



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Agenda

Meeting: Waste Fee Policy Task Force
Date: Monday, December 11, 2023
Time: 9:30 to 11:00 a.m.
Place: Zoom
Purpose: Second task force meeting, welcome members, provide background information on solid waste financing, fee policy and programs funded by solid waste fees.
Outcomes: Increased understanding of solid waste system fees and financing and programs funded through solid waste fees.

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|-------|---|---|
| 9:30 | Welcome | Metro Councilor Mary Nolan, Task Force Chair |
| 9:40 | Kickoff Meeting Recap
<i>Objective: summarize feedback received at the first meeting</i> | Marta McGuire |
| 9:50 | Where the Money Goes & What We Get for the Investment
<i>Meeting pre-read: Waste Prevention and Environmental Services Budget in Brief</i>
<i>Objective: Shared understanding of programs and services funded by solid waste fees.</i> | Marta McGuire |
| 10:20 | System Financing and Fee Criteria
<i>Meeting pre-read: Fee Setting 101</i>
<i>Objective: Shared understanding of Metro's fee-setting criteria.</i> | Brian Kennedy |
| 10:55 | Next steps | Metro Councilor Mary Nolan, Task Force Chair |
| 11:00 | Adjourn | |



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Waste Fee Policy Task Force Meeting #1

Thursday, November 30, 2023

Summary of Feedback

This summary documents the feedback provided by task force members during the first meeting of the Waste Fee Policy Task Force on November 30th. It also includes links to information requested by attendees.

Task Force Charge

The following themes were reflected in the feedback shared at the beginning of the meeting, regarding the outcomes of this task force:

- Transparency and clear communication (7)
- Alignment with RWP goals and desired long-term outcomes (4)
- Voice in process and process is easier to follow (3)
- Equity in fee structure (3)
- Understanding of impacts on stakeholders particularly other solid waste businesses (2)
- Incentives for waste prevention (2)
- Stewardship of resources and system (2)

Scope of the task force

- Interest in understanding more about how current fee setting criteria and tonnage allocation policies impact fees.
- Interest in exploring how fees setting aligns with values and the associated tensions/tradeoffs.
- Interest in prioritizing fee policy criteria.

Solid waste fees

- Desire for better understanding of the regulatory environment (how fees can be used).
- Desire for better understanding of reserves, fee cost drivers and revenue requirements, how capital improvements are financed, and more specific financial details about how fees are used.
- Desire to learn more about Metro fee impacts on the system.

Additional materials requested

- Solid Waste Forecast- The most recent forecast can be found on Metro's [website](#).
- Glossary of terms- A glossary of key terms can be found on pg. 144- 150 in the [Regional Waste Plan](#).
- List of materials Metro subsidizes at the transfer stations – staff will address this during the next meeting.
- Solid Waste Fee Model- Given the file size, Metro will provide the solid waste fee model by request to task force participants.
- Case studies related to how fee structure can support waste reduction- Staff are currently researching this request.



WASTE PREVENTION AND ENVIRONMENTAL SERVICES

Budget in brief FY 2023-24

Overview

Metro is responsible for ensuring that all solid waste generated in the region is managed in a manner that protects public health and safeguards the environment. As a part of this responsibility, Metro’s Waste Prevention and Environmental Services Department administers the 2030 Regional Waste Plan that serves as the region’s blueprint for investing in our garbage and recycling system, reducing the environmental and health impacts of materials that end up in this system, and advancing progress towards Metro’s racial equity goals. The plan is implemented collaboratively with local governments and partners in local communities.

Annual budget process and timeline

Metro’s annual budget process incorporates strategic direction into a comprehensive policy and financial plan for all programs and services. Our budget is more than a technical document filled with numbers and data tables; it is focused on the concrete investments that move our region forward.

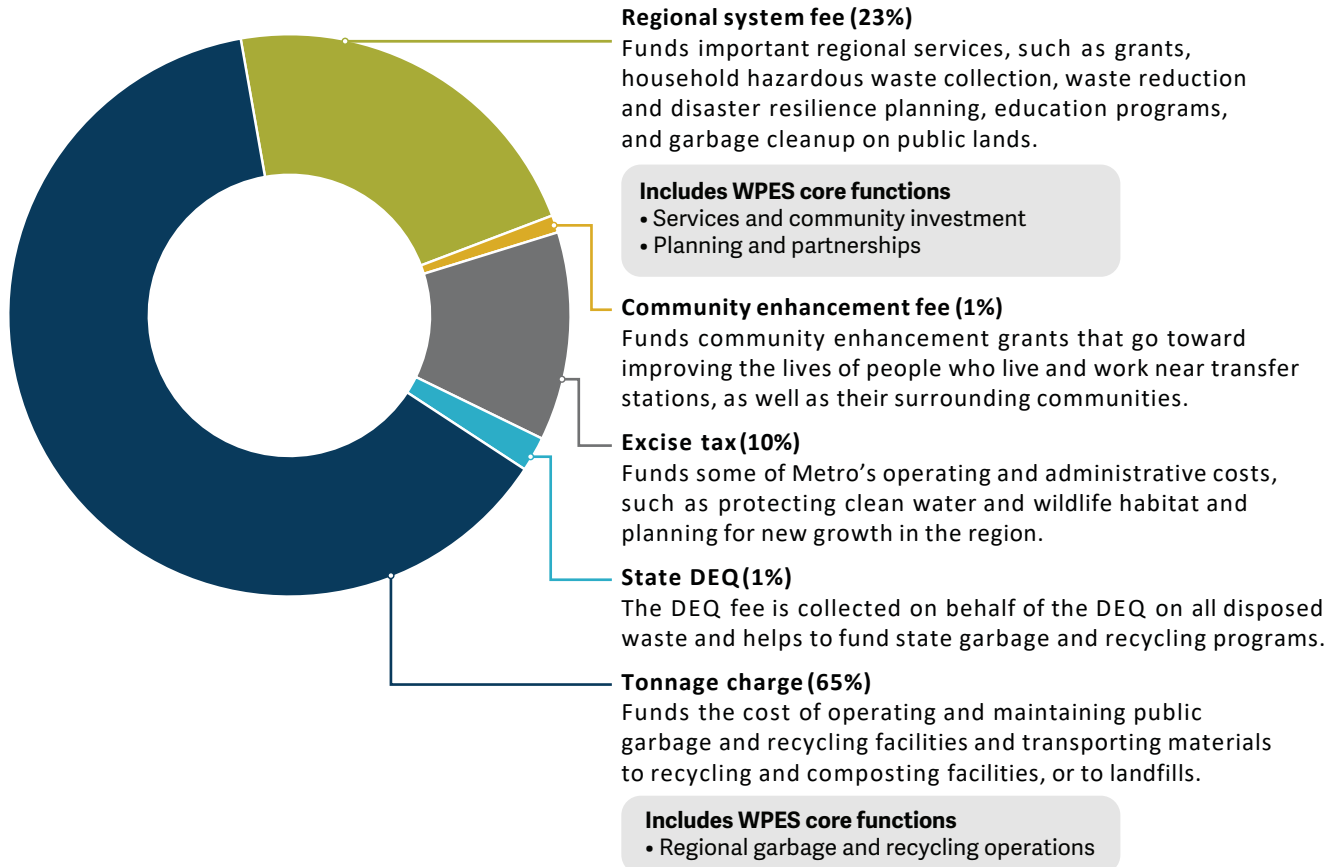
The annual budget process is designed to meet the needs and expectations of our communities and requirements of Oregon Budget Law. Each year, the process starts in September with preparation and analysis of Five Year Forecasts and ends in June with adoption of the budget by Metro Council. The Solid Waste Fee setting process runs parallel to the budget process, with fees typically adopted in March.

2023

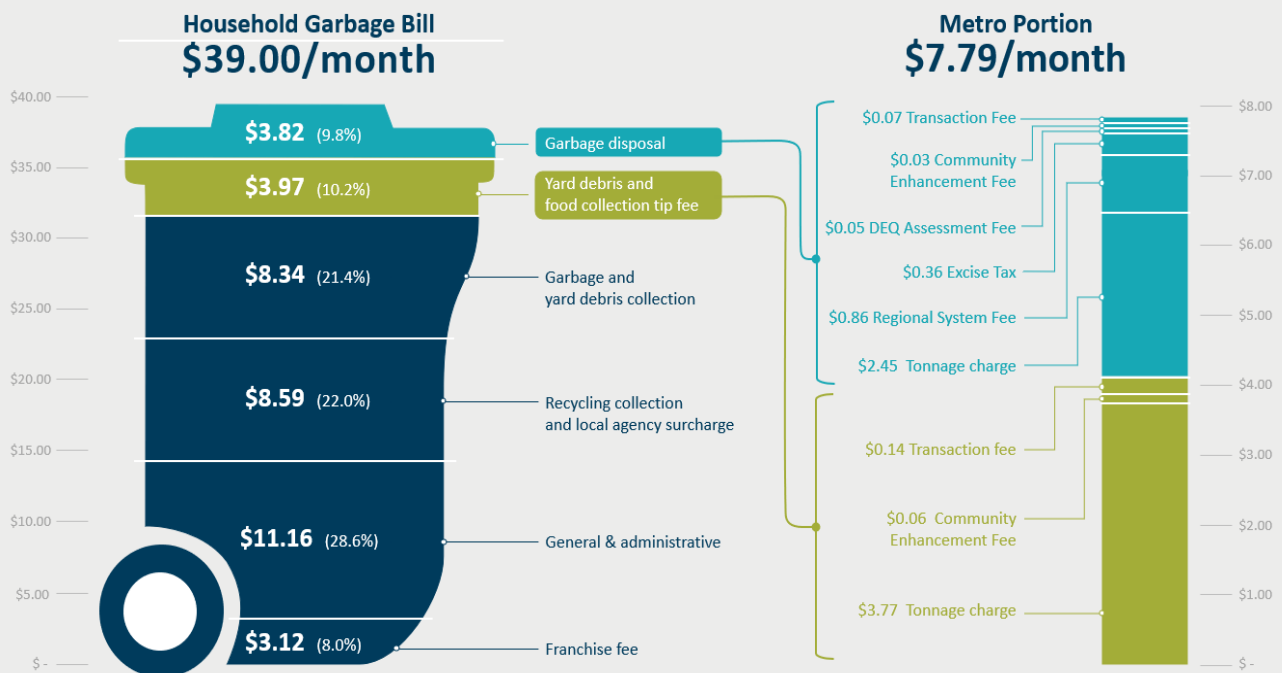
2024

Jul	Aug	Sept	Oct	Nov	Dec	Jan	Jan	Feb	Mar	Apr	May	Jun	Jun	Jul
Budget preparation				Department budget request			Budget proposal			Budget approval		Budget adoption by Metro Council		
<ul style="list-style-type: none"> • Capital improvement • Project scoping • Forecasts updated 				<ul style="list-style-type: none"> • Council retreat • Budget direction 			<ul style="list-style-type: none"> • Meetings with COO • Council presentations 			<ul style="list-style-type: none"> • Potential updates to budget based on council review 		<ul style="list-style-type: none"> • Council approval of budget 		

Where the money comes from

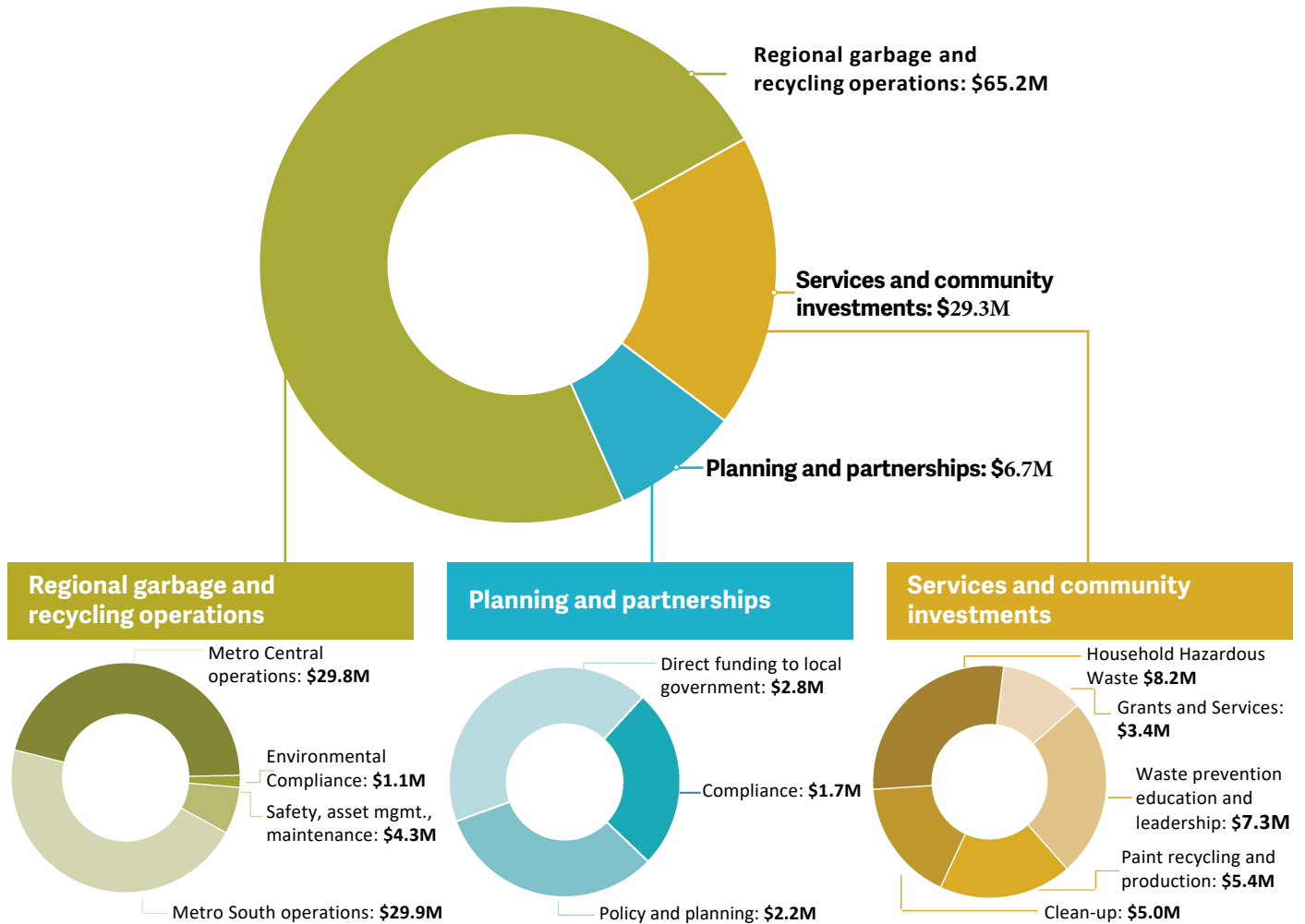


Spotlight: Metro sets the fees, local governments set rates



NOTES: All costs and fees shown here are based on the City of Portland and Metro rates as of July 2023 (FY23-24). Assumes haulers have automated account which includes transaction fee per load.

Where the money goes



Spotlight: Metro transfer stations, what do fees pay for?

Fees cover the costs of providing safe disposal and reclamation of materials and are adjusted every year. They pay for programs to reduce waste, promote recycling and clean up illegal dump sites. For every ton disposed, a \$1 fee funds community enhancements to benefit people who live or work near Metro transfer stations.

1

Metro customers

Tonnage charges

2

All ratepayers (disposed tonnage)

Regional system fee
Excise tax
DEQ fees

3

All transfer station (incoming tons)

Enhancement (host) fees

What we get for the investment

Regional garbage and recycling operations

- Metro South Transfer Station
- Metro Central Transfer Station
- St. John's landfill
- Safety, environmental and ADA compliance
- Asset management and maintenance

Planning and partnerships

- Garbage and recycling service improvements
- Regulation of private facilities
- Grants to local governments
- Planning for new facilities and services
- Disaster debris planning

Services and community investments

- Youth leadership and waste prevention education programs
- Grant and sponsorship programs
- Neighborhood collection events
- Cleaning up dumped garbage
- Paint recycling and graffiti clean-up
- Household Hazardous Waste

Spotlight: Waste Prevention and Environmental Services budget roundtables

Starting in October of 2023, Waste Prevention and Environmental Services will convene stakeholder roundtables to inform budget priorities. Meetings will be convened in each phase of budget development.

- Increased opportunity for stakeholder input to budget priorities.
- Includes local government, industry, and reuse/repair stakeholders.

FY 2023-24 Highlights

Additional funding provided for:

Regional garbage and recycling operations

- Operational expense increases

Planning and partnerships

- Increased investment for Annual Waste Reduction Fund allocation for local governments
- Build capacity with Standards and Compliance for facility oversight

Services and community investments

- Establish the Regional Refresh Fund as a long term program
- Purchase of the RID deployment center

Spotlight: \$10M in state funding helps Metro expand dumped garbage solutions

The people of greater Portland have a cleaner, more beautiful region thanks to a \$10 million one-time investment from the state of Oregon.

Learn more at oregonmetro.gov/greaterportlandcleanup



Arts and events
Garbage and recycling
Land and transportation
Oregon Zoo
Parks and nature

oregonmetro.gov



WASTE PREVENTION AND ENVIRONMENTAL SERVICES

Fee Setting 101

Overview

Metro is responsible for ensuring that all solid waste generated in the region is managed in a manner that protects public health and safeguards the environment. As a part of this responsibility, Metro's Waste Prevention and Environmental Services department administers the 2030 Regional Waste Plan. The plan is the region's blueprint for improving our garbage and recycling system, reducing the impacts of waste, and advancing Metro's racial equity goals. The plan is implemented collaboratively with local governments and partners in local communities.

Annual budget process

Metro's annual budget process incorporates strategic direction into a comprehensive policy and financial plan for all programs and services. The budget is more than a technical document filled with numbers and data tables; it is focused on the concrete investments that move the region forward.

communities and requirements of Oregon Budget Law. Each year, the process starts in September with preparation and analysis of five year forecasts and ends in June with adoption of the budget by Metro Council. The solid waste fee setting process runs parallel to the budget process, with fees typically adopted in March or April.

The annual budget process is designed to meet the needs and expectations of our



What are the Solid Waste Fees?

The Solid Waste Fees set annually by Metro Council is divided between two categories – fees that are paid at Metro transfer stations and fees paid on the disposal of all solid waste in the region.

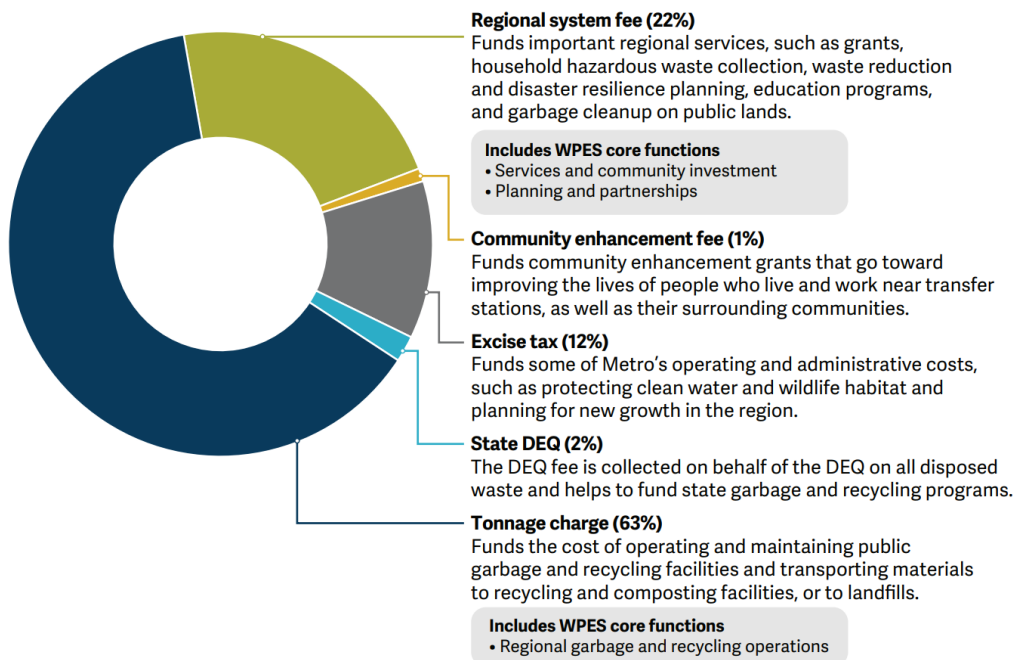


The “**Tip Fee**” is the total fee that commercial haulers and the public pay for disposing of waste at a Metro transfer station by the ton. In the example to the right, the customer was charged the minimum fee for mixed solid waste and the transaction fee. The tip fee is made up of four different fees and an excise tax.



What does Metro’s Mixed Solid Waste Tip Fee support?

The collected fees fund Metro services, including transfer station operations, waste reduction programs and cleanup of dumped garbage on public lands. The image below shows the breakdown of what solid waste fees support.



Solid Waste Fee Details

- **Fees paid at Metro Transfer Stations (Central and South)**
 - Tonnage fees – The fee for each ton of solid waste received at a Metro transfer station. Individual fee amounts are set for the following types of materials: Mixed solid waste, clean wood, yard debris, residentially generated organic waste, and commercially generated organic waste.
 - Transaction fees – Added to each transaction at a Metro transfer station. Individual fee amounts are set for staffed versus automatic scales.
 - Minimum charges – Metro charges a minimum tonnage fee on up to 300 pounds for all types of materials.
- **Fees paid on disposal of all solid waste**
 - Regional system fee – Funds important regional services such as grants, household hazardous waste collection, waste reduction and disaster resilience planning, education programs, and garbage clean up on public lands.
 - Community enhancement fee – Funds community enhancement grants that go toward improving the lives of people who live and work near transfer stations, as well as their surrounding communities.

How are the Solid Waste Fees set?



Financial Policies

Financial policies provide the foundation for the fee setting process. Fee Setting Criteria help achieve Metro's priorities and adopted policies. They fall under three specific headings: Fiscal Responsibility, Accountability and Public Benefit. These criteria cannot be reached at 100% on each item but balancing each criterion helps to establish equitable fees.

Revenue Requirement

This step identifies the total annual financial obligations of the system. The annual revenue requirement includes operating expenses, annual debt service, use/funding of financial reserves, etc. This is where the Metro disposal, regional program and administrative costs are summed up.

Cost of Service

The purpose of a cost of service analysis is to provide a basis for distributing the full costs of each service to each class of customers in proportion to the demands they place on the system. Expenses are allocated to the systems functional areas of disposal and recovery, regional programs, compliance and administration.

Fee Design

The principal objective of fee design is to work with Metro Council to implement rate structures that collect the appropriate level of revenue, are reasonably aligned with cost of service, and support desired policy outcomes.

How are the Solid Waste Fees Reviewed?

Metro’s contractor provides an independent review of the methodology for calculating proposed solid waste fees annually. As part of this process, the Excel Rate Model and associated fees are reviewed for accuracy, adequacy, reasonableness and compliance with industry practices. [View past results](#)

Once adopted, who Pays the Solid Waste Fees?

For Mixed Solid Waste:



How do solid waste fees relate to rates set by local government for curbside collection?

