Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of November 10, 2025

Title/Subject

Resolution No. 2397- Master Fee Schedule: Recycling Rate

Summary and Background

This resolution amends the City's Master Fee Schedule to adopt a rate to be charged for the new service of curbside recycling.

The Oregon legislature approved the "Recycling Modernization Act" in 2021 in order to implement a concept which had never previously been implemented by any large economy anywhere in the world. The concept requires businesses which generate recyclable materials (think packaged food & beverage companies, retailers selling packaged materials, etc.) to pay the state to help cover the cost of eventual recycling of their materials. The program was modeled off of a recycling program in Luxembourg; a European country approximately 1/7th the size of Oregon, with all of the import/export controls that come with being a sovereign nation.

In order for the system to work, the legislature's program requires cities with more than 4,000 population to offer curbside recycling. In theory, revenue derived from the material producers is passed-through to help offset the cost to the consumer of recycling.

Implementation of this radically new system has come with a bumpy rollout and a timeline rollercoaster as cities face meeting the deadlines of this new requirement amid supply-chain uncertainty, and cashflow questions as litigation from the material producers hung over the process. However, we are now at the point where the key tools necessary to implement the program (i.e. additional trucks and carts) have been ordered, underwritten by confidence that the system has cleared possible legal challenges, and that a system for charging local fees will be implemented to cover the costs not covered by fees on the material producers.

Given where we are at in the timeline, a local charge for curbside recycling has now been formulated. The details of the rates are attached to this report, but given that the vast majority of impacted users will be single family residential accounts; below is a breakdown of how this proposed rate will impact those customers.

Not Necessarily a Fee 'Increase'

Curbside recycling can generally be considered to fall under the larger umbrella of "solid waste removal." Understanding that helps us understand that, as a result of this new service being offered, households will not suddenly have any more material they need to remove from their homes every week; they will just have an additional cart in which to place those materials. Given that, depending on the makeup of each household, residents will be faced with a number of options which allow them to choose between minimizing financial impacts from this change, or taking advantage of additional solid waste removal capacity.

The most basic/common residential curbside recycling service which will be offered is that homes will now receive (in addition to their garbage cart) a 95 gallon recycling cart, which will be picked up every other week. So in theory, that adds the equivalent of 47.5 gallons per week of solid waste removal capacity.

Example: Young Family of 5

	Gallons/wk	$/Mo
Garbage	90	$ 29.05
Garbage	35	$ 17.46
Recycling		
Total	125	$ 46.51

Currently just about right. Fill 90g & 35g to the brim every week, but it works.

Recommendation: Eliminate 35g service

	Gallons/wk	$/Mo
Garbage	90	29.05
Garbage		
Recycling	47.5	8
Total	137.5	37.05
Net	**12.5**	**$ (9.46)**

Impact: Swapping garbage for recycling results in 9% more service at less cost.

The table to the right shows the decision process that my own family will go through. As a family of 5, with three young children in the home, we have found that a simple 90-gallon per week garbage service isn't enough for us, and for a number of years, we have had two garbage carts. We pay for a 90-gal, and also a 35-gal cart. This gives us 125 gallons per week of waste removal capacity.

Recognizing that a certain percentage of what currently goes in to our garbage carts will be able to be recycled, it is very likely that we will choose to simply stop receiving our extra 35-gal garbage cart, and divert some materials into our new recycling cart which will give us 47.5 gallons per week of recycling capacity.

What is interesting for our household is that since we currently pay $17.46 per month for that weekly 35-gal garbage cart, and that the new recycling service will only be $8.00 per month, then our household actually stands to pay $9.46 per month <u>less</u> than we do currently, while simultaneously receiving 12.5 gallons per week (9%) <u>more</u> solid waste removal capacity.

Of course, my family's situation is unique to us, just like every other household in the community has their own unique solid waste removal needs. Included in the packet are just a handful of other types of typical households, and how these changes might impact them if they make certain choices based on this additional service.

Another 5-person household may have three adults (two parents and a grandparent) and two teenagers. For that household, they very well may find that a setup like mine (a 90g and 35g cart) still doesn't meet their needs. It has become increasingly common to find households like this which currently have two 90g carts, for a total of 180g per week of disposal capacity. As this household considers its options, they may find that downsizing their garbage service to just one 90g garbage cart and one 35g garbage cart, along with the 95g recycling cart still provides them with adequate waste disposal capacity each week. Therefore, if they choose to make that change, then under current pricing, they would see a net reduction of their monthly solid waste costs of $3.59. This would require sacrificing 7.5 gallons per week of waste removal capacity, but that is a choice that that household would have to make. They may value saving $3.59 per month more than losing 4% of their waste removal capacity.

On the complete other end of the spectrum, there are single-person households which may already have the bare minimum waste removal capacity, and there is no way to trade capacity for cost. The example would be myself when I was a single 24 year old, or someone like a retired widower living alone. These households are probably best to currently only have a 35 gallon garbage service. This change will require them to also add a 95 gallon recycling cart emptied every other week; resulting in them seeing an increase of 47.5 gallons per week of solid waste removal capacity. So for this household, their level of service will more than double, and their direct financial cost will rise by $8 per month.

Timeline

This resolution adopts the rates as proposed, and they will become effective immediately. However, no customers will be charged these rates until service begins. The beginning of service will depend entirely on the delivery timeline of additional trucks to haul the recyclable material, hiring of additional drivers, and delivery of all of the new recycling carts. This is anticipated to take place sometime in 2026. Ample public outreach will be conducted prior to the implementation date.

Recyclable Materials

This service is considered "co-mingled," in that there will not be multiple different bins requiring residents to sort their materials prior to placing at the curb. Generally speaking items which will be recyclable include plastics, metals, cardboards, and papers. A recycling guide is available HERE, with options to view the list in 12 different languages.

Tie-In to Council Goals

This action is necessary to comply with a directive from the State of Oregon's legislature.

Fiscal Information

Solid waste service is provided by an independent private company, Sanitary Disposal. However, the City of Hermiston provides all of the billing services for Sanitary Disposal customers within city limits, and collects a fee from Sanitary Disposal equal to 11% of their gross revenues derived from Hermiston customers in exchange for doing that service. Additionally, the City charges a 2.5% franchise fee. Therefore, approximately 13.5% of a customer's bill comes to the City to cover the City's expenses. This means that any time revenue for Sanitary Disposal increases, the City of Hermiston receives a corresponding increase.

It is anticipated that implementation of this rate will generally increase overall gross revenue for Sanitary Disposal. However, given that many customers are likely to be financially motivated to downgrade their garbage service, projecting the exact revenue increase is not as simple as just taking $8 per month and assuming it will spread across all 7,000 garbage accounts.

A very rough estimate is that this will generate increased General Fund revenues to the City of Hermiston of between $0 and $40,000 per year. Any revenue to the City of Hermiston is not anticipated to be net-positive, however, since this recycling requirement represents another mandate by the state legislature for local governments to deliver on their policy priorities. As such, there has already been a significant increase in staff time dedicated to monitoring, and compliance with the new state regulations on recycling. These costs are difficult to directly show financially, but they show up in the form of diverting existing city staff resources from existing work and local priorities.

Alternatives and Recommendation

Alternatives

1. Approve Resolution No. 2397
2. Reject Resolution No. 2397

Recommended Action/Motion

Motion to approve Resolution No. 2397

Submitted By:

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