



**METRO COUNCIL WORK SESSION**  
Meeting Minutes  
June 21, 2016  
Metro Regional Center, Council Chamber

**Councilors Present:** Council President Tom Hughes, Councilors Craig Dirksen, Bob Stacey, Shirley Craddick, Sam Chase, and Carlotta Collette

**Councilors Excused:** Councilor Kathryn Harrington

Council President Tom Hughes called the Metro Council work session to order at 2:04 p.m.

**1. CHIEF OPERATING OFFICER COMMUNICATION**

Chief Operating Officer Martha Bennett provided updates about the relationship between existing Community Planning and Development Grant (CPDG) projects focused on planning for urban reserve areas and a potential urban growth management decision in 2018. Martha Bennett also informed the Councilors that the Regional Water Providers Consortium had been notified it is the last fiscal year Metro will be supporting them. Martha Bennett noted upcoming events that would be of interest to Councilors, including a Symposium on Possible Climate Change Effects in Migration and an open panel at the Oregon Convention Center discussing homelessness in Portland and the surrounding areas.

**2. TRANSFER SYSTEM CONFIGURATION PROJECT - RECOMMENDATIONS**

Director of Finance and Regulatory Services, Tim Collier, presented on the Transfer System Configuration Project. Mr. Collier began with a brief introduction on the project and discussed the project benefits. Mr. Collier posed the question for Council, "What model of the public and private waste transfer system best serves the public interest now and into the future?" Mr. Collier elaborates by discussing project benefits to public health, protection of the environment, improvements to waste consolidation, the recovered disposable adaptability of the system and providing services beyond the curb. Mr. Collier stated that Metro is looking for additional ways to support public benefits through tonnage allocation based on a percentage funding, a tonnage allocation approval process, flexibility for new services and technologies, efficient travel, and improved transparency and costs of services. Mr. Collier discussed development and recommendations taken from local government solid waste directors. Mr. Collier then presented two questions to Metro Council: 1) Are there any changes Council would like to see to the policy

recommendations, and 2) Is there any additional information Council needs with regards to rate transparency?

Mr. Collier then discussed percentage waste allocations and stated that Oregon Metro currently allocates waste roughly 43% to public stations and 57% to private stations. He mentioned a recommendation to cap it at the floor that public stations must receive a minimum of 40% of an agencies wet waste, but Metro could allocate for any extraordinary circumstances, and mentioned an exception where allocations may be adjusted downwards if less than 95% is received in the next two years. He mentioned that if Metro were to authorize a new wet waste station that allocations may decline, but generally not more than 15 percent. He stated that current station owners may apply for additional percentage allocations and mentions that this goes into aspects of formalizing the appeals process.

Mr. Collier discussed the necessity of reinforcing current proposals on providing flexibility. Mr. Collier mentioned allocations for food and separated organic wastes and that Metro can apply all wastes to due process. Mr. Collier stated that Metro retains ownership of two public stations and that this provides opportunity for private industry to jump in. Mr. Collier proposed that no single company may transport more than 40% of their waste allocation at a single time, and that this is similar to the method used by the City of Portland. Mr. Collier continued by stating staff believes allocation percentages would flow better over time and it would be more conducive to where waste is sourced and located. Mr. Collier stated that it would give the ability to respond to sub-regional growth, traffic, and other considerations, such as areas in the region that may be growing faster than others and subsequently need more waste allocation services.

Mr. Collier began speaking on the next aspect of the waste transfer configuration system project: How to improve cost transparency at private stations. Mr. Collier listed three potential options. The first option is to estimate the costs of services at private stations by comparing them to the costs of services at public stations. The second option is to conduct biannual assessment of private wet waste transfer station costs and measure estimate rates individually for each station. The third option is for Metro to conduct a rate review process that will include a review of private stations financial records. Mr. Collier mentioned that each option is successively more intrusive, and that the third option was the least popular with industry representatives.

Mr. Collier continued by discussing other ways to provide public benefit, such as implementing transfer requirements on the industry if they do not transport waste for long periods of time, rather than direct transfer.

Mr. Collier asked Council if there are any changes they would like to see in the policy with regards to rate transparency. Mr. Collier then draws attention to a new material chart that lists the eight policy objectives with a sliding scale on rating complacency for each objective.

***Council Discussion:***

Councilor Bob Stacey asks for clarification that the objective is to obtain information to better serve consumers, to benefit the rate setters at the local government level, and that they know the component costs of what our services are, thereby not closing regulation but rather just providing information. Mr. Collier confirmed and stated that the first three options are focused on that aspect of only providing information and the final option is the only one where Metro chooses to implement regulation, and only if the first three options when implemented do not work.

Councilor Sam Chase inquired about the opportunity that small business owners have in jumping into the waste transfer market in terms of equity issues. Mr. Collier responded by noting that as long as no single firm owns more than 40% of the waste allocation then there is opportunity for small minority owned businesses to jump in, depending on the direction of market dynamics, but admitted it is a difficult market to enter.

Councilors Shirley Craddick and Carlotta Collette asked for clarification about how the percentage allocation process actually works. Mr. Collier answers by stating the numbers are converted into percentages to measure rate allocation of waste using prior years to apply to upcoming year son tonnage. He gave an example where if 95% of waste allocations are not met, the allocations would shrink in some areas while subsequently increase in other areas, with the hope being that these numbers would equalize and balance out over time, and that right now, the transfer system allocations are relatively small. Councilor Craig Dirksen asks if this sets a baseline to which Mr. Collier confirmed.

Councilor Shirley Craddick asked if we now have smaller companies transferring waste, at what point they would be considered transfer stations. Mr. Collier answered that the companies would need to submit an application to a franchise in order to be considered a transfer station, contingent on recommendation from Metro. Councilor Shirley Craddick then asked for clarification that if a company is transferring less than 10% of the total tonnage it would not be considered a transfer station. Mr. Collier responded that as long as the area is not consolidating transport loads, they would be exempt.

Councilor Bob Stacey mentioned that if the interest is in having a diverse marketplace for solid waste disposal, would there be a problem in not maintaining long term contracts? He gives further detail by asking if Council should consider extending contracts for some time, and if staff would recommend sending more than 40% of Metro's waste allocation to some of the waste disposal facilities. Mr. Collier stated that staff would look back on the statistics starting in the year 2020 for consideration. Mr. Collier mentioned it would be determined on what would offer government the best service dependent on the costs.

Council President Tom Hughes finished the discussion by stating there are underlying values, such as public health and safety rather than just the lowest possible costs. He mentions that Council must see demonstrations that a diversity of options can meet both goals, and must support at least one of the two values. He mentioned that this is essentially why Metro supports systems that are

essentially regulated monopolies; because they are regulated to maintain public policy. He finishes by stating the public may be better served by having more efficient systems.

### **3. METRO ATTORNEY COMMUNICATIONS**

Ms. Alison Kean, Metro Attorney, provided Council with her regularly scheduled Metro Attorney Communications. Topics discussed included:

- Drafting of a Memorandum of Understand for Oregon City and Clackamas County with regards to an EPA Brownfield's grant at Willamette Falls.
- Drafting the language on ballot title and restrictions on political activities for staff.
- Developing codes of contracting to comply with state laws.
- Developing rules with regards to diversity and equity in public contracts and procurements.
- Drafting covenants for public housing and negotiating covenants on affordable housing.
- A filed debrief and federal litigation regarding urban growth and reserves, with the argument that the case is not ripe.
- New planning and development grants for affordable housing purposes, including that Metro has received letters of intent from local governances requesting funds for the equitable housing proposals and will review the letters of intent to determine that they are consistent with eligibility rules.
- Working with Human Resources to actively address violence in the workplace and developing protocol for managers to use in dealing with high risk situations.
- Drafting guidelines for Human Resources approval process with regards to criminal background checks during the hiring process.
- Drafting and reviewing contracts for construction of the polar bear exhibit at the Oregon Zoo

#### ***Council Discussion:***

Councilor Shirley Craddick inquired about the litigation focused on urban reserves and whether it would create precedent on how jurisdictions may approach disincorporation. Metro Attorney Alison Kean responded that the Office of the Metro Attorney are following the arguments and will need to wait and see what the courts determine.

### **4. COUNCILOR LIAISON UPDATES AND COUNCIL COMMUNICATION**

Councilor Shirley Craddick discussed a meeting with officials from the City of Damascus with regard to the budget dissolution. Councilor Craig Dirksen mentioned that he attended an audit meeting for the next round of external audits and was given an update on auditing standards. Councilor Dirksen also stated that he will be attending a meeting on automobile and freight transportation and infrastructure which will give the opportunity to share Metros views. Councilor Carlotta Collette mentions an upcoming C4 retreat where the topics will cover issues on affordable housing and Willamette Falls. Council President Tom Hughes mentioned his trip to Japan and the Toyama Prefecture, and mentioned shared commitments to sustainable planning and development.

**5. ADJOURN**

Seeing no further business, Council President Tom Hughes adjourned the Metro Council work session at 3:16 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Spencer", with a long horizontal flourish extending to the right.

Christopher Spencer, Council Policy Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JUNE 21, 2016**

<b>ITEM</b>	<b>DOCUMENT TYPE</b>	<b>DOC DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT No.</b>
<b>2.0</b>	Handout	06/21/2016	CPDG Projects and Urban Growth Management Decision Memo	062116cw-01
<b>2.0</b>	Handout	06/21/2016	Martha Bennett to Regional Water Providers Consortium Memo	062116cw-02
<b>4.0</b>	Handout	06/21/2016	Transfer System Configuration Project PowerPoint	062116cw-03
<b>5.0</b>	Handout	06/21/2016	Eight Elements for Enhanced Public Benefits	062116cw-04