

# Metro

600 NE Grand Ave.  
Portland, OR 97232-2736  
[oregonmetro.gov](http://oregonmetro.gov)



Metro

## Minutes

Thursday, March 31, 2022

10:45 AM

<https://zoom.us/j/615079992> (Webinar ID: 615079992) or  
888-475-4499 (toll free)

**Council work session**

**10:45 Call to Order and Roll Call**

Council President Peterson called the Metro Council Meeting to order at 10:47 a.m.

**Present:** 6 - Council President Lynn Peterson, Councilor Christine Lewis, Councilor Shirley Craddick, Councilor Juan Carlos Gonzalez, Councilor Bob Stacey, and Councilor Gerritt Rosenthal

**Excused:** 1 - Councilor Mary Nolan

**Work Session Topics:**

## 10:50 Solid Waste Fee-Setting Follow-up

Council President Peterson called on **[Marissa Madrigal]** **[she/her/ella]**, Metro COO, and **Brian Kennedy [he/him]**, Metro Dept. of Finance and Regulatory Services, to present to Council.

Staff pulled up the [*Solid Waste Fee Setting Approach and Policy Discussion*] to present to Council.

In this presentation, staff: recapped some of the December '21 work sessions, reviewed the fee setting approach, proposed revisions to fee setting criteria, and facilitated an updated scenarios and policy discussion. Of the 3 five-year scenarios presented to Council, staff recommended Scenario 2.

**Councilor Lewis** asked for clarification regarding the term “existing facility investment,” and how Scenario 3 applies to Metro South.

Brian explained that Scenario 3 represents what staff believes Metro will need to spend over 5 years if we fully implemented the Capital Improvement Plan.

**Councilor Rosenthal** if every scenario reached the same fee pricing by Fiscal Year 2027, or if the FY 27 fees were dependent on the scenarios used.

Brian referred Council to the slide after Scenario 3, which

included a line graph that illustrated how each scenario results in a different fee by FY 27. He then explained the reasons for this, and that each scenario achieves staff's operating reserve financial policy guidelines.

**Councilor Hwang** asked how staff ensures that Metro can meet all of its expenses despite unpredictable elements like inflation, labor, materials, etc.

Staff explained that their projections are quite conservative, and provided more details about how they create their fee setting forecasts.

Brian added that Metro maintains healthy financial, operating, and capital reserves. In the unlikely case that inflation remains at such a high rate, staff would then need to re-evaluate if maintaining the recommended 7-8% fee increase, while meeting other expectations, is possible. COO Marissa Madrigal also added that Council would receive regular updates between now and 2027, so it is likely that Council and staff will make changes in the future. She expressed her confidence in staff's projections, but Metro's financial reserves would help tremendously in a crisis.

**Councilor Rosenthal** commented that they believe local jurisdictions should be consulted about fee setting, and asked how adding new services would affect the model.

COO Marissa Madrigal explained that none of the models contain assumptions about new facilities or services.

However, it does account for facilities and services that have received Council approval but have not been fully implemented.

**Councilor Gonzalez** expressed his gratitude for the many conversations and meetings before this work session. He agreed with Staff's recommendation that Scenario 2 be

adopted.

**Councilor Craddick** asked why Metro needs to limit its Capital expenses. She also asked for further clarification around the inflation levels and fee increases in the projections, and commented that they seemed abnormally high. Finally, she asked if local jurisdictions had been consulted and, if so, what input they provided.

Staff explained that capital restraints are necessary, but the limit set by Staff is consistent with historical levels of capital investment. The 7-8% inflation rate is a composite of numerous factors, and is not necessarily the inflation rate consumers will experience. The fee increases in years 1 and 2 of Scenario 2 are should actually be higher, but Metro will dip into its reserves in order to keep them lower. The fee increases in 3-5 are higher than normal in order to replenish those reserves. Staff met with local jurisdictions back in January and their main priorities were: fee predictability, getting fee information quickly so they can implement them in a timely manner, and getting support with addressing illegal dumping. Staff believes the recommended scenario will be well received by local jurisdictions.

**Councilor Lewis** asked two questions: How will staff prepare for year 6 and beyond? Since fuel prices are a major factor when setting fees, did Staff include Metro's use of biofuel into their projections? She knew that the use of biofuel is spreading, and wanted to ensure that the recommended fee-setting model was flexible enough to encourage more eco-friendly practices.

Staff explained that they treat the 5 year window as a "rolling window." Staff is constantly looking 5 years into the future to avoid being caught off guard by dramatic changes. This also helps with transparency and accountability.

Brian explained that biofuel is accounted for in their

projections. However, all staff can really do is give their best estimates. Metro also has its capital reserves if their estimates are incorrect.

**Councilor Craddick** asked how the fee setting for organic materials furthers Metro's goal to encourage service providers and residents to separate organic waste from other waste.

Staff explained that the fees for commercial and residential organic waste, \$65.23 and \$76.00 respectively, are well below the full cost of service, around \$110, in order to encourage separation.

**Councilor Lewis** expressed concern about raising the minimum fee by \$5, when it had been raised by \$7 relatively recently. She asked how often Metro has raised its minimums in the past, and if there is precedent for such a large increase within 4 years. She also asked what these fees look like outside of the region and commented that Oregon still lacks a sophisticated enough system for disposing bulky waste.

Brian explained that there is no precedent for such a fee increase in the past decade. However, Metro's minimum fees are still significantly lower than any other service providers in the region. The increase is primarily driven by two factors; the high cost of providing this service and its increasing demand.

Staff had the following information about minimum fees outside of the region: \$33 in Seattle, \$26 in King County, \$50 in San Francisco, and \$78-84 in the LA area.

Marta McGuire [she/her] acknowledged the issues around bulky waste. Staff has been working on this very problem, and will present their work to Council in the coming months.

**Councilor Rosenthal** asked why there has been no fee

increase for yard debris in 2023.

Brian explained that fees are mainly driven by the cost of service, and Metro sees little demand for yard debris. Roy Brower [he/him] added that there is also a great deal of dispersed capacity for yard debris disposal across the region.

**Councilor Craddick** asked if Staff knew what the City of Sandy's facilities charged, and requested that they include this area when assessing other facilities in the region, given its heavy use.

Roy did not know the exact fee, but explained that it is run by Waste Management, and suspects the fee is similar to their other facilities. Staff said they would follow up with Councilor Craddick with more specific information.

**Councilor Gonzalez** was very surprised by King County's fees, and asked why Metro's fees differ from other areas, like King County.

Brian reiterated that fee setting is mainly driven by cost of service, which has recently increased. He was also open to finding ways to lower or eliminate fee increases for minimum waste, if that is what Council wanted.

**Council** expressed support for this action.

**President Peterson** added that Council has previously given policy instruction to ensure employees at these sites earn a decent, family-supporting wage, and that Metro will not build an additional site, though it would lower costs, and simply live with the higher fees.

11:50 2030 Regional Waste Plan Measurement Framework and Progress Report

Council President Peterson called on [**Marta McGuire**]  
[**she/her**], Metro

Director of WPES and **Luis Sandoval** [**he/him**], Metro Senior  
Solid Waste Planner, to present to Council.

---

Staff pulled up the [2030 Regional Waste Plan: Measurement Framework and Progress Report] to present to Council.

Staff's presentation included: an overview of the Regional Waste Plan Measurement Framework, key areas of the Regional Waste Plan Progress Report, its 6 key indicators, plus action status and highlights for each of the 5 goal areas.

*Council Discussion:*

**Councilor Rosenthal** expressed equity concerns around youth education. Though White and advantaged communities are the biggest over-consumers, climate education tends to be directed at BIPOC, disadvantaged, and low-income communities.

**Councilor Hwang** expressed concerns regarding the compensation gap between White and BIPOC employees. Does that metric include benefits, and what is Metro doing to address the gap?

Luis explained that wages for Metro employees increased in 2021, and he expects the gap to decrease in the next progress report. The wage did not include benefits because they are more difficult to measure across sectors and industries, though it is possible. Private sector employers may not be as willing to share information about their employee benefits, and that is why Staff decided to focus on median wages.

Internally, Marta added that WPES staff is working with stakeholders to ensure employees are paid a living wage.

**Councilor Lewis** asked why Clackamas County was leading in climate education, and how to replicate that level of engagement.

Luis explained that both Metro and Clackamas County staff

have their own climate education programs, so the numbers may change as more local programs are counted. However, Clackamas County has dedicated staff for climate education, while other school districts do not.

**Councilor Craddick** requested more information about climate education and garbage/recycling, and she hopes to see such a program in every school district. Marta offered to present to Council about WPES' education programs in the future.

**Councilor Gonzalez** applauded Staff for the quality of their presentation and their new dashboard.

**President Peterson** echoed her approval of Staff's presentation, dashboard, and all of their other work.

#### **12:15 Chief Operating Officer Communication**

Marissa Madrigal provided no updates on any events or items:

#### **12:20 Councilor Communication**

Councilors provided updates on the following meetings and events:

- **Councilor Lewis** reminded Council that the Newell Creek Canyon Grand Opening is Saturday, April 2, at 11am.

#### **12:30 Adjourn to Executive Session**

There being no further business, Council President Peterson adjourned the Metro Work Session into an Executive Session at 12:45 p.m.

Respectfully submitted,



*Nathan Kim*

Nathan Kim, Legislative Assistant