 | Year 1<br>Requested<br>2014-15 | Year 2<br>Projected<br>2015-16 | Year 3<br>Projected<br>2016-17 | Year 4<br>Projected<br>2017-18 | Year 5<br>Projected<br>2018-19 |
| <b>Personnel Services</b>                           | <b>2,828,949</b>  | <b>2,719,646</b>  | <b>2,983,189</b>                 | <b>2,732,282</b>               | <b>2,847,038</b>               | <b>2,940,990</b>               | <b>3,052,748</b>               | <b>3,138,225</b>               |
| <b>Materials and Services</b>                       |                   |                   |                                  |                                |                                |                                |                                |                                |
| External Materials and Services                     | 1,459,185         | 1,335,952         | 1,101,324                        | 1,068,900                      | 1,086,096                      | 1,103,757                      | 1,121,894                      | 1,139,142                      |
| Internal Materials and Services                     | 559,729           | 473,060           | 483,031                          | 451,552                        | 462,269                        | 472,329                        | 482,610                        | 493,118                        |
| <b>Total Material and Services</b>                  | <b>2,018,914</b>  | <b>1,809,012</b>  | <b>1,584,355</b>                 | <b>1,520,452</b>               | <b>1,548,366</b>               | <b>1,576,086</b>               | <b>1,604,505</b>               | <b>1,632,260</b>               |
| <b>Transfers:</b>                                   |                   |                   |                                  |                                |                                |                                |                                |                                |
| General Fund Overhead                               | 140,245           | 147,175           | 197,295                          | 146,871                        | 151,130                        | 155,060                        | 159,401                        | 163,865                        |
| Pension Debt Redemption Fund                        | 46,747            | 50,974            | 57,890                           | 62,258                         | 70,281                         | 76,370                         | 81,157                         | 85,556                         |
| GAAP adjs   | 28,669            | 28,466            | 0                                | 0                              | 0                              | 0                              | 0                              | 0                              |
| bureau operations                                   | 927,000           | 1,061,646         | 1,120,455                        | 1,158,904                      | 1,192,512                      | 1,223,518                      | 1,257,776                      | 1,292,994                      |
| cash transfer IA                                    | 0                 | 0                 | 0                                | 0                              | 0                              | 0                              | 0                              | 0                              |
| Contingency   | 0                 | 0                 | 84,429                           | 372,698                        | 76,870                         | 79,407                         | 82,424                         | 84,732                         |
| <b>Total Transfers</b>                              | <b>1,142,661</b>  | <b>1,288,261</b>  | <b>1,460,069</b>                 | <b>1,740,731</b>               | <b>1,490,793</b>               | <b>1,534,354</b>               | <b>1,580,759</b>               | <b>1,627,146</b>               |
| <b>Total Expenses</b>                               | <b>5,990,524</b>  | <b>5,816,919</b>  | <b>6,027,613</b>                 | <b>5,993,465</b>               | <b>5,886,197</b>               | <b>6,051,430</b>               | <b>6,238,011</b>               | <b>6,397,631</b>               |
| Ending Fund Balance/Contingency                     | 2,849,555         | 2,629,330         | 2,269,583                        | 2,058,817                      | 2,058,556                      | 1,987,852                      | 1,805,478                      | 1,540,007                      |
| <b>TOTAL REQUIREMENTS</b>                           | <b>8,840,079</b>  | <b>8,446,249</b>  | <b>8,297,196</b>                 | <b>8,052,282</b>               | <b>7,944,753</b>               | <b>8,039,282</b>               | <b>8,043,489</b>               | <b>7,937,638</b>               |

**NOTES**

\* Residential franchise began February 1992. Residential franchise and commercial fee collections which were both implemented February 1, 1992 represent collection for five months in FY 1991-92.

1. The residential franchise fee is set at 5.0% for FY 2001 and beyond.

Source: Bureau of Planning and Sustainability

**BUREAU OF PLANNING AND SUSTAINABILITY**  
**Solid Waste Management Fund**  
**FY 2013-14 Five Year Financial Plan**  
**Historical & Forecast Fund Balances By Program**

|   | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Estimated<br>Year-End<br>FY 2013-14 | Year 1<br>Requested<br>FY 2014-15 | Year 2<br>Projected<br>FY 2015-16 | Year 3<br>Projected<br>FY 2016-17 | Year 4<br>Projected<br>FY 2017-18 | Year 5<br>Projected<br>FY 2018-19 |
|---|----------------------|----------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>RESOURCES</b>                                    |                      |                      |                                     |                                   |                                   |                                   |                                   |                                   |
| <b>Residential Program Revenue</b>                  |                      |                      |                                     |                                   |                                   |                                   |                                   |                                   |
| Residential Franchise Fee                           | 2,541,210            | 2,714,993            | 2,792,391                           | 2,820,843                         | 2,892,238                         | 2,965,426                         | 3,040,450                         | 3,117,357                         |
| Restricted Residential Grants                       | 81,051               | 83,698               | 76,000                              | 76,000                            | 76,000                            | 76,000                            | 76,000                            | 76,000                            |
| <b>Total Residential Revenue</b>                    | <b>2,622,261</b>     | <b>2,798,691</b>     | <b>2,868,391</b>                    | <b>2,896,843</b>                  | <b>2,968,238</b>                  | <b>3,041,426</b>                  | <b>3,116,450</b>                  | <b>3,193,357</b>                  |
| <b>Commercial &amp; Multifamily Program Revenue</b> |                      |                      |                                     |                                   |                                   |                                   |                                   |                                   |
| Commercial Permit Fee (1)                           | 1,668,036            | 2,101,376            | 2,131,342                           | 2,223,486                         | 2,256,033                         | 2,275,729                         | 2,276,260                         | 2,277,131                         |
| Commercial Permit Application                       | 30,800               | 0                    | 30,800                              | 30,800                            | 30,800                            | 30,800                            | 30,800                            | 30,800                            |
| Restricted Commercial/Multifamily Grants            | 502,624              | 336,222              | 302,249                             | 302,249                           | 302,249                           | 302,249                           | 302,249                           | 302,249                           |
| <b>Total Commercial/MF Revenue</b>                  | <b>2,201,460</b>     | <b>2,437,598</b>     | <b>2,464,391</b>                    | <b>2,556,535</b>                  | <b>2,589,082</b>                  | <b>2,608,778</b>                  | <b>2,609,309</b>                  | <b>2,610,180</b>                  |
| <b>Internal Revenues</b>                            |                      |                      |                                     |                                   |                                   |                                   |                                   |                                   |
| BEST Ct, BEST Awards, GB, GIF                       | 80,092               | 12,848               | 10,000                              | 10,000                            | 10,000                            | 10,000                            | 10,000                            | 10,000                            |
| <b>Total Internal Revenues</b>                      | <b>80,092</b>        | <b>12,848</b>        | <b>10,000</b>                       | <b>10,000</b>                     | <b>10,000</b>                     | <b>10,000</b>                     | <b>10,000</b>                     | <b>10,000</b>                     |
| <b>Unrestricted Revenues</b>                        |                      |                      |                                     |                                   |                                   |                                   |                                   |                                   |
| Interest Income                                     | 14,324               | 9,574                | 12,016                              | 10,966                            | 10,260                            | 12,167                            | 11,523                            | 10,267                            |
| Unrestricted Grants                                 | 352,323              | 272,505              | 270,855                             | 270,855                           | 270,855                           | 270,855                           | 270,855                           | 270,855                           |
| Fines and Penalties                                 | 500                  | 3,908                | 2,500                               | 2,500                             | 2,500                             | 2,500                             | 2,500                             | 2,500                             |
| Other Revenues                                      | 99,514               | 61,570               | 39,713                              | 35,000                            | 35,000                            | 35,000                            | 35,000                            | 35,000                            |
| <b>Total Unrestricted Revenues</b>                  | <b>466,661</b>       | <b>347,557</b>       | <b>325,084</b>                      | <b>319,321</b>                    | <b>318,615</b>                    | <b>320,522</b>                    | <b>319,878</b>                    | <b>318,622</b>                    |
| <b>Total Fund Revenue</b>                           | <b>5,370,474</b>     | <b>5,596,694</b>     | <b>5,667,866</b>                    | <b>5,782,699</b>                  | <b>5,885,936</b>                  | <b>5,980,726</b>                  | <b>6,055,637</b>                  | <b>6,132,160</b>                  |
| <b>Beginning Fund Balance/Contingency</b>           | <b>3,469,605</b>     | <b>2,849,555</b>     | <b>2,629,330</b>                    | <b>2,269,583</b>                  | <b>2,058,817</b>                  | <b>2,058,556</b>                  | <b>1,987,852</b>                  | <b>1,805,478</b>                  |
| <b>TOTAL RESOURCES</b>                              | <b>8,840,079</b>     | <b>8,446,249</b>     | <b>8,297,196</b>                    | <b>8,052,282</b>                  | <b>7,944,753</b>                  | <b>8,039,282</b>                  | <b>8,043,489</b>                  | <b>7,937,638</b>                  |
| <b>EXPENDITURES</b>                                 |                      |                      |                                     |                                   |                                   |                                   |                                   |                                   |
| Residential Programs                                | 2,482,556            | 2,213,317            | 2,291,573                           | 2,178,408                         | 2,257,856                         | 2,324,939                         | 2,402,677                         | 2,466,976                         |
| Green Building Program                              | 737,775              | 791,648              | 815,641                             | 824,461                           | 846,594                           | 869,282                           | 892,539                           | 916,381                           |
| Multifamily and Commercial Programs                 | 2,554,532            | 2,585,339            | 2,580,785                           | 2,408,769                         | 2,483,466                         | 2,546,372                         | 2,619,812                         | 2,680,121                         |
| CAFR/GAAP adjs                                      | 28,669               | 28,466               | 0                                   | 0                                 | 0                                 | 0                                 | 0                                 | 0                                 |
| General Fund Overhead                               | 140,245              | 147,175              | 197,295                             | 146,871                           | 151,130                           | 155,060                           | 159,401                           | 163,865                           |
| Cash Transfer IA                                    | 0                    | 0                    | 0                                   | 0                                 | 0                                 | 0                                 | 0                                 | 0                                 |
| Pensioin Debt Retirement Fund                       | 46,747               | 50,974               | 57,890                              | 62,258                            | 70,281                            | 76,370                            | 81,157                            | 85,556                            |
| Contingency   | 0                    | 0                    | 84,429                              | 372,698                           | 76,870                            | 79,407                            | 82,424                            | 84,732                            |
| <b>TOTAL EXPENDITURES</b>                           | <b>5,990,524</b>     | <b>5,816,919</b>     | <b>6,027,613</b>                    | <b>5,993,465</b>                  | <b>5,886,197</b>                  | <b>6,051,430</b>                  | <b>6,238,011</b>                  | <b>6,397,631</b>                  |
| Fund Balance Attributed to Residential              | \$ 1,336,428         | \$ 1,285,220         | \$ 1,154,343                        | \$ 1,037,802                      | \$ 1,039,819                      | \$ 1,027,512                      | \$ 990,724                        | \$ 944,742                        |
| Fund Balance Attributed to Commercial & M/F         | 0                    | 0                    | 0                                   | 0                                 | 0                                 | 0                                 | 0                                 | 0                                 |
| Fund Balance Attributed to Both                     | 1,513,127            | 1,344,110            | 1,115,240                           | 1,021,016                         | 1,018,737                         | 960,340                           | 814,754                           | 595,265                           |
| <b>Total Ending Balance</b>                         | <b>\$ 2,849,555</b>  | <b>\$ 2,629,330</b>  | <b>\$ 2,269,583</b>                 | <b>\$ 2,058,817</b>               | <b>\$ 2,058,556</b>               | <b>\$ 1,987,852</b>               | <b>\$ 1,805,478</b>               | <b>\$ 1,540,007</b>               |

RESIDENTIAL CURBSIDE COLLECTION  
SERVICE RATE STUDY

FOR RATES EFFECTIVE JULY 1, 2013

CITY OF PORTLAND  
BUREAU OF PLANNING AND SUSTAINABILITY  
SOLID WASTE & RECYCLING  
June 2013

This document is available online at [www.portlandoregon.gov/bps/recycle](http://www.portlandoregon.gov/bps/recycle).

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## I. INTRODUCTION AND SUMMARY OF RATES

The City of Portland's annual rate study is conducted to evaluate the cost of providing residential<sup>1</sup> solid waste, recycling and composting curbside collection services, and to develop recommended rates for these services for the new fiscal year. This report outlines the rate review process and results for fiscal year 2013-14 (FY 2013-14).

Section 8.1(A) of the Franchise Agreement between the City of Portland and franchised residential haulers requires the City to perform an annual rate review to establish a rate schedule for all levels of residential solid waste, recycling and composting service. Rates are developed with the following objectives in mind:

- Having uniform solid waste, recycling and composting collection services citywide;
- Providing customers with a variety of service level options to meet individual needs;
- Identifying the true cost of individual services before adding incentives and disincentives to increase recycling and reduce solid waste generation; and,
- Allowing service providers to recover allowable costs and earn a reasonable profit.

The Solid Waste & Recycling Program (SW&R) of the Bureau of Planning and Sustainability (BPS) conducts the annual rate review process, assisted by an independent economist. The economist analyzes various factors that affect rates and produces the actual rate calculation. SW&R also contracts with an independent Certified Public Accountant (CPA) to review hauler financial records, with Portland State University (PSU) to sample the weight of solid waste discarded by residential customers, and with a consulting firm that specializes in forecasting the market price of recyclable paper products.

The recommended rates are reviewed by the Portland Utility Review Board, a citizen panel with no hauling industry representation, and then forwarded to City Council for consideration and final adoption. City Council adopted the rates described in this report on May 22, 2013, for an effective date of July 1, 2013. A complete list of rates for FY 2013-14 can be found in Appendix A.

Table 1 on the following page outlines the adopted rate adjustments for the most common levels of service.

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<sup>1</sup> "Residential" in this context means single-family through four-plex dwellings.

Table 1. FY 2013-14 and FY 2012-13 Rates for Primary Service Levels

| <i>Service Level</i>           | <i>Adopted FY 2013-14 Rates,<br/>effective July 1, 2013</i> | <i>FY 2012-13 Rates</i> | <i>Dollar<br/>Change</i> |
|--------------------------------|---|-------------------------|--------------------------|
| 20-gallon can                  | \$24.75   | \$24.85                 | (\$0.10)                 |
| 20-gallon cart                 | \$24.75   | \$25.80                 | (\$1.05)                 |
| 32-gallon can                  | \$28.10   | \$28.20                 | (\$0.10)                 |
| 35-gallon cart                 | \$29.50   | \$29.70                 | (\$0.20)                 |
| 60-gallon cart                 | \$36.40   | \$37.80                 | (\$1.40)                 |
| 90-gallon cart                 | \$43.30   | \$43.80                 | (\$0.50)                 |
| Every-four-week 32-gallon can  | \$21.75   | \$21.85                 | (\$0.10)                 |
| Every-four-week 35-gallon cart | \$21.75   | \$23.15                 | (\$1.40)                 |
| Weekly Recycling Only          | \$8.10  | \$7.50                  | \$0.60                   |
| Composting and Recycling Only  | \$18.20   | \$18.35                 | (\$0.15)                 |
| Terrain Differential           | \$4.20  | \$4.20                  | \$0.00                   |

Key factors driving the FY 2013-14 rate changes include:

- Higher recycled materials revenue offset. The monthly recyclable materials revenue offset was \$0.73/month for FY 2012-13. This has increased to \$0.84 for FY 2013-14 rates.
- New vehicles that are replacing fully-depreciated vehicles increased monthly rates approximately \$1.00 above what they would have been with no new vehicles. This was wholly offset by reductions in other collection cost line items, producing a net decrease of \$0.44/month for the 35-gallon roll cart. By operating category, there is a \$1.00/month decrease in the compost collection charge, a \$0.58/month increase in the recycling collection charge, and a minor \$0.02 decrease in the garbage collection charge.
- A higher composting disposal tip fee is partially offset by lower expected composting tonnages, so that composting disposal rose by \$0.04/month.
- Changes to incentives and disincentives also impacted final rates. The incentive discount for the 20-gallon can fell from \$2.49 to \$1.88, or 24.5%. Disincentive premiums also fell, with the 60-gallon cart's disincentive charge falling from \$4.78 to \$3.39, a 29.1% decrease.

More detail on the factors driving the change in FY 2013-14 rates can be found in Section IV. Table 2 presents the individual FY 2013-14 rate components for the 20-gallon can and 35-gallon roll cart service levels.

Table 2. Rate Components for 20-Gallon Can and 35-Gallon Roll Cart Service

| <i>Rate Component</i>                          | <i>Adopted FY 2012-13 Rates, effective July 1, 2012</i> | <i>FY 2012-13 Rates</i> | <i>Dollar Change from Oct. 31, 2011 Rates</i> |
|--|---|-------------------------|---|
| <b>20-Gallon Can Service</b>                   |   |                         |   |
| Solid Waste Collection                         | \$ 2.89   | \$ 2.96                 | (\$0.07)                                      |
| Solid Waste Disposal                           | 1.51  | 1.65                    | (0.14)  |
| Recycling Collection                           | 5.95  | 5.37                    | 0.58  |
| Yard Debris/Organics Collection                | 4.68  | 5.68                    | (1.00)  |
| Yard Debris/Organics Disposal                  | 2.77  | 2.73                    | 0.04  |
| General and Administrative Costs               | 5.95  | 5.89                    | 0.06  |
| Operating Margin                               | 2.49  | 2.55                    | (0.06)  |
| Less: Incentive Discount                       | (1.88)  | (2.49)                  | 0.61  |
| Less: Sale of Recyclable Material              | (0.84)  | (0.73)                  | (0.11)  |
| Franchise Fees *                               | 1.24  | 1.24                    | 0.00  |
| <b>Total</b>                                   | <b>\$ 24.75</b>   | <b>\$ 24.85</b>         | <b>(\$0.10)</b>                               |
| <b>35-Gallon Roll Cart Service</b>             |   |                         |   |
| Solid Waste Collection                         | \$ 3.32   | \$ 3.35                 | (\$0.02)                                      |
| Solid Waste Disposal                           | 2.74  | 2.49                    | 0.25  |
| Recycling Collection                           | 5.95  | 5.37                    | 0.58  |
| Yard Debris/Organics Collection                | 4.68  | 5.68                    | (1.00)  |
| Yard Debris/Organics Disposal                  | 2.77  | 2.73                    | 0.04  |
| General and Administrative Costs               | 5.95  | 5.89                    | 0.06  |
| Roll Cart Depreciation, Interest & Maintenance | 0.72  | 0.68                    | 0.04  |
| Operating Margin                               | 2.74  | 2.75                    | (0.01)  |
| Less: Incentive Discount                       | 0.00  | 0.00                    | 0.00  |
| Less: Sale of Recyclable Material              | (0.84)  | (0.73)                  | (0.11)  |
| Franchise Fees *                               | 1.48  | 1.49                    | (0.01)  |
| <b>Total</b>                                   | <b>\$ 29.50</b>   | <b>\$ 29.70</b>         | <b>(\$0.20)</b>                               |

\* Franchise fees are a pass-through expense assessed by the City on hauler gross revenues. Because haulers are allowed to pay franchise fees using revenues collected from customers, they are included as a component of rates. Franchise fees collected from customers are remitted to the City on a quarterly basis. Rates for both FY 2012-13 and FY 2013-14 contain a 5.0% franchise fee component.

## II. PROGRAM ATTRIBUTES AND PERFORMANCE

The City of Portland strives to promote high quality solid waste, recycling, and composting collection services while simultaneously maximizing recycling participation and diversion. The following summarizes current program features and performance data.

### A. Solid Waste

Solid waste, recycling and composting collection services are provided to City residents under a franchise system that limits the number of haulers authorized to provide service. As part of this franchise system, the City regulates the rates haulers are allowed to charge customers. In 1991, the

City awarded franchises to 69 haulers. By December 2012, the number of franchised haulers had decreased to nineteen. Hauler franchises range in size from fewer than 300 to more than 50,000 residential customers. Franchised haulers may also serve commercial customers and many have operations outside the City of Portland. Rates for commercial service within City of Portland are not regulated, whereas many surrounding jurisdictions regulate both residential and commercial rates.

The standard level of residential service in the City of Portland includes every-other-week garbage collection, with weekly curbside collection of recycling and composting. Composting collection includes yard debris and food scraps. Customers also have the option of selecting non-curb service, every-four-weeks garbage service, and/or on-call service. The City sets a variable rate schedule based on the size and number of containers and the frequency of collection. Rates are lower for smaller volume containers and – for a given container size – for fewer containers. This variable rate structure gives customers an incentive to reduce the volume of solid waste destined for landfills, by generating less solid waste and by recycling more of their solid waste stream.

As of December 2012, 6.9% of Portland residential customers subscribed to 20-gallon can service. Overall, 78.9% of the City's residential customers subscribed to 20-gallon can or cart, 32-gallon can, 35-gallon roll cart, recycling-only, composting and recycling, on-call, or every-four-weeks service levels. In 2012, the amount of garbage disposed per household was 776 pounds, compared to 1697 pounds in 1992.

## **B. Recycling**

The most recent additions to the City of Portland's curbside recycling program were in 2008, when plastic tubs, buckets, and flower pots were added. At that time, customers were also provided with a 60-gallon roll cart for all materials with the exception of glass and motor oil, which are collected on the side. Plastic bottles, telephone books, aseptic juice and milk cartons, aerosol cans, and scrap paper were added between 1992 and 1996. Other recyclable material includes newspaper, glass, cardboard, aluminum, tin cans, scrap metals, and motor oil. No materials have ever been included in, and subsequently eliminated from, Portland's curbside program.

SW&R staff continues to evaluate new materials and processing capabilities, both for future expansion opportunities, and for opportunities to reduce costs. For more information on the City's recycling efforts refer to the Solid Waste & Recycling section of BPS's website [www.portlandoregon.gov/bps/recycle](http://www.portlandoregon.gov/bps/recycle).

In 2012, Portland households recycled an average of 701 pounds (sample haulers only) of material per recycling customer household. Only 226 pounds per household was recycled in 1991, prior to the adoption of the current residential franchise system.

## **C. Yard Debris / Food Waste**

As of October 31, 2011, yard debris and food scraps (sometimes referred to as “composting” or “organics”) are collected on a weekly basis, with options for customers to set out yard debris extras for a fee of \$3.75. In mid-2008 the yard debris collection system transitioned from collection via customer-provided cans or yard debris bags, to 60-gallon roll carts for curbside yard debris collection.

Prior to going to biweekly collection in 1993, monthly collection diverted only 100 pounds of yard debris per household annually. The addition of biweekly collection increased yard debris diversion to 230 pounds per household in 1994. In 2010, diversion averaged 523 pounds per household. Average disposal weight per household for 2012 was 1135 pounds per household (sample haulers only), reflecting the combined impact of the addition of food scrap collection and the switch to weekly composting collection.

### **III. THE RATE REVIEW PROCESS**

The franchised residential solid waste, recycling, and composting collection system has been in place since February 1992. The following discussion summarizes critical aspects of the annual rate review process, as established by the Franchise Agreement between the City and franchised haulers.

#### **A. Franchise Agreement Requirements**

Under the terms of Section 7 of the Franchise Agreement, the City shall:

“establish a rate schedule for all Service Levels for the residential Solid Waste, Recycling and Compostables collection services ... sufficient for Grantees in aggregate to recover Grantees’ projected Allowable Expenses, Operating Margin and projected Pass-Through Expenses .... The rate schedules established by the City shall reasonably reflect the distribution of customer Service Levels ... [and] may also include incentives to Residential Customers to reduce their Solid Waste and to reuse and recycle.”

Section 8.2 of the Franchise Agreement specifies the general requirements that the City must address in making rate adjustments. Significant provisions of Section 8 include the following:

- The City must use a customer-weighted random sampling method to select a representative number of residential haulers (sample haulers), “for the purpose of determining the reasonableness of the Allowable Expenses in the preceding rate period, and the projected Allowable Expenses, Operating Margin and Pass-Through Expenses for the next succeeding rate period.” For the FY 2013-14 rate review, the eight sample haulers represented 79.4% of all solid waste and yard debris customers.
- The City may – and currently does – contract with an independent CPA to conduct financial reviews of the costs, revenues and income reported by the sample haulers and the two recycling districts. This independent CPA-reviewed financial information forms the primary basis for calculating rates.

#### **B. Key Rate Review Objectives**

The City of Portland seeks to:

- Develop rates that reflect the actual cost of providing service before adding incentives and disincentives.
- Develop rates that provide an incentive for customers to increase recycling and reduce solid waste generation. The City of Portland applies incentives to cost-of-service rates to reduce

the rates for service levels with lower garbage capacities. Disincentive premiums are applied to the rates for 60- and 90-gallon roll carts and all single family multi-can and multi-cart service levels. These disincentive premiums increase the rates paid by customers and partially offset the reduction in hauler revenue caused by the incentive discounts.

- Develop rates for standardized curbside collection service as well as other levels of service, such as 32-gallon can and 35-gallon cart collected every four weeks, recycling-only and on-call service, and service for occasional solid waste and yard debris setouts.
- Develop rates that recover allowable costs and provide haulers with the opportunity to earn an operating margin equivalent to a 9.5% return on revenue.
- Ensure that non-curbside solid waste, recycling, and composting service is provided, at no additional charge, to customers in households where no one is physically able to place containers at the curbside.

### **C. Unique Elements of the Rate Review Process**

In order to comply with the Franchise Agreement and achieve the objectives described above, the City of Portland annual rate review process includes the following unique elements:

#### **1. Annual Rate Review Process Timing**

Revised residential solid waste, recycling and composting rates are usually effective on July 1st, at the start of each fiscal year. Rates are based on hauler financial data for the previous twelve-month calendar year ending on December 31st. The six-month lag between the end of the calendar year and the effective date for new rates allows time for the following events to occur:

- Preparation and submittal of calendar year financial data by the haulers;
- Selection of the sample haulers who will have their financial data reviewed by an independent CPA retained by the City;
- Completion of the independent CPA's financial review;
- Calculation of recommended rates by an economic consultant retained by the City;
- Review of the recommended rates by SW&R staff;
- Review of the recommended rates by the Portland Utility Review Board;
- Review and eventual approval of the recommended rates by City Council.

FY 2013-14 rates are based on hauler financial data for the twelve-month calendar year ending on December 31, 2012 (CY 2012).

#### **2. Hauler Reporting Requirements**

On approximately March 7th of each year, all residential franchised haulers are required to file with SW&R a comprehensive financial disclosure known as a Detailed Cost Report (DCR). The DCR requires the haulers to present information regarding their calendar year revenues, costs and income

pursuant to extensive City guidelines regarding allowable and non-allowable expenses, Generally Accepted Accounting Principles, accrual basis versus cash basis accounting, depreciation policies, salvage values, cost allocations and a variety of other financial reporting topics.

In addition to the annual DCR, SW&R collects a variety of other information used in the rate review process, including quarterly customer counts by service level, and extensive labor hour, material weight and curbside setout data. SW&R also collects information on so-called "extra" services for use in the rate review process. These services – such as backyard collection services and additional solid waste and yard debris setouts – are provided to customers upon request for an additional fee. Forecasted revenues from extra services are netted against total hauler costs and thus reduce the rates for primary curbside collection services. In a similar fashion, the incremental cost of providing hilly terrain service is subtracted from total hauler costs to calculate the standard flat terrain rate and the hilly terrain surcharge.

### **3. Independent CPA Review of Sample Hauler Financial Data**

The primary purpose of the independent CPA review of sample financial data is to verify – in line item detail – the cost of providing solid waste, recycling and composting services to the City's residential customers. This reviewed cost data, after adjustments for forecast inflation, provides the primary basis for calculating all solid waste, recycling and composting rates. The independent CPA financial review also verifies sample hauler financial performance during the previous calendar year, especially as it relates to the calculation of the haulers' operating margins.

During the course of its financial review, the independent CPA often makes a variety of recommended adjustments to hauler reported financial data. Some of these adjustments may accrue to the benefit of customers by lowering sample hauler and recycling district allowable costs. Others may increase the amount of allowable costs. Upon review, the economist usually incorporates all of the independent CPA's recommended adjustments for the calculation of rates.

For the FY 2013-14 rate review, all nineteen residential haulers filed their CY 2012 DCRs by March 7, 2013. Eight haulers were subsequently selected via a customer-weighted random draw to have their submitted financial data reviewed by the CPA. By April 3, 2013, the independent CPA delivered the results of her financial review, including her recommended adjustments, to the economist. This information was subsequently used as the basis for the FY 2013-14 rate calculation.

### **4. Application of Inflation Adjustments to Calendar Year Cost Data**

Portland's residential solid waste, recycling and composting rates are designed to be forward looking. This means that *currently effective* rates have been designed with the intention of providing franchised haulers with adequate compensation for their *current* costs of providing service. As discussed above, there is a six-month time lag between the end of the calendar year for which cost data is collected and the start of the fiscal year when rates become effective. Once in effect, rates remain unchanged for the entire twelve-month fiscal year. As a result, there is an average eighteen-month period between cost measurement and full cost recovery.

For example, FY 2013-14 rates are based on costs incurred by haulers during the calendar year ending December 31, 2012. The eighteen-month period between December 31, 2012, and June 30, 2014, presents a risk that hauler profitability will be eroded by ongoing inflationary pressures. For this reason, the actual calendar year costs underlying all solid waste, recycling and composting rates are adjusted by an eighteen-month inflation factor. Section IV contains a discussion of specific inflation rates used in the calculation of FY 2013-14 rates.

## **5. Certain Costs Not Based on Reported Calendar Year Financial Data**

A limited number of cost and revenue inputs used in the rate review process are not fully based on hauler reported financial data for the previous calendar year. Recyclable material sales revenue and solid waste disposal costs are the two most notable exceptions.

Recyclable material sales revenue usually lowers the amount of rate revenue required from customers and often has a significant impact on rates. Due to price volatility in the markets for recovered materials, there is often little relationship between the levels of recyclable material sales revenue earned by haulers from one year to the next. Prior to FY 2013-14 rates, the recyclable materials revenue offset included in rates was entirely forward-looking, using a forecast of recyclable materials revenue for the rate year. This tended to add year-to-year volatility to the rates paid by customers. To help moderate these rate swings, the recyclable materials revenue methodology was changed, effective with FY 2013-14 rates. The recyclable materials revenue offset is now an equally weighted average of actual recycling revenue for each of the two prior calendar years and a forecast of recycling revenue for the rate year.

As an aid to forecasting the price of recovered materials, SW&R staff monitor the market prices for several categories of recyclable materials including various forms of recovered paper, plastics, metals and glass. Paper products are by far the largest proportion and highest value materials recovered by haulers. Therefore, SW&R also retains the services of a consulting firm that prepares comprehensive forecasts of prices for newsprint, magazines, corrugated containers, and mixed paper in the Pacific Northwest regional market for the upcoming fiscal year. Section IV contains a discussion of the FY 2013-14 recyclable materials revenue forecast.

Solid waste disposal costs are a second major rate input not based on the costs reported by haulers. In CY 2012, solid waste disposal costs totaled approximately 37.8% of sample hauler total solid waste collection costs. Due to their large magnitude, care is taken to ensure that the solid waste disposal costs included in rates are as accurate as possible. Towards this end, SW&R retains the services of Portland State University (PSU), which has conducted a comprehensive longitudinal study of Portland residential garbage container weights since 1992. The typical methodology for setting garbage container weights takes the PSU data, calculates net container weights by container size, and then adjusts the weights for an assumed setout rate of 100%. These container weights are further trued-up via a tonnage reconciliation, whereby haulers' reported tonnage is compared to expected tonnage, based on customer counts by service level and container weights. See Section IV for final can weights for FY 2013-14.

The rates for multiplexes (duplexes, triplexes and four-plexes) are based on adding an “extra unit recycling cost” to the base rate for the same size solid waste can/cart used at a single-family home. This extra unit recycling cost includes additional labor and collection costs, a recycling revenue offset, and costs for additional recycling roll carts. The extra unit charge is \$6.70 per extra unit in FY 2013-14. The multiplex rates are shown in the rate chart in Appendix A.



## 6. Operating Margin Methodology

Per the Franchise Agreement, rates are designed to allow haulers to recover legitimate costs of providing service and to provide them **the opportunity** to reach an operating margin equal to a 9.5% return on revenue. A simplified version of the operating margin calculation is presented below:

$$\begin{aligned} & \text{Gross Residential Revenues} \\ & + \text{Revenues from the Sale of Recyclable Materials} \\ & - \text{Allowable Expenses} \\ & - \text{Pass Through Expenses} \\ & = \text{Operating Margin} \end{aligned}$$

Although forecast inflation and fluctuations in the recyclable materials market can have a dramatic effect on the need for rate increases, there is generally an inverse relationship between the operating margin earned by haulers in a calendar year and the level of rate increases necessary in the upcoming fiscal year. This occurs because the actual costs experienced by haulers during the previous calendar year serve as the underlying cost basis for the upcoming fiscal year rate revenue requirement.

The use of a fixed operating margin target, coupled with the fact that allowable costs are reset every year, provides haulers with an ongoing incentive to increase operational efficiencies and control costs. This incentive occurs because haulers are allowed to retain all profits in excess of the target 9.5% operating margin used to calculate rates. Conversely, haulers who earn an operating margin below 9.5% have no recourse but to accept this outcome. Therefore, regardless of their individual profitability in past years, all haulers have an incentive to control costs in order to maximize profitability in the current calendar year.

## 7. Use of Composite Weighted Averages

With the exception of the hilly terrain surcharge, residential customers in the City of Portland pay a uniform citywide rate for each level of service. This occurs despite that fact that residential customers are currently served by nineteen separate franchised haulers, each with unique operational and cost characteristics.

Citywide rate uniformity is achieved by calculating composite weighted average costs using the financial information contained in hauler DCRs. For example, in CY 2012, wages for recycling route drivers totaled \$2,526,902 for all eight haulers included in the customer-weighted random sample. This is equivalent to an annual weighted average cost per customer of \$21.72. Netting out the incremental cost of providing service in hilly terrain reduced the cost per customer to \$20.86. Making adjustments for forecast inflation brought the final cost for recycling route drivers to \$21.44 per customer per year.

As illustrated in Appendix B, this same process is followed, on a line item-by-line item basis, for all of the approximately 138 cost categories listed in the DCRs. The total amount of these costs, after adjustments for forecast inflation, operating margins and franchise fees, defines the composite weighted average per customer revenue requirement that must be recovered through rates.

In addition to rate uniformity, the use of a composite weighted average methodology achieves two other critical objectives. First, it allows for the equitable blending of costs from haulers with often disparate operational and financial characteristics. In effect, highly efficient operators with low unit costs dampen or offset the upward rate pressures caused by inefficient operators with high unit costs. The reverse is also true.

Second, the use of a composite weighted average methodology allows the financial results of a small number of haulers to serve as a proxy for the entire residential franchise system. For FY 2013-14, the DCRs of the eight haulers in the customer-weighted random sample served as a proxy for all nineteen haulers in the system. These eight haulers still accounted for 79.4% of all solid waste and compost customers in the City. This significantly reduces administrative costs for the franchise review process, especially as it relates to the annual independent CPA review of the DCRs, while still including at least 75% of Portland customers in the sample.

#### **IV. KEY FACTORS AFFECTING FY 2013-14 RATES**

##### **A. Recyclable Material Sales Revenue**

The recyclable materials revenue offset for 2013-14 is the average of CY 2011 recycling revenues (\$1.21/customer per month), CY 2012 recycling revenues (\$0.54/customer per month), and a forecast of \$0.78/customer per month for the FY 2013-14 rate year. This gives a weighted average of \$0.84/customer month compared to the FY 2012-13 offset of \$0.73 per month and CY 2012 actual revenues of \$0.54 per month. This results in a direct \$0.11 per month decrease to rates across all primary service levels. Forecast prices were provided by Moore & Associates, the consultant retained by SW&R to produce annual recovered paper prices forecasts for the Pacific Northwest regional market. Table 3 details the calculation of the FY 2012-13 recyclable material sales revenue forecast of \$0.78/customer per month.

Table 3. Calculation of Forecast FY 2013-14 Recyclable Material Sales Revenue  
*[Differences in sums are due to rounding]*

| <i>Material</i>                                     | <i>% of Materials Recovered (by weight)</i> | <i>Forecast FY 2013-14 Market Price \$ / Ton</i> | <i>Forecast FY 2013-14 Weighted Revenue \$ / Ton</i> | <i>Source of Forecast Market Price</i>                     |
|---|---|--|--|--|
| #7/8 Old Newsprint                                  | 25.0%                                       | \$ 58.72   | \$ 14.68   | Moore & Associates (1), Adjusted Based on SW&R Staff Input |
| Corrugated Cardboard                                | 8.0%  | 75.49  | 6.04   | Moore & Associates (1), Adjusted Based on SW&R Staff Input |
| Residential Mixed Paper                             | 36.0%                                       | 48.23  | 17.36  | Moore & Associates (1)                                     |
| Plastics  | 7.0%  | 125.00   | 8.75   | SW&R Staff Estimate  |
| Tin Cans  | 3.0%  | 60.00  | 1.80   | SW&R Staff Estimate  |
| Other Metals  | 3.0%  | 15.00  | 0.45   | SW&R Staff Estimate  |
| Glass   | 12.0%                                       | (30.00)  | (3.60)   | SW&R Staff Estimate (2)                                    |
| Residuals to be Discarded                           | 6.0%  | (100.65)   | (6.04)   | Metro Tip Fee  |
| Total Weighted Revenue per Ton before Sorting Costs |   |  | \$ 39.44   |  |
| Estimated Sorting Costs per Ton                     |   |  | 12.74  |  |
| Net Revenue Earned by Haulers (\$ / Ton)            |   |  | 26.71  |  |
| Forecast FY 2013-14 Recyclable Material Tonnage     |   |  | 49,510   |  |
| CY 2012 Recycling Customers (All Haulers)           |   |  | 141,255  |  |
| Estimated Hauler Revenue (\$ / Customer / Month)    |   |  | \$0.78   |  |

Note 1: From Moore and Associates, "*Market Price Forecasts for #7/8 Old Newspaper, Old Magazines, Old Corrugated Containers and Residential Mixed Paper in the Pacific Northwest*", April 4, 2013.

Note 2: The market price for glass is shown as a negative amount because recycling collectors are charged for separated glass delivered to recycling facilities.

## **B. Forecast Inflation Adjustments**

Table 4 shows the inflation adjustments applied to CY 2012 composite costs. These inflation adjustments are applied to all cost line items impacted by inflation, including wages and benefits, vehicle maintenance and repair, fuel, and general and administrative expenses. In aggregate, these inflators are estimated to add an average of \$0.44 per month to a residential bill compared to CY 2012 bills.

Table 4. FY 2013-14 Inflation Adjustments

| <i>Cost Category</i>  | <i>18-Month Inflation Adjustment</i> | <i>Annual (12-Month) Equivalent</i> | <i>Data Source for Inflation Adjustment</i>  |
|---|--------------------------------------|-------------------------------------|--|
| <b><i>Wages and Other Labor Costs</i></b>   |                                      |                                     |  |
| Solid Waste – Wages   | 2.87%                                | 1.90%                               | Weighted average, using Teamster contract for Waste Management, and Actual and Forecast CPI and PPI Data for other haulers |
| Solid Waste – Pensions  | 2.43%                                | 1.61%                               |  |
| Solid Waste – Health and Welfare Coverage   | 2.33%                                | 1.55%                               |  |
| Recycling – Wages   | 2.76%                                | 1.83%                               |  |
| Recycling – Pensions  | 2.17%                                | 1.44%                               |  |
| Recycling – Health and Welfare Coverage   | 2.04%                                | 1.36%                               |  |
| Organics – Wages  | 2.80%                                | 1.86%                               |  |
| Organics – Pensions   | 2.28%                                | 1.51%                               |  |
| Organics – Health and Welfare Coverage  | 2.16%                                | 1.44%                               |  |
| General & Administrative – Health & Welfare Coverage  | 2.33%                                | 1.55%                               |  |
| General & Administrative - Wages & Pension  | 3.20%                                | 2.12%                               | Actual and Forecast CPI and PPI Data   |
| <i>Non-Labor Adjustments (e.g., office rent; insurance; vehicle repair, maintenance and depreciation; etc.)</i> | 3.20%                                | 2.12%                               | Actual and Forecast CPI and PPI Data   |
| <b><i>B20 Biodiesel Fuel</i></b>  | -1.21%                               | -0.81%                              | U.S. EIA Forecast  |

### C. Solid Waste Disposal Costs

Forecast solid waste disposal costs are driven by two primary factors: the amount of solid waste discarded by customers and the Metro tip fee. For FY 2013-14, the Metro tip fee included in rates is \$94.85 per ton, an increase of only 0.82% from the FY 2012-13 amount of \$94.08. The can weights for the FY 2012-13 and FY 2013-14 rates are shown in Table 5.

Table 5. Changes in FY 2013-14 Solid Waste Discard Weights

| <i>Type of Service (collected every-other-week from single-family residences)</i> | <i>FY 2013-14 Weights</i> | <i>FY 2012-13 Weights</i> | <i>Percent Change</i> |
|---|---------------------------|---------------------------|-----------------------|
| 20 Gallon Can   | 14.64 lbs.                | 16.12 lbs.                | -9.2 %                |
| 20 Gallon Roll Cart   | 16.14 lbs.                | 16.12 lbs.                | 0.1 %                 |
| 32 Gallon Can   | 24.01 lbs.                | 23.31 lbs.                | 3.0 %                 |
| 35 Gallon Roll Cart   | 24.40 lbs.                | 24.40 lbs.                | 8.8 %                 |
| 60 Gallon Roll Cart   | 48.73 lbs.                | 44.65 lbs.                | 9.1 %                 |
| 90 Gallon Roll Cart   | 73.10 lbs.                | 66.98 lbs.                | 9.1 %                 |

The combined impact of these changes, relative to FY 2012-13 rates, are -\$0.14 per month for the 20-gallon can, \$0.09 for 32-gallon can, \$0.24 for the 32-gallon roll cart, \$0.46 for the 60-gallon roll cart, and \$0.69 for the 90-gallon roll cart.

## D. Organics Disposal Costs

Yard debris and food scraps collected by Portland franchised haulers are taken to one of Metro’s two transfer facilities. Similar to solid waste disposal costs, organics disposal costs are driven by the average amount of organics generated per household, and Metro’s tip fee. Organics disposal per household is forecast to be 1170 pounds per year, a 2.8% decrease from the 1204 pounds/household assumed in the FY 2012-13 rates. Metro’s tip fee is set to increase from \$54.82/ton, plus a \$3.00 fee per transaction to \$56.67/ton, with the same \$3.00/transaction fee, effective September 1, 2013. Using a weighted average that recognizes the seasonal variation in organics disposal, and assuming average transactions of six tons per load, the average cost of organics disposal is expected to be \$56.84/ton in FY 2013-14. This is a 4.3% increase above the \$54.49/ton used in the FY 2012-13 rates.

The organics disposal costs incorporated in rates are allocated between the primary levels of service and extra yard debris setouts. For FY 2012-13, the component included in the base rate for all primary service levels increased to \$2.77 per month, a 1.4% increase of \$0.04 from FY 2012-13 rates.

## E. Incentives and Disincentives

In prior years, the 20-gallon can was set with an incentive discount. Since rates are set to make haulers ‘whole,’ the incentive discount was offset by disincentive charges on other service levels. With the system changes, the use and magnitude of the incentives and disincentives has expanded, making the incentives and disincentives a key component of most rates. Table 6 gives the incentives and disincentives for single can or cart service levels for the FY 2013-14 rates, along with the incentives and disincentives in the FY 2012-13 rates.

Table 6. Incentives and Disincentives in FY 2012-13 and FY 2013-14 rates.

| <i>Service level</i>                  | <i>FY 2013-14 rates</i> | <i>FY 2012-13 rates</i> |
|---------------------------------------|-------------------------|-------------------------|
| 20 Gallon Can                         | (\$ 1.88)               | (\$ 2.49)               |
| 32 Gallon Can                         | (\$ 0.15)               | (\$ 0.48)               |
| 35 Gallon Roll Cart                   | \$ 0.00                 | \$ 0.00                 |
| 60 Gallon Roll Cart                   | \$ 3.39                 | \$ 4.78                 |
| 90 Gallon Roll Cart                   | \$ 6.34                 | \$ 7.10                 |
| 32 Gallon Can, Every Four Weeks       | (\$ 2.07)               | (\$2.49)                |
| 35 Gallon Roll Cart, Every Four Weeks | (\$ 3.35)               | (\$ 2.49)               |
| Composting & Recycling Only           | (\$ 0.62)               | (\$ 0.97)               |

**Appendix A**  
**FY 2013-14 Residential Solid Waste, Recycling and Composting Rates**  
**(Rates Effective July 1, 2013)**

| <b>Service Level</b>                       | <b>FY 2013-14</b> | <b>FY 2012-13</b> |
|--|-------------------|-------------------|
| <b>Every-Other-Week Can Services</b>       |                   |                   |
| One 20 gallon can                          | 24.75             | 24.85             |
| One 32 gallon can                          | 28.10             | 28.20             |
| Two 32 gallon cans                         | 38.50             | 38.95             |
| Two 32 gallon cans at a duplex             | 38.90             | 38.40             |
| Two 32 gallon cans at a triplex            | 45.60             | 44.20             |
| Three 32 gallon cans                       | 44.55             | 44.95             |
| Three 32 gallon cans at a duplex           | 42.85             | 42.30             |
| Three 32 gallon cans at a triplex          | 49.55             | 48.10             |
| Three 32 gallon cans at a four-plex        | 56.25             | 53.90             |
| Four 32 gallon cans                        | 49.05             | 49.35             |
| Four 32 gallon cans at a duplex            | 46.80             | 46.20             |
| Four 32 gallon cans at a triplex           | 53.50             | 52.00             |
| Four 32 gallon cans at a four-plex         | 60.20             | 57.80             |
| <b>Every-Other-Week Roll Cart Services</b> |                   |                   |
| One 20 gallon roll cart                    | 24.75             | 25.80             |
| One 35 gallon roll cart                    | 29.50             | 29.70             |
| One 35 gallon roll cart at a duplex        | 36.20             | 35.50             |
| Two 35 gallon roll carts                   | 39.45             | 39.35             |
| Two 35 gallon roll carts at a duplex       | 41.40             | 40.40             |
| Two 35 gallon roll carts at a triplex      | 48.10             | 46.20             |
| Two 35 gallon roll carts at a four-plex    | 54.80             | 52.00             |
| Three 35 gallon roll carts                 | 47.75             | 47.40             |
| Three 35 gallon roll carts at a duplex     | 46.80             | 45.30             |
| Three 35 gallon roll carts at a triplex    | 53.30             | 51.10             |
| Three 35 gallon roll carts at a four-plex  | 60.00             | 56.90             |
| Four 35 gallon roll carts                  | 56.10             | 55.45             |
| Four 35 gallon roll carts at a duplex      | 51.75             | 50.20             |
| Four 35 gallon roll carts at a triplex     | 58.45             | 56.00             |
| Four 35 gallon roll carts at a four-plex   | 65.15             | 61.80             |
| One 60 gallon roll cart                    | 36.40             | 37.80             |
| One 60 gallon roll cart at a duplex        | 39.55             | 38.60             |
| One 60 gallon roll cart at a triplex       | 46.25             | 44.40             |
| Two 60 gallon roll carts                   | 48.70             | 48.15             |
| Two 60 gallon roll carts at a duplex       | 48.05             | 46.55             |
| Two 60 gallon roll carts at a triplex      | 54.75             | 52.35             |
| Two 60 gallon roll carts at a four-plex    | 61.45             | 58.15             |
| Three 60 gallon roll carts                 | 59.35             | 58.20             |
| Three 60 gallon roll carts at a duplex     | 56.55             | 54.55             |
| Three 60 gallon roll carts at a triplex    | 63.25             | 60.35             |
| Three 60 gallon roll carts at a four-plex  | 69.95             | 66.15             |

**Appendix A (Continued)**  
**FY 2013-14 Residential Solid Waste, Recycling and Composting Rates**  
**(Rates Effective July 1, 2013)**

| <b>Service Level</b>                                    | <b>FY 2013-14</b> | <b>FY 2012-13</b> |
|---|-------------------|-------------------|
| <b>Every-Other-Week Roll Cart Services</b>              |                   |                   |
| Four 60 gallon roll carts                               | \$ 70.50          | \$ 68.85          |
| Four 60 gallon roll carts at a duplex                   | 65.05             | 62.55             |
| Four 60 gallon roll carts at a triplex                  | 71.75             | 68.35             |
| Four 60 gallon roll carts at a four-plex                | 78.45             | 74.15             |
| <b>Every-Other-Week Container Services</b>              |                   |                   |
| One 90 gallon roll cart                                 | \$ 43.30          | \$ 43.80          |
| One 90 gallon roll cart at a duplex                     | 43.30             | 42.15             |
| One 90 gallon roll cart at a triplex                    | 50.00             | 47.95             |
| One 90 gallon roll cart at a four-plex                  | 56.70             | 53.75             |
| Two 90 gallon roll carts                                | 56.85             | 55.75             |
| Two 90 gallon roll carts at a duplex                    | 55.65             | 53.65             |
| Two 90 gallon roll carts at a triplex                   | 62.35             | 59.45             |
| Two 90 gallon roll carts at a four-plex                 | 69.05             | 65.25             |
| Three 90 gallon roll carts                              | 69.65             | 67.80             |
| Three 90 gallon roll carts at a duplex                  | 67.95             | 65.20             |
| Three 90 gallon roll carts at a triplex                 | 74.65             | 71.00             |
| Three 90 gallon roll carts at a four-plex               | 81.35             | 76.80             |
| Four 90 gallon roll carts                               | 84.10             | 81.45             |
| Four 60 gallon roll carts at a duplex                   | 80.25             | 76.70             |
| Four 60 gallon roll carts at a triplex                  | 86.95             | 82.50             |
| Four 60 gallon roll carts at a four-plex                | 93.65             | 88.30             |
| <b>Every-Other-Week Container Services</b>              |                   |                   |
| One 1 cubic yard container                              | \$ 87.30          | \$ 88.10          |
| One 1 cubic yard container at a duplex                  | 67.70             | 67.55             |
| One 1 cubic yard container at a triplex                 | 74.40             | 73.35             |
| One 1 cubic yard container at a four-plex               | 81.10             | 79.15             |
| One 1.5 cubic yard container                            | 120.15            | 121.15            |
| One 1.5 cubic yard container at a duplex                | 84.75             | 84.85             |
| One 1.5 cubic yard container at a triplex               | 91.45             | 90.65             |
| One 1.5 cubic yard container at a four-plex             | 98.75             | 96.45             |
| One 2.0 cubic yard container                            | 153.00            | 154.20            |
| One 2.0 cubic yard container at a duplex                | 101.80            | 102.10            |
| One 2.0 cubic yard container at a triplex               | 108.50            | 107.90            |
| One 2.0 cubic yard container at a four-plex             | 115.20            | 113.70            |
| <b>Special Services – Solid Waste</b>                   |                   |                   |
| One 32 gallon can every four weeks                      | \$ 21.75          | \$ 21.85          |
| One 32 gallon can on-call (w/o recycling or composting) | 9.05              | 9.05              |
| One 35 gallon roll cart every four weeks                | 21.75             | 23.15             |
| Occasional extra can/bag                                | 5.00              | 5.00              |
| <b>Special Services – Recycling and Organics</b>        |                   |                   |
| Recycling only – weekly                                 | 8.10              | 7.50              |
| Compost & recycling only                                | 18.20             | 18.35             |
| Yard debris extra bag/can                               | 3.75              | 3.75              |
| Extra cart for recycling                                | 2.90              | 2.75              |
| Extra cart for compost                                  | 11.25             | 11.10             |

**Appendix A (Continued)**  
**FY 2013-14 Residential Solid Waste, Recycling and Composting Rates**  
**(Rates Effective July 1, 2013)**

| <b>Service Level</b>                         | <b>FY 2013-14</b> | <b>FY 2012-13</b> |
|--|-------------------|-------------------|
| <b>Terrain Differential</b>                  |                   |                   |
| Regular weekly service (single can)          | \$ 4.20           | \$ 4.20           |
| Regular weekly service (multiple cans/carts) | 4.35              | 4.35              |
| Monthly service                              | 2.60              | 2.60              |
| Weekly recycling only service                | 1.45              | 1.45              |
| Compost & recycling only                     | 2.50              | 2.50              |
| On-call service                              | 0.60              | 0.60              |
| Yard debris only service                     | 0.50              | 0.50              |
| <b>Non-Curb Service Surcharge</b>            |                   |                   |
| One 20 gallon can                            | \$ 1.70           | \$ 1.70           |
| One 32 gallon can                            | 1.70              | 1.70              |
| Two 32 gallon cans                           | 3.40              | 3.40              |
| Three 32 gallon cans                         | 5.10              | 5.10              |
| Four 32 gallon cans                          | 6.80              | 6.80              |
| <b>Excess Distance (Greater than 75')</b>    |                   |                   |
| One 20 gallon can                            | \$ 0.55           | \$ 0.55           |
| One 32 gallon can                            | 0.55              | 0.55              |
| Two 32 gallon cans                           | 1.10              | 1.10              |
| Three 32 gallon cans                         | 1.65              | 1.65              |
| Four 32 gallon cans                          | 2.20              | 2.20              |
| <b>Multifamily Special Services:</b>         |                   |                   |
| Recycling surcharge per extra dwelling unit  | \$ 6.70           | \$ 5.80           |
| Non-curb can service                         | 1.70              | 1.70              |
| Non-curb roll cart service                   | 3.50              | 3.50              |
| Excess distance per roll cart                | 1.15              | 1.15              |



**Appendix B**  
**CY 2012 Composite Weighted Average Revenues and Costs**  
**(Dollars/Customer/Year)**

| DCR*<br>Line # | Line item Description  | Weighted Average per<br>Customer | Summary<br>Percent |
|----------------|--|----------------------------------|--------------------|
|                | <b>SUMMARY</b>   |                                  |                    |
| 1              | Revenues (From Line 21)  | \$ 383.70                        | 100.00%            |
| 2              | Direct Cost of Operations (From Lines 55)                                | 264.69                           | 68.98%             |
| 3              | Gross Profit (Line 1 Less Line 2)  | 119.00                           | 31.02%             |
| 4              | General & Administrative (From Line 94)                                  | 72.47                            | 18.89%             |
| 5              | Income from Operations (Line 3 Less Line 4)                              | \$ 46.53                         | <b>12.13%</b>      |
|                | <b>ADJUSTMENTS TO ALLOWABLE COSTS:</b>                                   |                                  |                    |
| 6              | Route Purchase – Interest (From Line 92)                                 | \$ 0.00                          | 0.00%              |
| 7              | Route Purchase – Amortization (From Line 90)                             | 0.00                             | 0.00%              |
| 8              | Contributions (From Line 70)   | 0.00                             | 0.00%              |
| 9              | Federal/State/Local Income Taxes (From Line 77 & Anywhere Else Reported) | 0.00                             | 0.00%              |
| 10             | Gain on Sale of Assets (From Line 20)                                    | 0.00                             | 0.00%              |
| 11             | Officers Life Ins. Premium (From Line 61, or Wherever Included)          | 0.00                             | 0.00%              |
| 12             | Director's Fees (From Line 61, or Wherever Included)                     | 0.00                             | 0.00%              |
| 13             | Other Non-Allowable Costs (From wherever included)                       | 0.00                             | 0.00%              |
| 14             | Office in Home (From Worksheet)  | 0.00                             | 0.00%              |
| 15             | Yard at Home (From Worksheet)  | 0.00                             | 0.00%              |
| 16             | Total Adjustments to Costs (Total Lines 6-15)                            | 0.00                             | 0.00%              |
| 17             | Allowable Franchise Costs (Lines 2 + 4 - 16)                             | <b>\$ 337.16</b>                 | <b>87.87%</b>      |
|                | NET FRANCHISE EARNINGS   | <b>\$ 46.53</b>                  | <b>12.13%</b>      |
|                | RETURN ON REVENUES   | <b>12.68%</b>                    |                    |
|                | <b>REVENUE</b>   |                                  |                    |
| 18             | Collection Revenues  | \$ 376.87                        | 98.22%             |
| 19             | Recyclable Material Sales  | 6.44                             | 1.68%              |
| 20             | Other Revenues   | 0.39                             | 0.10%              |
| 21             | TOTAL REVENUES   | \$ 383.70                        | 100.00%            |

\* DCR = Detailed Cost Report, submitted annually by all franchisees

**Appendix B (Continued)**  
**CY 2012 Composite Weighted Average Revenues and Costs**  
**(Dollars/Customer/Year)**

| DCR Line # | Line item Description                          | Weighted Average per Customer, as Reported | Percent of Revenue | Weighted Average per Customer Net of Terrain Surcharge | Adjustments       | Inflation Adjustment          | Final Cost Used in Rates |
|------------|--|--|--------------------|--|-------------------|-------------------------------|--------------------------|
|            | <b>SOLID WASTE - DIRECT COST OF OPERATIONS</b> |  |                    |  |                   |                               |                          |
| 22         | Wages - Route Drivers                          | \$ 16.17                                   | 4.21%              | \$ 15.23   |                   | 2.87%                         | \$ 15.66                 |
| 23         | Wages – Mechanic                               | 2.25                                       | 0.59%              | 2.11   |                   | 3.20%                         | 2.18                     |
| 24         | Payroll Tax Expense                            | 1.79                                       | 0.47%              | 1.69   |                   | 2.87%                         | 1.74                     |
| 25         | Medical Insurance                              | 3.62                                       | 0.94%              | 3.41   |                   | 2.33%                         | 3.49                     |
| 26         | Pension Plan Expense                           | 1.69                                       | 0.44%              | 1.59   |                   | 2.43%                         | 1.62                     |
| 27         | Workers Compensation Insurance                 | 0.47                                       | 0.12%              | 0.44   |                   | 3.20%                         | 0.45                     |
| 28         | Other Benefits                                 | 0.01                                       | 0.00%              | 0.01   |                   | 2.87%                         | 0.01                     |
| 29         | Training and Worker Safety                     | 0.06                                       | 0.01%              | 0.06   |                   | 3.20%                         | 0.06                     |
| 30         | Fuel   | 5.75                                       | 1.50%              | 5.41   |                   | -1.21%                        | 5.35                     |
| 31         | Repairs & Maintenance - Vehicles               | 3.10                                       | 0.81%              | 2.92   |                   | 3.20%                         | 3.01                     |
| 32         | Repairs & Maint. - Containers & Carts          | 0.43                                       | 0.11%              | 0.43   | (0.43)            | Rates based on forecast costs |                          |
| 33         | Repairs & Maintenance - Other Equipment        | 0.04                                       | 0.01%              | 0.04   |                   | 3.20%                         | 0.04                     |
| 34         | Repairs & Maintenance - Yard/Buildings         | 0.23                                       | 0.06%              | 0.23   |                   | 3.20%                         | 0.24                     |
| 35         | Depreciation - Vehicles                        | 2.61                                       | 0.68%              | 2.46   | 3.62              | 0.00%                         | 6.08                     |
| 36         | Depreciation - Containers & Carts              | 5.18                                       | 1.35%              | 5.18   | (5.18)            | Rates based on forecast costs |                          |
| 37         | Depreciation - Other Equipment                 | 0.49                                       | 0.13%              | 0.49   |                   | 3.20%                         | 0.51                     |
| 38         | Depreciation - Yard/Buildings                  | 0.22                                       | 0.06%              | 0.22   |                   | 0.00%                         | 0.22                     |
| 39         | Disposal Fees                                  | 40.67                                      | 10.60%             | 40.67  | (40.67)           | Rates based on forecast costs |                          |
| 40         | Recycling Co-op Payments                       | 0.00                                       | 0.00%              | 0.00   |                   | 0.00%                         | 0.00                     |
| 41         | Recycling Bins                                 | 0.00                                       | 0.00%              | 0.00   |                   | 0.00%                         | 0.00                     |
| 42         | Supplies                                       | 0.12                                       | 0.03%              | 0.12   |                   | 3.20%                         | 0.13                     |
| 43         | Yard Rent                                      | 0.57                                       | 0.15%              | 0.57   |                   | 3.20%                         | 0.58                     |
| 44         | Vehicle Rent                                   | 0.11                                       | 0.03%              | 0.10   |                   | 3.20%                         | 0.10                     |
| 45         | Other Equipment Rent                           | 0.07                                       | 0.02%              | 0.07   |                   | 3.20%                         | 0.07                     |
| 46         | Insurance                                      | 0.92                                       | 0.24%              | 0.86   |                   | 3.20%                         | 0.89                     |
| 47         | PUC /Licenses / Fees                           | 0.52                                       | 0.14%              | 0.49   |                   | 3.20%                         | 0.51                     |
| 48         | Franchise Fees                                 | 19.49                                      | 5.08%              | 19.49  | (19.49)           | 0.00%                         | 0.00                     |
| 49         | Surcharges                                     | 0.00                                       | 0.00%              | 0.00   |                   | 0.00%                         | 0.00                     |
| 50         | Interest - Vehicles                            | 0.48                                       | 0.13%              | 0.46   | 0.67              | 0.00%                         | 1.13                     |
| 51         | Interest - Containers & Carts                  | 0.39                                       | 0.10%              | 0.39   | (0.39)            | Rates based on forecast costs |                          |
| 52         | Interest - Other Equipment                     | 0.02                                       | 0.01%              | 0.02   |                   | 3.20%                         | 0.02                     |
| 53         | Interest - Yard/Buildings                      | 0.01                                       | 0.00%              | 0.01   |                   | 3.20%                         | 0.01                     |
| 54         | Other Operational Expenses                     | 0.20                                       | 0.05%              | 0.20   |                   | 3.20%                         | 0.20                     |
| 55         | <b>TOTAL - SOLID WASTE</b>                     | <b>\$ 107.68</b>                           | <b>28.06%</b>      | <b>\$ 105.37</b>                                       | <b>(\$ 61.87)</b> |                               | <b>\$ 44.31</b>          |

**Appendix B (Continued)**  
**CY 2012 Composite Weighted Average Revenues and Costs**  
**(Dollars/Customer/Year)**

| DCR Line # | Line item Description                        | Weighted Average per Customer | Percent of Revenue | Weighted Average per Customer Net of Terrain Surcharge | Adjustments | Inflation Adjustment | Final Cost Used in Rates |
|------------|--|-------------------------------|--------------------|--|-------------|----------------------|--------------------------|
|            | <b>RECYCLING - DIRECT COST OF OPERATIONS</b> |                               |                    |  |             |                      |                          |
| 22         | Wages - Route Drivers                        | \$ 21.72                      | 5.66%              | \$ 20.86   |             | 2.76%                | 21.44                    |
| 23         | Wages - Mechanic                             | 3.10                          | 0.81%              | 2.97   |             | 3.20%                | 3.07                     |
| 24         | Payroll Tax Expense                          | 2.41                          | 0.63%              | 2.32   |             | 2.76%                | 2.38                     |
| 25         | Medical Insurance                            | 5.59                          | 1.46%              | 5.37   |             | 2.04%                | 5.48                     |
| 26         | Pension Plan Expense                         | 2.49                          | 0.65%              | 2.39   |             | 2.17%                | 2.44                     |
| 27         | Workers Compensation Insurance               | 0.64                          | 0.17%              | 0.61   |             | 3.20%                | 0.63                     |
| 28         | Other Benefits                               | 0.02                          | 0.00%              | 0.01   |             | 2.76%                | 0.01                     |
| 29         | Training and Worker Safety                   | 0.09                          | 0.02%              | 0.09   |             | 3.20%                | 0.09                     |
| 30         | Fuel   | 7.18                          | 1.87%              | 6.90   |             | -1.21%               | 6.81                     |
| 31         | Repairs & Maintenance - Vehicles             | 4.35                          | 1.13%              | 4.17   |             | 3.20%                | 4.31                     |
| 32         | Repairs & Maint. - Containers & Carts        | 0.36                          | 0.09%              | 0.36   |             | 3.20%                | 0.37                     |
| 33         | Repairs & Maintenance - Other Equipment      | 0.05                          | 0.01%              | 0.05   |             | 3.20%                | 0.05                     |
| 34         | Repairs & Maintenance - Yard/Buildings       | 0.35                          | 0.09%              | 0.35   |             | 3.20%                | 0.36                     |
| 35         | Depreciation - Vehicles                      | 4.68                          | 1.22%              | 4.50   | 5.42        | 0.00%                | 9.92                     |
| 36         | Depreciation - Containers & Carts            | 6.11                          | 1.59%              | 6.11   |             | 0.00%                | 6.11                     |
| 37         | Depreciation - Other Equipment               | 1.32                          | 0.34%              | 1.32   |             | 3.20%                | 1.36                     |
| 38         | Depreciation - Yard/Buildings                | 0.35                          | 0.09%              | 0.35   |             | 0.00%                | 0.35                     |
| 39         | Disposal Fees                                | 0.00                          | 0.00%              | 0.00   |             | 0.00%                | 0.00                     |
| 40         | Recycling Co-op Payments                     | 0.00                          | 0.00%              | 0.00   |             | 0.00%                | 0.00                     |
| 41         | Recycling Bins                               | 0.00                          | 0.00%              | 0.00   |             | 3.20%                | 0.00                     |
| 42         | Supplies                                     | 0.16                          | 0.04%              | 0.16   |             | 3.20%                | 0.16                     |
| 43         | Yard Rent                                    | 0.86                          | 0.23%              | 0.86   |             | 3.20%                | 0.89                     |
| 44         | Vehicle Rent                                 | 0.23                          | 0.06%              | 0.22   |             | 3.20%                | 0.22                     |
| 45         | Other Equipment Rent                         | 0.58                          | 0.15%              | 0.58   |             | 3.20%                | 0.59                     |
| 46         | Insurance                                    | 1.24                          | 0.32%              | 1.19   |             | 3.20%                | 1.23                     |
| 47         | PUC/Licenses/Fees                            | 0.75                          | 0.20%              | 0.72   |             | 3.20%                | 0.75                     |
| 48         | Franchise Fees                               | 0.00                          | 0.00%              | 0.00   |             | 3.20%                | 0.00                     |
| 49         | Surcharges                                   | 0.00                          | 0.00%              | 0.00   |             | 3.20%                | 0.51                     |
| 50         | Interest - Vehicles                          | 0.60                          | 0.16%              | 0.58   | 0.70        | 0.00%                | 1.27                     |
| 51         | Interest - Containers & Carts                | 0.65                          | 0.17%              | 0.65   |             | 3.20%                | 0.67                     |
| 52         | Interest - Other Equipment                   | 0.03                          | 0.01%              | 0.03   |             | 3.20%                | 0.03                     |
| 53         | Interest - Yard/Buildings                    | 0.01                          | 0.00%              | 0.01   |             | 3.20%                | 0.01                     |
| 54         | Other Operational Expenses                   | 0.31                          | 0.08%              | 0.31   |             | 3.20%                | 0.32                     |
| 55         | TOTAL - RECYCLING                            | \$ 62.22                      | 17.26%             | \$ 64.04   | \$ 6.12     |                      | \$ 71.35                 |

**Appendix B (Continued)**  
**CY 2012 Composite Weighted Average Revenues and Costs**  
**(Dollars/Customer/Year)**

| DCR Line # | Line item Description                       | Weighted Average per Customer, as Reported | Percent of Revenue | Weighted Average per Customer Net of Terrain Surcharge | Adjustments | Inflation Adjustment | Final Cost Used in Rates |
|------------|---|--|--------------------|--|-------------|----------------------|--------------------------|
|            | <b>ORGANICS - DIRECT COST OF OPERATIONS</b> |  |                    |  |             |                      |                          |
| 22         | Wages - Route Drivers                       | \$ 18.16                                   | 4.73%              | \$ 17.49   |             | 2.80%                | \$ 17.98                 |
| 23         | Wages - Mechanic                            | 2.60                                       | 0.68%              | 2.50   |             | 3.20%                | 2.58                     |
| 24         | Payroll Tax Expense                         | 2.02                                       | 0.53%              | 1.94   |             | 2.80%                | 2.00                     |
| 25         | Medical Insurance                           | 4.56                                       | 1.19%              | 4.39   |             | 2.16%                | 4.49                     |
| 26         | Pension Plan Expense                        | 2.05                                       | 0.53%              | 1.97   |             | 2.28%                | 2.02                     |
| 27         | Workers Compensation Insurance              | 0.54                                       | 0.14%              | 0.52   |             | 3.20%                | 0.54                     |
| 28         | Other Benefits                              | 0.02                                       | 0.00%              | 0.01   |             | 3.20%                | 0.02                     |
| 29         | Training and Worker Safety                  | 0.07                                       | 0.02%              | 0.07   |             | 3.20%                | 0.08                     |
| 30         | Fuel  | 6.22                                       | 1.62%              | 5.99   |             | -1.21%               | 5.92                     |
| 31         | Repairs & Maintenance - Vehicles            | 3.57                                       | 0.93%              | 3.44   |             | 3.20%                | 3.55                     |
| 32         | Repairs & Maint. - Containers & Carts       | 0.37                                       | 0.10%              | 0.37   |             | 3.20%                | 0.38                     |
| 33         | Repairs & Maintenance - Other Equipment     | 0.04                                       | 0.01%              | 0.04   |             | 3.20%                | 0.04                     |
| 34         | Repairs & Maintenance - Yard/Buildings      | 0.29                                       | 0.07%              | 0.29   |             | 3.20%                | 0.30                     |
| 35         | Depreciation - Vehicles                     | 5.23                                       | 1.36%              | 5.04   |             | 0.00%                | 5.04                     |
| 36         | Depreciation - Containers & Carts           | 6.34                                       | 1.65%              | 6.34   |             | 3.20%                | 6.54                     |
| 37         | Depreciation - Other Equipment              | 0.07                                       | 0.02%              | 0.07   |             | 3.20%                | 0.07                     |
| 38         | Depreciation - Yard/Buildings               | 0.29                                       | 0.07%              | 0.29   |             | 3.20%                | 0.29                     |
| 39         | Disposal Fees                               | 30.55                                      | 8.03%              | 33.25  | 2.70        | 0.00%                | 33.25                    |
| 40         | Recycling Co-op Payments                    | 0.00                                       | 0.00%              | 0.00   |             | 0.00%                | 0.00                     |
| 41         | Recycling Bins                              | 0.00                                       | 0.00%              | 0.00   |             | 0.00%                | 0.00                     |
| 42         | Supplies                                    | 0.14                                       | 0.04%              | 0.14   |             | 3.20%                | 0.14                     |
| 43         | Yard Rent                                   | 0.70                                       | 0.18%              | 0.70   |             | 3.20%                | 0.72                     |
| 44         | Vehicle Rent                                | 0.35                                       | 0.09%              | 0.34   |             | 3.20%                | 0.35                     |
| 45         | Other Equipment Rent                        | 0.59                                       | 0.15%              | 0.59   |             | 3.20%                | 0.61                     |
| 46         | Insurance                                   | 1.05                                       | 0.27%              | 1.01   |             | 3.20%                | 1.04                     |
| 47         | PUC/Licenses/Fees                           | 0.64                                       | 0.17%              | 0.62   |             | 3.20%                | 0.64                     |
| 48         | Franchise Fees                              | 0.00                                       | 0.00%              | 0.00   |             | 0.00%                | 0.00                     |
| 49         | Surcharges                                  | 0.00                                       | 0.00%              | 0.00   |             | 0.00%                | 0.00                     |
| 50         | Interest - Vehicles                         | 0.80                                       | 0.21%              | 0.77   |             | 0.00%                | 0.77                     |
| 51         | Interest - Containers & Carts               | 0.51                                       | 0.13%              | 0.51   |             | 3.20%                | 0.52                     |
| 52         | Interest - Other Equipment                  | 0.02                                       | 0.00%              | 0.02   |             | 3.20%                | 0.02                     |
| 53         | Interest - Yard/Buildings                   | 0.01                                       | 0.00%              | 0.01   |             | 3.20%                | 0.01                     |
| 54         | Other Operational Expenses                  | 0.31                                       | 0.08%              | 0.31   |             | 3.20%                | 0.32                     |
| 55         | TOTAL YARD DEBRIS                           | \$ 88.09                                   | 23.15%             | \$ 86.33   | 2.70        |                      | \$ 90.23                 |

**Appendix B (Continued)**  
**CY 2012 Composite Weighted Average Revenues and Costs**  
**(Dollars/Customer/Year)**

| DCR Line # | Line item Description               | Weighted Average per Customer | Percent of Revenue | Weighted Average per Customer Net of Terrain Surcharge | Inflation Adjustment | Final Cost Used in Rates |
|------------|-------------------------------------|-------------------------------|--------------------|--|----------------------|--------------------------|
|            | <i>GENERAL AND ADMINISTRATIVE</i>   |                               |                    |  |                      |                          |
| 56         | Management Salaries                 | \$ 15.02                      | 3.92%              | \$ 15.00   | 3.20%                | 15.48                    |
| 57         | Management Payroll Tax Expense      | 1.58                          | 0.41%              | 1.58   | 3.20%                | 1.63                     |
| 58         | Management Medical Insurance        | 1.46                          | 0.38%              | 1.46   | 2.33%                | 1.50                     |
| 59         | Management Workers Compensation     | 0.28                          | 0.07%              | 0.28   | 3.20%                | 0.29                     |
| 60         | Management Pension Plan Expense     | 1.13                          | 0.30%              | 1.13   | 3.20%                | 1.17                     |
| 61         | Management Other Benefits           | 0.20                          | 0.05%              | 0.20   | 3.20%                | 0.20                     |
| 62         | Administrative Salaries             | 16.09                         | 4.19%              | 16.07  | 3.20%                | 16.58                    |
| 63         | Administrative Payroll Tax Expense  | 1.64                          | 0.43%              | 1.64   | 3.20%                | 1.69                     |
| 64         | Administrative Medical Insurance    | 3.03                          | 0.79%              | 3.03   | 2.33%                | 3.10                     |
| 65         | Administrative Workers Compensation | 0.10                          | 0.03%              | 0.10   | 3.20%                | 0.10                     |
| 66         | Administrative Pension Plan Expense | 0.67                          | 0.18%              | 0.67   | 3.20%                | 0.69                     |
| 67         | Administrative Other Benefits       | 0.01                          | 0.00%              | 0.01   | 3.20%                | 0.02                     |
| 68         | Office Rent                         | 3.92                          | 1.02%              | 3.91   | 3.20%                | 4.04                     |
| 69         | Advertising and Public Education    | 1.38                          | 0.36%              | 1.37   | 3.20%                | 1.42                     |
| 70         | Contributions                       | 0.00                          | 0.00%              | 0.00   | 3.20%                | 0.00                     |
| 71         | Professional Fees                   | 1.30                          | 0.34%              | 1.30   | 3.20%                | 1.34                     |
| 72         | Training & Worker Safety            | 0.08                          | 0.02%              | 0.08   | 3.20%                | 0.08                     |
| 73         | Insurance                           | 0.97                          | 0.25%              | 0.97   | 3.20%                | 1.00                     |
| 74         | Telephone                           | 1.44                          | 0.38%              | 1.44   | 3.20%                | 1.49                     |
| 75         | Utilities                           | 1.05                          | 0.27%              | 1.05   | 3.20%                | 1.08                     |
| 76         | Property Taxes/Licenses/Fees        | 1.59                          | 0.41%              | 1.59   | 3.20%                | 1.64                     |
| 77         | Federal/ State/Local Income Taxes   | 0.42                          | 0.11%              | 0.42   | 0.00%                | 0.42                     |
| 78         | Dues & Subscriptions                | 0.42                          | 0.11%              | 0.42   | 3.20%                | 0.43                     |
| 79         | Depreciation - Office Building      | 0.37                          | 0.10%              | 0.36   | 3.20%                | 0.38                     |
| 80         | Depreciation - Office Equipment     | 0.32                          | 0.08%              | 0.32   | 3.20%                | 0.33                     |
| 81         | Repairs & Maintenance - Office      | 0.42                          | 0.11%              | 0.42   | 3.20%                | 0.43                     |
| 82         | Cleaning and Maintenance            | 0.53                          | 0.14%              | 0.53   | 3.20%                | 0.55                     |
| 83         | Equipment Rental                    | 0.28                          | 0.07%              | 0.28   | 3.20%                | 0.29                     |
| 84         | Office Supplies                     | 1.48                          | 0.38%              | 1.47   | 3.20%                | 1.52                     |
| 85         | Postage & Freight                   | 1.83                          | 0.48%              | 1.83   | 3.20%                | 1.88                     |
| 86         | Miscellaneous Expense               | 1.31                          | 0.34%              | 1.31   | 3.20%                | 1.35                     |
| 87         | Travel/Meals/Lodging                | 0.60                          | 0.16%              | 0.60   | 3.20%                | 0.62                     |
| 88         | Professional Meetings and Seminars  | 0.05                          | 0.01%              | 0.05   | 3.20%                | 0.05                     |
| 89         | Bad Debts                           | 0.88                          | 0.23%              | 0.88   | -11.28%              | 0.78                     |
| 90         | Amortization - Route & Intangibles  | 0.00                          | 0.00%              | 0.00   | 0.00%                | 0.00                     |
| 91         | Amortization - Other                | 0.00                          | 0.00%              | 0.00   | 0.00%                | 0.00                     |
| 92         | Interest - Route                    | 0.00                          | 0.00%              | 0.00   | 0.00%                | 0.00                     |
| 93         | Interest - Other                    | 0.13                          | 0.03%              | 0.13   | 3.20%                | 0.13                     |
| 94         | Corporate Overhead                  | 10.46                         | 2.73%              | 10.45  | 3.20%                | 10.78                    |
| 94         | TOTAL - G & A                       | \$ 72.47                      | 18.89%             | \$ 72.35   |                      | \$ 74.49                 |