

**MEETING SUMMARY**  
**RATE REVIEW COMMITTEE**  
Metro Regional Center - Council Annex  
October 6, 1999

**Present:**

Members

Councilor Ed Washington, Chair  
Shirley Coffin  
Paul Matthews  
Dean Kampfer

Metro

Councilor Rod Park  
Terry Petersen, Interim Director, REM  
Doug Anderson, Waste Reduction,  
Planning, & Outreach Manager  
Maria Roberts, Budget & Finance Admin.  
Paul Ehinger, Engineering & Analysis  
Leo Kenyon, Senior Auditor  
Cherie Yasami, Financial Planning

Guests

David White, ORRA  
Joe Wonderlick, Merina McCoy  
Diana Godwin, Rabanco / Allied  
Tim Raphael, Celilo Group / WM

**Members Absent:**

Steve Schwab  
Barry Bennett

Councilor Washington called the meeting to order. He informed the group that committee member Barry Bennett will be working in Washington, DC for the next several months, and Steve Schwab had a family emergency which prevented him from attending the meeting.

**Approval of Minutes from Last Meeting**

Mr. Matthews asked for a change on page five, last paragraph; "He would like *staff* to *weight* the policy objectives." Please change to "He would like Council to *weigh* the policy objectives." He also wanted to clarify a statement credited to him on the same page, fourth full paragraph. When discussing the fee change at the time of the St. Johns Landfill closure, his intention was to state that "(other) People didn't cough up any money."

With those requests, the minutes were approved (Mr. Matthews moved; Ms. Coffin seconded; all agreed).

**Key Elements of Proposed Rate Ordinances**

Terry Petersen briefly reviewed highlights of three Ordinances that will be presented to Metro Council for a first reading on Thursday, October 7. (The two solid waste rate Ordinances were included in the agenda packet; Maria Roberts handed out copies of the third, concerning Metro's excise tax.)

Ordinance No. 99-825: Brought forth initially by Councilor Bragdon, this Ordinance proposes reducing the tip fee from \$62.50 to \$62.00.

Mr. Kampfer commented that such a small reduction would most likely be too small to pass on to haulers' residential customers, who would see a savings of approximately \$0.30 a year -- \$0.02 per month. If the tip fee goes down, he said, he'd prefer it go down by a more substantial amount.

Ordinance No. 99-824: This is an Ordinance to change the structure of the current Excise Tax. It would replace the percentage-based tax with a straight tax of \$8.23 per ton. Dry waste loads would be given a credit of \$4.40 per ton, and an additional credit of up to \$1.50 per ton would be available to material recovery facilities (MRFs) depending on their recovery rate. These credits would be in addition to the current Regional System Fee (RSF)

credit. If both this and Ordinance No. 99-825 pass, over one million dollars would be made available to fund non-solid waste / waste reduction efforts that would benefit the region.

Ordinance No. 99-823: As written, this would 1) modify fees for direct-hauling waste outside the system; 2) raise the RSF by \$9.00, making the full fee \$21.90; and 3) establish a \$9 credit against the new RSF. Persons bringing waste to facilities within the system would be credited that \$9.00. The \$9 is intended to offset costs that are incurred when people circumvent the regional solid waste system.

Ms. Coffin asked how Metro would be able to ascertain the amounts owed by those haulers. Mr. Petersen replied that, while difficult, it is possible to get tonnage records from haulers; it's been done successfully in the past. Mr. Petersen emphasized that this Ordinance generates no new revenue; rather, it is designed to control costs for regional ratepayers when waste escapes the system.

### **Review of Rate Design Objectives / Criteria**

Maria Roberts presented tables which reviewed the current revenue requirements and rate criteria, and illustrated proposed changes to the current allocations. (Attached.) Calculations were made assuming a \$62/ton fee over a four-year period. Staff considered several options for reallocating costs among rate tiers, but one had to be chosen for presentation within the Ordinance. The option shown ("Option 1") moved administrative/support services costs (i.e., accounting, billing services, computer operations and automated transaction system at Metro transfer stations, etc.) out of the Regional System Fee and into the Metro Facility Fee. This would still leave enough in the RSF to raise the \$1 million for regional programs.

There was a brief discussion of the history of the transaction fee and the minimum tonnage fee for self-haul customers. There was a suggestion that the minimum fee be raised, because it's currently "phenomenally low" compared to actual operational cost. The issue will be revisited at another time.

Shirley Coffin commented that over all, the three ordinances "sound great." Dean Kampfer agrees with the reallocation to support services fees, but is unsure about changing the excise tax structure. Mr. Matthews remarked that, in his opinion, adding over \$1 million for waste reduction seems unnecessary. He commented "It smells of '*We found a pot of money and we need to figure out how to spend it.*'" He continued, saying that he feels it would hurt Metro's credibility with the public. He suggested finding the "true cost", and changing the fee yearly if necessary. If that's going to cause a significant difference, transition it over a few years. He would like to stop "digging into this hole" of the reserve balance.

Ms. Coffin, however, is concerned that lowering the tip fee could discourage recycling. What's the incentive for people to recycle when if it's suddenly inexpensive to throw it all away?

Regarding the excise tax, Mr. Petersen and Mr. Anderson explained that, as the excise tax rises, it "eats into" solid waste revenue as long as the tip fee remains at \$62. A long discussion of the excise tax ensued; its history, how it works in different jurisdictions. Mr. Matthews prefers keeping it as a percentage. Dave White, from the audience, added that the smaller hauling companies are very concerned with making the excise tax a level playing field. They feel they are being held hostage because they don't have a reload or MRF to go to in some areas, and might therefore pay a higher excise tax than those haulers who have other facilities convenient to them.

### **Motions**

Councilor Washington asked if the Committee was willing to vote on a proposed motion recommending a \$9.00 credit per ton against the RSF as established in Section 5.02.047, and one assigning an appropriate portion of Support Services' Indirect Costs to the Metro Facility Fee. Mr. Matthews felt uncomfortable voting without looking further into the matters.

Mr. Matthews suggested a completely different alternative to what was presented by Metro staff. He asked the Committee if there was any support for a motion to keep the RSF at \$12.90, transfer \$276,000 out of the RSF into Metro Facility Fee, take the one million out (which would hold the RSF at \$12.90). The Metro Facility Fee, he continued, would then be \$1.10 as opposed to the \$2.55, the Regional Transfer Charge remain at \$6.56, and he'd remove the \$635,000 from the Transport Disposal charge, putting it at \$29.15, for a total of \$49.71. Add \$1.74 for the required Rehab & Enhancement Fee, and the base rate would become \$51.45. With an Excise Tax of \$5.46, the tipping fee would be \$56.91, but to accommodate some slight rounding off, make the tip fee an even \$57.00/ton.

Councilor Washington said he would gladly present it, written up, to the Council, as a recommendation from one member of the Committee. Ms. Coffin asked for the rationale behind it to be written up, as well.

gbc

Attachments

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