



600 NE Grand Ave.
Portland, OR 97232-2736

Council meeting agenda

Thursday, March 14, 2019

2:00 PM

Metro Regional Center, Council chamber

1. Call to Order and Roll Call

2. Safety Briefing

3. Public Communications

4. Consent Agenda

- 4.1 Consideration of the Council Meeting Minutes for March 7, 2019

[18-5186](#)

5. Ordinances (First Reading and Public Hearing)

- 5.1 Ordinance No. 19-1433, For the Purpose of Adopting Solid Waste Charges and User Fees for FY 2019-20

[ORD 19-1433](#)

Presenter(s): Cinnamon Williams, Metro

Attachments: [Ordinance No. 19-1433](#)

[Staff Report](#)

[Attachment 1 to Staff Report](#)

5.1.1 Public Hearing for Ordinance No. 19-1433

6. Resolutions

- 6.1 Resolution No. 19-4972, For the purpose of approving an amendment to the Visitor Facilities Intergovernmental Agreement

[RES 19-4972](#)

Presenter(s): Andy Shaw, Metro

Attachments: [Resolution No. 19-4972](#)

[Staff Report](#)

[Attachment 1 to Staff Report](#)

[Attachment 2 to Staff Report](#)

7. Chief Operating Officer Communication

8. Councilor Communication

9. Adjourn

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes that ban discrimination. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro’s civil rights program, or to obtain a discrimination complaint form, visit www.oregonmetro.gov/civilrights or call 503-797-1536. Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1700 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet’s website at www.trimet.org.

Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong www.oregonmetro.gov/civilrights. Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hay ngôn ngữ, xin gọi số 503-797-1700 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường) trước buổi họp 5 ngày làm việc.

Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт www.oregonmetro.gov/civilrights. або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1700 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

Metro 的不歧視公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 www.oregonmetro.gov/civilrights。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1700（工作日上午8點至下午5點），以便我們滿足您的要求。

Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo www.oregonmetro.gov/civilrights. Haddii aad u baahin tahay turjubaan si aad uga qaybqaadatid kullanka dadweynaha, wac 503-797-1700 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqo ka hor kullanka si loo tixgaliyo codsashadaada.

Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 www.oregonmetro.gov/civilrights. 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1700를 호출합니다.

Metroの差別禁止通知

Metroでは公民権を尊重しています。Metroの公民権プログラムに関する情報について、または差別苦情フォームを入手するには、www.oregonmetro.gov/civilrights。までお電話ください。公開会議で言語通訳を必要とされる方は、Metroがご要請に対応できるよう、公開会議の5営業日前までに503-797-1700（平日午前8時～午後5時）までお電話ください。

សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬស្នើសុំទទួលបានកម្មប្រណាំងរើសអើងសូមចុះលេខស្នើសុំនៅ www.oregonmetro.gov/civilrights។
បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំស្នើសុំអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يُرجى زيارة الموقع الإلكتروني www.oregonmetro.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

Paunawa ng Metro sa kawalan ng diskriminasyon

Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang www.oregonmetro.gov/civilrights. Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1700 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan.

Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a www.oregonmetro.gov/civilrights. Si necesita asistencia con el idioma, llame al 503-797-1700 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте www.oregonmetro.gov/civilrights. Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1700 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

Avizul Metro privind nediscriminarea

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați www.oregonmetro.gov/civilrights. Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1700 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib www.oregonmetro.gov/civilrights. Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1700 (8 teev sawv ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lwv ua ntej ntxawv lub rooj sib tham.

Television schedule for Metro Council meetings

<p>Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 Call or visit web site for program times.</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 Call or visit web site for program times.</p>
<p>Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 Call or visit web site for program times.</p>	<p>Washington County and West Linn Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 Call or visit web site for program times.</p>
<p>Oregon City and Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>	

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times. Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities.

Agenda Item Number 4.1

**Consideration of the Council Meeting Minutes for
March 7, 2019**

Consent Agenda

Metro Council Meeting
Thursday, March 14, 2019
Metro Council Chamber

Agenda Item Number 5.1

**Ordinance No. 19-1433, For the Purpose of Adopting Solid
Waste Charges and User Fees for FY 2019-20**

Ordinances (First Reading and Public Hearing)

Metro Council Meeting
Thursday, March 14, 2019
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING SOLID WASTE CHARGES AND USER FEES FOR FY 2019-20.) ORDINANCE NO. 19-1433) Introduced by Chief Operating Officer) Martha Bennett with the concurrence of) Council President Lynn Peterson

WHEREAS, Metro Code Chapter 5.02 establishes charges for the acceptance of solid waste at Metro Central and Metro South transfer stations; and,

WHEREAS, Metro Code chapters 5.01 and 5.02 establish user fees on solid waste accepted at all disposal sites in the system; and,

WHEREAS, Metro Code Section 5.06.030 establishes a community enhancement fee in an amount not to exceed \$1.00 on solid waste delivered to eligible solid waste facilities in the Metro region; and,

WHEREAS, Metro’s costs for solid waste services and programs have changed; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Solid Waste Fees and Charges. The schedule of solid waste fees and charges attached hereto as Exhibit “A” is approved, and shall be implemented on the Effective Date of this ordinance.

Section 2. Effective Date. This ordinance shall become effective on July 1, 2019.

ADOPTED by the Metro Council this ____ day of ____, 2019.

Lynn Peterson, Council President

Attest:

Approved as to Form:

Sara Farrokhzadian, Recording Secretary

Nathan A. S. Sykes, Metro Attorney

Exhibit “A” to Ordinance No. 19-1433

SCHEDULE OF SOLID WASTE FEES AND CHARGES

Effective July 1, 2019

Charges at Metro Central Station and Metro South Station

Tonnage Charges by waste class

The rates per ton pursuant to Metro Code sections 5.02.040(a)(1) and 5.02.080 shall be:

- (1) Mixed solid waste\$ 64.41
- (2) Clean Wood 64.23
- (3) Yard Debris 55.00
- (4) Residentially generated organic waste 76.99
- (5) Commercially generated organic waste (Metro Central only) 65.23

Transaction Charges by transaction class

The rates per transaction pursuant to Metro Code 5.02.040(a)(3) shall be:

- (1) For users of staffed scales.\$ 10.00
- (2) For users of automated scales 2.00

Minimum Charges

Minimum tonnage charges pursuant to Metro Code sections 5.02.040(b) and 5.02.080(h)(2) shall be based on 360 pounds for all classes of solid waste.

Fees on Disposal of Solid Waste

Regional System Fees by waste class

The rates per ton pursuant to Metro Code sections 5.01.300, 5.02.120 and 5.02.130 shall be:

- (1) Cleanup material contaminated by hazardous substances\$ 2.50
- (2) All other solid wastes 18.58

Community Enhancement Fees

The rates per ton pursuant to Metro Code sections 5.06.030 shall be:

- (1) Putrescible solid waste\$ 1.00
- (2) Non-putrescible solid waste (as authorized by Metro Chief Operating Officer) 1.00

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 19-1433 FOR THE PURPOSE OF ADOPTING SOLID WASTE CHARGES AND USER FEES FOR FY 2019-20.

Date: March 14, 2019

Presented by: Cinnamon Williams, FRS/PES (Ext. 1695)

Summary

The Property & Environmental Services Finance Manager proposes the new solid waste rates as part of the budget process. The changes are needed to keep current with costs and tonnage flows.

Main points of this legislation.

- Metro's tip fee for garbage will remain at \$97.45 in FY 2019-20, which provides consistent and predictable fees for the region.
- Transaction fees will remain unchanged at \$10 for staffed loads (fees paid by self-haulers) and \$2 for automated loads.
- The minimum load size will remain 360 pounds with a minimum \$28 per load charge.
- Tip fee increases are proposed for residential organic waste accepted at Metro regional transfer stations. This increase stems from increases in Metro's per-ton contract cost and lower tonnage forecast, creating more of a fixed cost burden on the ton. The rate model also suggests an increase of \$13.76 per ton for commercial organics, however, staff is proposing to keep the rate flat to support Metro's recovery work in this area. The impact of this rate buy-down is projected to be \$228,161 in FY 2019-20. This rate decision will be reviewed annually for appropriateness.
- Tip fees for clean wood and yard debris have increased, \$7.39 and \$6.38 per ton due to increases in Metro's per-ton contract costs.

Adoption of Ordinance No. 19-1433 would authorize the following charges at Metro regional transfer stations, effective July 1, 2019.

Table 1. Proposed Solid Waste Charges at Metro Regional Transfer Stations
Rates Effective July 1, 2019

Rates	Current	Proposed	Change
Fees per transaction			
Users of staffed scales	\$10.00	\$10.00	\$ - 0 -
Users of automated scales	2.00	2.00	- 0 -
Fees per ton (Tip Fees)			
Mixed solid waste ("refuse")	\$ 97.45	\$ 97.45	\$ - 0 -
Clean wood	57.84	64.23	7.39
Yard Debris	49.62	55.00	6.38
Residential organics	67.08	67.08	10.91
Commercial organics	66.23	66.23	- 0 -

Background Part 1. Overview of Metro’s Solid Waste Rates

Metro maintains two classes of solid waste rates. One class, the Regional System Fee, is charged on all disposal. The second class is a suite of charges for services at Metro regional transfer stations only.

- 1. Regional System Fee** is a universal charge on the disposal of garbage. It is levied at all landfills, the Marion County waste to energy facility, and the Metro stations. There are two levels of system fee: one for mixed solid waste, and a reduced rate for environmental cleanup materials. The proposed rates are \$18.58 and \$2.50 per ton, respectively. System fees raise about \$26.7 million per year and pay for Metro’s regional solid waste programs and services: household hazardous waste, latex paint recovery, St. Johns Landfill management, facility regulation, illegal dumpsite cleanup, and resource conservation and recycling.
- 2. Charges for services at the Metro stations** cover the costs of Metro’s transfer station operations, transport, processing and disposal. Each customer pays a two-part fee: a fixed charge for the transaction costs and a variable charge (“tip fee”) for each ton in the load.
 - **“Transaction Charges”** are the fixed fees for each load of waste accepted. There are two levels of transaction fee: one for users of the staffed scales (mainly self-haulers), and another for users of the automated scales (mainly commercial haulers). Together they raise about \$3.2 million dollars per year and pay for the cost of operating the scalehouses and related functions.
 - **“Tip Fees”** are different for each waste stream – garbage, residential organics, commercial organics, and wood/yard debris – and reflect the costs that are specific to each stream. The current and proposed rates are shown in Table 1.

Every tip fee is made up of a **Tonnage Charge** and various pass-throughs (Table 2). The tonnage charge pays for the costs of doing the work. In this region, the Regional System Fee, Metro excise tax, and DEQ fees are charged on all disposal. Together, Metro’s tonnage charges raise about \$35.9 million per year, and pay for the costs of station operations, recovery, transport, processing, disposal, capital and management.

Of the add-on components, the Regional System Fee will increase, while the excise tax is set to decrease. The Regional System Fee is increasing by 77 cents, the excise tax is decreasing 84 cents and DEQ fees are expected to increase by 7 cents in April 2019. These changes kept the Metro tip fee \$97.45 per ton.

Table 2. Components of Proposed Metro Tip Fees by Waste Stream

Rates Effective July 1, 2019

Rate Component	Mixed Solid Waste	Organic Waste			
		Yard Debris	Clean Wood	Residential Organics	Commercial Organics
Tonnage Charge <i>Covers costs of transfer, transport, recovery, disposal.</i>	\$64.41	\$55.00	\$64.23	\$76.99	65.23
Pass-Throughs <i>Government fees and taxes levied at disposal sites.</i>					
Regional System Fee	\$18.58	.*-	.*-	.*-	.*-
Metro excise tax	11.57	.*-	.*-	.*-	.*-
DEQ fees	1.89	.*-	.*-	.*-	.*-
Enhancement Fee	1.00	1.00	1.00	1.00	1.00
Total = Tip Fee	\$97.45	\$56.00	\$65.23	\$77.99	\$66.23

* It is the policy of Metro and DEQ to support material recovery and recycling by levying solid waste surcharges and taxes on the waste that is ultimately disposed. For this reason, the Regional System Fee, Metro excise tax, and DEQ fees are not included in the tip fees for organic wastes.

Background Part 2. Understanding the Proposed FY 2019-20 Rates

Metro's solid waste rates are set to recover Metro's solid waste costs. When tonnage growth keeps pace with cost increases, in general per-ton costs will remain relatively constant. When tonnage increase faster than costs, per-ton costs decrease. Slow tonnage growth or declines can put upward pressure on per-ton costs.

1. **Trash.** Costs for handling trash have increased. Inflation, higher contract and facility costs, and increased oversight of facilities are contributing factors. Mixed solid waste tonnage growth has kept pace with cost increases, allowing Metro to hold the garbage tip fee constant this year, while recovering the costs of doing business.
2. **Recoverable waste.** Recoverable waste tonnage—clean wood, yard debris, residential organics—not only did not keep pace with inflation and other cost increases, but actually declined from the year before. This drove up per-ton costs of handling yard debris, wood, and residential yard debris, and, hence, proposed rates for acceptance of these waste types are significantly higher than the previous year. Increases are \$7.39 for clean wood, \$6.38 for yard debris and \$10.91 for residential organics.
3. **Commercial food scraps.** Commercial food scraps tonnage is projected to increase. This may be due to growing local jurisdiction and business interest in the nascent program, and Metro's adoption in 2018 of policies to drive better capture of this material. Like the other waste streams, the costs for handling commercial food scraps increased, but Metro is able to continue subsidizing the per-ton rate for commercial food scraps by keeping the fee at \$65.23, to incentivize better participation regionally in food scraps separation.
4. **Regional programs.** The cost of regional waste reduction, household hazardous waste, and other programs with regional benefit are recovered via the Regional System Fee, which is collected on all waste delivered for disposal, at public and private facilities, not just on waste delivered to Metro's transfer stations. Regional program costs have increased faster than regional tonnage, resulting in a 4.3% (77 cents) increase in the Regional System Fee.
5. **The excise tax.** The tax rate is set automatically by a formula in the Code each year, and is never a formal part of the rate ordinance. However, it is related to the rate actions because it is part of the tip fee (Table 2). For FY 2019-20, the excise tax rate will decrease 84 cents to \$11.57 per ton.

Information/Analysis

1. **Known Opposition.** There is one industry business in opposition of the mixed solid waste blended rate. Staff continues to feel that this is the correct approach and incentivizes the recovery initiatives of the region. Although there will be no increase or decrease to the mixed solid waste rate, the majority of ratepayers at Metro stations will experience an increase in Metro's fee for residential organic waste, clean wood and yard debris.
2. **Legal Antecedents.** The process for setting Metro's solid waste rates are set forth in Metro Code Chapter 5.02. Ordinance 14-1323 removed the specific Metro solid waste rates from Metro Code Chapter 5.02 and requires adoption of the rates via a separate ordinance and rate schedule. Metro reviews solid waste rates annually. The proposed FY 2019-20 rates comply with the restriction set forth in Chapter III, Section 15 of the Metro Charter limiting user charges to the amount needed to recover the costs of providing goods and services.

The excise tax rate is established automatically by a passive mechanism set forth in Metro Code sections 7.01.020 and 7.01.022 and does not require council action to take effect.

- 3. Anticipated Effects:** If adopted, this ordinance would keep the tip fee for mixed solid waste at Metro transfer stations at \$97.45. It would also increase the tip fees for clean wood, yard debris and residential organic wastes as set forth in Table 1.
- 4. Budget Impacts.** The rates established by this ordinance are designed to raise \$71 million in enterprise revenue during FY 2019-20. This revenue would cover the cash requirements of the proposed FY 2019-20 solid waste budget.

RECOMMENDATION

The Chief Operating Officer recommends adoption of Ordinance No. 19-1433.

Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: March 14, 2019
To: Metro Council
From: Cinnamon Williams, Finance Manager for Property and Environmental Services
Subject: Solid Waste Rate Report for Fiscal Year 2019-20

As required by Metro Code 5.02.030 (f) (1), this report provides the context for the solid waste rate making process and documents the methodologies, data, assumptions, adopted criteria and any other factors used by the Chief Operating Officer in calculating the proposed rates and the response to the recommendations of the independent review.

RATE DEVELOPMENT

Methodology

Four years ago, Metro engaged a consulting firm to review the solid waste rate setting process and provide recommendations for improving and simplifying development of those rates. In response to recommendations provided by the consultant, Metro implemented a new rate model based on a standard rate setting process:

- Step 1: Identify revenue requirements. This step identifies the total annual financial obligations of the system. This includes operations, capital improvements and replacements and fiscal policy compliance.
- Step 2: Allocate costs. This step establishes rate equity through cost causation or the cause and effect relationship between different costs and activities that cause those costs to be incurred.
- Step 3: Forecast activity. This step establishes a forecast for the solid waste activity anticipated for the coming fiscal year.
- Step 4: Establish Fees/Charges. This step achieves required revenue levels by establishing rates and charges that accurately reflect the cost to provide a particular service.

Step 1 – Identify Revenue Requirements

Revenue requirements are determined by projecting costs for the various solid waste functions that Metro performs. Those functions include:

Disposal Services. Metro owns two transfer stations that provide disposal services to commercial haulers, businesses and the public. Metro staffs the scalehouses, but the operation of the stations, transport and disposal are all performed by private operators under long-term contracts with Metro. Metro finances and manages this function as a municipal utility.

Regional Programs. Metro provides or participates in solid waste services and programs with region-wide impact. Some of these stem from state mandates. Others are driven by Metro's own goals and policies for the solid waste system. These programs and services are closer in form to public goods rather than utility functions. The programs are:

- Household hazardous waste reduction
- Latex paint recovery
- Resource conservation and recycling
- Landfill closure and stewardship

- Illegal dumpsite monitoring and clean-up

Regulation. Metro regulates privately-owned disposal facilities and manages its own flow control authority through a system of licensing, franchising, inspection and enforcement.

Revenue Requirement Summary

	Scalehouses	Mixed Solid Waste	Clean Wood	Yard Debris	Residential Organics	Commercial Organics	Regional System Fee
Revenue Requirement	\$2,973,910	\$35,349,037	\$118,415	\$736,362	\$2,807,649	\$1,309,971	\$26,754,661
Percentage of Total	4.25%	50.46%	0.17%	1.05%	4.01%	1.87%	38.19%

Step 2 – Allocate Costs

The rate process uses a cost of service approach that distributes costs based on a proportionate share of costs required to provide service. The methodology used identifies how expenses are allocated to the solid waste system functional areas including disposal and recovery, regional programs, sustainability, clean-up and compliance and general and administrative. Allocations are based on staff time, tickets processed, floor area and tonnage. The allocation factor is designed to be an equitable expression of the how and why the cost is incurred.

The cost of service details cost allocation for an additional layer of service by waste type; mixed solid waste, wood waste, yard debris, residential organics and commercial organics. Costs associated with processing each waste type were reviewed and discussed with Metro staff and/or engineers. The cost of service process reviewed existing cost allocation approaches and identified changes and additional allocation factors used in the process. A sensitivity analysis indicating the rate change/impact of alternative general and administrative cost allocations was included in the review.

Step 3 – Forecast Activity

Metro staff reviewed tonnage information from the current fiscal year and projected anticipated levels of tonnage and transactions by material type at Metro transfer stations and private facilities.

Summary of Tonnage Forecast

Facility	Material Class	Projected		% Change
		FY 2019	FY 2020	
Metro Central	Wet waste	171,487	180,592	5.31%
Metro Central	Dry waste	69,266	80,050	15.57%
Metro South	Wet waste	153,484	156,885	2.22%
Metro South	Dry waste	134,817	139,253	3.29%
Private	Wet waste	506,435	492,096	-2.83%
Private	Dry waste	469,157	474,942	1.23%

Summary of Transactions

Facility	Transaction Type	Projected		% Change
		FY 2019	FY 2020	
Metro Central	Staffed	92,753	102,284	10.28%
Metro Central	Automated	52,798	62,427	18.24%
Metro South	Staffed	200,782	202,643	0.93%
Metro South	Automated	44,752	47,453	6.03%

Step 4: Establish Fees/Charges

Unit costs were developed for each rate/fee charged. The unit costs were analyzed to identify any warranted shifts in cost burden that could improve equity between the fees/charges. The result of the cost of service process is a calculated rate/fee for providing solid waste services.

Summary of Fees and Charges for FY 2019-20

	Mixed Solid Waste	Clean Wood	Yard Debris	Residential Organics	Commercial Organics
Transaction Fee:					
Staffed Scalehouse	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Automated Scalehouse	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Tip Fee:					
Tonnage Charge	\$ 64.41	\$ 64.23	\$ 55.00	\$ 76.99	\$ 65.23
Regional System Fee	\$ 18.58				
Excise Tax	\$ 11.57				
DEQ Fees	\$ 1.89				
Community Enhancement Fees	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Tip Fee	\$ 97.45	\$ 65.23	\$ 56.00	\$ 77.99	\$ 66.23

Assumptions

See **Attachment A** for the full list of assumptions used in the rate model. Key points are summarized below:

- Costs for disposal charges driven by contract cost inflation
- Other expenses based on budget estimates used in the Chief Operating Officer's budget
- Overall inflation assumptions match those used in the FY 2019-20 budget process
- Tonnage forecast is based on the forecast developed for the FY 2019-20 budget process and five year forecast

Criteria

In developing the rates, staff relied on Metro's legal authority as determined by the Metro Code and Oregon Revised Statute, as well as policies adopted by the Metro Council and other informal guidance used by staff. Those factors and criteria are summarized below.

Authority. Metro's authority to charge fees for goods and services is derived from the Oregon Constitution, from the Metro Charter and from the provisions of Oregon law, including Oregon Revised Statutes Chapter 268. ORS 268 also enumerates Metro's authorities over solid waste.

Allowable expenditures are set in state law. Under state law, Metro is limited to using the revenue derived from disposal fees only on activities related to solid waste. Specifically:

[T]he metropolitan service district shall use moneys collected by the district as service or user fees for solid waste disposal for (1) activities of the metropolitan service district related to solid waste, including activities of regional concern that are directly related to reducing the environmental impact from the generation, collection, transportation, processing and disposal of solid waste; and (2) planning, administrative and overhead costs for activities of the district related to solid waste. *[Oregon Revised Statutes section 459.335]*

User charges limited to the cost of service. The Metro Charter restricts the types of costs that may be recovered from user charges:

... charges for the provision of goods or services by Metro may not exceed the costs of providing the goods or services. These costs include, but are not limited to, costs of personal services, materials, capital outlay, debt service, operating expenses, overhead expenses, and capital and operational reserves attributable to the good or service. *[Metro Charter, Chapter III. Finance, Section 15]*

Metro code section 5.01.300 and Chapter 5.02 govern solid waste rates. (Chapter 7.01 governs the Metro excise tax generally, and various subsections address the solid waste excise tax in particular.)

Adopted Policies. In 1993 Metro adopted policies (Resolution 93-1824A) to guide choices during rate making. These criteria are summarized below and included in **Attachment B** pursuant to Resolution 93-1824A that recommends periodic council review every three years:

- Financial Criteria
 - Revenue adequacy, reliability and predictability
 - Authority to implement
 - Implementation and administrative cost and effort
 - Impact on credit rating
- Economic Effects
 - Rate payer equity and affordability
 - Impacts on the costs of living and of doing business in the region
- Environmental and Management
 - Consistency with agency-wide planning policies and the Solid Waste Management Plan
 - The rate structure should encourage waste reduction, reuse, and recycling

Bond Covenants. Metro continues to employ a number of the business practices that implemented its bond covenants even though the bonds were retired in December 2008:

- Pay as you go: means that ongoing costs are to be paid with ongoing revenue.
- Coverage to ensure revenue adequacy. One of Metro's practices for meeting the debt service coverage was to base the revenue requirement on the budget rather than expected expenditures. Metro generally continues to follow this practice. Exceptions are explicitly noted.
- Operating surpluses. The priority for the use of operating surpluses is: restore contingencies, fund the new capital reserve, and hold any remaining surplus as undesignated fund balance.

OTHER FEE CONSIDERATIONS

Reduced fee and tax rate and exemptions. Metro assesses the regional system fee and excise tax on waste at the time of disposal. The amount of the fee and tax rate is calculated annually in accordance with Metro Code Chapters 5.02 and 7.01.

In general, Metro has a three-tiered fee and tax rate structure for waste that is transported directly to disposal sites.

- *Full Rate.* The full fee and tax rate, which is included as a component of Metro's transfer station charges, is assessed on most of the region's waste at the time of its disposal (such as household garbage, construction and demolition debris, etc.).
- *Reduced Rate.* The reduced fee and tax rate is generally assessed on contaminated "cleanup material" at the time of its disposal (such as contaminated soils, catch basin pumping, street sweepings, etc.).
- *Exempt.* There is a fee and tax exemption for any material that is recovered, recycled, or diverted away from disposal sites. Under certain circumstances, Metro may also waive fees and taxes for certain types of waste that are sent to disposal sites (such as under special exemption permits, tire processing residual, and "useful material" which includes alternative daily cover and road base used at a landfill).

Metro Code Section 5.02.160 states that the Chief Operating Officer must provide the Metro Council with an annual report indicating the amount of solid waste disposed under special exemption permits and the total lost revenue arising from the exemption permits granted during the fiscal year. A summary showing the total amount of Metro area waste that was subject to Metro's reduced rate or exempt from fees and taxes during fiscal year 2018 is provide in **Attachment C**.

INDEPENDENT REVIEW RESPONSE

FCS Group provided the following recommendation in their report dated February 26, 2019:

Staff should continue to use the rate-setting toolset for proactive annual financial planning, identifying upcoming operating and capital needs and informing decision making through alternatives analyses. Special emphasis should be on monitoring fund balances to optimize funding of upcoming capital costs and sheltering against unanticipated changes in tonnage and/or new contract costs. This active management approach will allow staff to continue to maintain reliable, consistent and predictable solid waste disposal charges.

Response: Metro concurs and will continue to use the rate-setting toolset for financial forecasting and to identify optimal funding strategies to help inform the next rate setting process and capital and infrastructure planning.

Solid Waste Rate Study

Assumptions

Economic & Financial Factors		FY 2019
General Cost Inflation		1.82%
Construction Cost Inflation		3.26%
Labor Cost Inflation		2.27%
Benefit Cost Inflation		10.00%
Weighted Labor and Benefits		4.63%
General Inflation plus Composite Growth		6.12%
Customer Growth		4.22%
No Escalation		0.00%
CPI Inflation - Central		3.15%
CPI Inflation - South		3.08%
CPI Inflation - CM. Organics		2.54%
CPI Inflation - Disposal		2.80%
CPI Inflation - Transport		2.72%
Fuel Cost Escalation		7.19%
Manual Input		
Investment Interest		2.50%
Labor and Benefits Split		
Salary Share		69.53%
Benefits Share		30.47%

Accounting Assumptions		FY 2019
FISCAL POLICY RESTRICTIONS		
Minimum Operating Fund Balance Target		
Select Minimum Operating Fund Balance Target	1	
1 - Defined as Days of O&M Expenses		
Min. Op. Fund Balance Target (days of O&M expense)		45
Max. Op. Fund Balance (days of O&M expense)		45
2 - Amount at Right ==>		
Min. Op. Fund Balance Target		\$ 4,000,000
Max. Op. Fund Balance		\$ 4,000,000
Minimum Capital Fund Balance Target		
Select Minimum Capital Fund Balance Target	2	
1 - Defined as % of Plant		
Plant-in-Service in FY 2014	\$	
Minimum Capital Fund Balance - % of plant assets		1.00%
2 - Amount at Right ==>		\$ 1,200,000
EQUIPMENT REPLACEMENT FUNDING		
Select Equipment Replacement Funding Strategy	4	
Depreciation in FY 2014	\$	
Amount of Annual Cash Funding from Rates		
1 - Equal to Annual Depreciation Expense		\$ 1,713,411
2 - Equal to Annual Depreciation less Annual Debt Principal Payments		\$ 1,713,411
3 - Equal to Amount at Right ==>		\$ -
4 - Do Not Fund Equipment Replacement		

Attachment B

Metro Solid Waste Rate Setting Criteria Updated February 8, 2018

In developing the rates, staff relies on Metro's legal authority as determined by the Metro Code and Oregon Revised Statute, as well as policies adopted by the Metro Council and other informal guidance used by staff. In addition, the solid waste rate setting process is guided by core set of criteria used to ensure effective management of the regional solid waste system.

This criteria includes the following principles:

- A. Consistency: Solid waste rate setting should be consistent with Metro's agency-wide planning policies and objectives, including but not limited to the Solid Waste Management Plan.
- B. Revenue Adequacy: Rates should be sufficient to generate revenues that fund the costs of the solid waste system.
- C. Equity: Charges to users of the waste disposal system should be directly related to disposal services received. Charges to residents of the Metro service district who may not be direct users of the disposal system should be related to other benefits received.
- D. Economic Impact and Affordability. Rate setting should consider the economic effects on the various types of rate payers, including the cost of living on residential waste generators and the cost of doing business on non-residential generators, as well as the economic effect on others in the region.
- E. Waste Reduction: The rate structure should encourage waste reduction, reuse, and recycling.
- F. Implementation and Administration: Rate setting should balance the relative cost and effort of implementing and administering the rates with financial and policy goals. Rates should be readily enforceable.
- G. Credit Rating Impacts: The rate structure should not negatively impact Metro's credit rating.
- H. Authority to Implement: Metro should ensure that it has the legal ability to implement the rate structure; or, if such authority is not already held, evaluate the relative difficulty of obtaining the authority.
- I. Reliability. Anticipated revenues used in the rate setting process should be considered stable and unlikely to deviate from financial plan expectations.
- J. Predictability: Metro rate adjustments should be predictable and orderly to allow local governments, haulers, and rate payers to perform effective planning.

Tons of Metro area waste subject to Metro's reduced rate or exempt from fees and taxes at a disposal site

July 1, 2017 - June 30, 2018

Fiscal Year 2018

Reduced rate waste (cleanup material)		Tons
Type:		
Petroleum Contaminated Soil		258,387
Other		8,824
	total	<u>267,211</u>

Exempt waste		Tons
Generator:		
Environmentally Conscious Recycling		29
Evrz NA		1,100
Greenway Recycling		9,395
Hickey Marine		14,624
Kleen Industrial Services		1,829
RA Roth / NW Shingle		8,307
RB Recycling		5,220
Rivergate Scrap Metals		42,002
Schnitzer Steel		98,914
Siltronics Corp		331
Tire Disposal and Recycling		4,689
Tualatin Valley Waste Recovery		9,152
Willamette Resources Inc		4,217
	total	<u>199,809</u>

Special Exemption Permits		Tons
Generator:		
Oregon Department of Agriculture		4,089
(yard debris from beetle quarantined area - Wash Co) *	total	<u>4,089</u>

* No lost revenue as material would have normally been composted

Agenda Item Number 6.1

Resolution No. 19-4972, For the purpose of approving an amendment to the Visitor Facilities Intergovernmental

Resolutions

Metro Council Meeting
Thursday, March 14, 2019
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING)	RESOLUTION NO. 19-4972
AN AMENDMENT TO THE VISITOR)	
FACILITIES INTERGOVERNMENTAL)	Introduced by Chief Operating Officer
AGREEMENT)	Martha Bennett in concurrence with Council President Lynn Peterson

WHEREAS, Metro owns and/or operates the Oregon Convention Center, the Portland Exposition Center and the Portland’s Centers for the Arts with the expertise and oversight of the Metropolitan Exposition and Recreation Commission; and

WHEREAS, on January 31, 2001, Metro, City of Portland and Multnomah County entered into the Visitor Facilities Intergovernmental Agreement (“VF IGA”) to support regional tourism and spectator facilities, the visitor and hospitality industry and to maximize the economic development benefits associated with visitor facilities, programs and services; and

WHEREAS, the VF IGA was subsequently amended in October 2013 (the “Amended and Restated VF IGA”); and

WHEREAS, over the past year Metro, City and County staff have been working, in partnership with representatives of the tourism industry, on a thorough set of revisions to the Amended and Restated VF IGA, although an agreement on such comprehensive revisions has not yet been reached; and

WHEREAS, an immediate need to replace the acoustical shell at the Arlene Schnitzer Concert Hall has arisen and the parties desire to amend the Amended and Restated VF IGA for the limited purpose of providing necessary project funding; now therefore

BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to execute a First Amendment to the Amended and Restated Visitor Facilities Intergovernmental Agreement, in a form substantially similar to the one attached hereto as Exhibit A.

ADOPTED by the Metro Council this ____ day of March, 2019.

Lynn Peterson, Council President

Approved as to Form:

Nathan A. S. Sykes, Acting Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 19-4972, FOR THE PURPOSE OF APPROVING AN AMENDMENT TO THE VISITOR FACILITIES INTERGOVERNMENTAL AGREEMENT

Date: March 5, 2019
Department: Government Affairs and
Policy Development
Meeting Date: March 14, 2019

Prepared by: Andy Shaw,
andy.shaw@oregonmetro.gov
Presenters: Andy Shaw, Metro
Length: 15 min

ISSUE STATEMENT

In 2001, the City of Portland, Multnomah County and Metro partnered with the tourism industry to establish the Visitor Facilities Trust Account (VFTA) through a Visitor Facilities Intergovernmental Agreement (VF IGA). Top priorities for investment by the VFTA have included capital improvement bonds for the expansion of the Oregon Convention Center (OCC) and improvements at Portland's Centers for the Arts (P's) facilities, as well as annual operating support for OCC and P's. The VF IGA was amended in 2013 to establish additional priorities, including supporting transient lodging tax-backed revenue bonds to fund the public contribution toward the construction of the Hyatt Regency Portland at the Oregon Convention Center Hotel.

Through a Letter of Agreement (LOA) dated December 21, 2018 (Exhibit B), the Metro Council President, City of Portland Mayor, and Multnomah County Chair agreed to complete a limited amendment to the 2013 VF IGA to create a one-time \$2,000,000 allocation to the Portland's Centers for the Arts (P's) for the acoustical shell replacement project. Through the LOA, this commitment of a public contribution to the project prior to December 31, 2018, enabled P's to secure an additional \$3,000,000 in private contributions for the project.

ACTION REQUESTED

Resolution 19-4972 authorizes the Metro Chief Operating Officer (COO) to approve an amendment (Exhibit A) to the Visitor Facilities IGA to allow a one-time allocation of \$2 million to help fund the acoustical shell replacement project at the Arlene Schnitzer Concert Hall. This allocation is contingent upon a construction contract being approved by June 1, 2019.

IDENTIFIED POLICY OUTCOMES

Authorizes a one-time allocation of \$2 million to the Portland's Centers for the Arts to help fund the replacement of the obsolete acoustical shell in the Arlene Schnitzer Concert Hall, which secures a \$3million commitment of private funds.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of the resolution.

STRATEGIC CONTEXT & FRAMING

Known Opposition: There is no known opposition.

Legal Antecedents: Section 6 of Metro's Charter provides authority to acquire, develop, operate, and maintain public cultural, trade, convention, exhibition, sports, entertainment, and spectator facilities.

The City of Portland, Multnomah County, and Metro entered into the VF IGA on January 31, 2001 and the "Amended and Restated Visitor Facilities Intergovernmental Agreement" (2013 VF IGA) on October 25, 2013.

Anticipated Effects: (see Identified Policy Outcomes, above)

Financial Implications: Allocates \$2 million from the VFTA. In fiscal year 2018, the Trust Account had a Restricted Reserve fund balance of \$10 million and a Bond Redemption Reserve balance of \$11.7 million.

BACKGROUND

Funded through a combination of a 2.5 percent vehicle rental tax and a 2.5 percent transient lodging tax, the VF IGA has financed tourism facilities and programs that help attract visitors to the region and generate tourism spending in the area. Tourism spending as a share of the local economy has grown substantially since 2001. In 2017 alone, tourists spent an estimated \$5.1 billion in the region, supporting more than 35,000 tourism jobs in the region. Through the VF IGA, the three local governments have agreed to use tourism taxes to fund capital improvement bonds for the expansion of the OCC, improvements at P'5 facilities, and the early 2000's expansion of the Civic Stadium (now Providence Park). The VFTA has also funded OCC and P'5 operations, convention and tourism marketing, and convention visitor transit passes. The VF IGA also called for the creation of the Visitor Development Fund Inc. (VDFI). The VDFI Board is a public/private board comprised of elected officials from Metro, the County, and City, along with representatives from the hospitality industry. Its purpose is to direct the use of certain allocations established by the VF IGA.

In 2013, the City of Portland, Multnomah County and Metro, working in partnership with Travel Portland, amended the VF IGA to include additional priorities. The primary driver for the 2013 update was the addition of a revenue bond to finance the public contribution toward the construction of the Hyatt Regency Portland at the Oregon Convention Center Hotel. Through a public-private partnership with Mortensen Development and Hyatt Hotels, Metro has issued revenue bonds, to be repaid by the VFTA, to match more than \$150 million in private funding to build the long-anticipated "headquarters" hotel. The OCC controls a block of 500 rooms for booking future conventions. Construction is underway with an anticipated completion of late 2019, and new convention groups are already being booked for the months after the hotel opens.

In February of 2018, the Multnomah County Chair, the Mayor of Portland, and Metro Council President directed staff to work in collaboration with Travel Portland to develop updates the 2013 VF IGA. Key priorities to guide the process of drafting amendments were outlined in a May, 2018, Letter of Agreement. When discussions on a comprehensive amendment did not reach a conclusion in 2018, the Metro Council President, City of Portland Mayor, and Multnomah County Chair agreed to complete a limited amendment to the 2013 VFIGA to create a one-time \$2,000,000 allocation to the Portland's Centers for the Arts (P'5) for the acoustical shell replacement project. Through a Letter of Agreement

(Exhibit B), dated December 21, 2018, this commitment of a public contribution to the project enabled P'5 to secure \$3,000,000 in private contributions.

ATTACHMENTS

Resolution 19-4972

Exhibit A -- VF IGA amendment

Exhibit B -- Letter of Agreement

FIRST AMENDMENT TO THE AMENDED AND RESTATED VISITOR FACILITIES
INTERGOVERNMENTAL AGREEMENT

This first amendment to the Amended and Restated Visitor Facilities Intergovernmental Agreement, dated October 25, 2013 (the "2013 VF IGA"), is made and entered by and among METRO, the CITY OF PORTLAND, and MULTNOMAH COUNTY, by and through their duly authorized representatives.

The Parties agree as follows:

1. Section 3.3.10, PCPA Operations Support, is amended to add a new sub section 3.3.10.1 as follows:

"3.3.10.1 If by June 1, 2019, Metro presents the VFTA Administrator with a written request stating the time for and recipient of payment, accompanied by documentation, such as an executed construction contract, showing that work has commenced on the acoustical shell replacement project at the Arlene Schnitzer Concert Hall, then Two Million Dollars (\$2,000,000) will be added to the disbursement amount for PCPA Operations Support in FY 2018-19 and the VFTA Administrator is authorized to disburse such support to Metro as per their written request. The Parties agree this is a one-time disbursement for FY 2018-19 only."

2. All other terms and conditions remain unchanged and in full force and effect.

Dated this ___ day of _____, 2019

METRO: Approved as to Form:

Lynn Peterson, Metro Council President

Nathan Sykes, Acting Metro Attorney

CITY OF PORTLAND: Approved as to Form:

Ted Wheeler, City of Portland Mayor

Tracy Reeve, City Attorney

MULTNOMAH COUNTY Approved as to Form:

Deborah Kafoury, Multnomah County Chair

Jenny Madkour, County Counsel



Visitor Facilities Intergovernmental Agreement Letter of Agreement – December 20, 2018

The City of Portland, Multnomah County, Metro and Travel Portland, representing the travel and tourism industry, have been working in collaboration to amend the 2013 Amended and Restated Visitor Facilities Intergovernmental Agreement (VF IGA). Significant progress has been made in this effort but an agreement on comprehensive changes to the VF IGA, which were outlined in a Letter of Agreement dated May 11, 2018, will not be completed prior to December 31, 2018.

The Mayor, the Chair and the Metro President have been informed by City and Metro staff of an opportunity to secure a commitment of \$3 million in private funds to replace the obsolete acoustical shell at the Arlene Schnitzer Concert Hall if an additional \$2 million in public money is committed before December 31, 2018, and have agreed to take steps necessary to secure these private funds for this project. This project will improve the acoustics for all performers at the Schnitzer and will assure the Schnitzer remains a vital and competitive venue for a wide range of performing arts and cultural events, including as the home performance hall for the Oregon Symphony.

Through this Letter of Agreement, the parties to the VF IGA desire to memorialize their commitment to complete a limited amendment to the VF IGA in substantially the same form as shown in Attachment A such that a one-time allocation to the Portland's Centers for the Arts will be made no later than June 30, 2019. The parties acknowledge that Attachment A does not limit or restrict additional changes to the VF IGA as part of ongoing discussions.

Portland's Mayor, Multnomah County's Chair, and Metro's Council President, through their signatures below, hereby agree to work cooperatively on completion of a limited amendment to the VF IGA, including formal approval processes, no later than May 17, 2019, through which \$2 million in public funds from the VFTA will be committed and paid by June 30, 2019.

[Signature page follows]

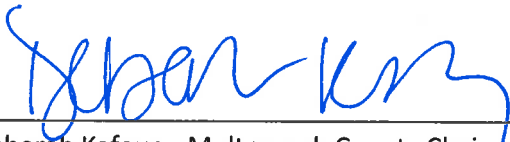
Letter of Agreement
Amended and Restated Visitor Facilities Intergovernmental Agreement
December 20, 2018

Metro



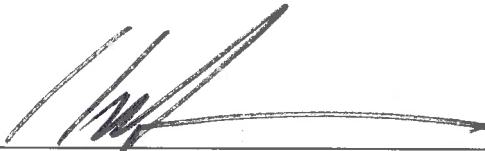
Tom Hughes, Metro Council President

Multnomah County



Deborah Kafoury, Multnomah County Chair

City of Portland, Oregon



Ted Wheeler, Mayor

FIRST AMENDMENT TO THE AMENDED AND RESTATED VISITOR FACILITIES
INTERGOVERNMENTAL AGREEMENT

This first amendment to the Amended and Restated Visitor Facilities Intergovernmental Agreement, dated October 25, 2013 (the "2013 VF IGA"), is made and entered by and among METRO, the CITY OF PORTLAND, and MULTNOMAH COUNTY, by and through their duly authorized representatives.

The Parties agree as follows:

1. Section 3.3.10, PCPA Operations Support, is amended to add a new sub section 3.3.10.1 as follows:

"3.3.10.1 If by June 1, 2019, Metro presents the VFTA Administrator with a written request stating the time for and recipient of payment, accompanied by documentation, such as an executed construction contract, showing that work has commenced on the acoustical shell replacement project at the Arlene Schnitzer Concert Hall, then Two Million Dollars (\$2,000,000) will be added to the disbursement amount for PCPA Operations Support in FY 2018-19 and the VFTA Administrator is authorized to disburse such support to Metro as per their written request. The Parties agree this is a one-time disbursement for FY 2018-19 only.

2. All other terms and conditions remain unchanged and in full force and effect.

Dated this ___ day of _____, 2019

METRO:

Approved as to Form:

Lynn Peterson, Metro Council President

Nathan Sykes, Acting Metro Attorney

CITY OF PORTLAND

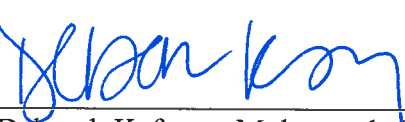
Approved as to Form:



Ted Wheeler, City of Portland Mayor

Tracy Reeve, City Attorney

MULTNOMAH COUNTY



Deborah Kafoury, Multnomah County Chair

Jenny Madkour, County Counsel

Materials following this page were distributed at the meeting.

Metro

*600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov*



Metro

Minutes

Thursday, March 7, 2019

2:00 PM

Metro Regional Center, Council chamber

Council meeting

1. Call to Order and Roll Call

Council President Peterson called the Metro Council meeting to order at 2:02 p.m.

Present: 7 - Councilor Sam Chase, Councilor Shirley Craddick, Councilor Craig Dirksen, Councilor Bob Stacey, Council President Lynn Peterson, Councilor Christine Lewis, and Councilor Juan Carlos Gonzalez

2. Safety Briefing

Council President Peterson provided a safety briefing for the meeting including information on the location of emergency exits, fire extinguishers and automated external defibrillators.

3. Public Communication

John Carter, City of Portland: Mr. Carter discussed the role of housing development in community building and shared his concerns for developments that were not cohesive with the community. He highlighted a large complex building on Hawthorne Boulevard that lacked character and noted the opportunity for murals on this building. Mr. Carter also noted the importance of building community through investments in pathways to home ownership.

Councilors shared with Mr. Carter the work of Proud Ground and Metro's community place-making grant program.

4. Consent Agenda

A motion was made by Councilor Craddick, seconded by Councilor Lewis, that these items be adopted. The motion passed by the following vote:

Aye: 7 - Councilor Chase, Councilor Craddick, Councilor Dirksen, Councilor Stacey, Council President Peterson, Councilor Lewis, and Councilor Gonzalez

- 4.1 Resolution No. 19-4965, For the Purpose of Adding or Amending Existing Projects to the 2018-21 Metropolitan Transportation Improvement Program Involving Two Projects Impacting TriMet (FB19-06-FEB)
- 4.2 Considerations of the Strategic Planning Discussion for February 26, 2019
- 4.3 Considerations of the Council Meeting Minutes for February 28, 2019

5. Ordinances (Second Reading)

- 5.1 Ordinance No. 19-1431, For the Purpose of Adopting the 2030 Regional Waste Plan

Council President Peterson stated that the first reading and public hearing for Ordinance No. 19-1431 took place on Thursday, February 28. She informed the Metro Council that Metro staff were available for questions.

Council Discussion:

Councilors expressed their appreciation for the robust public engagement process that shaped the waste plan. Councilor Dirksen noted the plan's view of the entire cycle of waste in overall waste reduction.

A motion was made by Councilor Gonzalez, seconded by Councilor Stacey, that this item be adopted. The motion passed by the following vote:

Aye: 7 - Councilor Chase, Councilor Craddick, Councilor Dirksen, Councilor Stacey, Council President Peterson, Councilor Lewis, and Councilor Gonzalez

- 5.2 Ordinance No. 19-1432, For the Purpose of Amending Metro Code Title V for Consistency with the 2030 Regional Waste Plan

Council President Peterson stated that the first reading and public hearing for Ordinance No. 19-1432 took place on Thursday, February 28. She informed the Metro Council that Metro staff were available for questions.

Council Discussion:

There was none.

A motion was made by Councilor Dirksen, seconded by Councilor Stacey, that this item be adopted. The motion passed by the following vote:

Aye: 7 - Councilor Chase, Councilor Craddick, Councilor Dirksen, Councilor Stacey, Council President Peterson, Councilor Lewis, and Councilor Gonzalez

6. Chief Operating Officer Communication

Ms. Martha Bennett provided an update on the following events or items: upcoming community forums and community engagement on the potential parks and nature bond.

7. Councilor Communication

Councilors provided updates on the following meetings and events: the Metropolitan Exposition Recreation Commission meeting and the Transportation Fund Task Force meeting.

8. Adjourn

There being no further business, Council President Peterson adjourned the Metro Council meeting at 2:25 p.m. The Metro Council will convene the next regular council meeting on March 14 at 2:00 p.m. at the Metro Regional Center in the council chamber.

Respectfully submitted,



Sara Farrokhzadian, Legislative and Engagement
Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MARCH 7, 2019

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
4.2	Minutes	3/7/19	Council Strategic Planning Discussion Minutes for February 26, 2019	30719c-01
4.3	Minutes	3/7/19	Council Meeting Minutes for February 28, 2019	30719c-02



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

March 14, 2019

Dear Metro Council President Peterson and Council:

I am commenting today on the topic of tipping fees at Metro's transfer stations and requesting an alternative approach regarding residential organics fees.

The City of Portland relies heavily on Metro's transfer stations and over the past five years our haulers have delivered nearly 1.5 million tons of all materials at either Metro Central or Metro South. Therefore, the City of Portland has a keen interest in the continued success of the region's public transfer stations as well as in the annual process Metro staff conduct to recommend adjustments to the tipping fee at the stations.

The City of Portland enjoys a beneficial partnership with Metro and we are strong advocates for Metro staff's sharp analysis and prudent forecasts. This year, though, we believe a second look is warranted.

The tip fee for residential organics is proposed to increase from \$66.08 per ton to \$76.99 per ton this July, or \$10.91 per ton. The basis for this proposed increase is a residential organics tonnage forecast that is 25 percent below the anticipated tonnage at Metro's transfer stations from the 2019 budget to the 2020 forecast. An adjustment of the previous high forecast is appropriate, though it may be an over correction since that is below what Portland haulers delivered to Metro transfer stations last year. Because the reduction in tons may not transpire in the coming year, it could have the impact of unnecessarily raising the tip fee. Unfortunately, the resulting proposed increase in residential organics tipping fees will have a big impact on Portland ratepayers.

Portland haulers collected 79,000 tons of residential organics in 2018. At an additional \$10.91 per ton, Portland residential ratepayers will pay an additional \$862,000 annually, increasing the typical monthly bill by almost two percent. And that's just one of the rate components that may increase residential garbage and recycling bills this year. Last year, the City of Portland adopted a nine percent rate increase due to the upset in world recycling markets that have resulted in unprecedented costs for recycling processing. Last year's rate increase was out of our hands. This year, we are doing everything in our power to hold down rates.



City of Portland, Oregon | Bureau of Planning and Sustainability | www.portlandoregon.gov/bps
1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

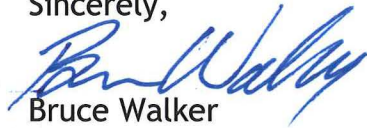
Printed on 100% post-consumer waste recycled paper.

In recognition of the importance of the partnership between Metro and the City of Portland, I respectfully request Metro Council to consider additional information and options this year.

Please consider implementing half of the proposed residential organics tip fee increase this July and reassess the need for an additional tip fee increase next year. A phased approach to the tip fee increase would significantly reduce the impact on Portland residents in a single rate year and allow Metro staff to get a better sense of the trends affecting the tons of residential organics received at public transfer stations over the coming year.

I appreciate your consideration of this request and look forward to continued partnership with Metro.

Sincerely,



Bruce Walker
Solid Waste & Recycling Manager



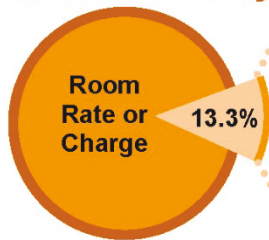
Portland's 5 Centers for the Arts

Arlene Schnitzer Concert Hall

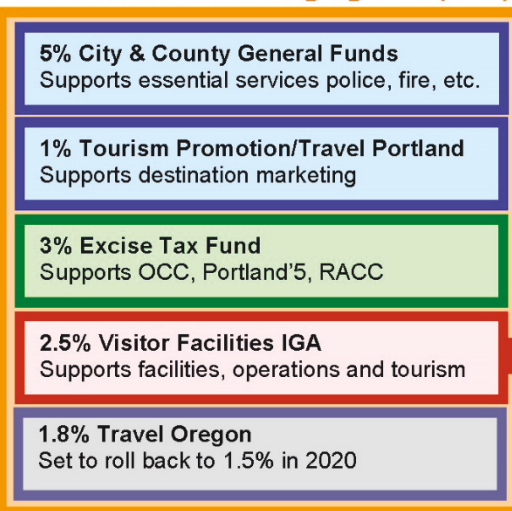


Visitor Facility Trust Account

TOTAL VISITOR HOTEL ROOM COST in Multnomah County



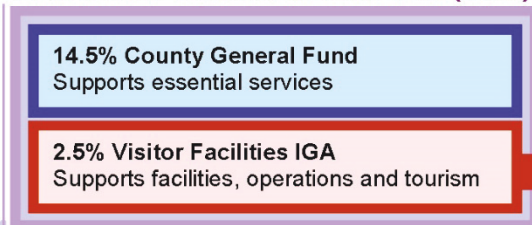
13.3% Transient Lodging Tax (TLT)



TOTAL MOTOR VEHICLE RENTAL FEES in Multnomah County



17% Motor Vehicle Rental Tax (VRT)



Visitor Facilities Trust Account (VFTA)

Debt Service for Facility Bonds

1. OCC 2011 Bonds
2. Stadium 2001/2013 Bonds
3. OCC Hotel Project Bonds

Support for Operations, Programs, Services, Capital Improvements and Marketing

4. OCC Operating Support
5. County Visitor Facilities and Operations Support
6. Enhanced OCC Marketing
7. Convention Visitor Public Transit Passes
8. Visitor Development Fund, Inc
9. Portland'5 Operations Support
10. Rose Quarter Facilities and City Tourism Support

Revenue Stabilization Reserves

11. Restricted Reserve
6/30/17 - \$9,837,581
12. Bond Redemption Reserve
6/30/17 - \$10,593,887

Arlene Schnitzer Concert Hall – Acoustical Enhancement project

Total project budget: \$8m

Total outside funding: \$6.5m

- *Oregon Symphony, \$3m*
- *Visitor Facilities Trust Account, \$2m*
- *Portland'5 Foundation, \$1m*
- *City of Portland, \$500,000*

Net cost to Portland'5: \$1.5m