



**METRO**

600 NE Grand Ave.  
Portland, OR 97232-2736

**Meeting:** Rate Review Committee  
**Date:** April 26, 2005  
**Day:** Tuesday  
**Time:** 6:00 – 8:00 p.m.  
**Place:** Metro Regional Center, Room 501

**NOTE ROOM CHANGE**

**Agenda**

1. Call to Order (10 min) *Rod Park*  
*Consideration of minutes for the April 12 and April 19 meetings. \**  
*(Note, the April 12 minutes were distributed at the April 20 meeting. Call Tom Chaimov if you need a copy.)*
2. Finalizing the Rate Recommendation (1 hr. 45 min.) *Rod Park*  
*Topics:\**
  - a) *Recommendation on FY 2005-06 rates: Regional System Fee, transaction fee, tonnage charge.*
  - b) *Directions to staff on the "3<sup>rd</sup> Fee."*
  - c) *Findings and other discussion the Committee wants to send to Council along with the recommendation.*
  - d) *Other, as identified by the Committee.*
3. Wrap Up (5 min.) *Rod Park*

\* Starred materials are attached or enclosed with this agenda.  
Please contact Tom Chaimov at Metro with any questions at [chaimovt@metro.dst.or.us](mailto:chaimovt@metro.dst.or.us) or 503-797-1681.

**Committee Members**

Matt Korot, City of Gresham	Paul Matthews, Integrated Utilities Group
Mike Leichner, Pride Disposal	Mike Miller, Gresham Sanitary
Ray Phelps, Allied	Michelle Poyourow, Public Power Council
	<i>Councilor Rod Park, Chair</i>

**Metro Staff**

Michael Høglund, SWR Director
Douglas Anderson, SWR Manager
Tom Chaimov, Senior SW Planner
Karen Feher, Finance & Admin.

## Rate Review Committee

April 26, 2005

### Attachment for Agenda Item 2 Background Information for “Finalizing the Rate Recommendation”

#### Rate Ordinance and Staff Report

- Ultimately, the Committee’s work is translated into a legislative package, consisting of a *rate ordinance* and *staff report*.
- Draft versions are attached to familiarize you with the format.
- What to do with the drafts:
  - ⇒ The Committee should change or confirm the boxed areas in the Rate Ordinance.
  - ⇒ The recitals (“whereas” clauses) are *findings in favor* of the ordaining clause (which is to amend Metro Code to reflect the new rates). The Committee may wish to add/edit these.
  - ⇒ Any additional analyses, arguments, comments or observations may go in the staff report.

#### Summary of the Rate Work

Last week, staff distributed budget allocations and rates based on the 1<sup>st</sup> draft numbers:

- Using the FY 2005-06 budget and tons applied to the current allocation model; and
- After adjusting allocations based on the policies adopted at the April 12 and 20 meetings.

These results are summarized in the following table:

Component	1 <sup>st</sup> Draft (Phased COS)		After Policy Reallocations	
	Budget Allocation	Unit Cost	Budget Allocation	Unit Cost
<b>“3<sup>rd</sup> Fee”</b>	none	—	\$120,582	<b>see pg. 2</b>
<b>Transaction Fee</b>	\$2,846,107	<b>\$7.50</b>	\$2,354,601	<b>\$6.20</b>
<b>Tonnage charge*</b>	\$26,056,398	<b>\$46.10</b>	\$24,552,204	<b>\$43.44</b>
<b>Regional System Fee</b>	\$19,291,447	<b>\$14.87</b>	\$20,580,349	<b>\$15.86</b>
<i>Metro excise tax</i>	— . —	\$8.33	— . —	\$8.33
<i>DEQ &amp; host fees</i>	— . —	\$1.74	— . —	\$1.74
Total from rates	\$48,193,952		\$47,607,736**	
Metro tip fee	—	\$71.04	—	\$69.37

\* The proposed extra budget for fuel, which translates to about a dollar a ton, is not reflected in these numbers.  
 \*\* The totals differ by \$586,216 because reserves are used for a portion of debt service in the second scenario.

Refer to the material emailed last week for comparison with current rates, and further analysis.

In the table above:

- **Bold typeface** indicates the numbers which RRC recommends.
- Regular typeface indicates numbers that are affected by RRC recommendations.
- *Italic typeface* indicates numbers that cannot be affected by the RRC.

What to do with these numbers:

- On the 26th, members should be prepared to recommend a set of rates; and
- Identify findings and arguments in favor of the recommendation.
- Staff will incorporate these in the rate ordinance and staff report per the RRC's direction.

### **The "3<sup>rd</sup> Fee"**

On Tuesday April 26, the Committee should provide further directions to staff on the "3<sup>rd</sup> Fee."

- If the Committee recommends implementing the "3<sup>rd</sup> Fee" in FY 2005-06:
  - ⇒ Provide further recommendations on design and implementation.
  - ⇒ How should the revenue requirement be handled from September 1 until the rate is effective, given the high likelihood that the 3<sup>rd</sup> fee will not be in place at the same time as the other rates?
- If the Committee does not recommend implementing the "3<sup>rd</sup> Fee" in FY 2005-06:
  - ⇒ Where should the revenue requirement be allocated for FY 2005-06?
  - ⇒ What does the Committee recommend as to implementation in the longer run?

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