



METRO

August 6, 2003

The Honorable Charles Becker
Mayor of the City of Gresham
1333 NW Eastman Pkwy
Gresham, OR 97030-3813

Dear Mayor Becker:

Enclosed is a fact sheet for your use in facilitating an informed dialogue about the cost of garbage service and the costs of solid waste management services passed on to consumers by the Metro Council. We hope you consider information from the fact sheet as you set garbage rates for your city.

When municipal governments evaluate garbage rates, all the parties in the solid waste management system have an opportunity to reflect on their respective roles. The Metro Council, local government and private sector partnership is intended to create an efficient system that serves our regional environmental and public health goals as it seeks to contain the costs of service.

As a result, this region has an effective and responsive solid waste management system – one that is characterized by low garbage bills, a high recycling rate and the opportunity for residents to learn how to reduce waste and create safer homes for their families.

One element of hauler costs that local governments have to consider in setting local rates are the taxes and fees charged by the Metro Council. Each year, we review and set our solid waste rates. We make this determination with the recommendation of a committee that consists of representatives of the solid waste industry, business and residential consumers. We work with this committee to make sure Metro Council policy achieves several goals: that the entire regional solid waste system is effective and efficient, that redundant service is avoided, that consumer rates are kept low and that state-mandated recycling goals are met.

The Metro Council keeps solid waste rates as low as possible in several ways. In recent years, contracts were renegotiated with the companies that operate Metro transfer stations and the Columbia Ridge Landfill. Doing so brought about significant rate reductions for the region's ratepayers. In addition, we made the strategic decision in the past several years to use financial reserves to keep rates low despite rising costs. We've passed these savings on to our customers – the haulers and residents who use Metro facilities.

Each year, questions arise as the Metro Council and its partners work with consumers and stakeholders to determine fair and equitable solid waste rates. What costs do haulers incur? How do the Metro fees and taxes impact hauler costs? What services do consumers get for their money? We hope the enclosed fact sheet will help answer some of those questions.

At your convenience, we would be pleased to discuss the Metro Council's policies on setting rates for the region's solid waste management system.

David Bragdon
Metro Council President

A handwritten signature in black ink, appearing to read "Rod", written over the printed name "Rod Park".

Rod Park
Metro Council District 1

MetroFacts

Metro



METRO

PEOPLE PLACES
OPEN SPACES

**Solid Waste
and Recycling
Department**

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Portland, OR
97232-2736

Tel (503) 797-1650
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Web site:
www.metro-region.org

Recycled paper

Metro's solid waste fees and the cost of residential garbage service

A steady stream of discards from the 1.3 million people living in the Portland metropolitan area moves through the regional solid waste system each day. The waste comes from a variety of sources – single-family homes, apartment complexes, offices, shopping malls, parks, construction sites, industrial operations and grocery stores.

More than half of the 2.2 million tons of waste generated each year is recycled or in some way kept out of the landfill. The remaining 1.2 million tons (enough to fill the Rose Garden arena about every three-and-a-half weeks) is ultimately disposed of in a landfill.

A garbage customer's monthly bill not only pays for disposal and recycling services but also pays for a number of other services.

What do garbage fees cover and how are rates established?

Garbage fees fund an array of services – from the pickup, disposal and recycling of trash, yard debris and recyclables, to recycling education services, solid waste facility regulation and illegal dumpsite cleanup and investigation. Consumers are charged fees for these services.

In setting the rate for residential customers, local governments review garbage hauler business costs – including equipment, personnel, insurance, fuel profit margins, disposal fees and taxes – and approve the rates they can charge customers. The disposal fees and taxes set by the Metro Council are just a few of many costs that haulers pass on to consumers.

What impact does the disposal fee have on a residential consumer bill?

The disposal (or tip) fee, the rate per ton charged for disposal of waste at Metro facilities, is just one small component – about 20 percent – of a hauler's costs for the average residential curbside service. Every \$1 per ton increase or decrease in

the tip fee translates to an increase or decrease of only about 6 cents in the average residential monthly trash bill. Increases in costs of fuel, personnel, equipment upgrades and repairs have the largest impact on a hauler's cost of service.

The Metro Council's decision to lower rates during the past few years helped haulers control their costs and limit any total cost increases they passed on to residential customers. For example, the Metro Council decreased the fee by \$12.50 per ton between 1996 and 1998. That meant a decrease of 75 cents in haulers' costs for providing monthly service to the average residential customer.

How much is the tip fee today?

As of July 2003, Metro charges haulers \$67.18 per ton to dispose of waste at its facilities. Haulers also pay a \$6 per load transaction fee.

What's included in the tip fee?

- Disposal and facility-operation charges of \$42.55/ton.
- Fees and taxes of \$24.63/ton.
- A \$6 per-load transaction fee.

Disposal charges cover the cost of handling, transporting and disposing of the waste delivered to Metro transfer stations.

The fees and taxes set by the Metro Council include a regional system fee that covers the cost of providing regional solid waste management and recycling programs: composting and natural gardening classes, recycling information for individuals and businesses, waste-reduction education in schools, hazardous waste services, regulation of private solid waste facilities, investigation and clean up of illegal dumpsites in the region, and maintenance of the St. Johns landfill.

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Other fees and taxes include an excise tax, which supports Metro's other services and programs, including transportation and land-use planning, regional parks and the Oregon Zoo; a DEQ fee charged to all solid waste facilities in the region; and a community enhancement fee of 50 cents a ton that goes back to the communities hosting the transfer stations.

The \$6 per load transaction fee covers the cost of operating Metro's scalehouses at Metro South and Metro Central transfer stations.

What about rates charged at privately owned solid waste facilities?

Privately owned solid waste facilities set their own rates, which include the facility's own disposal charges and Metro's fees and taxes plus a DEQ fee (totalling \$24.13 per ton), and, if applicable, a community enhancement fee (50 cents per ton).

How does the Metro Council set the tip fee and other fees and taxes?

A committee of local solid waste industry representatives, recycling advocates, rate and finance experts, and residents makes recommendations to the Metro Council, which sets the rate. In addition to the committee's recommendation, the council considers other factors before its annual budget decision, including the costs of Metro's contracts to operate the transfer stations, to truck the garbage to the landfill and to operate the landfill. The goal is to maintain and improve a regional system that benefits the public and the environment.

Has the Metro Council increased the tip fee over the years?

No. In fact, the fee has *gone down* over the years, and is actually lower today than 10 years ago. The Metro Council renegotiated its transfer, transport and landfill contracts in the late 1990s, which brought down the fee dramatically.

For four years, the Metro Council subsidized the cost of providing solid waste services in order to keep rates to its customers low. Then, in 2002 and 2003, Metro Council increased the fee in response to rising costs, to avoid depleting its financial reserves and to help support the region's parks and open spaces programs and facilities.

History of the per-ton tip fee (actual dollars)

'94-96	'97	'98-01	'02	'03
\$75	\$70	\$62.50	\$66.25	\$67.18

How does Metro's tip fee compare to other areas?

The tip fee is among the lowest in the Northwest. Seattle's rate is about \$90 per ton. Tip fees around the country vary greatly based on factors like a community's proximity to the landfill. Our region uses a landfill located in Arlington, 150 miles from Portland. Of the \$25 million a year Metro spends on waste-related contracts, \$7 million is paid for transportation costs to ship waste to the landfill.

What percentage of a residential customer's bill pays for Metro's services?

If a hauler uses a Metro transfer station, the amount that hauler's customer pays for Metro services is about \$4.25 per month.* This includes all charges for the transfer stations, transportation of the waste to the landfill and landfill charges. It also includes the fees and taxes that fund all of the Metro Council's waste-reduction, regulatory and environmental programs. About 40 cents pays for other Metro regional services (e.g., Oregon Zoo, parks and open spaces).

If a hauler uses a non-Metro facility, the amount for Metro services passed on to customers is about \$1.50 per month*, the amount of Metro's fees and taxes.

* Figures based on estimates of average household trash disposal of approximately 3/4 ton of trash annually.

Who are the participants in the region's solid waste management system?

Moving trash safely and efficiently from the curb to the landfill takes a partnership that involves state, regional and local governments and privately owned companies. In the Portland metropolitan region, this partnership includes:

- Oregon's Department of Environmental Quality, which enforces state solid waste statutes, approves the Metro Council's Regional Solid Waste Management Plan and monitors compliance with the plan and state law.

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- The Metro Council, accountable to the state for helping citizens in the region achieve a 62 percent “reduce, reuse and recycle” goal by 2005, coordinates waste reduction programs, administers a regional solid waste management plan, and provides citizens education and information services.
- In addition, the Metro Council regulates private processing and disposal facilities that manage solid waste, contracts for the operation of two publicly owned transfer stations that process almost half of the region’s solid waste destined for disposal, and provides hazardous waste collection for households and small business.
- Cities and counties, which franchise or license private waste haulers, regulate collection rates and administer local solid waste programs.
- Waste hauling companies, which provide curbside garbage and recycling service, and are regulated by local government agencies within the region.
- Privately owned material-recovery and recycling facilities, yard debris processors, recyclers, transfer stations and landfills, where waste is taken for recycling or prepared for transporting to the landfill and then disposed.
- Host communities for landfills and other disposal facilities.

Questions?

Contact Jan O’Dell, Metro Solid Waste and Recycling Department, at (503) 797-1599, or odellj@metro.dst.or.us.

Metro

People places • open spaces

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 24 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region’s economy.

Your Metro representatives

Metro Council President – David Bragdon

Metro Councilors – Rod Park, deputy council president, District 1; Brian Newman, District 2; Carl Hosticka, District 3; Susan McLain, District 4; Rex Burkholder, District 5; Rod Monroe, District 6.

Auditor – Alexis Dow, CPA

Metro’s web site: www.metro-region.org



METRO

August 6, 2003

The Honorable Mike Weatherby
Mayor of the City of Fairview
PO Box 337
Fairview, OR 97024-0337

Dear Mayor Weatherby:

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David Bragdon
Metro Council President

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Rod Park
Metro Council District 1



METRO

August 6, 2003

The Honorable Eugene Grant
Mayor of the City of Happy Valley
c/o Davis Wright Tremaine
1300 SW 5th Ave., Ste 2300
Portland, OR 97201

Dear Mayor Grant:

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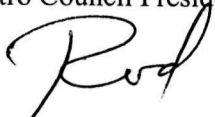
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Metro Council President

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Rod Park
Metro Council District 1



METRO

August 6, 2003

The Honorable Paul Thalhofer
Mayor of the City of Troutdale
PO Box 296
Troutdale, OR 97060-0296

Dear Mayor Thalhofer:

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Rod Park
Metro Council District 1



METRO

August 6, 2003

The Honorable David Fuller
Mayor of the City of Wood Village
2055 NE 238th Dr.
Wood Village, OR 97060

Dear Mayor Fuller:

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