

PUBLIC COMMENT REPORT: REVISED WET WASTE TONNAGE GOALS-BASED CRITERIA PROPOSED FOR GOAL 3, LIVING WAGES AND GOOD BENEFITS

Wet Waste Allocations Public comments were received by email during the public comment period that was open from September 17, 2021, through October 2, 2021. This report summarizes and excerpts key comments received and offers Metro staff responses.

The following table summarizes the public comments received:

Commenter	Medium	Receipt Date
KJ Lewis, representing Republic Services (industry)	Email	October 2, 2021
Brandon Crawford (public)	Email	September 29, 2021
Taylor Campi (public)	Email	September 29, 2021

Industry

Public comments from transfer station operator Republic Services were received in written form. Republic Services is an in-region transfer station eligible to apply for goals-based wet waste tonnage. "REPUBLIC" comments are excerpted verbatim below, followed by Metro staff responses. The comments have been ordered such that those pertaining to the proposed administrative rules are in the beginning of this report. Several points in the letter were not specific to the administrative rules posted for public comment but are nonetheless included in the report below for the purpose of broader clarification of the goals-based tonnage allocation plan.

1. REPUBLIC: In the July 8 Council meeting, Councilors Nolan and Lewis requested to have total compensation be included for companies that provide benefits, etc. We understood this to mean the Councilors intended that benefits be evaluated towards the \$17.50 for the lowest paid employee...Councilor Nolan expressly stated in the July 8 meeting that if staff could not find a way to include benefits in the \$17.50, that this goal should be removed.

STAFF RESPONSE:

Staff have followed the direction of the Chief Operating Officer and included new provisions in the proposed revisions to address Council's direction. The proposed criteria now include wages and medical benefits and no longer tie the minimum hourly wage to the wages paid at Metro transfer stations. The hourly wage is supported by external research and standards for living wages, prevailing wages, and market-based salaries. The new proposal includes a provision that transfer stations must not reduce benefits during the allocation cycle. Staff do not agree that any Councilors suggested that the criteria should define \$17.50 per hour as the minimum combined value of wages and benefits. This proposal reflects the combined work of Metro staff across departments toward the first iteration of criteria that advance both wages and benefits.

2. REPUBLIC: What Metro staff has now suggested is that we need to supply wage information for any positions making \$20.70 and up OR wage and benefit information for any positions making less than \$20.70.

STAFF RESPONSE:

This statement is incorrect. Metro has asked transfer stations to provide the lowest wage paid across all transfer station employees as a baseline reference, and, for all employees making less than \$20.70 per hour, the actual hourly wage and value of available individual medical benefits. The intent of these criteria is to ensure that transfer station staff, at a minimum, receive no less than \$17.50 per hour and accessible, meaningful medical benefits (valued at \$3.20 per hour or more). However, in order to provide transfer stations with options (for ease of implementation on the 2022 timeline), Metro staff designed an alternative to medical benefits: additional hourly wages of \$3.20 per hour. Any employee receiving \$20.70 per hour is arguably meeting the criteria by the second option (via the base wage of \$17.50 plus an additional \$3.20 hourly in lieu of medical benefits). Metro is therefore not asking for information about employees making \$20.70 per hour or more other than the baseline lowest wage is across the transfer station.

3. REPUBLIC: We also wish Council to know that we provide many additional benefits that are not going to be considered in this allocation evaluation.

STAFF RESPONSE: Staff agree that transfer stations should be offering benefits in addition to wages. The current proposal does not represent a comprehensive approach to total compensation but includes medical benefits which are key to the immediate well-being of employees and their families. Under this proposal for 2022, the value of wages and medical benefits must be no less than \$20.70 per hour to meet the criteria for goals-based tonnage under Goal 3. This amount is based upon research compiled on living and prevailing wages, decent salaries, and local ordinances. This information was shared by email and posted on the website in the September 21, 2021, [Metro Responses to Questions about Goal 3 for Tonnage Allocations](#).

4. REPUBLIC: It troubled us that Metro seemingly did not have justification at the outset for the minimum “living wage” of \$17.50, and had to return to us with data after this was requested.

STAFF RESPONSE: As described in presentations and other documents such as the May 5, 2021, [Metro Responses to Questions about Tonnage Allocations](#), the proposed \$17.50 per hour minimum hourly wage is not intended to define a “living wage.” It is a step toward the goal of Living Wages and Good Benefits in absence of a regionally adopted living wage.

As noted above, Metro staff’s proposed revised administrative rules are based on significant research on the subject of living and prevailing wages, decent salaries, and local ordinances. This research was conducted during 2020 and 2021 to inform the criteria for this goal. The proposed administrative rules do not contain these detailed references. Upon

request, Metro staff produced a summary reference sheet that contained answers to several questions that had been received by staff during stakeholder discussions of the proposed administrative rules that occurred between September 10 and September 15, 2021. This information was shared by email and posted on the website in the September 21, 2021 [Metro Responses to Questions about Goal 3 for Tonnage Allocations](#).

5. REPUBLIC: We would like to correct for the record: on several occasions, we have heard staff state that they do not have information from private transfer stations. We have even heard staff declare that they are waiting for information regarding costs of operations from private transfer stations like WRI, but have yet to receive it. This, in fact, was mentioned by staff at the July 8 meeting. We wish to remind staff that on multiple occasions both in public and private meetings, we have asked more specifically what information can assist METRO in better understanding of the operations of the transfer stations in terms of costs.

STAFF RESPONSE:

Metro maintains that it does not know the specific net financial impact of any of the proposed criteria on any of the transfer stations, other than the assumptions that providing diversity data should cost only a few hours of staff time, and adding a Community Enhancement fee should not incur a direct net cost to transfer stations as that fee is passed to the customer. Staff welcomed input from transfer stations related to costs in order to design criteria that were reasonable (affordable) to implement but received none. Staff recognize the inherent challenge in designing criteria that are both reasonable and meaningful (demonstrating real progress toward goals) but have committed to those guiding principles and accept that change will require some investment. As Republic notes, their costs are different than other transfer stations' and unless they are able to disclose how these criteria are prohibitively costly, Metro staff believe that the criteria are reasonable.

6. REPUBLIC: Metro staff has indicated that its public transfer stations have different operational costs than private transfer stations because Metro transfer stations have additional offerings, such as household hazardous waste drop-off, and self-haul. We remind Metro staff that those programs are self-sustaining through the fees the public pays to drop off items and through the Regional Systems fee, another tax that private transfer stations pay and Metro does not.

STAFF RESPONSE: These points have been answered elsewhere and some contain factual errors corrected below.

- *Metro maintains that each transfer station, public and private, has unique costs, and the proposed goals-based criteria are not based on any assumption of equivalence. Instead, the proposed criteria are designed explicitly to be reasonable and meaningful in advancing progress toward the Regional Waste Plan goals.*
- *Metro's services and funding mechanisms and are described in detail in response #3 in [Metro Tonnage Allocation Public Comment Report](#) dated July 1, 2021, which was*

shared by email to stakeholders and posted on both the spring and fall tonnage allocations public notice web pages.

- *Staff note that the comment is incorrect: Private transfer stations do not pay the regional system fee; it is a fee paid by customers to the transfer stations, which the transfer stations collect and submit to Metro. Metro stations charge customers the same fee.*

7. REPUBLIC: Additionally, Metro's requests seem to work against each other as follows:
- We must charge same gate rate as Metro
 - We have a minimum wage to meet for lowest paid positions
 - We can choose to give additional CEF funds to the city however, price cannot be over Metro...creating a catch-22

STAFF RESPONSE:

Staff have previously noted the inherent challenge in moving forward with a multi-goal program. As noted in the May 5, 2021, [Metro Responses to Questions about Tonnage Allocations](#), Metro recognizes that it will cost some time, money and efficiency to make changes that support our region's critical goals of equity and environmental health. It is not possible to maximize on all values at once. Metro is advancing multiple goals simultaneously, including affordability, and it is inherent in all of our work to strive for a reasonable balance between the competing dynamics of costs and benefits.

7. Several comments were made with less detail and are compiled below with Metro responses for clarification and correction.

REPUBLIC:

- a) Metro staff has conducted an extensive study of likely costs at private transfer stations with publicly available data entitled "Private Station Rate Transparency Report".
- b) Metro is both a regulator and a competitor that has the power to control the flow of wet waste.
- c) Metro staff as acknowledged that the reason for this new methodology is partially due to the fact that Metro did not receive its full 40% share of wet waste in 2019.

Staff response:

Several of these points are erroneous and have been addressed in previous staff reports available on the website, including the May 5, 2021, [Metro Responses to Questions about Tonnage Allocations](#); the July 1, 2021, [Metro Tonnage Allocation Public Comment Report](#); and the September 21, 2021, [Metro Responses to Questions about Goal 3 for tonnage allocations](#):

- a) *The referenced study from 2019 explicitly states that it has limited ability to describe actual private transfer station costs. It was based on estimates and generalized models and does not account for current specifics that assist in evaluating whether proposed criteria for goals-based tonnage allocations are reasonable.*

- b) *Metro manages the region's waste for the public benefit and is not a competitor.*
- c) *The new methodology was begun before 2019 based on Council direction and in response to the authorization of two new transfer stations in the region. Metro has no mechanism to ensure that it receives 40% in the current Code or administrative rules, either adopted or proposed. Adding two new transfer stations in the past five years has led to a rebalancing of tonnage; that rebalancing translates to a reduction in tonnage for private transfer stations like Republic that were operating with higher allocations prior to the expansion of the system.*

Members of the Public

Public comments from two individuals, Taylor Campi and Brandon Crawford, were received by email on September 29, 2021.

Each notes that:

1. The proposed criteria do not go far enough for wages and benefits.
2. The rate Metro requires as the floor wage for contractors running Metro South and Metro Central should get locked in by these proposed rules, like the temporary rules adopted earlier this year did.
3. This is about ensuring all jobs in solid waste are good jobs that pay a living wage as prescribed in the 2030 Regional Waste Plan. Metro is walking the equity talk by requiring their contractor to pay a "floor" wage, and the other transfer stations should be required to pay that "floor" too.
4. They will happily pay more for garbage if it means the workers are paid a living wage.
5. The MIT living wage calculator for this area shows that in a family of 2 adults, 1 working and the other home with children, the working adult's living wage would be \$33.58. They urge Metro Council to adopt a living wage and benefits policy that includes a living wage requirement for all solid waste regulated facilities and all Metro contracts, programs, grants, etc.

STAFF RESPONSE:

Staff note the public support for advancing the goal of living wages. The proposed rules use an hourly wage plus medical benefits approach as the first step toward this goal, and have consulted Metro's DEI team, Metro's work in the construction sector, minimum wage law, and state prevailing wages policies. Based on Council direction in July, 2021, staff have removed the tie between the minimum hourly wage and Metro's lowest paid hourly wage at transfer stations for 2022 criteria, but staff will continue to evaluate and make recommendations on an appropriate hourly minimum wage.