

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE) ORDINANCE NO. 99-825A
SECTION 5.02.025 TO MODIFY THE DISPOSAL)
CHARGE AT THE METRO SOUTH AND METRO) Introduced by
CENTRAL TRANSFER STATIONS) Councilor Bragdon

WHEREAS, it is desirable to review the disposal fees and other fee components charged at Metro's regional solid waste facilities in light of certain amendments to significant Metro solid waste contracts; and

WHEREAS, it is necessary to adjust the Tonnage Charge of Metro's disposal rate system to take advantage of the savings resulting from these solid waste contract amendments; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and reviewed the disposal fees and other fee components for the Metro Central and Metro South Transfer Stations; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.02.025 is amended to read:

(a) The fee for disposal of solid waste at the Metro South Station and at the Metro Central Station shall consist of a Tonnage Charge of \$62.50 for each ton of solid waste delivered for disposal and a Transaction Charge of \$5.00 for each Solid Waste Disposal Transaction.

(b) The Tonnage Charge specified in subsection (a) of this section includes:

- (1) A disposal charge of \$29.75 per ton;
- (2) A regional transfer charge of \$6.56 per ton;
- (3) The fees specified in section 5.02.045;
- (4) An enhancement fee of \$.50 per ton; and
- (5) DEQ fees totaling \$1.24 per ton.

(c) Notwithstanding subsection (a) of this section, there shall be a minimum solid waste disposal charge at the Metro South Station and at the Metro Central Station for loads of solid waste weighing 320 pounds or less of \$15, which shall consist of a minimum Tonnage Charge of \$10.00 plus a Transaction Charge of \$5 per Transaction.


(d) Total fees assessed in cash at the Metro South Station and at the Metro Central Station shall be rounded to the nearest whole dollar amount, with any \$0.50 charge rounded down.

(e) The Director of the Regional Environmental Management Department may waive disposal fees created in this section for Non-commercial Customers of the Metro Central Station and of the Metro South Station under extraordinary, emergency conditions or circumstances.

SECTION 2

The amendments to the Metro Code provided for in this Ordinance shall take effect on February 1, 2000.

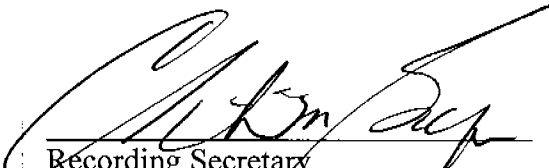
ADOPTED by the Metro Council this 28th day of OCTOBER, 1999.



Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:



Recording Secretary



Daniel B. Cooper, General Counsel

MDF:jep
ord99-825.rdl.doc

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(b) The Tonnage Charge specified in subsection (a) of this section includes:

- (1) A disposal charge of ~~\$38.61~~ ~~\$30.02~~ \$29.75 per ton;
- (2) A regional transfer charge of ~~\$7.00~~ \$6.56 per ton;
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~~(f) The following table summarizes the disposal charges to be collected by Metro from all persons disposing of solid waste at Metro South Station and Metro Central Station.~~

METRO SOUTH STATION	
METRO CENTRAL STATION	
Tonnage Charge Component	\$/Ton Rate
Disposal Charge	38.61
Regional System Fee	14.00
Metro Facility Fee	1.15
Regional Transfer Charge	7.00
Metro Tonnage Charges	\$60.76
Additional Fees	
Enhancement Fee	0.50
DEQ Fees	1.24
Total Tonnage Charges:	\$62.50
	\$/Transaction
Per Transaction Charge	\$5.00
Minimum Tonnage Charge	\$10.00

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ADOPTED by the Metro Council this _____ day of _____, 1999.

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ADOPTED by the Metro Council this _____ day of _____, 1999.

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STAFF REPORT:

IN CONSIDERATION OF ORDINANCE NO. 99-825 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02.025, TO MODIFY THE DISPOSAL CHARGE AT THE METRO SOUTH AND METRO CENTRAL TRANSFER STATIONS.

Date: October 1, 1999

Presented by: Terry Petersen

PROPOSED ACTION:

Adopt Ordinance No. 99-825. If adopted, the solid waste charges in Ordinance 99-825 would be effective on the appropriate dates following Council approval.

BACKGROUND:

Metro recently renegotiated the disposal contract with Waste Management Disposal Services of Oregon (Change Order #8), and the transportation contract with Specialty Transportation Services, Inc. (Change Order #24). The new transport and disposal prices in these renegotiated contracts will result in significant reductions in future payments to Metro's contractors.

During the past six months, Metro has reviewed a wide range of options for managing these contract cost reductions. This review has involved extensive public involvement, including numerous public hearings before the Metro Council, Metro's Solid Waste Advisory Committee, Metro's Rate Review Committee, and other advisory groups.

This public input helped shape the general policy directions that are reflected in the solid waste charges in Ordinance 99-825. Specifically, the key elements of Ordinance 99-825 will allow Metro to:

- Reduce the disposal charge at the Metro transfer stations to \$62.00 per ton.
- Create sufficient cash reserves to stabilize the \$62.00 per ton charge for up to four years.
- Increase general fund revenues for essential non-solid waste Metro responsibilities, such as growth management planning, by about \$3.0 million per year. See Excise Tax Ordinance 99-824.
- Increase funding for waste reduction and hazardous waste services by about \$1.0 million per year.

SOLID WASTE FEES AND CHARGES AT METRO TRANSFER STATIONS:

The individual fees and charges as proposed in Ordinance 99-825 compare to current fees and charges as follows:

	<u>Current</u>	<u>Proposed</u>
Disposal Charge(1)	\$38.61	\$30.02
Metro Facility Fee(2)	1.15	\$ 2.55*
Regional Transfer Charge(3)	\$ 7.00	\$ 6.56
Regional System Fee(4)	\$14.00	\$12.90*
Excise Tax (5)	<u>(included in above)**</u>	<u>\$ 8.23</u>
Total Rate	\$60.76	\$60.26
 <u>Additional Fees</u>		
Enhancement Fee	\$.50	\$.50
DEQ Fees	<u>\$ 1.24</u>	<u>\$ 1.24</u>
Total Disposal Fee	\$62.50	\$62.00

* These are the fees specified in Metro Code, Section 5.02.045; see Ordinance 99-823 for details.
 ** The current tax included in the solid waste fee component is equivalent to \$5.05 per ton.

(1) The Disposal Charge includes the contractual price for waste transport and disposal. The proposed charge of \$30.02 reflects the renegotiated lower contract prices.

(2) The Metro Facility Fee currently includes contributions to facility renewal and replacement, and certain management costs at the Metro Transfer Stations. The proposed higher fee of \$2.55 is a result of reallocating appropriate administrative costs to this cost component from the regional revenue (tonnage) base. This change is consistent with a recommendation from consulting firm Black & Veatch.

(3) The Regional Transfer Charge is Metro’s contractual price for operation of the Metro Transfer Stations. The proposed rate is lower because it does not include the excise tax as does the current transfer charge.

(4) The Regional System Fee is collected by facility operators and paid to Metro on a per ton basis. The new rate is \$21.90, with a \$9.00 credit to be applied to those qualifying facilities. The \$12.90 shown in this table reflects the \$9.00 credit being applied. See Ordinance 99-823 for details.

(5) The current Metro excise tax of 8.5% is included in the individual solid waste fees and charges. The proposed rates and fees in Ordinance 99-825 do not include the

excise tax. Instead, the proposed rates and fees reflect a conversion to a per ton excise tax. See Ordinance 99-824 for details.

FISCAL IMPACT:

The revenue projected to be raised through the fees and charges in Ordinance 99-825 will be less than required given projected expenditure levels, tonnage forecasts, and assuming the excise tax remains the same (see Ordinance 99-824). To offset this shortfall in revenue requirements, the reserves in the Undesignated Fund Balance and the Rate Stabilization Account will be used as shown below:

<u>Fiscal Year</u>	<u>Revenue Requirements</u>	<u>Metro Tip Fee</u>	<u>Rate Revenue</u>	<u>Undesignated Fund Balance Offset</u>	<u>Rate Stabilization Acct. Offset</u>
FY00/01	\$ 45.1 million	\$ 62.00	\$ 45.0 million	\$ 0.1 million	\$ 0.00
FY01/02	\$ 47.6 m	\$ 62.00	\$ 46.3 m	\$ (1.3) m	\$ 0.00
FY02/03	\$ 49.5 m	\$ 62.00	\$ 47.7 m	\$ (1.8) m	\$ 0.00
FY03/04	\$ 51.6 m	\$ 62.00	\$ 49.1 m	\$ (0.8) m	\$ (1.7) m
FY04/05	\$ 53.6 m	\$ 63.70	\$ 52.3 m *	\$ 0.00	\$ (1.3) m

* Tip Fee increases \$1.70/ton

The use of the funds from Undesignated Fund Balance and the Rate Stabilization Account will allow Metro to maintain the disposal charge of \$62.00 given current expenditure levels and projected tonnage for four years.