



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

2022				2023										
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			Potential updates to budget based on council review		Council approval of budget		

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.

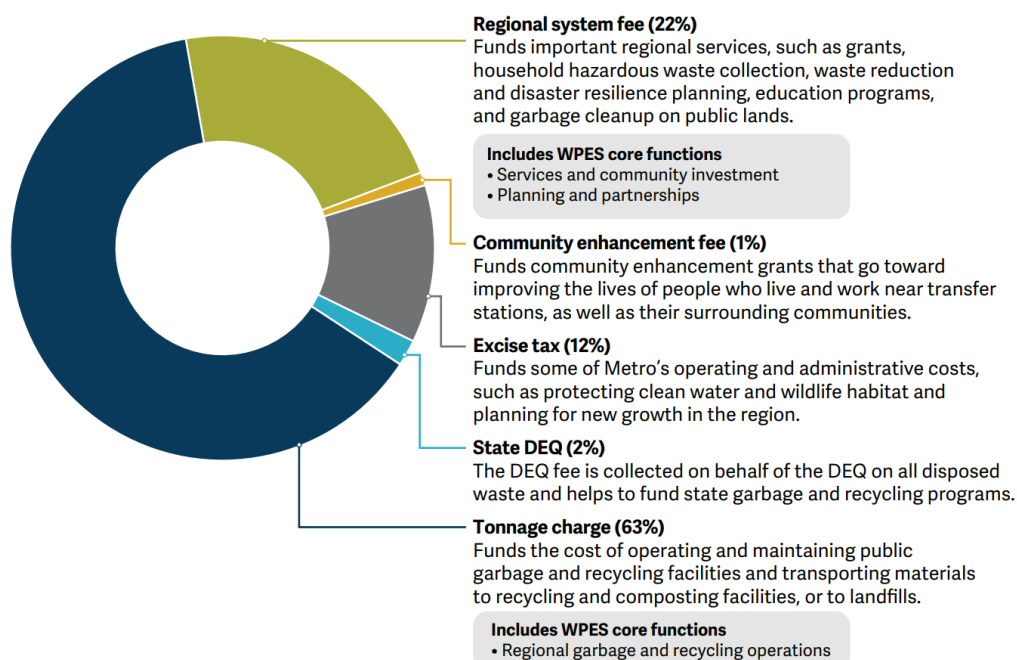


The “**Tip Fee**” is the total fee that commercial haulers and the public pay for disposing of waste at a Metro transfer station by the ton. In the example to the right, the customer was charged the minimum fee for mixed solid waste and the transaction fee. The tip fee is made up of four different fees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

CUSTOMER COPY
METRO CENTRAL STATION
 Invoice# 3801141 Acct# < 5000 >
 Acct: Temp Account
 Truck# 10244
 RFID: ISIP201008
 10244#10244
 ---DATE--- --TIME-- WHID:
 IN 6/30/2022 8:56:11 PM AUT
 OUT 6/30/2022 9:17:40 PM AUT C2
 Payment: 1 Charge
 Vehicle: 2 Connected Drop Box
 Material: 8 MSW TFEF
 Destin: 20 NOT SPECIFIED
 Pounds Tons
 Gross Wt 3,620 1.81 A Scale
 Tara Wt 3,380 1.69 A Scale
 Net Wt 240 .12
 Rate \$ 123.45 / TN
 Tip Fee \$ 18.52 Min. Fee
 Spec Fee \$ 0.00
 Trans Fee \$ 4.25
 Total Fee \$ 22.77
 AmtTend \$ 0.00 Change \$ 0.00
 Tmemo: 10244
 Sign: _____

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?

