

## WORK SESSION: WASTE PREVENTION AND ENVIRONMENTAL SERVICES WASTE FEE POLICY TASK FORCE RECOMMENDATIONS

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Date: March 6, 2024

Department: Waste Prevention and Environmental Services

Meeting Date: March 19, 2024

Presenter(s): Marta McGuire (she/her) Waste Prevention and Environmental Services Director, Brian Kennedy (he/him) Chief Financial Officer.

Length: 40 minutes

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### **ISSUE STATEMENT**

The Waste Fee Policy Task force was convened in November 2023 to review Metro's solid waste fee setting policy and provide recommendations to the Metro Council to guide development of FY 24-25 solid waste fees. The Task Force was asked to prioritize the fee setting criteria and identify any additional policy objectives and outcomes that the Council should consider in their fee setting process. The task force met six times during the months of November through February and developed recommendations for how to improve the fee setting process and proposed revisions to Metro's financial and waste fee policies.

### **ACTION REQUESTED**

Provide direction to staff on implementing the recommendations provided by the Waste Fee Policy Task Force.

### **IDENTIFIED POLICY OUTCOMES**

Develop FY24 budget and set solid waste fees that align with Council priorities and Metro financial and solid waste fee policies.

### **POLICY QUESTIONS**

- Should staff proceed with implementation of the task force recommendations?
- Should staff bring forward an additional solid waste fee option based on the updated fee policy criteria?

### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

1. Direct staff to develop an approach for improving engagement in budget and fee development including an oversight and advisory committee.
2. Direct staff to update financial and solid waste fee policy based on the task force recommendations.

3. Make modifications to the proposed task force recommendations.
4. Do not take any action.

**STAFF RECOMMENDATION**

Staff recommends implementation of the task force recommendations including improving engagement in budget and fee development and updating Metro’s solid waste fee and financial policies.

**STRATEGIC CONTEXT**

Metro’s annual budget is adopted by Metro Council and covers the fiscal year from July 1 to June 30. With the development of the budget each year, Metro Council adopts solid waste fees. Fees assessed on solid waste generate revenue to fund essential programs and services such as transfer station operations, waste reduction programs, cleanup of dumped garbage on public lands and general agency functions. The Solid Waste Fees set annually by Metro Council are divided into two categories – fees that are paid at Metro transfer stations and fees paid on the disposal of all solid waste in the region. The solid waste fee setting process runs parallel to the budget process, with fees typically adopted in March or April. The fee setting criteria and financial policies provide the foundation for this process.

The Waste Fee Policy Task Force was asked to identify any additional policy objectives and outcomes that the Council should consider in their fee setting process and make recommendations for prioritizing the fee setting criteria.

**TASK FORCE PROCESS AND RECOMMENDATIONS**

The task force was charged with reviewing Metro’s solid waste fee setting policy and providing recommendations to the Metro Council to guide development of FY25 solid waste fees. Membership included stakeholders with relevant subject matter expertise and active participants in the operations of the broader garbage and recycling system.

Mary Nolan, Task Force Chair	Metro Councilor
Christine Lewis, Task Force Vice Chair	Metro Councilor
Ashton Simpson	Metro Councilor
Tim Rosener	City of Sherwood Mayor
Pam Treece	Washington County Commissioner
Arianne Sperry	Oregon Dept. of Environmental Quality
Wendy Lawton	East County System User
Will Mathias	B&B Leasing Company
AJ Simpson	City of Roses
Jason Jordan	Republic
Terrell Garrett	Greenway Recycling
Beth Vargas Duncan	Oregon Refuse and Recycling Association
Laura Tokarski	Trash for Peace
Jacki Kirouac-Fram	ReBuilding Center

The task force reviewed existing fee policy criteria, considered primary policy drivers for fee setting, including material subsidies and incentives for waste reduction. The group discussed how the fee setting policy criteria should be updated and suggested new policy criteria. They considered how to prioritize both the new and current criteria and reviewed examples of how prioritization could impact fees. Group members also provided individual feedback on draft recommendations. The group completed discussion of their recommendations on February 27, 2024, and then reviewed and approved the final recommendations by survey vote.

The detailed recommendations are provided in Attachment A. Key highlights of the task force deliberations are provided below.

### **Accountability Recommendations**

The group's discussion of the accountability criteria focused on how Metro could increase transparency and build trust in the fee setting process through increased collaboration and engagement with public, private, nonprofit and community partners, as well as improved public information. They recommended Metro convene a committee that includes representatives from public, private, nonprofit and community partners to advise the Metro Council and provide oversight on both fee and budget development. Suggestions included considering Washington County's Garbage and Recycling Advisory Committee as a model or expanding the scope of Metro's Regional Waste Advisory Committee. This should be coupled with improvements to public information including increased dissemination of information on Metro's fees. Additionally, they recommended that Metro continue to maintain separate fund balance reserves for transfer station operations and Regional System Fee-funded activities. Uses of transfer station operations and Regional System Fee fund balance reserves should be restricted to uses within the same sub-fund.

### **Fiscal Responsibility Recommendations**

The group recommended that Metro update existing financial policies to include the solid waste fee criteria credit rating impacts, authority to implement, revenue adequacy and reliability as they are good practices that Metro should continue to follow. Proposed revisions to the financial policy are included in Attachment B.

### **Public Benefit Recommendations**

The task force focused most of their time deliberating on the public benefit criteria. Upon review, additions were proposed to address gaps in the criteria. Three new criteria were added: accessible and equitable system, public-private system, and resilient economy. The waste reduction criteria was updated to healthy environment to reflect broader environmental outcomes. Through discussion and evaluation, the group prioritized four criteria for fee setting. The proposed updates to the solid waste fee policy are provided in attachment C.

## **ATTACHMENTS**

- A: Waste Fee Policy Task Force Recommendations
- B: Proposed Update to Financial Policies
- C: Proposed Updates to Solid Waste Fee Policy Criteria