

Agenda



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

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.

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	



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.

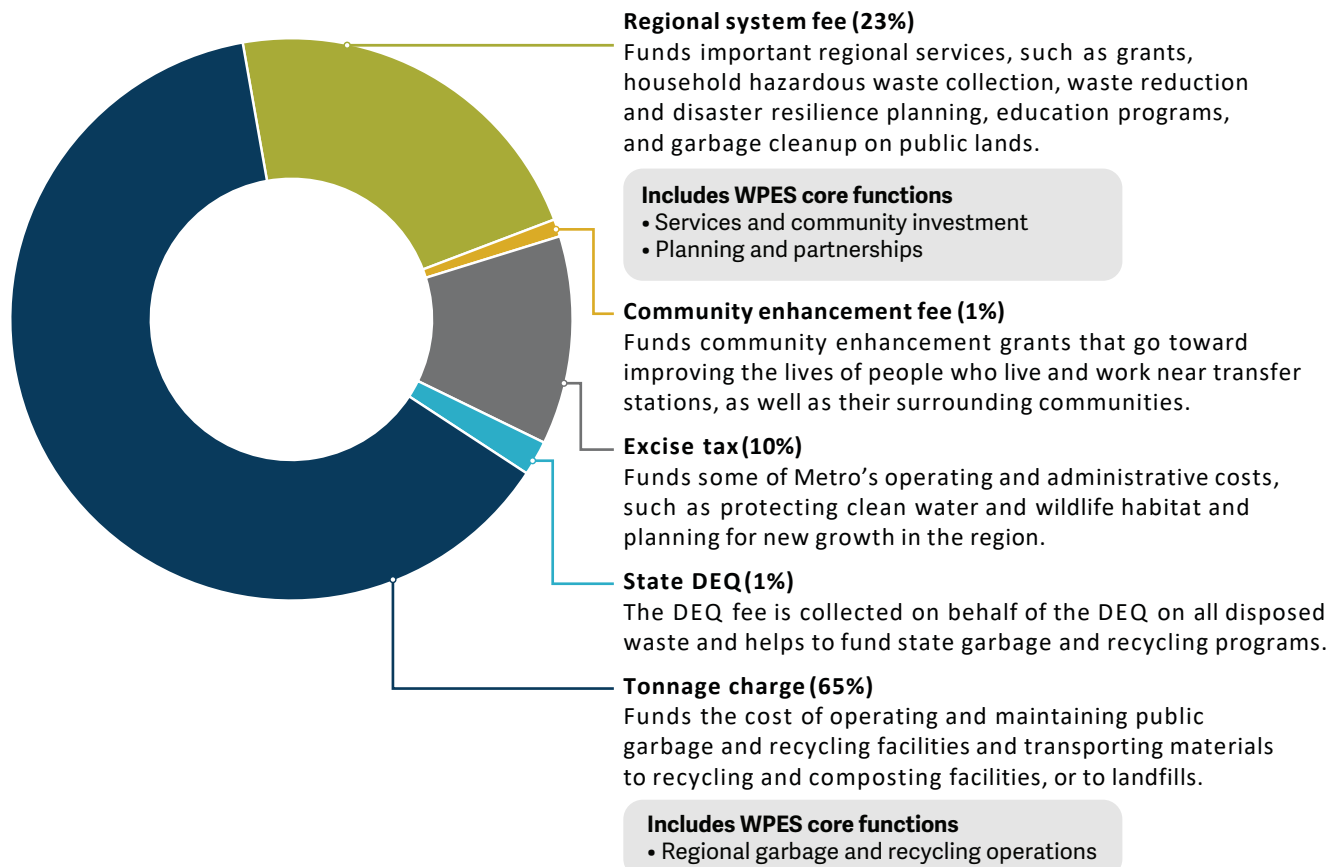
The annual budget process is designed to meet the needs and expectations of our communities and requirements of Oregon Budget Law. Each year, the process starts in September with preparation and analysis of Five Year Forecasts and ends in June with adoption of the budget by Metro Council. The Solid Waste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

2023

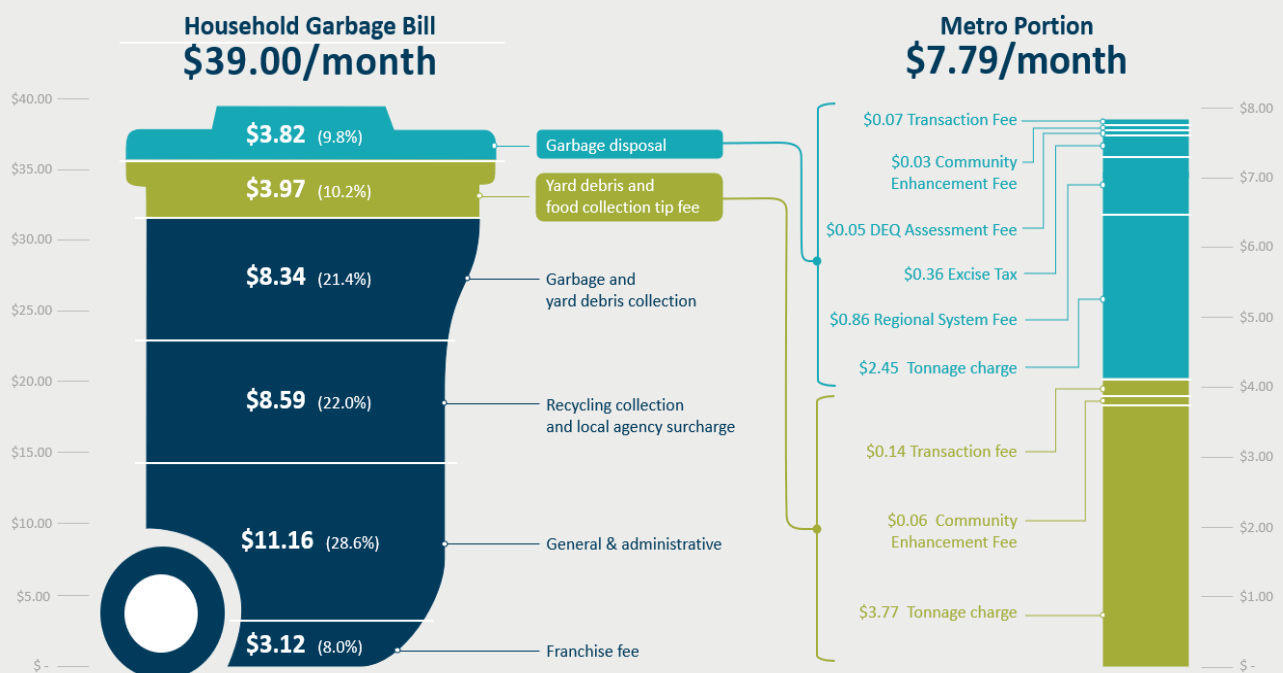
2024

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	
• Capital improvement				• Council retreat			• Meetings with COO			Potential updates to budget based on council review			Council approval of budget	
• Project scoping				• Budget direction			• Council presentations							
• Forecasts updated														

Where the money comes from

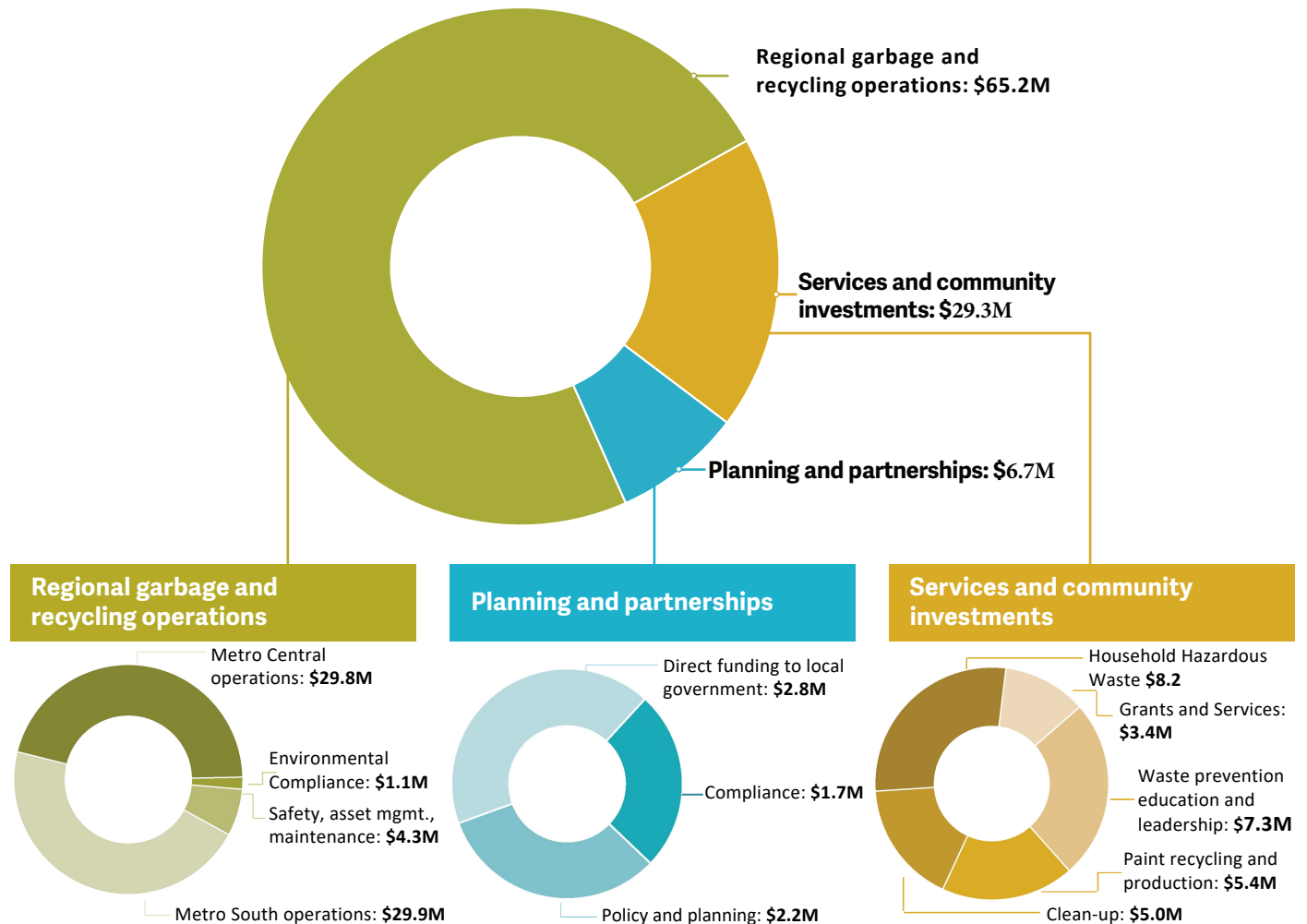


Spotlight: Metro sets the fees, local governments set rates



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	Planning and partnerships	Services and community investments
<ul style="list-style-type: none">• Metro South Transfer Station• Metro Central Transfer Station• Household Hazardous Waste• St. John’s landfill• Safety, environmental and ADA compliance• Asset management and maintenance	<ul style="list-style-type: none">• Garbage and recycling service improvements• Regulation of private facilities• Grants to local governments• Planning for new facilities and services• Disaster debris planning	<ul style="list-style-type: none">• Youth leadership and waste prevention education programs• Grant and sponsorship programs• Neighborhood collection events• Cleaning up dumped garbage• Paint recycling and graffiti clean-up

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	Planning and partnerships	Services and community investments
<ul style="list-style-type: none">• Operational expense increases	<ul style="list-style-type: none">• Increased investment for Annual Waste Reduction Fund allocation for local governments• Build capacity with Standards and Compliance for facility oversight	<ul style="list-style-type: none">• 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

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2022				2023										
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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.



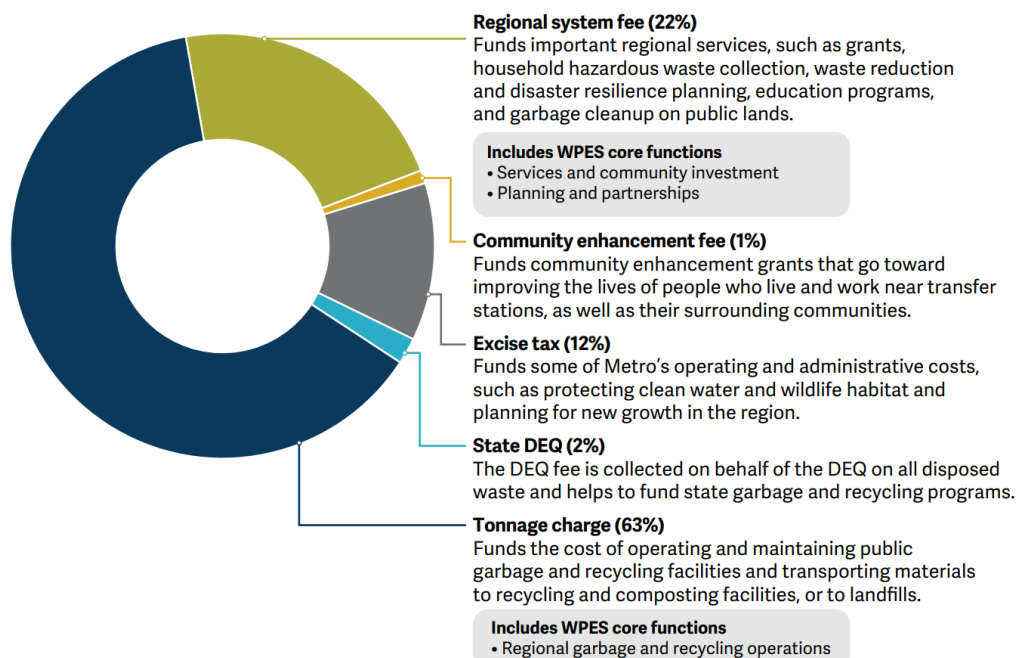
The “**Tip Fee**” is the total fee that commercial haulers and the public pay for disposing of waste at a Metro transfer station by the ton. In the example to the right, the customer was charged the minimum fee for mixed solid waste and the transaction fee. The tip fee is made up of four different fees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

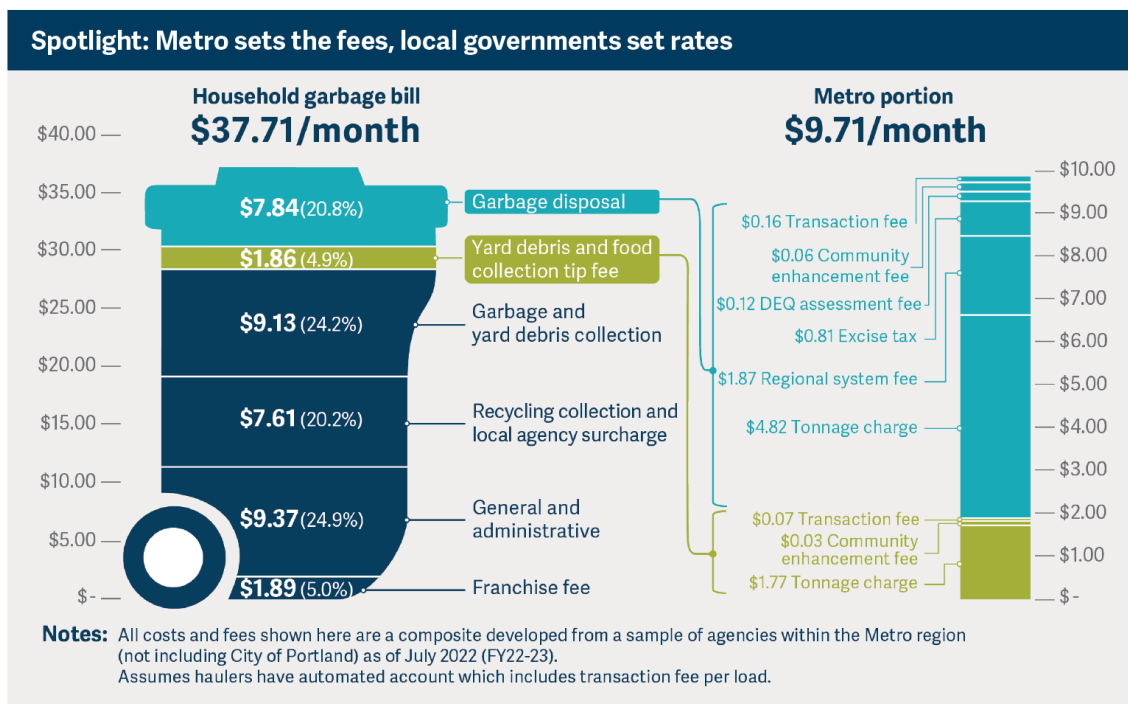
Metro's contractor provides an independent review of the methodology for calculating proposed solid waste fees annually. As part of this process, the Excel Rate Model and associated fees are reviewed for accuracy, adequacy, reasonableness and compliance with industry practices. [View past results](#)

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?





Metro Council solid waste fee setting for fiscal year 2023-24

Metro oversees the garbage and recycling system in greater Portland, ensuring that all solid waste generated in the region is managed in a way that protects public health and safeguards the environment. Solid waste fees provide essential funding to support this effort.

Metro Council sets solid waste fees annually during the budget-setting process. Metro Council voted to raise fees for greater Portland by 11 percent on May 11, 2023. The updated fees will go into effect on July 1, 2023 and continue through June 30, 2024.

What do the solid waste fees support?

Solid waste fees cover the cost of Metro transfer station operations in addition to Metro's regional garbage and recycling programs, such as clean-up services for dumped garbage, which have collected more than 1,000 tons of garbage from public spaces throughout the region in the past year.

How does Metro Council decide on the solid waste fees?

Metro's costs for transfer station operations and regional programs have increased for several reasons including inflation impacts. Additionally, economic forecasts predict slower than average growth for several years. When determining solid waste fees for the 2023-24 fiscal year, Metro Council considered these factors while weighing the potential impacts that a fee increase would have on people, local governments and businesses.

How much will the Metro transfer station fees change?

Metro operates two transfer stations: Metro Central and Metro South. Customers, including commercial haulers, will see the new fees on July 1, when the increase goes into effect. Once available, the complete list of transfer station fees will be posted to oregonmetro.gov/solidwastefee.

What happens next?

- Metro will distribute information to transfer station customers and commercial haulers to ensure transparency about the fee increase and changes to Metro transfer station rates.
- County and city governments will use Metro's solid waste fees to determine whether the residential garbage and recycling collection rates for their communities need to change. Potential rate increases will vary throughout greater Portland, and some areas may not experience any changes. Metro estimates that the fee increase will add approximately 80 cents per month to garbage and recycling costs for the average residence.

Learn more

For more information on solid waste fees and the fee setting process, please visit oregonmetro.gov/solidwastefee.