



600 NE Grand Ave.
Portland, OR 97232-2736

Council meeting agenda

Thursday, April 27, 2023

2:00 PM

**Metro Regional Center, Council chamber,
https://www.youtube.com/live/EP_5iwl-1UA**

A?feature=share,

<https://zoom.us/j/615079992> Webinar ID:

615 079 992 888-475-4499 (toll free)

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1. Call to Order and Roll Call

2. Public Communication

*Public comment may be submitted in writing. It will also be heard in person and by electronic communication (video conference or telephone). Written comments should be submitted electronically by emailing legislativecoordinator@oregonmetro.gov. Written comments received by 4:00 p.m. the day before the meeting will be provided to the council prior to the meeting. Those wishing to testify orally are encouraged to sign up in advance by either: (a) contacting the legislative coordinator by phone at 503-813-7591 and providing your name and the agenda item on which you wish to testify; or (b) registering by email by sending your name and the agenda item on which you wish to testify to legislativecoordinator@oregonmetro.gov. Those wishing to testify in person should fill out a blue card found in the back of the Council Chamber. Those requesting to comment virtually during the meeting can do so by joining the meeting using this link: <https://zoom.us/j/615079992> (Webinar ID: 615079992) or 888-475-4499 (toll free) and using the "Raise Hand" feature in Zoom or emailing the legislative coordinator at legislativecoordinator@oregonmetro.gov. Individuals will have three minutes to testify unless otherwise stated at the meeting.

* Later in the meeting there will be an opportunity for public comment on resolution 23-5320 For the purpose of adopting solid waste fees at the metro transfer stations and the regional system fee for FY 2023-24*

3. Consent Agenda

- 3.1 Resolution 23-5326 For the Purpose of Appointing New Members to the Public Engagement Review Committee (PERC)** [RES 23-5326](#)
Attachments: [Resolution No. 23-5326](#)
[Staff Report](#)
[Attachment 1](#)
[Attachment 2](#)
- 3.2 Resolution 23-5327 For the Purpose of Appointing Audit Committee Members** [RES 23-5327](#)
Attachments: [Resolution](#)
[Exhibit A](#)
[Staff report](#)
- 3.3 Resolution 23-5328 For the Purpose of Appointing Members for the Committee on Racial Equity (CORE)** [RES 23-5328](#)
Attachments: [Resolution No. 23-5328.pdf](#)
[Exhibit A to Resolution No 23-5328.pdf](#)
[Staff Report.pdf](#)
- 3.4 Resolution 23-5329 For the Purpose of Re-Appointing Eight Members to the Tri-County Planning Body (TCPB)** [RES 23-5329](#)
Attachments: [Staff Report](#)
[Exhibit A](#)
[Resolution 23-5329](#)
- 4. Resolutions**
- 4.1 Resolution 23-5320 For the purpose of adopting solid waste fees at the metro transfer stations and the regional system fee for FY 2023-24** [RES 23-5320](#)
Attachments: [Resolution No. 23-5320](#)
[Exhibit A to Resolution No. 23-5320](#)
[Staff Report](#)
[Attachment 1 to Staff Report](#)
[Attachment 2 to Staff Report](#)
[Attachment 3 to Staff Report](#)
[Attachment 4 to Staff Report](#)

5. Presentations

5.1 Parks and Nature Department Budget Presentation

[23-5858](#)

Attachments: [Staff Report](#)

6. **Chief Operating Officer Communication**

7. **Councilor Communication**

8. **Adjourn**

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សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

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

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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.

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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 ntxuj weekdays) 5 hnuv ua hauj lwv ua ntej ntawm lub rooj sib tham.

Agenda Item No. 3.1

**RES 23-5326 For the Purpose of Appointing
Public Engagement Review Committee
(PERC) Members**
Resolution

Metro Council Work Session
Meeting Thursday, April 27, 2023

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPOINTING NEW MEMBERS TO THE PUBLIC ENGAGEMENT REVIEW COMMITTEE) RESOLUTION NO. 23-5326) Introduced by Chief Operating Officer Marissa Madrigal in concurrence with Council President Lynn Peterson)

WHEREAS, in furtherance of Metro’s Principles of Citizen Involvement, set forth in Resolution No. 97-2433, adopted January 23, 1997, and Ordinance No. 12-1294 amending Metro Code Chapter 2.19.030, the Metro Council established an Advisory Committee known as the Public Engagement Review Committee (PERC) to advise the Metro Council on the development and maintenance of programs and procedures to aid communication between the public and the Metro Council; and

WHEREAS, by a fair and open process, Metro has recruited applicants for PERC and the Metro Council President has appointed selected applicants consisting of members of the public, representatives of community organizations, and public involvement staff from local jurisdictions; and

WHEREAS, Metro Code Chapter 2.19.030 requires that the Metro Council confirm appointments made by the Council President to Metro’s Advisory Committees; and now therefore

BE IT RESOLVED that:

(a) the following appointments by the Metro Council President are hereby confirmed;

At-large representatives from the region

- Isaiah Jackman, Washington County (2023-2026)
- Makerusa Porotesano, Multnomah County (2023-2026)

Community organization representative

- Henry Miller, The Street Trust (2023-2026)

Replacement community organization representative

- Diana Ospina Lara, Hispanic Metropolitan Chamber (2022-2025)

Jurisdictional representative

- JR Lilly, Multnomah County (expiration determined by jurisdiction)

- (b) each community member's term will run for 3 years, from January 2023 through December 2026;
- (c) Staff will begin recruitment to fill PERC vacancies caused by any expiring terms starting fall 2024, working toward new appointments by December 2024.

ADOPTED by the Metro Council this 27th day of April, 2023.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

Office of the Chief Operating Officer and Department of County Management



Chief Operating Officer and DCM Director

April 6, 2023

Lynn Peterson
Metro Council President
600 NE Grand Avenue
Portland, OR 97232

Council President Peterson,

On behalf of Multnomah County, I appoint JR Lilly, Office of Community Involvement Director, to serve as our staff representative on Metro's Public Engagement Review Committee (PERC).

JR, through the Office of Community Involvement (OCI), oversees the developing and maintaining community involvement programs and procedures to facilitate direct communication between the community and Multnomah County. His experience with engaging community members and knowledge of community involvement best practices will be a great addition to the work of the committee.

We stand in agreement with Metro's commitments to advancing racial equity for groups with historically marginalized identities and to provide meaningful community involvement. Thank you for the opportunity to contribute to this effort through the PERC and we look forward to the shared success of the committee. I will notify Metro if Multnomah County chooses to change its PERC designee in the future.

Sincerely,

A handwritten signature in black ink that reads "Serena Cruz".

Serena Cruz
Multnomah County, Chief Operating Officer

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 23-5326, FOR THE PURPOSE OF
APPOINTING NEW MEMBERS TO THE PUBLIC ENGAGEMENT REVIEW COMMITTEE

Date: April 10, 2023

Prepared by: Gloria Pinzon Marin
gloria.pinzon@oregonmetro.gov

ISSUE STATEMENT

n/a

ACTION REQUESTED

Confirm appointment of two new at-large community representatives:

- Isaiah Jackman, Washington County (2023-2026)
- Makerusa Porotesano, Multnomah County (2023-2026)

Confirm appointment of one new community organization representatives:

- Henry Miller, The Street Trust (2023-2026)

Confirm appointment of a replacement community organization representative:

- Diana Ospina Lara, Hispanic Metropolitan Chamber (2022 – 2025)

Confirm appointment of the Multnomah County representative:

- JR Lilly (expiration determined by jurisdiction)

IDENTIFIED POLICY OUTCOMES

These appointments will bring the PERC to full compliance with their Bylaws and Charter. This will also create a membership that is representative of the diversity found within the greater Portland region.

POLICY QUESTION(S)

n/a

POLICY OPTIONS FOR COUNCIL TO CONSIDER

n/a

STAFF RECOMMENDATIONS

Staff recommends the appointments of new members listed above.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

n/a

BACKGROUND

Metro's Public Engagement Review Committee (PERC) convenes a minimum of two times per year and consists of at-large community members, representatives from three community organizations and public involvement staff from Clackamas, Multnomah and Washington Counties.

The PERC serves as a key component of Metro's ongoing efforts to develop and implement broad, inclusive, informed and effective public engagement processes. Committee members are appointed to three-year terms on a rotating schedule.

The PERC bylaws call for at least three at-large community members and at least three representatives from a community organization. Terms for three representatives expired in 2022 and extensions were offered to all due to the limited involvement they had as a committee in 2022. One member accepted the extension and is the representative of a community based organization. In addition, Multnomah County's PERC appointee was replaced in 2022, and again in 2023 due to staff changes.

The PERC will focus on advising Metro Council on the update for the Public Engagement Guide in, discuss ways to make their impact on Metro engagement practices as meaningful as possible.

RECRUITMENT PROCESS

During the pandemic and the resulting staff reductions, PERC activity slowed in 2020 – 2021. In early 2022, the Communications Department reinitiated recruitments for PERC members, but met only once in the year. Staff intended on resuming a fall/winter 2022 recruitment cycle to address any vacancies due to term expirations at the end of the year. The committee did not meet a second time in 2022 and recruitment to fill expired terms did not happen due to lack of staffing and staff transitions.

In February 2023, staff was hired to reconvene PERC and update the Public Engagement Guide. They began outreach to current and recently expired members one-by-one in March 2023. Staff learned that some members would like to continue their service. Three members who had expiring terms were offered an extension considering that they had only met once in 2022 or did not get an opportunity to make impacts to Metro's engagement processes due to gaps between meetings. Two members chose not to extend their service term due to the challenging experiences they had with PERC staff in 2022 or lack of current capacity. One at-large member experienced serious health issues in 2022 and was not reached during the reconvening process, so their position became vacant. Three positions were recruited for, one community-based organization wanted to continue service and replaced their representative, and Multnomah County replaced their representative due to staff changes.

Staff conducted targeted outreach through email, phone and word-of-mouth to recruit committee applicants with public involvement experience, strong community connections, and a diverse geographic and demographic representation.

People who expressed interest from the tri-county area were interviewed. Staff is recommending the appointment of one new community organization, two at-large applicants, and a Multnomah County representative who meet the following criteria:

- a commitment to community engagement
- demonstrated skills, knowledge or experience that apply to principles of citizen involvement adopted by Metro
- experience working with underrepresented communities
- commitment to advancement of racial equity

Metro Council President has appointed the following individuals to PERC:

Replacement appointments with terms that expire in 2025: Diana Ospina, Hispanic Metropolitan Chamber (replaced Diana Moreno). In addition, Metro accepts the appointment of JR Lilly, the Multnomah County representative, as a replacement for Dani Bernstein.

New members with terms that expire in 2026: Isaiah Jackma, at-large, Makerusa Porotesano, at-large Henry Miller, The Street Trust.

ANALYSIS/INFORMATION

1. **Known Opposition** None
2. **Legal Antecedents** Resolution No. 97-2433 establishing Metro's Principles of Citizen Involvement: Metro Code Chapter 2.19.030; and Ordinance No. 12-1294 amending Metro Code Chapter 2.19.030.
3. **Anticipated Effects** The appointments to the PERC will allow Metro to more successfully engage communities with Metro's initiatives, improve public engagement practices, and prioritize projects for public outreach.
4. **Budget Impacts** No budget impacts. Program needs are accounted for in existing staff resources and accessing Communications M&S included in the FY 2022-2023 budget.

ATTACHMENTS

Exhibit A: Letter from Multnomah County appointing new PERC representative.

Agenda Item No. 3.2

RES 23-5327 For the Purpose of Appointing Audit Committee Members
Members
Resolutions

Metro Council Work Session
Meeting Thursday, April 27, 2023

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE)	RESOLUTION NO. 23-5327
REAPPOINTMENT OF TWO MEMBERS AND)	
APPOINTMENT OF ONE NEW MEMBER TO)	Introduced by Council President Lynn
THE METRO AUDIT COMMITTEE)	Peterson
)	

WHEREAS, Metro Code Chapter 2.19.250 establishes the Metro Audit Committee; and

WHEREAS, the Committee enhances the external audit function by monitoring the external auditor’s services and activities to ensure that independence is maintained between the external auditor and management; and

WHEREAS, the Metro Code Chapter 2.19.030, “Membership of the Advisory Committees,” states that all members and alternate members of all Metro Advisory Committees shall be appointed by the Council President and shall be subject to confirmation by the Council; and

WHEREAS, Andrew Carlstrom’s term will expire June 3, 2023 and he has expressed an interest in continuing to serve on the committee until another citizen member is selected; and

WHEREAS, a citizen vacancy has occurred on the Metro Audit Committee, and Kingston Sprague has been selected to fill that position; and

WHEREAS, the Metro Code Chapter 2.19.250 (d), provides that the Committee shall include a Commissioner of Metropolitan Exposition Recreation Commission (MERC); and

WHEREAS, Damien Hall is the MERC Commissioner selected to serve a one-year term on the Audit Committee; and

WHEREAS, the Metro Council President has appointed Kingston Sprague, and reappointed Andrew Carlstrom and Damien Hall to the Metro Audit Committee; and

WHEREAS, the Metro Council desires to confirm these appointments and reappointments; now, therefore,

BE IT RESOLVED, that the Metro Council confirms the appointment of Kingston Sprague, and the reappointment of Andrew Carlstrom and Damien Hall to the Metro Audit Committee as set forth in Exhibit A attached hereto for the Committee positions and terms set forth therein.

ADOPTED by the Metro Council this 27th day of April 2023.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

Exhibit A of Resolution No. 23-5327

METRO AUDIT COMMITTEE

Committee Member Reappointments and Appointments

The following person is appointed to serve a four year term, April 27, 2023 to April 26, 2027:

- **Kingston Sprague** Citizen member (voting)

The following person is reappointed to serve a one year term, April 27, 2023 to April 26, 2024:

- **Andrew Carlstrom** Citizen member (voting)

The following person is reappointed to serve a one year term, April 27, 2023 to April 26, 2024:

- **Damien Hall** MERC Commissioner (voting)

BIOGRAPHY

Member appointment:

KINGSTON SPRAGUE, CPA, CFE

WORK EXPERIENCE:

Tri-County Metropolitan Transportation District of Oregon (TriMet) December 2017-Present
Senior Accountant, Long-Term Liabilities

- Reconcile payroll liability accounts and related benefit liability accounts.
- Account for, reconcile and prepare journal entries for debt payments and interest accruals.
- Account for loss contingencies and perform reconciliations for claims liabilities.
- Prepare monthly financial statements for two defined benefit pension trusts.
- Account for and reconcile TriMet's Other Post-Employment Benefit obligation (OPEB).
- Assist with the monthly preparation of financial statements to identify errors and omissions.
- Research new GASBs, help with the implementation of new accounting standards.
- Create tools and spreadsheets to maximize office efficiency and eliminate redundancy.

Washington State Auditor's Office

Assistant State Auditor February 2012-December 2017

- Served as the Washington State debt specialist answering client questions on liabilities
- Reviewed long term debt presentation and disclosure in accordance with GAAP
- Audited calculation of pollution remediation liabilities (GASB 49)
- Tested the accuracy of claims liabilities for loss contingencies and related disclosures.
- Maintained an understanding of, and periodically review pension liabilities (GASB 68)
- Tested the reconciliation of deferred compensation deductions in the payroll process
- Provided training to audit staff on new accounting standards and their impact
- Worked with government agencies to evaluate and recommend improvements to internal controls
- Conducted meetings with client management in a professional and collaborative fashion
- Managed fieldwork teams of up to five audit staff including evaluations and coaching
- Consistently met deadlines and budget goals for timely audits

STAFF REPORT

IN CONSIDERATION OF RESOLUTION No. 23-5327 FOR THE PURPOSE OF CONFIRMING THE REAPPOINTMENT OF TWO MEMBERS AND THE APPOINTMENT OF ONE NEW MEMBER TO THE METRO AUDIT COMMITTEE

Date: April 27, 2023

Prepared by: Brian Evans
Metro Auditor
503-797-1891

BACKGROUND AND SELECTION PROCESS

The Audit Committee assists the Metro Council in reviewing accounting policies and reporting practices as they relate to the Metro's Comprehensive Annual Financial Report. The Committee provides independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors.

The reappointment of the Metropolitan Exposition and Recreation Commission (MERC) member was based on the nomination of the Chair of MERC. The Office of the Metro Auditor conducted an open recruitment to fill two vacancies among the public members of the committee. The opportunity to serve on the committee was posted on the Auditor's Office website and social media in January and February 2023. It was also shared with the Oregon Society of Certified Public Accountants and among state and local government auditors in Oregon.

One applicant was selected from the competitive recruitment process. Two previous members were contacted to determine their willingness to continue to serve on the committee after no additional applications were received. One declined and one accepted. The Metro Auditor will initiate another competitive recruitment process next year in the hope of recruiting new public members to serve.

The existing and prospective members listed in Exhibit A of Resolution No. 23-5327 serve in a voting capacity.

ANALYSIS/INFORMATION

1. **Known Opposition:** none

2. **Legal Antecedents:**

Metro Code Chapter 2.19, "Metro Advisory Committees," provides generally applicable rules for the creation of committees providing advice to the Metro Council and appointment of members to such committees.

Metro Ordinance 10-1233 for the Purpose of Establishing an Audit Committee and Amending Metro Code Section 2.15.080 External Audits and Adding a New Metro Code Section 2.19.250 Audit Committee.

3. **Anticipated Effects:**

By approving Resolution No. 23-5327, the Metro Council will reappoint two members and appoint one member to the Audit Committee.

4. **Budget Impacts:** None

RECOMMENDED ACTION

The Council President recommends adoption of Resolution No. 23-5327.

Agenda Item No. 3.3

**RES 23-5328 For the Purpose of Appointing
Members for the Committee on Racial
Equity (CORE)
*Resolutions***

Metro Council Work Session
Meeting Thursday, April 27, 2023

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE) RESOLUTION NO. 23-5328
APPOINTMENT OF MEMBERS TO THE)
METRO COMMITTEE ON RACIAL EQUITY) Introduced by Council President Lynn
(CORE) Peterson

WHEREAS, in compliance with Metro’s Strategic Plan to Advance Racial Equity, Diversity and Inclusion (“Strategic Plan”) the Metro Council created the Committee on Racial Equity (“CORE”), approved its charter and confirmed the appointment of its two founding co-chairs on March 16, 2017; and

WHEREAS, the CORE is a Metro Advisory Committee under Metro Code Chapter 2.19.270; and

WHEREAS, by a fair and open process, Metro has recruited applicants for the CORE and the Metro Council President has appointed selected applicants consisting of members of the public who have a commitment to advancing racial equity and the skills, knowledge and lived experience to assist Metro Council and staff on the implementation and evaluation of the Strategic Plan; and

WHEREAS, Metro Code Chapter 2.19.030 requires that the Metro Council confirm appointments made by the Council President to Metro’s Advisory Committees.

BE IT RESOLVED that the appointments of Abraham Vega, Chloe Rodrigues, Jeremy Thomas, Joseph Sullivan, Leialoah Kaula, Marcia Perez, Rebecca Rodas and Saerom Yoo by the Metro Council President to the CORE are hereby confirmed to serve for two-year terms through April 27 of 2025.

ADOPTED by the Metro Council this 27th day of April, 2023.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

Exhibit A to Staff Report on Resolution No. 23-5328, For the Purpose of Confirming the Appointment of Members to the Metro Committee on Racial Equity (CORE)

Appointments to Metro’s Committee on Racial Equity

April 10, 2023

Table 1. Individuals appointed by the Metro Council President and subject to confirmation by the Metro Council to Metro’s Committee on Racial Equity.

Name	County	End of term
Abrahan Vega	Multnomah	April 2025
Chloe Rodrigues	Washington	April 2025
Jeremy Thomas	Multnomah	April 2025
Joseph Sullivan	Clackamas	April 2025
Leialoha Kaula	Washington	April 2025
Marcia Perez	Multnomah	April 2025
Rebecca Rodas	Multnomah	April 2025
Saerom Yoo	Multnomah	April 2025

[STAFF REPORT FOR USE FOR WORK SESSIONS AND COUNCIL MEETINGS]

IN CONSIDERATION OF RESOLUTION NO. 23-5328 FOR THE PURPOSE OF
CONFIRMING THE APPOINTMENT OF MEMBERS TO THE METRO COMMITTEE ON
RACIAL EQUITY (CORE)

Date: Thursday, April 6, 2023
Department: Diversity, Equity, and
Inclusion
Meeting Date: Thursday, April 27, 2023

Prepared by: Amy Trieu;
amy.trieu@oregonmetro.org
Presenter(s), (if applicable): [name,
pronouns, title]
Length:

ISSUE STATEMENT

Resolution No. 23-5328 requests the confirmation of the appointment by the Metro Council President of eight new members to Metro’s Committee on Racial Equity (CORE). These appointments ensure that the CORE can continue to fill their role in advising Metro Council and staff.

ACTION REQUESTED

The Metro Council confirm the appointment of eight new members to Metro’s Committee on Racial Equity for two-year terms.

IDENTIFIED POLICY OUTCOMES

This action ensures that CORE can continue to fill their role in advising Metro Council and staff on the implementation of the Strategic Plan to Advance Racial Equity, Diversity and Inclusion. The appointment of the eight new members supports CORE’s representation of diverse lived experiences, and will contribute an array of skills and knowledge to support CORE’s mission. Additionally, the new members represent all three counties in the region, including two members from Clackamas County.

POLICY QUESTION(S)

N/A

POLICY OPTIONS FOR COUNCIL TO CONSIDER

N/A

STAFF RECOMMENDATIONS

Staff recommends that the Metro Council confirm the appointment of eight new members to Metro’s Committee on Racial Equity for two-year terms. The members recommended for appointment, county of residence, and term end date are detailed in Exhibit A to this Staff Report.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The CORE is a committee that was created and chartered by the Metro Council in 2017 to advise the Council and staff in advancing racial equity to fulfill the purpose of good government, which is to serve all people effectively and create greater opportunities for people of color to thrive in the region. Further, the CORE was added to Metro Code as a permanent advisory committee in 2020. The CORE's purpose is to:

- Advise Metro Council on the implementation of the [Strategic Plan to Advance Racial, Equity, Diversity, and Inclusion](#) and other racial equity strategies and initiatives,
- Provide the opportunity to meaningfully engage powerful community advocates,
- Maintain relationships and building trust with communities of color,
- Provide a concrete mechanism for keeping Metro accountable to its racial equity goals, and
- Play a critical advisory role in fulfilling the agency's commitments to Black, Indigenous and people of color communities.

BACKGROUND

In January 2023, DEI staff started the outreach process to recruit community members across the region, and a month later, received twenty applications. Both CORE co-chairs (Jamila Dozier and Tristan Penn) and four Metro staff (Anne Buzzini, Melissa Palavecino, Molly Cooney-Mesker, and Sebrina Owens-Wilson) reviewed and evaluated the applications received using the criteria in the CORE bylaws and charter. After thoughtful consideration and deliberation, the evaluators recommend eight community members for appointment, listed in Exhibit A to this Staff Report and the Metro Council President has appointed them to the CORE subject to Metro Council confirmation.

One of the goals from the prior 2021 CORE recruitment process was to support regional representation on the committee by reserving two committee seats for Clackamas County residents. With these new appointments, CORE will maintain those two seats of Clackamas County representation.

ATTACHMENTS

None

[For work session:]

- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No
- What other materials are you presenting today? [INSERT]

Agenda Item No. 3.4

**RES 23-5329 For the Purpose of Re-Appointing
Eight Members to the Tri-County
*Resolutions***

Metro Council Work Session
Meeting Thursday, April 27, 2023

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF RE-APPOINTING) RESOLUTION NO. 23-5329
CERTAIN MEMBERS TO THE)
SUPPORTIVE HOUSING SERVICES TRI-) Introduced by Chief Operating Officer
COUNTY PLANNING BODY (TCPB)) Marissa Madrigal in concurrence with
) Council President Lynn Peterson

WHEREAS, on February 25, 2020, the Metro Council referred to the Metro area voters a personal and business income tax for the purposes of funding Supportive Housing Services in the Metro region (the “Supportive Housing Services Measure”); and

WHEREAS, on May 19, 2020, the Metro Area voters approved the Supportive Housing Services Measure; and

WHEREAS, in December 2020, Ordinance No. 20-1452 added a new Title XI, Chapter 11.01 to the Metro Code, which established the Supportive Housing Services Program; and

WHEREAS, Metro Code Section 11.01.170 establishes a Tri-County Planning Body (TCPB) to strengthen regional coordination to implement the Supportive Housing Services Program; and

WHEREAS, responsibilities of the TCPB include, but are not limited to, developing a regional plan that includes regional strategies to address homelessness, approving and monitoring regional investments from the Regional Investment Fund and providing guidance on operationalizing SHS values on a regional scale; and

WHEREAS, on May 5, 2022, the Metro Council adopted Resolution No. 22-5267, which adopted the TCPB Charter, and

WHEREAS, the TCPB Charter sets out requirements for membership and requires Metro to lead a recruitment process to identify members, in collaboration with the TCPB Jurisdictional Leadership Team (also established by the Charter); and;

WHEREAS, the TCPB Charter established that the TCPB would be composed of 17 voting members, four of whom are elected representatives (with one each from the Clackamas, Multnomah and Washington County Board of Commissioners and the Metro Council); and

WHEREAS, on May 5, 2022, the Metro Council adopted Resolution No. 22-5264, which appointed the first 13 non-elected representative members to the Tri-County Planning Body and four elected representatives; and

WHEREAS, the County Boards of Commissioners for Multnomah, Washington, and Clackamas County are each responsible for selecting their respective representatives to the

TCPB, and these recommended members are also included in the slate for Metro Council appointment; and

WHEREAS, to ensure institutional knowledge, the terms of the 17 members were staggered, with eight serving for an initial one-year term and nine serving for an initial two-year term; and

WHEREAS, the one-year term of eight of the initial 17 members of the Tri-County Planning Body expires on May 5, 2023; and

WHEREAS, the TCPB charter states that “committee members appointed to serve an initial one-year term may be reappointed to serve up to two additional two-year terms”; and

WHEREAS, all members with a term expiring after the initial one-year term desire to remain on the committee for an additional two-year term, now therefore,

BE IT RESOLVED that the Metro Council reappoints the members listed in Exhibit A attached to this Resolution for a term beginning on May 6, 2023, and ending on May 5, 2025, with eligibility to serve one additional two-year term starting in 2025.

ADOPTED by the Metro Council this 27th day of April 2023.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

Exhibit A to Resolution No. 23-5329

Supportive Housing Services Tri-County Planning Body Committee Member Appointments and Terms

The Tri-County Planning Body is composed of 17 voting members. Of the 17 members, four are elected representatives from each county partner jurisdiction and the Metro Council in addition to the 13 other members.

The following eight persons have each served an initial term of one year ending May 5, 2023. They are each eligible for two additional two-year terms. Below is a list of members up for reappointment:

- Mercedes Elizalde
- Cristina Palacios
- Monta Knudson
- Nicole Larson
- *Chair Tootie Smith*, elected representative from Clackamas County
- *Commissioner Susheela Jayapal*, elected representative from Multnomah County
- *Chair Kathryn Harrington*, elected representative from Washington County
- *Councilor Christine Lewis*, elected representative from Metro

IN CONSIDERATION OF RESOLUTION NO. 23-5329 FOR THE PURPOSE OF RE-APPOINTING MEMBERS TO THE SUPPORTIVE HOUSING SERVICES TRI-COUNTY PLANNING BODY (TCPB)

Date: April 10, 2023
Department: Housing
Meeting Date: April 27, 2023

Presenter(s): Liam Frost

ISSUE STATEMENT

In May 2020, voters in greater Portland approved the Supportive Housing Services ballot measure (26-210) to fund supportive housing services for people experiencing homelessness or at risk of experiencing homelessness. Community members and leaders from around the region developed the measure, recognizing that individuals and families need support to find and stay in their homes.

As part of the ballot measure's intent to increase regional coordination to address homelessness, the measure requires the creation of a "Tri County Planning Body" (TCPB). The TCPB is charged with developing a regional plan, providing direction on policy, and directing five percent of ballot measure revenue towards regional coordination.

The TCPB charter development, member recruitment, and member selection process was conducted by Metro, Clackamas, Multnomah and Washington county staff in a collaborative effort. The charter requires the TCPB to be comprised of seventeen members, including an elected official from Metro and each of the three counties.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

When the original slate of candidates was first developed for the TCPB, eight of the original seventeen members were appointed initially for a one-year term, while the remaining nine members were appointed for an initial two-year term. This staggering was done purposely as a best practice to ensure continuity in the event of mass turn-over as terms end. As stated in the TCPB charter, committee members appointed to serve an initial one-year term may be reappointed to serve up to two additional two-year terms. All members with a term expiring after the initial one-year term desire to remain on the TCPB for an additional two-year term. The three counties and Metro staff agree that these members would continue to provide valuable insight to the work of the TCPB.

BACKGROUND

Metro staff recommends that Metro Council approve the re-appointment to the TCPB of:

- Mercedes Elizalde
- Cristina Palacios
- Monta Knudson

- Nicole Larson
- *Chair Tootie Smith*, elected representative from Clackamas County
- *Commissioner Susheela Jayapal*, elected representative from Multnomah County
- *Chair Kathryn Harrington*, elected representative from Washington County
- *Councilor Christine Lewis*, elected representative from Metro

Agenda Item No. 4.1

**RES 23-5320 For the purpose of adopting solid waste fees
at the metro transfer stations and the regional system fee
for FY 2023-24**
Resolutions

Metro Council Work Session
Meeting Thursday, April 27, 2023

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING SOLID)	RESOLUTION NO. 23-5320
WASTE FEES AT THE METRO TRANSFER)	
STATIONS AND THE REGIONAL SYSTEM)	Introduced by Chief Operating Officer
FEE FOR FY 2023-24)	Marissa Madrigal with the concurrence of
)	Council President Lynn Peterson

WHEREAS, Metro Code Chapter 5.02 establishes the regional system fee, which recovers the costs for all associated regional solid waste activities related to managing, planning, and administering the entire recycling, processing, and disposal system for the Metro region; and

WHEREAS, Metro Code Chapter 5.03 establishes the fees for solid waste at Metro Central and Metro South transfer stations; and

WHEREAS, Metro Code Chapters 5.01 and 5.02 establishes that all solid waste generated from inside the Metro jurisdictional boundary is subject to a regional system fee at the time the waste is delivered to a Metro transfer station or otherwise disposed; and

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

WHEREAS, Metro Council finds that it is in the public interest for Metro to collect a community enhancement fee of \$1.00 per ton on all solid waste received at Metro’s transfer stations; and

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

WHEREAS, the proposed fees comply with Metro Charter Section 15 (“Limitations on Amount of User Charges”); now therefore,

THE METRO COUNCIL RESOLVES 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 resolution.
- Section 2. Effective Date. This resolution shall become effective on July 1, 2023.
- Section 3. Interim Fees. The Chief Operating Office may establish an interim fee for an additional service or waste material at Metro’s transfer stations as provided in Administrative Rules No. 5.03-1000 through 1070.

ADOPTED by the Metro Council this ____ day of April 2023.

Lynn Peterson, Council President

APPROVED AS TO FORM:

Carrie MacLaren, Metro Attorney

Exhibit "A" to Resolution No. 23-5320

SCHEDULE OF SOLID WASTE FEES

Effective July 1, 2023

Fees at Metro Central Station and Metro South Station

Tonnage Fees by waste class

In accordance with Metro Code Chapter 5.03, Metro will charge the following fee for each ton of solid waste received at a Metro transfer station

- (1) Mixed solid waste \$ 86.23
- (2) Clean Wood 74.93
- (3) Yard Debris..... 55.00
- (4) Residentially generated organic waste.....86.15
- (5) Commercially generated organic waste..... 75.38

Transaction Fees by transaction class

In accordance with Metro Code Chapter 5.03, Metro will charge the following fee for each transaction at a Metro transfer station.

- (1) For users of staffed scales. \$ 24.00
- (2) For users of automated scales 6.75

Minimum Charges

In accordance with Metro Code Chapter 5.03. Metro will charge a minimum tonnage fee for loads of 240 pounds or less, as follows:

- (1) Mixed solid waste \$ 40.00
- (2) Clean Wood 33.00
- (3) Yard Debris..... 31.00
- (4) Residentially generated organic waste.....34.00
- (5) Commercially generated organic waste..... 33.00

Fees on Disposal of Solid Waste

Regional System Fees by waste class

In accordance with Metro Code Chapter 5.02, Metro will assess the following regional system fee on solid waste.

- (1) Cleanup material..... \$ 2.50
- (2) All other solid wastes..... 31.41

Community Enhancement Fee

In accordance with Metro Code Chapter 5.06, Metro will collect the following community enhancement fee on solid waste at all eligible solid waste facilities and at Metro transfer stations.

- (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 RESOLUTION NO. 23-5320 FOR THE PURPOSE OF ADOPTING SOLID WASTE FEES AT THE METRO TRANSFER STATIONS AND THE REGIONAL SYSTEM FEE FOR FY 2023-24.

Date: April 13, 2023
Department: FRS
Meeting Date: April 27, 2023

Prepared by: Cinnamon Williams
Presenters: Brian Kennedy and Cinnamon Williams
Length: 30 Minutes

ISSUE STATEMENT

This resolution will authorize increases to Solid Waste fees at the Metro transfer stations and regional system fee to take effect on July 1, 2023.

ACTION REQUESTED

Council adoption of Resolution 23-5320

IDENTIFIED POLICY OUTCOMES

Council adoption of this resolution will:

1. Increase the Solid Waste fees at the Metro transfer stations and regional system fee to be effective as of July 1, 2023;
2. Provide Council with the annual report of the amount of solid waste that was subject to reduced fees and taxes or exempted during FY 2021-22.

POLICY QUESTION

Should Council increase the Solid Waste fees at the Metro transfer stations (including the total disposal fee, transactions fees, materials charges, and minimum load size fees) and the regional system fee to cover the costs of service of Metro station operations and the regional waste system?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

1. Adoption of the resolution to increase Solid Waste fees at the Metro transfer stations and regional system fee to fund current Department expenses.
2. Reject the resolution and Solid Waste fees at the Metro transfer stations and regional system fee will be unchanged. This action will result in future operational budget shortfalls. This will require Metro to significantly reduce public services and make additional changes to programs and capital plans to keep spending in line with expected revenue collected.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of Resolution 23-5320

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

April 11, 2023, the Chief Operating Officer and the Chief Financial Officer presented to the Metro Council policy choices and fee scenarios for adopting fees for FY 2023-24. In that meeting Council direct staff to continue the approach of fee predictability. This approach is to keep the increase to the overall tip fee within the 8% ceiling, which created a mixed solid waste tip fee of \$133.81. This is 8.3% increase from FY 2022-23. This increase also includes the Metro excise tax increase of .48 cents, which is not a part of the fee development. If the excise tax was flat, the overall tip fee would be 8% increase from the prior year, which is within the ceiling guidance provided by Council.

Staff presented the Council with three scenarios: Full Cost of Service (COS), status quo, 8% Ceiling, and freezing the Regional System Fee. While all four have their pros/cons and cover the needs of the WPES department and the Region's solid waste system, Council requested that staff move forward with keeping the promises made in the prior year and go with the 8% ceiling approach.

In summary, the overall tip fee increase is 8.4% and the minimum load from 300 to 240 pounds to create a fee of \$40. This is still higher than the average minimum load, which is approximately 205 pounds.

Independent Solid Waste Fee Review and Staff response: As required by Metro Code Chapter 5.03.070, staff has had the Solid Waste Fees reviewed by an independent reviewer. Metro employs consultant FCS Group who reviews the Solid Waste Rate Model and provisional fees. This review includes a letter with their findings and recommendations during this review. The current review letter is provided as **Attachment 3** and staff's response is **Attachment 4**.

Clean-up Material and Special Exemptions: Metro Code Section 5.02.070(b) states that the Chief Operating Officer must provide the Metro Council with an annual report indicating the amount of solid waste recycled or disposed under special exemption permits and the total regional system revenue that was not collected during the fiscal year because of those special exemptions. 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 FY 2021-22 is provided in **Attachment 1**.

Known Opposition: A solid waste industry representative has previously indicated opposition to the single disposal fee that Metro charges for solid waste received at its transfer stations. Additionally, some local government partners have also expressed concerns about increasing disposal fees.

Legal Antecedent: The process for setting Metro's solid waste fees and taxes are set forth in Metro Code Chapters 5.02, 5.03, 5.06 and 7.01. Metro reviews its solid waste fees annually. The proposed FY 2022-23 fees 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.

Attachment 1, Annual Credit and Exemptions Report

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

July 1, 2021 - June 30, 2022

Fiscal Year 2022

Reduced rate waste (cleanup material)		Tons
Type:		
Petroleum Contaminated Soil		214,979
Other		28,564
	total	<u><u>243,543</u></u>

Exempt waste		Tons
Generator:		
Columbia Steel Casting Co Inc		6,571
Evrz NA		1,424
Greenway Recycling		12,687
Metro Paint		794
Metro South		19
RA Roth / NW Shingle		0
RB Recycling		2,351
Rivergate Scrap Metals		13,390
Schnitzer Steel		135,139
Siltronics Corp		460
Synagro Technologies		1,148
Tire Disposal and Recycling		1,185
Tualatin Valley Waste Recovery		10,431
Willamette Resources Inc		1,426
	total	<u><u>187,027</u></u>

Special Exemption Permits		Tons
Generator:		
Oregon Department of Agriculture		2,744
(yard debris from beetle quarantined area - Wash Co) *	total	<u><u>2,744</u></u>

* No lost revenue as material would have normally been composted

Fee Setting Criteria

April 2023

Rationale: During the process of fee development, staff relies on Metro’s legal authority as determined by Metro Code and Oregon Revised Statute, as well as policy adopted by the Metro Council and other informal guidance. In addition, the solid waste fee setting process is guided by core set of criteria used to ensure effective management of the regional solid waste system.

Action: Solid waste fee and rate setting guidance recommends that fee and rate setting policy be periodically reviewed. The fee setting principles were last updated in 2018 (see attachment A). Given both the timing and the adoption of the 2030 Regional Waste Plan, it is timely to conduct a review of the criteria. By adopting fees and the fee setting criteria, Council has reviewed the below fee setting criteria that is to be used during fee development.

Fiscal Responsibility

- A. Credit Rating Impacts: The fee structure should not negatively impact Metro’s credit rating.
- B. Authority to Implement: Metro should ensure that it has the legal ability to implement the fee structure; or, if such authority is not already held, evaluate the relative difficulty of obtaining the authority. And, fees should be readily enforceable.
- C. Revenue Adequacy: Fees should be sufficient to generate revenues that fund the costs of the solid waste system and provide fund balance reserves that are necessary for fee stabilization, policy compliance, and unexpected disruptions.

Accountability

- A. Reliability. Anticipated revenues used in the fee setting process should be considered stable and unlikely to deviate from financial plan expectations.
- B. Predictability: Metro fee adjustments should be predictable and orderly to allow local governments, haulers, and rate payers to perform effective planning.
- C. Transparency: Metro fee should be a reflect policy decisions in the fee setting process and structure and have the visibility into the decision-making process (how decisions are being made).

Public Benefit

- A. Administration: Fee setting should evaluate the relative cost and benefits of administering the fees with financial and policy goals.

- B. Service Provision: Charges to users of the waste disposal system should be directly related to disposal services received. Fee impacts to residents of the Metro service district who may not be direct users of the disposal system should be related to other benefits received.
- C. Affordability. Fee setting should consider the economic effects and distribution of benefits on the various types of users in the Solid Waste System, 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.
- D. Consistency: Solid waste fee setting should be consistent with Metro's agency-wide planning policies and objectives, including but not limited to the Regional Waste Plan.
- E. Waste Reduction: The rate structure should encourage waste reduction, reuse, and recycling.

April 21, 2023

Metro

600 NE Grand Avenue
Portland, OR 97232-2736

Subject: Review of Fiscal Year 2023-2024 Solid Waste Disposal Fees

Dear Ms. Madrigal, Chief Operating Officer,

Metro engaged FCS GROUP to provide an independent review of the methodology for calculating proposed solid waste disposal fees for Fiscal Year (FY) 2023-2024. In response to this request, we have reviewed Metro's updated Excel Fee Model (Model) and associated fees for accuracy, adequacy, reasonableness and compliance with industry practices. This review is in accordance with *Metro Code – Title V Solid Waste Section 5.03.070 “Independent Review of Fee Setting Process; Written Report”*.

This review focused on the overall methodology and resulting fees for compliance with industry practices for FY 2023-2024. The review did not validate the accuracy of source documents or formulae and structure utilized in the Model.

The FY 2023-2024 findings and comments are summarizing below:

- The methodology utilized in the fee setting process follows best practices in the industry. The overall analysis is structured around three (3) fee setting components, or steps:
 1. *Revenue requirement*: evaluates the overall revenue needs of the utility on a self-supporting basis, considering operating and maintenance expenditures, capital/equipment funding needs, debt requirements and fiscal policies.
 2. *Cost of service*: equitably distributes costs to services based on their proportional demand and use of the system.
 3. *Rate / fee design*: includes the development of fees that generate sufficient revenue to support the revenue requirement and address Metro's policy goals and objectives.
- The recommended overall fee strategy (step 1, revenue requirement) for FY 2023-2024 projects revenues after increase to be below annual operating obligations, requiring the use of \$600,000 in reserves. When evaluating reserve levels, it is important to recognize that the value of reserves lies in their potential use. A reserve strategy that deliberately avoids any use of reserves negates their purpose. Fluctuation of reserve levels may indicate that the system is working, while lack of variation over many years may suggest that the reserves are, in fact, unnecessary. The benefit of projecting revenue requirements beyond the immediate test year period is the ability to level out impacts over time, if necessary. The Model does project the revenues after increase for subsequent years to meet the estimated revenue needs, assuming the proposed fees are implemented.
 - » The operating and maintenance (O&M) expense projection for this year's Model update does include a budget realization factor of approximately 95 percent. The budget realization factor reduces the overall budget, not including cost allocation plan expenditures, down to 95.0

percent of the total. This practice is common in the rate setting industry and is often utilized if a utility has historically expended less than planned or if the utility anticipates the test year to be below budget due to factors identified after the budget has been adopted. The budget realization factor reduces the overall operating budget by approximately \$6.0 million for the FY 2023-2024 test year. Metro should continue to closely monitor actual annual expenditures compared to the figures used in the current rate strategy and adjust if necessary.

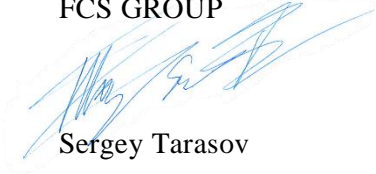
- The cost allocation (step 2, cost of service) utilized in developing service level charges appears technically sound and consistent with that deemed acceptable by industry practices. Costs appear to be allocated with cost causation principles, mimicking the nature of how they are incurred. Primary allocation occurs based on actual time spent by employees within each service level, contractual costs associated with each service level or a direct assignment of costs to a specific service level.
 - » For this year's update, Metro has expanded the O&M expense line-item budget used in the Model. The greater detail allows Metro to hone in on individual expenses, which may have been grouped within larger summary level categories. The expanded approach may increase the granularity of cost allocation but may require additional time for tracking and future updates. Overall, this adjustment did not have a material impact on the cost allocation results.
 - » Another change that has occurred with this year's update is the allocation of the Operating and Personnel cost components of the Central and South Transfer Station contracts. In prior studies, these cost elements were allocated based on the working floor area for each transfer station and the associated service. The updated allocation distributes these costs based on FTEs assigned to each service within the transfer station. While this is a change from prior studies, this modification has been made to more closely align with the actual expenses incurred. The results of this change shifts cost recovery towards scalehouse operations and impacts the cost-based transaction fee.
 - » The results of the cost-of-service analysis indicate that cost differences are present between existing fees and the cost-based allocation. It should be noted that, typically, if the result of each individual service is within plus (+) or minus (-) 5.0 to 10.0 percent of the overall system average, they are generally considered to be within cost-of-service. This range of reasonableness is given since although there is an industry accepted methodology, the specific classification and allocation of expenses reflect cost and waste characteristics at a given point in time. With time, waste patterns, composition and facility requirements change resulting in changes to cost-of-service. The flexibility to work within the range of reasonableness can minimize annual peaks and valleys and help maintain stable fees from year to year.
- The proposed fees (step 3, rate / fee design) phase-in cost-of-service results over a 5-year period. Staffed and automated fees, mixed solid waste, clean wood and residential organics are phased-in to within 4.0 percent of their cost-of-service level, with the majority projected to be within 1.0 percent. By the end of the 5-year period, commercial organics are projected to be within 7.0 percent of their cost of service, which falls in line with the 10.0 percent range of reasonableness discussed above. The yard waste fee is held below allocated costs, to support programmatic goals for this waste area.
 - » The proposed rate design, when reconciled with projected billing units, does project a lower revenue generation in comparison to the total revenue requirement targets identified in step 1, revenue requirement. The deficiency ranges from \$2.0 million in FY 2023-2024 down to

\$113,000 in FY 2027-2028. While the rate design does generate less revenues, effectively lowering the overall rate increases identified in step 1, Metro's existing fund balances are projected to be sufficient to cover the deficiency.

We appreciate the opportunity to work with Metro on this project. Please do not hesitate to contact me if you have any questions regarding this letter or if additional information is needed.

Sincerely,

FCS GROUP



Sergey Tarasov

Principal

cc: Financial Planning Director Cinnamon Williams, Chief Financial Officer Brian Kennedy, and Councilors Peterson, Simpson, Lewis, Rosenthal, Gonzalez, Nolan and Hwang

Attachment 4, Review of FY 2023-24 Solid Waste Disposal Fees

Metro engaged FCS Group to provide an independent review of the methodology for calculating proposed solid waste fees for the fiscal year FY 2023-24. This letter has four bullets. The first bullet outlines the best practices of the industry and the structure to utilize the Rate Model. This structure is three different fee setting components: revenue requirement, cost of service, and rate/fee design. The following three bullets describe those steps, and the sub-bullet down is the review note. Staff will quote each review note and provide a response.

FCS Group – Comment on the Revenue Requirement:

- » The operating and maintenance (O&M) expense projection for this year’s Model update does include a budget realization factor of approximately 95 percent. The budget realization factor reduces the overall budget, not including cost allocation plan expenditures, down to 95.0 percent of the total. This practice is common in the rate setting industry and is often utilized if a utility has historically expended less than planned or if the utility anticipates the test year to be below budget due to factors identified after the budget has been adopted. The budget realization factor reduces the overall operating budget by approximately \$6.0 million for the FY 2023-2024 test year. Metro should continue to closely monitor actual annual expenditures compared to the figures used in the current rate strategy and adjust if necessary.

Staff Response:

Staff agrees with the comment. Staff reviews financial performance and tonnage activity daily, weekly, monthly, and quarterly. In addition, staff produces quarterly reports that include financial forecasts and will closely monitor WPES budget realization to ensure that projected underspending is on-track.

FCS Group – Comment on the Cost of Service:

- » For this year’s update, Metro has expanded the O&M expense line-item budget used in the Model. The greater detail allows Metro to hone in on individual expenses, which may have been grouped within larger summary level categories. The expanded approach may increase the granularity of cost allocation but may require additional time for tracking and future updates. Overall, this adjustment did not have a material impact on the cost allocation results.



- » Another change that has occurred with this year's update is the allocation of the Operating and Personnel cost components of the Central and South Transfer Station contracts. In prior studies, these cost elements were allocated based on the working floor area for each transfer station and the associated service. The updated allocation distributes these costs based on FTEs assigned to each service within the transfer station. While this is a change from prior studies, this modification has been made to more closely align with the actual expenses incurred. The results of this change shifts cost recovery towards scalehouse operations and impacts the cost-based transaction fee.
- » The results of the cost-of-service analysis indicate that cost differences are present between existing fees and the cost-based allocation. It should be noted that, typically, if the result of each individual service is within plus (+) or minus (-) 5.0 to 10.0 percent of the overall system average, they are generally considered to be within cost-of-service. This range of reasonableness is given since although there is an industry accepted methodology, the specific classification and allocation of expenses reflect cost and waste characteristics at a given point in time. With time, waste patterns, composition and facility requirements change resulting in changes to cost-of-service. The flexibility to work within the range of reasonableness can minimize annual peaks and valleys and help maintain stable fees from year to year.

Staff Response:

Staff agrees with the three comments. Staff implemented an itemized O&M expense line approach to improve transparency of costs and acknowledges the additional time that it takes to implement appropriate accounting and review over the expenses. For comment two, staff continues to review allocation methods by how costs are incurred and apply these methods to reflect the operation activity of the department.

Comment three addresses the waste streams' volatility and ongoing increases in costs-of-service. Staff agrees with this comment and will close evaluate how to continue provide this service and level of service within the cost implications of the system.

FCS Group – Comment on Rate/Fee Development:

- » The proposed rate design, when reconciled with projected billing units, does project a lower revenue generation in comparison to the total revenue requirement targets identified in step 1, revenue requirement. The deficiency ranges from \$2.0 million in FY 2023-2024 down to \$113,000 in FY 2027-2028. While the rate design does generate less revenues, effectively lowering the overall rate increases identified in step 1, Metro's existing fund balances are projected to be sufficient to cover the deficiency.

Staff Response:

Staff agrees with this comment. Staff acknowledges that fees do not cover all budgeted spending and will continue to monitor reserves. Each year, additional analysis will be done to ensure that fund balance reserve policies and best practices are appropriately complied with.

Agenda Item No. 5

Parks and Nature Department Budget Presentation.
Presentation

Metro Council Work Session
Meeting Thursday, April 27, 2023

STAFF REPORT

DEPARTMENT BUDGET PRESENTATION: PARKS AND NATURE

Date: April 7, 2023

Prepared by:
Patrick Dennis, Budget Coordinator

Department: Parks and Nature

Presented by:
Jon Blasher, Parks and Nature Director

Meeting date: April 27, 2023

Length: 60 minutes

ISSUE STATEMENT

This meeting will provide Council, acting as the Budget Committee, the opportunity to hear how the Parks and Nature Department's FY 2023-24 budget aligns with Council priorities, strategic framework, racial equity outcomes, and climate action goals. Information shared at this meeting will help guide the development of the FY 2023-24 Approved Budget.

ACTION REQUESTED

Council discussion and feedback regarding the Parks and Nature FY 2023-24 proposed budget.

IDENTIFIED POLICY OUTCOMES

Development of a FY 2023-24 Metro budget that aligns with Council priorities.

POLICY QUESTIONS

What are the policy implications and tradeoffs that will result from the department's budget?
Specific factors for Council consideration *may* include:

- How well do the department's programs align with Council priorities and direction?
- Does the budget represent a good investment in, and advance, the Council priorities?
- Has the department demonstrated sufficient planning to successfully implement any new programs and/or projects?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Each department's budget has individual items that should achieve outcomes specifically addressed by Council through the strategic framework. Council can support the budget in whole or in part and modify individual items or larger program requests.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend that Council hear all the department presentations prior to determining their support for each department's proposed budget.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Each department's FY 2023-24 base budget was developed following the Chief Financial Officer's budget instructions released in early December 2022. The base budgets allow the departments to continue existing programs and projects as adjusted for various factors such as inflation, COLAs, etc.

New programs, projects, additional appropriations, and FTE are requested through the department's budget modification request process. These requests were reviewed and analyzed by the Chief Operating Officer, Deputy Chief Operating Officers, and Chief Financial Officer. Approved requests were built into the FY 2023-24 Proposed Budget, released on April 7, 2023, and presented by the Chief Operating Officer, acting as the Budget Officer, on April 11, 2023, with their Budget Message.

Legal Antecedent

The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. The Chief Operating Officer, acting in their capacity as the designated Budget Officer, is required to present a balanced budget to Council, acting in their capacity as Metro's Budget Committee.

BACKGROUND

Each department will provide information pertaining to their proposed budget, that includes budget modification requests approved by the Chief Operating Officer.

Materials following this page were distributed at the meeting.



Metro

Parks and Nature Department FY 2023-24 Proposed Budget

April 27, 2023

Presentation Agenda

Budget Overview

Equity Metric

Budget Modifications

Investments in Target Areas

Council Discussion

Budget Overview - services

- Core regional services:
 - Protect and conserve nature
 - Create and maintain great places
 - Connect people to nature
 - Support community aspirations
 - Convene, plan and build a regional trail system

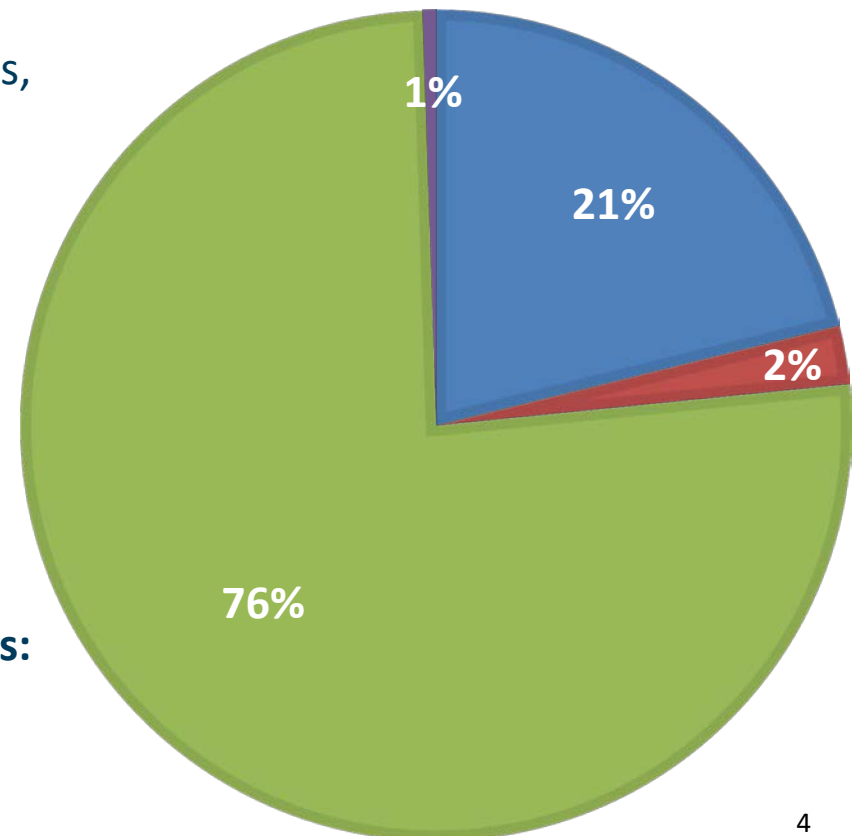


Budget Overview

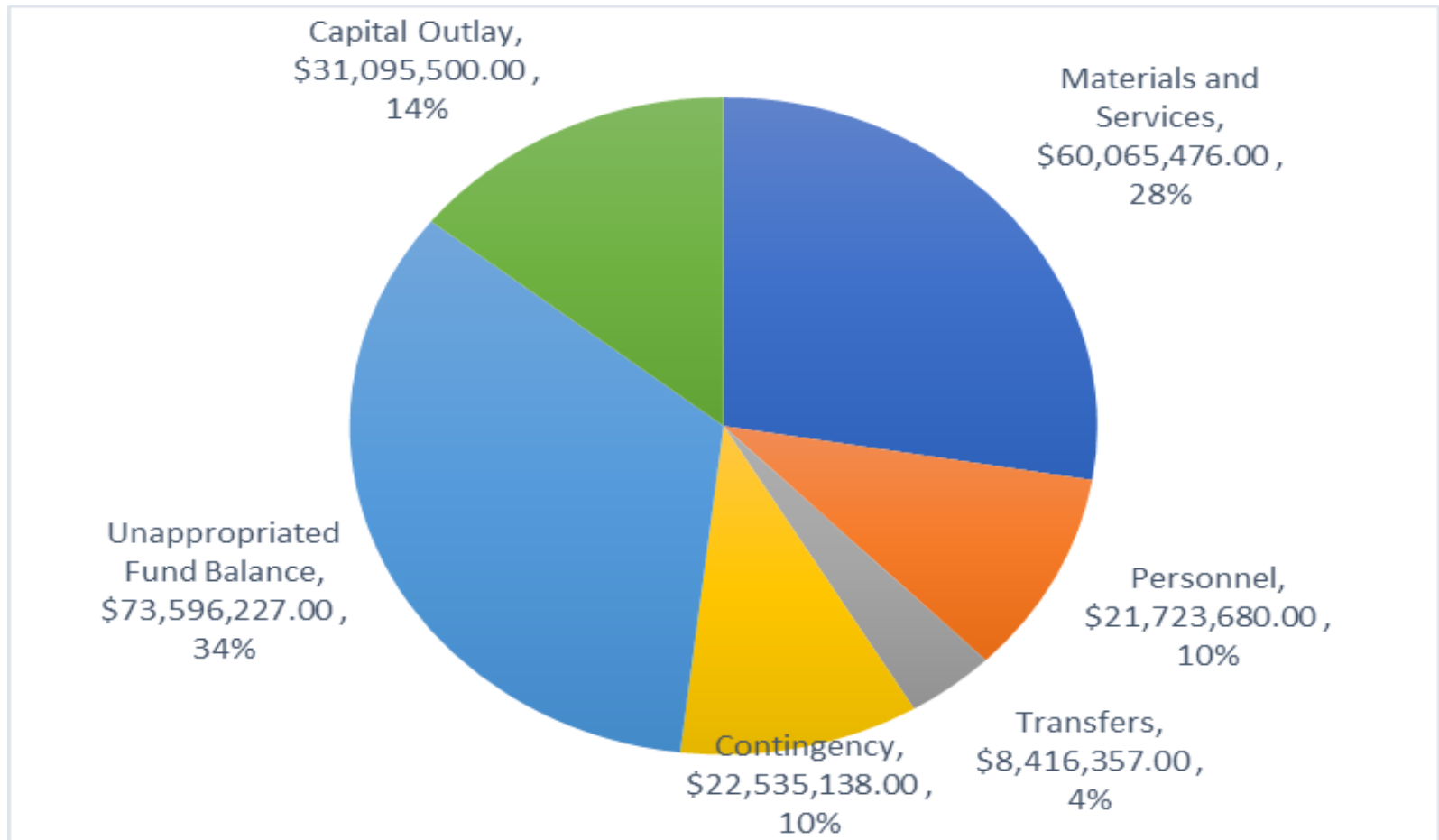
- **P&N Operating Fund : \$44M**
levy proceeds, general fund allocations, charges for services
- **Natural Areas Bond Fund: \$4M**
2006 NA Bond, almost gone
- **2019 Parks and Nature Bond Fund: \$165M**
6 programs, capital only
- **Other more restricted funding sources: \$2.1M**
Willamette Falls, Renewal and Replacement, Smith and Bybee, Cemetery Perpetual Care, Glendoveer

FY24 P&N BUDGET FUNDING

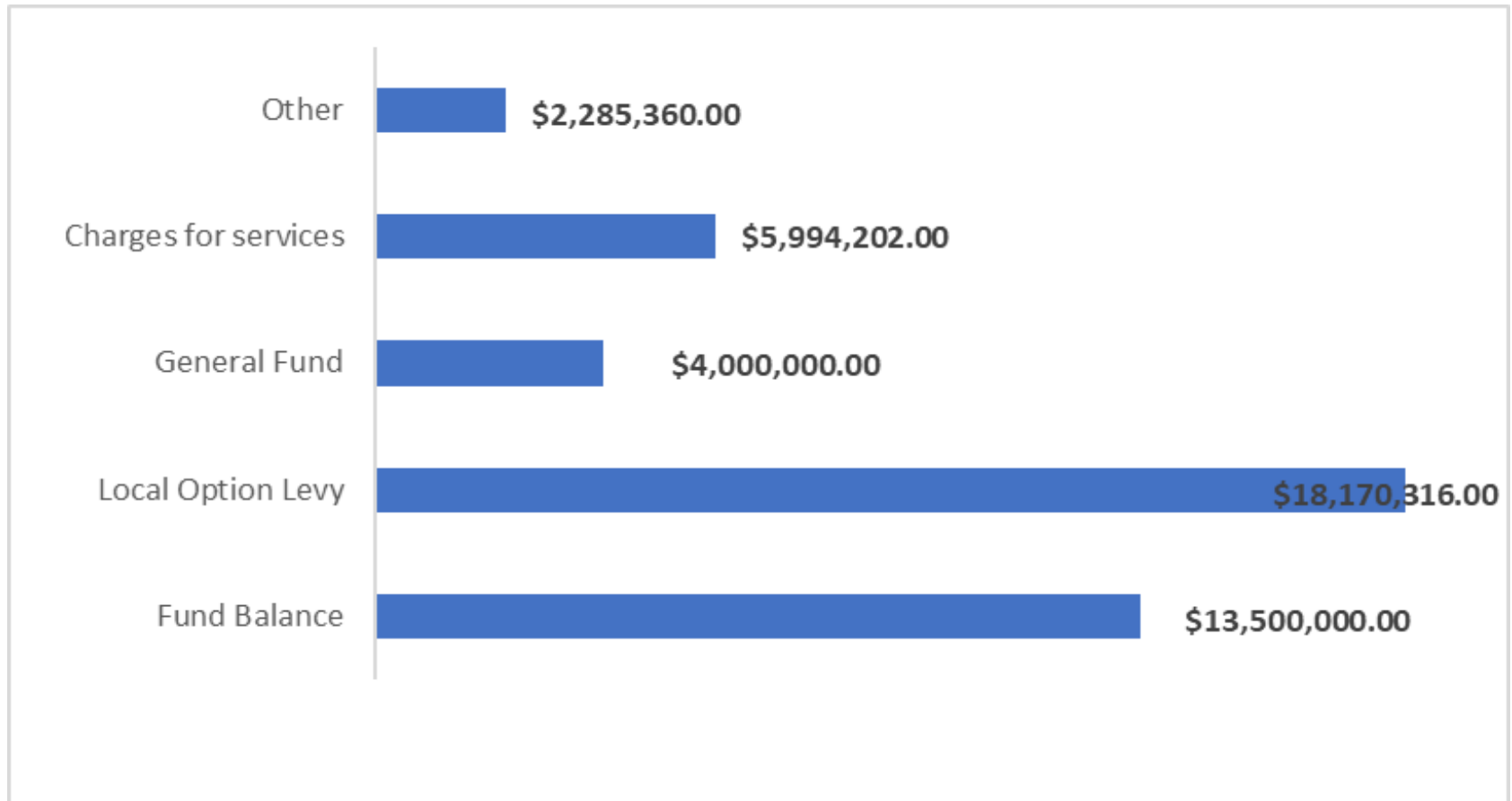
■ Operating Fund ■ N/A Bond ■ 2019 Bond ■ Other



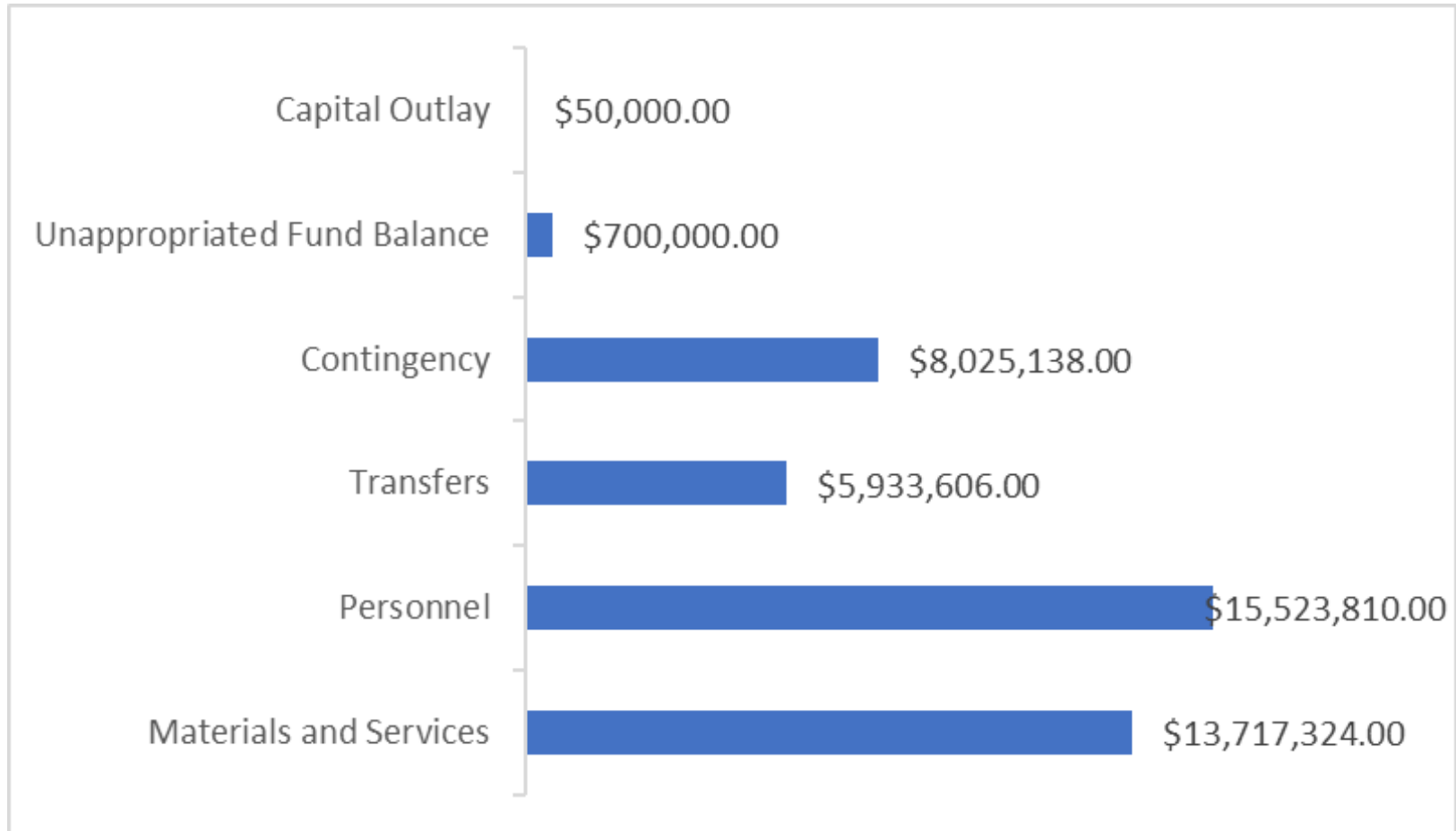
Budget Overview: Overall expenditures



Budget Overview: OpFund Revenue



Budget Overview: OpFund Expenditure



Budget Overview: Capital Improvement Plan

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
2019 Bond Non-Taxable	27,137,000	17,272,000	20,950,000	21,340,000	15,000,000	101,699,000
Operating Fund	1,385,000	580,000	15,000	-	-	1,980,000
Willamette Falls Sub-Fund	100,000	-	-	-	-	100,000
Natural Areas Fund	1,543,658	-	-	-	-	1,543,658
PARKS & NATURE TOTAL:	30,165,658	17,852,000	20,965,000	21,340,000	15,000,000	\$105,322,658

Parks and Nature Equity Outcomes

Economic equity

Communities of color prosper economically from the business of Parks and Nature in greater Portland.

Environmental equity

Communities of color in greater Portland enjoy the benefits of clean land, air and water and have equitable access to safe and welcoming parks, trails and natural areas.

Cultural equity

People of color connect with nature and with one another in the region's parks and nature system.

Key Equity Metric

Supporting COBID firms

- 20% of take care of Metro parks program contracts must go to COBID firms
 - Currently at 38% COBID firms from bond
- COBID firms made up 39% of contract spending across Parks and Nature FY22
- Blue Lake Regional Park C2P2 underway

Budget Modifications

- Three and a half new positions for operational support
 - Business services manager
 - Archaeologist
 - 0.5 limited duration policy manager
- One position approved in March amendment
 - Program analyst (approved in spring)

Investments in Target Areas

- Mission critical strategy to support the environment and make the region resilient to climate change
- 40% of levy goes to habitat restoration
- \$155 million of bond goes to the protect and restore land program
 - Natural area land purchases
 - Capital conservation projects

Council Discussion

Questions?



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Metro

Resolution 23-5320: Solid Waste Fees

Fiscal Year 2023-24

April 2023



Fee-Setting Timeline



2022

Jul Aug Sept Oct

Budget preparation

- Capital improvement
- Project scoping
- Forecasts updated

2023

Nov Dec Jan

Department budget request

- Council retreat
- Budget direction

Jan Feb Mar

Budget proposal

- Meetings with COO
- Council presentations

Apr May Jun

Budget approval

- Potential updates to budget based on council review

Jun Jul

Budget adoption by Metro Council

- Council approval of budget

Engagement Activities

- Three budget forums convened by Waste Prevention and Environmental Services (WPES)
- Direct engagement with transfer station operators
- Metro Council work session on solid waste fees
- WPES budget presentation and public hearing

What are the Solid Waste Fees?



Tonnage Charge



Minimum Charges



Transaction Fees



Regional System Fee



Community Enhancement Fee

Fees paid at Metro
Transfer Stations

Fees paid on disposal of
all solid waste

Staff Recommendation: 8% Increase

	Existing 2023	Proposed for 2024	Difference	
			(\$)	(%)
Metro MSW Tonnage Tip Fee				
<i>Mixed Solid Waste</i>	\$78.39	\$86.23	\$7.84	10.0%
<i>Regional System Fee</i>	\$29.37	\$31.41	\$2.04	6.9%
Transaction Fees				
<i>Manual</i>	\$18.00	\$24.00	\$6.00	33.3%
<i>Automatic</i>	\$4.25	\$6.75	\$2.50	58.8%
Other Taxes & Fees				
<i>Metro Excise Tax</i>	\$12.80	\$13.28	\$0.48	3.7%
<i>Pass-thru (CEF & DEQ)</i>	\$2.89	\$2.89	\$0.00	0%
TOTAL MSW TIP FEE	\$123.45	\$133.81	\$10.36	8.4%
<i>Min load fee (at 240 lbs)</i>	\$35.00	\$40.00	\$5.00	14.3%

Other solid waste fees

Commercial organics

- Staff Recommendation: Continue to subsidize as program is implemented, limit fee increase to 8% for FY2023-24

Other materials (Residential organics, clean wood, yard debris)

- Staff Recommendation: Move to cost of service over next three years

Minimum load charge

- Staff Recommendation: Increase to \$40, evaluate cost recovery model as part of larger conversations about system-wide fees and charges

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Option 1: Charge Full Cost of Service

	Existing 2023	Option 1 for 2024	Difference	
			(\$)	(%)
Metro MSW Tonnage Tip Fee				
<i>Mixed Solid Waste</i>	\$78.39	\$92.26	\$13.87	17.7%
<i>Regional System Fee</i>	\$29.37	\$33.83	\$4.46	15.2%
Transaction Fees				
<i>Manual</i>	\$18.00	\$31.00	\$13.00	72.2%
<i>Automatic</i>	\$4.25	\$7.50	\$3.25	76.5%
Other Taxes & Fees				
<i>Metro Excise Tax</i>	\$12.80	\$13.28	\$0.48	3.7%
<i>Pass-thru (CEF & DEQ)</i>	\$2.89	\$2.89	\$0.00	0%
TOTAL MSW TIP FEE	\$123.45	\$141.78	\$18.33	14.8%
<i>Min load fee</i>	\$35.00	\$48.00	\$13.00	37.1%

Total Est Revenue: \$120.4M

Budget Implications:

- Fund is fully funded and reserve balances are healthy
- Provides flexibility for programmatic activity and region needs
- Capital spending can be fully utilized to take care of large-scale needs at the stations

Customer/Partner Implications:

- Private station will likely support large increase to mixed solid waste fee allowing them to raise prices
- Local partners will likely oppose as this will encourage private stations to raise rates
- Minimum load increase is significant and could result in illegal dumping
- There will likely be opposition by all to the regional system fee increase

Option 3: Staff Recommendation Res 23-5320

	Existing 2023	Option 3 for 2024	Difference	
			(\$)	(%)
Metro MSW Tonnage Tip Fee				
<i>Mixed Solid Waste</i>	\$78.39	\$86.23	\$7.84	10.0%
<i>Regional System Fee</i>	\$29.37	\$31.41	\$2.04	6.9%
Transaction Fees				
<i>Manual</i>	\$18.00	\$24.00	\$6.00	33.3%
<i>Automatic</i>	\$4.25	\$6.75	\$2.50	58.8%
Other Taxes & Fees				
<i>Metro Excise Tax</i>	\$12.80	\$13.28	\$0.48	3.7%
<i>Pass-thru (CEF & DEQ)</i>	\$2.89	\$2.89	\$0.00	0%
TOTAL MSW TIP FEE	\$123.45	\$133.81	\$10.36	8.4%
<i>Min load fee (at 240 lbs)</i>	\$35.00	\$40.00	\$5.00	14.3%

Total Est. Revenue: \$110M

Budget Implications:

- Requires operations budget underspending of \$6-7M
- \$3.5M discount for capital underspend
- \$1.7M use of rate stabilization dollars for the transaction fee/min load

Customer/Partner Implications:

- Increase to the Mixed Solid Waste total tip will provide private facility owners some inflationary relief
- Maintains Metro's commitment to stay within fee ceiling with expected increase

Option 3b: Get MSW closer to full COS

	Existing 2023	Option 3 for 2024	Difference	
			(\$)	(%)
Metro MSW Tonnage Tip Fee				
<i>Mixed Solid Waste</i>	\$78.39	\$89.72	\$11.33	14.45%
<i>Regional System Fee</i>	\$29.37	\$31.41	\$2.04	6.9%
Transaction Fees				
<i>Manual</i>	\$18.00	\$24.00	\$6.00	33.3%
<i>Automatic</i>	\$4.25	\$6.75	\$2.50	58.8%
Other Taxes & Fees				
<i>Metro Excise Tax</i>	\$12.80	\$13.28	\$0.48	3.7%
<i>Pass-thru (CEF & DEQ)</i>	\$2.89	\$2.89	\$0.00	0%
TOTAL MSW TIP FEE	\$123.45	\$137.30	\$13.85	11.2%
<i>Min load fee (at 240 lbs)</i>	\$35.00	\$40.00	\$5.00	14.3%

Total Est. Revenue: \$112M

(includes estimated clean-up fee revenue)

Budget Implications:

- Requires budget underspending of \$4.5M
- \$3.5M discount for capital underspend
- \$1.7M use of rate stabilization dollars for the transaction fee/min load

Customer/Partner Implications:

- Increase to the Mixed Solid Waste total tip will provide private facility owners some inflationary relief
- Maintains Metro's commitment to stay within fee ceiling with expected increase

Option 4b: Freeze the Regional System Fee

	Existing 2023	Option 4b for 2024	Difference	
			(\$)	(%)
Metro MSW Tonnage Tip Fee				
<i>Mixed Solid Waste</i>	\$78.39	\$88.21	\$9.82	12.5%
<i>Regional System Fee</i>	\$29.37	\$29.37	\$0.00	00.0%
Transaction Fees				
<i>Manual</i>	\$18.00	\$24.00	\$6.00	33.3%
<i>Automatic</i>	\$4.25	\$9.25	\$5.00	117.6%
Other Taxes & Fees				
<i>Metro Excise Tax</i>	\$12.80	\$13.28	\$0.48	3.7%
<i>Pass-thru (CEF & DEQ)</i>	\$2.89	\$2.89	\$0.00	0.00%
TOTAL MSW TIP FEE	\$123.45	\$133.27	\$9.82	8.0%
<i>Min load fee (at 240 lbs)</i>	\$35.00	\$40.00	\$5.00	14.3%

Total Est. Revenue: \$107.8M

Not appropriate fee development because we are not actually applying the reductions in the fee model. Which would push admin costs to the other fees due to the cuts in Regional System Fee programming. Independent review will have this comment in the review letter.

Budget Implications:

- Requires budget reduction of \$3-5M of WPES programs
- No underspend needed due to budget reductions
- Capital budget would be reduced by \$4.5M that would impact ability to complete capital improvements
- Maintains subsidization of the transaction charges and Minimum Load Fee by \$1.6M
- Reduction of the reserves by \$2.6M

Customer/Partner Implications:

- Likely would be supported by parties interested in lower fees
- Local partners would support no cost increases, but would oppose reduction of service levels
- Users of the stations would experience reduced hours of service