



600 NE Grand Ave.
Portland, OR 97232-2736

Council meeting agenda

Thursday, May 14, 2026

10:00 AM

Metro Regional Center, Council chamber;
<https://zoom.us/j/615079992> (Webinar ID:
615079992) or 253-205-0468 (toll
free), [https://www.youtube.com/watch?
v=N3kv67U94cM](https://www.youtube.com/watch?v=N3kv67U94cM)

This meeting will be held electronically and in person at the Metro Regional Center Council Chamber. You can join the meeting on your computer or other device by using this link: <https://zoom.us/j/615079992> (Webinar ID: 615 079 992); <https://www.youtube.com/@OregonMetro/streams>

1. **Call to Order and Roll Call**
2. **Public Communication**

Public comment may be submitted in writing. It will also be heard in person and by electronic communication (video conference or telephone). Written comments should be submitted electronically by emailing legislativecoordinator@oregonmetro.gov. Written comments received by 4:00 p.m. the day before the meeting will be provided to the council prior to the meeting.

Those wishing to testify orally are encouraged to sign up in advance by either: (a) contacting the legislative coordinator by phone at 503-813-7591 and providing your name and the agenda item on which you wish to testify; or (b) registering by email by sending your name and the agenda item on which you wish to testify to legislativecoordinator@oregonmetro.gov. Those wishing to testify in person should fill out a blue card found in the back of the Council Chamber. Those requesting to comment virtually during the meeting can do so by using the "Raise Hand" feature in Zoom or emailing the legislative coordinator at legislativecoordinator@oregonmetro.gov. Individuals will have three minutes to testify unless otherwise stated at the meeting.

3. **Resolutions**

- 3.1 Resolution No. 26-5575 For the Purpose of Adopting Solid Waste Fees at the Metro Transfer Stations for FY2026-27

[RES 26-5575](#)

Presenter(s): Marta McGuire (she/her), Waste Prevention and Environmental Services Director
Patrick Dennis (he/him), Waste Prevention and Environmental Services Finance Manager

Attachments: [Resolution No. 26-5575](#)
[Exhibit A](#)
[Staff Report](#)
[Attachment 1](#)
[Attachment 2](#)
[Attachment 3](#)
[Attachment 4](#)

- 3.2 Resolution No. 26-5576 For the Purpose of Adopting Regional System Fee for FY 2026-27 [RES 26-5576](#)

Presenter(s): Marta McGuire (she/her), Waste Prevention and Environmental Services Director
Patrick Dennis (he/him), Waste Prevention and Environmental Services Finance Manager

Attachments: [Resolution No. 26-5576](#)
[Staff Report](#)
[Attachment 1](#)
[Attachment 2](#)
[Attachment 3](#)
[Attachment 4](#)

4. Ordinances (First Reading and Public Hearing)

- 4.1 Ordinance No. 26-1543 For the Purpose of Annexing to the Metro Boundary Approximately 10 Acres in North Bethany Along Northwest Kaiser Road [ORD 26-1543](#)

Presenter(s): Glen Hamburg (he/him), Senior Regional Planner

Attachments: [Ordinance No. 26-1543](#)
[Exhibit A](#)
[Staff Report](#)
[Attachment 1](#)

4.1.1 Public Hearing on Ordinance No. 26-1543

- 4.2 Ordinance No. 26-1544 For the Purpose of Amending Metro Code Chapter 7.04 to Allow Allocation of CET Funds to Technical Assistance and to Update the CET Exemption for Affordable Housing [ORD 26-1544](#)

Presenter(s): Hau Hagedorn, Community Investments Manager, Planning, Development and Research

Malu Wilkinson, Deputy Director, Planning, Development and Research

Attachments: [Ordinance No. 26-1544](#)
[Exhibit A](#)
[Staff Report](#)

4.2.1 Public Hearing on Ordinance No. 26-1544

5. Ordinances (Second Reading)

5.1 Ordinance No. 26-1542 For the Purpose of Amending Metro Code Section 7.05.150 (Deficiencies and Refunds) to Extend Tax Refund Filing Deadlines for Tax Years 2021 and 2022 Under Certain Circumstances [ORD 26-1542](#)

Presenter(s): Justin Laubscher (he/him), Tax Compliance Program Manager

Attachments: [Ordinance No. 26-1542](#)
[Exhibit A](#)
[Staff Report](#)

6. Other Business

6.1 Council Discussion of the FY 2026-27 Approved Budget and Opportunity for Public Testimony [26-6532](#)

Presenter(s): Marissa Madrigal (she/her), Chief Operating Officer
Brian Kennedy (he/him), Chief Financial Officer

Attachments: [Staff Report](#)

6.1.1 Public Hearing on the FY 2026-27 Approved Budget

7. Chief Operating Officer Communication

7.1 Supportive Housing Services Regional Policy and Oversight Committee (Liam Frost, Housing Director)

7.2 Affordable Housing Bond Oversight Committee Update (Emily Lieb, Alison Wicks)

8. Councilor Communication

9. Adjourn

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Metro

600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

Agenda #: 4.1

File #: RES 26-5575

Agenda Date: 5/14/2026

Resolution No. 26-5575 For the Purpose of Adopting Solid Waste Fees at the Metro Transfer Stations for FY2026-27

Marta McGuire (she/her), Waste Prevention and Environmental Services Director
Patrick Dennis (he/him), Waste Prevention and Environmental Services Finance Manager

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING SOLID WASTE FEES AT THE METRO TRANSFER STATIONS AND METRO'S COMMUNITY ENHANCEMENT FEE FOR FY 2026-27) RESOLUTION NO. 26-5575
)
) Introduced by Chief Operating Officer Marissa Madrigal with the concurrence of Acting Council President Duncan Hwang

WHEREAS, Metro Code Chapter 5.03 establishes the fees for solid waste disposal at Metro Central and Metro South transfer stations; and

WHEREAS, Metro's solid waste disposal fees pay for the cost of operating the transfer stations, including the costs related to transportation and ultimate disposal of solid waste; and

WHEREAS, ORS 459.284 authorizes a local government to impose and collect a community enhancement fee on waste disposed under certain conditions, and Metro Code Chapter 5.06 establishes a community enhancement fee in an amount not to exceed \$1.00 on each ton of putrescible waste delivered to eligible solid waste facilities in the Metro region; and

WHEREAS, Metro Council finds that it is in the public interest for Metro to collect a community enhancement fee of \$1.00 per ton on all solid waste received at Metro's transfer stations; and

WHEREAS, Metro's costs for solid waste disposal services have changed; and

WHEREAS, the proposed fees comply with Metro Charter Section 15 ("Limitations on Amount of User Charges"); now therefore,

BE IT RESOLVED that the Metro Council:

1. Adopts the schedule of solid waste fees as set forth in Exhibit A and the fee schedule becomes effective on July 1, 2026.

ADOPTED by the Metro Council this 14th day of May 2026.

Duncan Hwang, Acting Council President

APPROVED AS TO FORM:

Carrie MacLaren, Metro Attorney

Exhibit A to Resolution No. 26-5575

SCHEDULE OF SOLID WASTE FEES

Effective July 1, 2026

Fees at Metro Central Station and Metro South Station

Tonnage Fees by waste class

In accordance with Metro Code Chapter 5.03, Metro will assess the following fee for each ton of solid waste received at a Metro transfer station.

- (1) (Mixed) solid waste.....\$ 123.41
- (2) Clean Wood96.13
- (3) Yard Debris.....55.00
- (4) Residentially generated organic waste.....110.53
- (5) Commercially generated organic waste94.25

Transaction Fees by transaction class

In accordance with Metro Code Chapter 5.03, Metro will assess the following fee for each transaction at a Metro transfer station.

- (1) For users of staffed scales.....\$ 30.00
- (2) For users of automated scales8.34

Minimum Fees

In accordance with Metro Code Chapter 5.03, Metro will assess a minimum tonnage fee for loads of 240 pounds or less, as follows:

- (1) (Mixed) solid waste.....\$ 51.00
- (2) Clean Wood42.00
- (3) Yard Debris.....37.00
- (4) Residentially generated organic waste.....43.00
- (5) Commercially generated organic waste41.00

Community Enhancement Fee on Disposal of Solid Waste

In accordance with Metro Code Chapter 5.06, Metro will impose and collect the following community enhancement fee on solid waste at all eligible solid waste facilities and at Metro transfer stations.

- (1) Putrescible solid waste.....\$1.00
- (2) Non-putrescible solid waste (as authorized by Metro Chief Operating Officer)1.00

Miscellaneous Fees at Metro's Transfer Stations

- (1) Passenger vehicle, motorcycle and ATV solid core tires.....\$30
 - \$30 for first tire, each additional tire \$2 off rim or \$4 on rim, limit 15 per day
- (2) Coolant Appliances (cost per appliance)30
- (3) Litter control fee for unsecured loads (additional cost per ton)25

STAFF REPORT

IN CONSIDERATION OF:

RESOLUTION NO. 26-5575 FOR THE PURPOSE OF ADOPTING SOLID WASTE FEES AT THE METRO TRANSFER STATIONS AND METRO'S COMMUNITY ENHANCEMENT FEE FOR FY 2026-27

RESOLUTION NO. 26-5576 FOR THE PURPOSE OF ADOPTING THE REGIONAL SYSTEM FEE FOR FY 2026-27

Date: May 6, 2026
Department: Finance and Regulatory Services
Meeting Date: May 14, 2026

Prepared by:
Marta McGuire, WPES Director
Patrick Dennis, WPES Finance Manager

Presenters:
Marta McGuire, WPES Director
Patrick Dennis, WPES Finance Manager
Length: 30 minutes

ISSUE STATEMENT

Resolution 26-5575 will authorize an increase to the solid waste fees at the Metro transfer stations and authorize collection of a community enhancement fee effective July 1, 2026.

Resolution 26-5576 will authorize an increase to the regional system fee, effective July 1, 2026.

ACTION REQUESTED

Council adoption of Resolution 26-5575 and Resolution 26-5576.

IDENTIFIED POLICY OUTCOMES

Council adoption of these resolutions will:

1. Increase the solid waste fees at the Metro transfer stations, effective July 1, 2026;
2. Increase the regional system fee, effective July 1, 2026;
3. Authorize Metro to impose and collect a community enhancement fee on waste disposed under certain conditions, effective July 1, 2026;
4. Provide Council with the annual report of the amount of solid waste that was subject to reduced fees and taxes or exempted during FY 2025-26.

POLICY QUESTION

Should Council increase the solid waste fees at the Metro transfer stations and the regional system fee to cover the costs of service of Metro transfer station operations and regional waste reduction programs and services?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

1. Adoption of the resolutions to increase solid waste fees at the Metro transfer stations and regional system fee to fund projected FY 2026-27 department expenses.
2. Reject the resolution to increase the solid waste fees at the Metro transfer stations; and/or reject the resolution to increase the regional system fee. These actions will result in future operational budget shortfalls. This will require Metro to further reduce public services and make additional changes to programs and capital plans to keep spending in line with expected revenue collected.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of Resolution 26-5575 and Resolution 26-5576.

BUDGET AND FEE ENGAGEMENT SUMMARY

Regional Waste Advisory Committee

Metro convened the Regional Waste Advisory Committee (RWAC) with the intended purpose of improving engagement and collaboration on budget and fee development. RWAC held two meetings on April 16th, 2026 and April 30th, 2026, where they learned about the FY 2026-27 proposed budget and fee development processes, and engaged with staff to review and provide input on the Waste Prevention and Environmental Services (WPES) budget and fee develop as it relates to the implementation the 2030 Regional Waste Plan, as the committee's defined function is stated in Metro Code Section 2.19.130.

Committee members expressed strong alignment with regional outcomes and overall direction. There was broad support for efforts to better align costs with revenue, including implementing cost recovery measures, and improving operational efficiency. Members acknowledged the need for difficult decisions in response to current financial conditions. They also supported the direction of the System Facilities Plan, including investments in infrastructure and long-term planning to address access and system gaps. There was strong support for maintaining core services such as household hazardous waste collection, community education, waste prevention, and regulatory functions. In addition, members appreciated the level of engagement and transparency in the budget development process, including the use of zero-based budgeting and third-party review.

At the same time, members identified several areas for adjustment or further consideration. There was interest in gaining a clearer understanding of central service costs, including how costs are allocated, managed, and controlled prior to fee increases. Members also requested greater transparency in fees, cost drivers, and forecasting assumptions. While recognizing progress in food scraps implementation, members expressed interest in exploring transition strategies for the sunset of supplemental funding, including phased approaches. Questions were also raised about the timing and phasing of capital investments, with interest in considering interim or staged approaches given current financial conditions.

Members also raised several areas of concern. A primary concern is the long-term sustainability of the funding model, particularly the reliance on tonnage-based revenue while system goals aim to reduce waste. There were also concerns about fee levels and affordability, including the drivers of recent increases and the timing of fee setting. Members noted the ongoing need to support food scraps policy implementation, even as supplemental funding sunsets. Finally, concerns were raised about the accuracy and variability of tonnage forecasts and the implications for financial planning, fee setting, and long-term decision-making.

The complete advisory report is attached in **Attachment 1**.

Regional Budget Forum

Metro also held a Local Government Budget Forum on April 15th, 2026, to present the proposed WPES FY 2026–27 budget and solid waste fees. The forum offered an opportunity for local jurisdictions, community organizations, and industry representatives to ask questions and provide input on the department’s priorities, progress, and strategic investments.

Committee members raised several areas for clarification and further discussion. There was a need for greater transparency around rising agency central service costs and the controls in place to manage them. Members expressed concern about the elimination of food scraps funding, with interest in a phased approach and continued support for outreach. Questions were also raised about operations, including staffing levels, efficiency, and benchmarking. In addition, members requested updated tonnage forecasts and a clearer understanding of the planning implications. Finally, there was a desire for more responsive engagement, including ongoing dialogue and follow-up.

Local Government Monthly Update

Metro also maintained ongoing engagement with local governments through proactive monthly updates over the past year, sharing key information on budget and fee development and creating consistent opportunities for awareness and input.

PROPOSED FEES

The process for setting Metro’s solid waste fees and taxes is set forth in Metro Code Chapters 5.02, 5.03, 5.06 and 7.01. Metro reviews its solid waste fees annually. The proposed FY 2026-27 fees comply with the restriction set forth in Chapter III, Section 15 of the Metro Charter limiting user charges to the amount needed to recover the costs of providing goods and services.

Figure 1. Proposed fee schedule

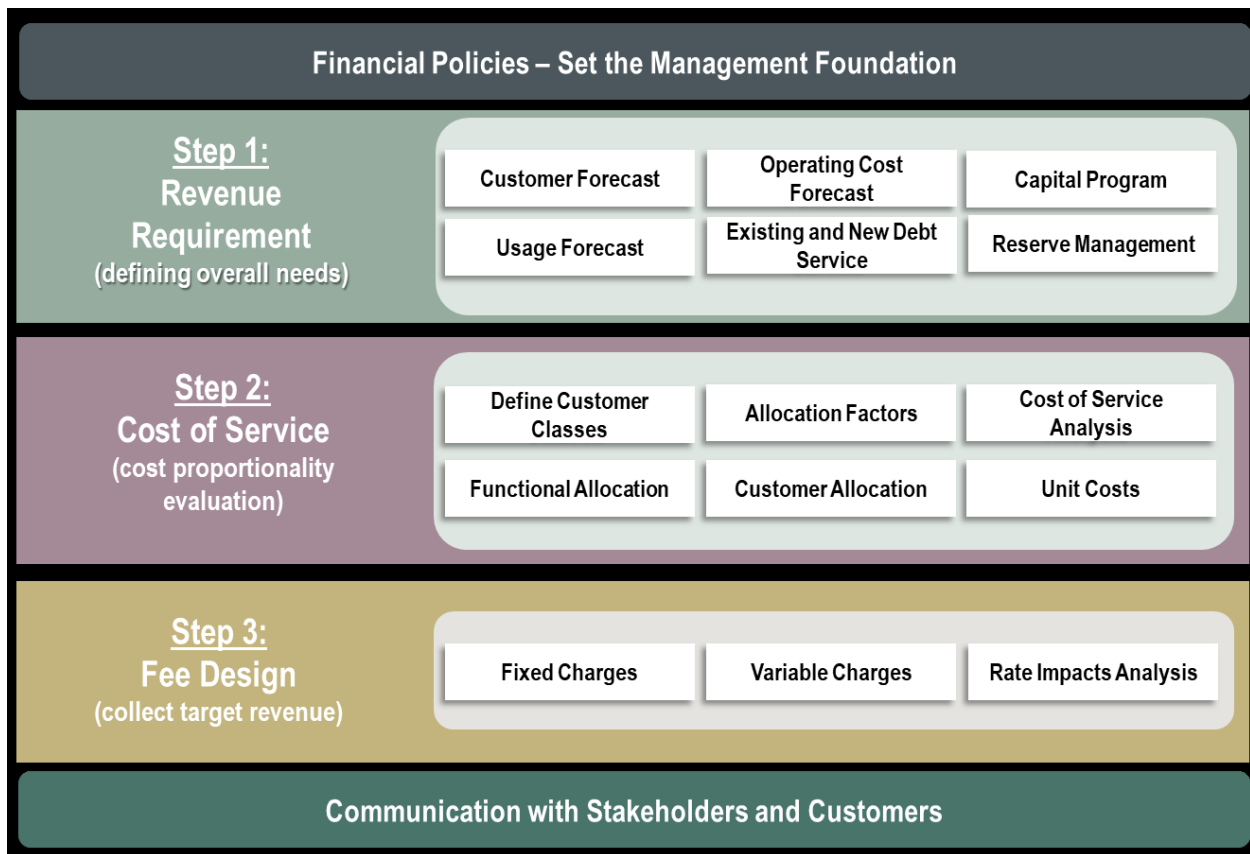
Proposed Fee Schedule				
	Existing 2026	Proposed 2027	Difference	
			\$	%
Transaction Fee				
Staffed Scalehouse	\$28.00	\$30.00	\$2.00	7.1%
Automated Scalehouse	\$7.85	\$8.34	\$0.49	6.2%
Tonnage Charge				
Solid Waste Fee (SWF)	\$112.19	\$123.41	\$11.22	10.0%
Clean Wood	\$87.39	\$96.13	\$8.74	10.0%
Yard Debris	\$55.00	\$55.00	\$0.00	0.0%
Residential Organics	\$100.48	\$110.53	\$10.05	10.0%
Commercial Organics	\$87.92	\$94.25	\$6.33	7.2%
Fees and Taxes				
Enhancement Fee	\$1.00	\$1.00	\$0.00	0.0%
Regional System Fee (SWF Only)	\$32.60	\$34.23	\$1.63	5.0%
Metro Excise Tax (SWF Only)	\$14.46	\$16.17	\$1.71	11.8%
DEQ Fees (SWF Only)	\$1.89	\$1.89	\$0.00	0.0%
Environmental Cleanup Fee	\$2.50	\$2.50	\$0.00	0.0%
SWF Tipping Fee (including taxes)	\$162.14	\$176.70	\$14.56	9.0%
Minimum Fee (SWF)	\$47.00	\$51.00	\$4.00	8.5%

The fees established by this resolution are designed to raise \$61 million in Solid Waste Fee revenue, \$9 million from transaction fees, \$7 million from non-SWF tonnage charges and \$49 million in Regional System Fee revenue for FY 2026-27. WPES *budgeted* Operating and Materials (O&M) expenses for Solid Waste Fee programs at \$85 million and for Regional System Fee programs at \$50 million for FY 2026-27. There are non-rate revenues that contribute to balancing the O&M budgets.

BACKGROUND

Metro establishes the Solid Waste Fee and Regional System Fee based on principles that are generally accepted and widely followed throughout the utility industry. Three key analyses are done: 1) revenue requirement - which identifies the total revenue to fully fund the department on a standalone basis; 2) cost of service – which establishes how to distribute the costs to the end user of the service (or customer class); and 3) fee design – which develops a fee structure that generates sufficient revenue to meet the system’s revenue requirement and Solid Waste Fee and Regional System Fee pricing objectives.

Figure 2. Financial policies for fee setting



Metro’s fee development follows these guidelines but makes them *four* steps instead of three, to establish clear roles and responsibilities for the work performed by staff.

In alignment with Metro’s financial policy, WPES has been diligent in keeping transfer station operations and Regional System Fee-funded activities separated.

Metro Fee Development:

Step 1. Identify the revenue requirement – This step identifies the total annual financial obligations of the system. This information comes from the WPES FY 2026-27 *proposed* budget that includes the department’s full operations and maintenance (O&M) costs, capital improvements and replacements, and adheres to Metro fiscal policy compliance.

Most of the revenue requirement is driven by the following two areas:

Metro Disposal Service Costs: Metro owns two transfer stations that provide disposal services to commercial haulers, businesses, and the public. Metro transfer stations cover operating costs, such as wages, equipment, improvements, biodiesel, and practices that protect the safety of the workers and customers. Fees also cover the costs of recycling, transport, and disposal of the garbage brought to the facilities. Most of these costs are driven by the operation of the stations. Transport and disposal are performed by private operators under long-term contracts with Metro.

Regional Programs: Metro provides or participates in solid waste services and programs with region-wide impact. These services include Metro’s community stewardship program, which cleans up hundreds of tons of garbage dumped on public property every year; education programs to support long-term recycling and reduction efforts across the region; and oversight of private garbage and recycling facilities to ensure they manage waste in a way that minimizes impacts on local communities and the environment. The core service areas included in the budget are:

- Household Hazardous Waste
- Community Grants
- Dumped Garbage Clean Up
- Environmental Education Programs
- Youth Internship Program
- Direct Funding to Local Governments
- Policy & Planning
- Compliance

Figure 3. Revenue Requirement from proposed budget

Solid Waste Revenue Fund	
CURRENT FY 2026-27 Proposed Budget	
Personnel Services	\$ 32,381,098
Materials & Services	74,700,958
Indirect Transfers for internal cost allocation plan	24,249,962
Proposed Budget Current Expenditures (excluding Capital Outlay)	\$ 131,332,018
TOTAL OPERATING EXPENSES	\$ 131,332,018

Revenue requirements are driven by the WPES budget for the disposal service, regional program needs and the administrative costs that allow these activities to occur.

Figure 4. Total amount of revenue to be recovered by the Metro fees

Revenue by Fee Type	
	2027
Staffed Transactions	\$ 8,425,298
Automated Transactions	893,645
Mixed Solid Waste Tip Fee	61,357,487
Clean Wood Tip Fee	92,684
Yard Waste Tip Fee	872,784
Residential Organics Tip Fee	4,165,032
Commercial Organics Tip Fee	1,527,492
Regional System Fee Tip Fee	48,596,246
<i>Cleanup Material</i>	666,502
Total	\$ 126,597,170

Step 2. Allocate costs – The fee process uses a cost-of-service approach that distributes costs based on the proportionate share of costs required to provide service. This step calculates (in the fee model) the functional cost allocation to different customer classes based on their unique demands for each service. This provides fee fairness through cost causation.

Indirect Costs: Administrative costs are identified in two different ways: the department’s functional administrative costs and the Agency’s (Metro) cost to provide administrative central service support (internal cost allocation plan). These two administrative costs are allocated differently to reflect the different nature of which they are caused. Administrative costs from the department are allocated by how the staffing levels are applied to each program area. The Agency central service costs are allocated in a way that most directly reflect how the Agency allocates costs which is a blend of spending and staff allocations.

Direct Costs: The allocation methodology used identifies how expenses are allocated to the solid waste system functional areas including disposal and recovery, and regional programs. Allocations are based on staff time, floor area and tonnage. The allocation factor is designed to be an equitable expression of how and why the cost is incurred. The cost-of-service details cost allocation for an additional layer of service by waste type: (mixed) solid waste, wood waste, yard debris, residential organics, and commercial organics. Costs associated with processing each waste type were reviewed and discussed by Metro staff and leadership.

Step 3. Forecast activity – This step estimates the waste unit activity in the region to forecast the solid waste activity anticipated for the upcoming fiscal year. Metro staff prepares a Solid Waste Forecast for waste unit activity in the region and projected anticipated levels of tonnage and transactions by material type at Metro transfer stations and private facilities. For the FY 2026-27 fee development, staff used the Fall 2025 forecast for unit information.

Step 4. Fee development and design – This step achieves required revenue levels by establishing fees and charges that accurately reflect the cost to provide a particular service. Unit costs were developed for each fee charged and were analyzed to identify any warranted shifts in cost burden that could improve equity between the fees and charges. The result of the cost-of-service process is a calculated fee for providing solid waste services. This process has a great deal of influence from Metro leadership and compliance with financial policies.

Figure 5. Proposed fees and charges for FY 2026-27

Description	(Mixed) Solid Waste	Clean Wood	Yard Debris	Residential Organics	Commercial Organics
Transaction Fee:					
Staffed Scalehouse	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Automated Scalehouse	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34
Tip Fee:					
Tonnage Charge	\$123.41	\$96.13	\$55.00	\$110.53	\$94.25
Regional System Fee	\$34.23	-	-	-	-
Excise Tax	\$16.17	-	-	-	-
DEQ Fees	\$1.89	-	-	-	-
Community Enhancement Fee	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Tip Fee	\$176.70	\$97.13	\$56.00	\$111.53	\$95.25
Min Load Fee (240 lbs.)	\$51.00	\$42.00	\$37.00	\$43.00	\$41.00

Fee Setting Criteria:

Per Metro Code 5.03.060, each year the Chief Operating Officer will propose fees to Council that will consider any solid waste fee setting criteria and fee setting policies adopted by Council.

Attachment 2 is the current fee setting criteria that will be adopted by Council, through this resolution.

Independent Solid Waste Fee Review:

As required by Metro Code Chapter 5.03.070, the Solid Waste fees rate model was reviewed by an independent reviewer. Metro employs consultant FCS Group (a Bowman company) who reviews the models and provisional fees. This review includes a letter with their findings and recommendations during this review. The current review letter is provided as **Attachment 3**.

Clean-up Material and Special Exemptions:

Metro Code Section 5.02.070(b) states that the Chief Operating Officer must provide the Metro Council with an annual report indicating the amount of solid waste recycled or disposed of under special exemption permits and the total regional system revenue that was not collected during the fiscal year because of those special exemptions. A summary showing the total amount of Metro area waste that was subject to Metro's reduced rate or exempt from fees and taxes during FY 2024-25 is provided in **Attachment 4**.

Other Fee Considerations:

Metro assesses the regional system fee and excise tax on waste at the time of disposal. The amount of the fee and tax rate is calculated annually in accordance with Metro Code Chapters 5.02 and 7.01.

In general, Metro has a three-tiered fee and tax rate structure for waste that is transported directly to disposal sites.

- Full Rate: The full fee and tax rate, which is included as a component of Metro's transfer station charges, is assessed on most of the region's waste at the time of its disposal (such as household garbage, construction and demolition debris, etc.).
- Reduced Rate: The reduced fee and tax rate is generally assessed on contaminated "cleanup material" at the time of its disposal (such as contaminated soils, catch basin pumping, street sweepings, etc.).
- Exempt: There is a fee and tax exemption for any material that is recovered, recycled, or diverted away from disposal sites. Under certain circumstances, Metro may also waive fees and taxes for certain types of waste that are sent to disposal sites (such as under special exemption permits, and "useful material" which includes alternative daily cover and road base used at a landfill).

ATTACHMENTS

- Attachment 1 – Regional Waste Advisory Committee Advisory Report
- Attachment 2 – Fee Setting Criteria
- Attachment 3 - Independent Rate Model Review Letter
- Attachment 4 – Annual Waste Exemptions Report for FY 2024-25



Regional Waste Advisory Committee Advisory Report: Proposed FY2026-27 Budget and Fees

Overview

This summary reflects the Regional Waste Advisory Committee's discussion and input on Metro's proposed FY26–27 Waste Prevention and Environmental Services (WPES) budget and associated solid waste fees. In April 2026, the committee reviewed the existing programs and investments, the solid waste fee setting guidance and proposed FY2026-27 budget and fees.

Summary of Committee Engagement and Key Guidance

As part of the Regional Waste Advisory Committee's engagement on the proposed FY2026–27 Waste Prevention and Environmental Services budget and fees, committee members participated in a structured input exercise using the red-yellow-green feedback framework. Members were asked to assess the proposal by identifying areas of strong alignment (green), areas requiring clarification or potential adjustment (yellow), and areas of concern or potential misalignment (red). Each member was asked to select their top two priorities in each color category to focus the discussion on the most critical issues, while also having the opportunity to submit additional comments beyond their initial selections. This approach was designed to focus dialogue, elevate key themes, and collect meaningful input to inform Metro Council's final budget and fee decisions.

The input collected through this process was collected, logged and organized into major themes based on the committee's input. The following section summarizes the key areas of support, questions, and concerns identified across all red, yellow, and green comments. These themes represent a range of perspectives offered by committee members and highlight both areas of alignment with the proposed budget and fees, as well as areas where additional clarification, adjustments, or further consideration may be needed. The following major themes emerged:

Strong Alignment with Regional Outcomes

1. **Cost Alignment and Financial Discipline:** There is general support for efforts to better align costs with revenue, including adjustments to reduce subsidies, implement cost recovery measures, and make operational efficiency improvements. Committee members acknowledged the need for difficult decisions to respond to current financial conditions.

2. **Support for System Facilities Plan Direction:** Members expressed support for the overall direction of the System Facilities Plan, including investments in infrastructure and long-term system planning to address access and system gaps.
3. **Continued Investment in Core Services:** There is strong support for maintaining essential services, including household hazardous waste collection, community education, waste prevention, planning and regulatory functions.
4. **Appreciation for Process and Engagement:** Committee members appreciated the opportunity for early engagement, discussion, and transparency in the budget development process, including the use of zero-based budgeting and third-party review.

Areas of Adjustment or Further Consideration

1. **Central Service Costs and Internal Efficiency -** Members expressed interest in better understanding internal cost management, including central service cost allocation, operational efficiency efforts, and how cost controls are applied prior to fee increases. There is a desire for greater visibility into how Metro is managing central agency costs and ensuring they are efficient and proportionate.
2. **Transparency in Fees, Costs, and Forecasting:** Members requested greater clarity on fee increases, cost drivers, tonnage forecasting assumptions, and internal efficiency efforts.
3. **Transition Strategy for Food Scraps Funding:** While recognizing the program's progress, members expressed interest in exploring transition strategies for the sunset of supplemental food scraps funding, including phased approaches to taper out funding.
4. **Capital Investment Timing and Phasing-** Members raised questions about the timing of major capital investments, suggesting consideration of phased implementation or interim solutions given current financial conditions.

Areas of Concern or Misalignment

1. **Long-Term Sustainability of the Funding Model:** A primary concern is the reliance on tonnage-based revenue while system goals aim to reduce waste. Members questioned whether the current model is sustainable and supported exploring of alternative funding approaches.
2. **Fee Setting, Cost Drivers and Affordability:** Members expressed concern about the magnitude and drivers of fee increases, including whether increases are primarily driven by declining tonnage, rising costs, or both. Questions were also raised about the timing of fee setting and overall regional cost increases.

3. **Ongoing Program Needs for Food Scraps Policy:** Members expressed concern about the sunset of supplemental food scraps funding, noting that while significant progress has been made, the work to maintain compliance and education is ongoing.
4. **Forecasting Accuracy and Financial Risk:** Concerns were raised about the variability and reliability of tonnage forecasts, and how forecasting assumptions impact fee setting, financial planning, and long-term decision-making.

Key Themes and Detailed Commentary

Additional details and representative comments are provided below to further illustrate the key themes and highlight specific committee perspectives.

Strong Alignment with Regional Outcomes

Theme	Comments
Cost Alignment and Financial Discipline	<p>Credit card fee which saves 500k – there are other payment methods available (Community representative)</p> <p>Moving from contracting that was not competitive – to metro internal to have cost flexibility – sounds prudent (Community representative)</p> <p>Good to recover CC fee and put that on paying customers (Industry representative)</p> <p>Metro Paint Changes (Community representative)</p> <p>Metro South changes (Community representative)</p>
Support for System Facilities Plan Direction	<p>HHW in Corneilus and Cornelius depot planning (Community representative)</p> <p>DEQ supports the SFP (Local government representative)</p>
Continued Investment in Core Services	<p>Support for Services and community education, Planning and regulation and Community education and waste prevention education (Community representative)</p> <p>Supports Planning and regulation (Local government representative)</p> <p>Keeping the reuse impact fund (Reuse representative)</p> <p>Maintaining full-service household hazardous waste collection at Metro Central and South (Reuse representative)</p>

Appreciation for Process and Engagement	<p>Nice to have all these discussion and question opportunities early in the process (Industry representative)</p> <p>Appreciate zero based budget approach and us of the 3rd party audit/review (Industry representative)</p>
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Areas of Adjustment or Further Consideration

Theme	Comments
Transparency in Fees, Costs, and Forecasting	<p>Budget increase is dependent on tonnage allocation w/less tonnage is the goal. As tonnage is forecasted to continue to decrease through FY28 concerned with how many more FTE will continue to need to be cut and continuation of increased fees (Community representative)</p> <p>Concerns over how PDX tonnage decline is outpacing other areas and how that impacts the Metro budget and tonnage allocation of private transfer stations and especially non-PDX facilities (Industry representative)</p> <p>Concerns about increase in tipping fees. Could this be adjusted/subsidized for nonprofits/businesses focused on reuse or waste prevention (Community representative)</p>
Transition Strategy for Food Scraps Funding	<p>There are tough choices that Metro needs to make to balance the budget. Given the timing so close to the end of fiscal year. Are there any solutions for a model to taper support to local government food waste over the course of FY and slow velocity of planned investments in order to allow adjustment time for governments to have a softer landing (Community representative)</p> <p>Reduction in food waste/scrap support - could this be reduced instead of fully eliminated (Community representative)</p>
Capital Investment Timing and Phasing	<p>Cornelius site. Suggest delaying until tons rebound. Not the right time, supplement with interim solutions to fill that gap (Industry representative)</p> <p>Although I am excited to see the development of a community drop off depot in Washington county, I am concerned about timing due to current financial climate (Reuse representative)</p>
Internal Efficiency and Central Service Costs	<p>Central services/efficiency Would like more transparency/clarity around internal operational efficiency metrics across Metro (Community representative)</p>

	Revisit central overhead costs. Is WPES funds contributing a proportional amount to agency as other funds? (Local government representative)
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Areas of Concern or Misalignment

Theme	Comments
Long-Term Sustainability of the Funding Model	<p>When looking at setting rates and given Metro trying to achieve cost of service I believe the budget should be built in actual tons (Industry representative)</p> <p>How will Metro be adjusting their fee models in the future as we work towards lower wet waste tonnage in the system overall (Local government representative)</p> <p>The greatest concern I have is the exiting funding model – it is seemingly a horse and cart situation is upon us the goal is to reduce tonnage – it seems prudent to re-think funding models before forging ahead on new investments without re-imaging the model. We will continue to create our own funding issues if we are successful with our intended goals (Community representative)</p>
Fee Setting, Cost Drivers and Affordability	<p>Would like more discussion, information and transparency on Metro’s data/justification for the SWR and Regional System fee increases (10% and 5% respectively) (Local government representative)</p> <p>Concerns about increase in tipping fees. Could this be adjusted/subsidized for nonprofits/businesses focused on reuse or waste prevention (Community representative)</p> <p>Depackager-feel strongly this should not be RSF funded. How much additional diversion is anticipated for \$7M (Industry representative)</p> <p>Unclear if the Regional System and SWR fees are increasing purely due to tonnage decrease and Metro increased cost to run (Local government representative)</p>
Ongoing Program Needs for Food Scrap	<p>Food scraps compliance- 85 percent compliance implies a finality to compliance management that I have never seen reflected in the real world of recovery (Community member)</p> <p>Food scraps funding to local government – the job is never done (Local government representative)</p>

Forecasting Accuracy and Financial Risk	<p>One RWAC member said tonnage was going down is not felt by everyone. We need to explore that more, is it worth prioritizing sites there (Reuse representative)</p> <p>Forecasting methodology- while I understand some variance is expected between forecast and actuals, the severity of this and consistent year over year trend is one of the biggest economic driver in fee setting process (Community representative)</p>
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Detailed Comments by Seat

The following section provides a detailed record of the feedback submitted by committee members, organized by the type of seat they hold. Committee members were asked to select their two top priorities for each area of input including where they see strong alignment with regional priorities, and areas of concern and misalignment. They were also given an opportunity to provide additional feedback. These comments reflect individual perspectives on the proposed FY2026–27 Waste Prevention and Environmental Services budget and fees, including areas of strong alignment, opportunities for adjustment or clarification, and concerns or areas of potential misalignment. This detailed record is intended to supplement the high-level thematic summary and offer additional insight into the range of perspectives shared during the committee’s engagement process.

Community representatives

Supports Regional Priorities and System Outcomes	<p>Metro Paint Changes</p> <p>HHW in Corneilus and Cornelius depot planning</p> <p>Credit card fee which saves 500k – there are other payment methods available</p> <p>Metro South changes</p> <p>Moving to contracting that was not competitive – to metro internal to have cost flexibility – sounds prudent</p> <p>Services and community education</p> <p>Planning and regulation</p> <p>Community education and waste prevention education</p>
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<p>Opportunities for Adjustment or Clarification</p>	<p>Metro South operations hours change. Uncertainty of accessibility in the region</p> <p>Central services/efficiency Would like more transparency/clarity around internal operational efficiency metrics across Metro FTE cuts. For internal cut decisions, would like more clarity around where/why these were made-how positional were prioritized</p> <p>Budget increase is dependent on tonnage allocation w/less tonnage is the goal. As tonnage is forecasted to continue to decrease through FY28 concerned with how many more FTE will continue to need to be cut and continuation of increased fees</p> <p>Reduction in food waste/scrap support - could this be reduced instead of fully eliminated</p> <p>More discussion is needed on the garbage and recycling operating hours for transfer stations (curious if there is any data on how many community members access the transfer stations during the hours being cut/how much that would affect the public)</p> <p>Concerns about increase in tipping fees. Could this be adjusted/subsidized for nonprofits/businesses focused on reuse or waste prevention</p> <p>Very interested in discussing how to adjust revenue models moving forward</p> <p>There are tough choices that Metro needs to make to balance the budget. Given the timing so close to the end of fiscal year. Are there any solutions for a model to taper support to local government food waste over the course of FY and slow velocity of planned investments in order to allow adjustment time for governments to have a softer landing</p>
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Areas of Concern and Misalignment	<p>The greatest concern I have is the exiting funding model – it is seemingly a horse and cart situation is upon us the goal is to reduce tonnage – it seems prudent to re-think funding models before ahead on new investments 2/0 re-imagining the model. We will continue to create our own funding issues if we are successful with our intended goals</p> <p>Regional system fee decrease in service and education budget Food scraps compliance- 85 percent compliance implies a finality to compliance management that I have never seen reflected in the real world of recovery</p> <p>Forecasting methodology- while I understand some variance is expected between forecast and actuals, the severity of this and consistent year over year trend is one of the biggest economic driver in fee setting process</p>
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Additional community input:

- While I personally tend to favor public (versus privately run) public services, always curious about operational cost comparison for Metro versus private transfer stations, especially in light of decreasing regional tonnage and economies of scale for waste management.
- Regional system fee covers Metro’s core values to decrease waste and enhance environment, but this fee is increased by only 5% and proposed reduction at \$7.9M (\$3.4M after subtracting \$4.5M of Metro Paint). I am concerned how much is cut from services and education other than food scrap funding to local gov.
- Reason to support Cornelius site is that now is the best timing to invest due to declining tonnage forecast (tighter budget in the near future) and the nature of correcting inequality/service gap.

Local governments representatives

Supports Regional Priorities and System Outcomes	<p>DEQ supports the SFP</p> <p>Looking for wet and dry waste fees separately – blended fees penalize customers/results in anti- competitive low pricing of dry waste</p> <p>Planning and regulation</p>
Opportunities for Adjustment or Clarification	<p>Revisit central overhead costs. Is WPES funds contributing a proportional amount to agency as other funds?</p>

	<p>DEQ is concerned how will implementation of RWP be carried out. Any changes to Regional Waste Plan needed?</p> <p>DEQ concerned about compliance of Regional Waste Plan. DEQ has considered Metro IGAs with local governments to be may Metro compels compliance of local governments with RWP through funding provided</p> <p>Shared services</p> <p>Garbage and Recycling ops</p>
<p>Areas of Concern and Misalignment</p>	<p>Food scraps funding to local government – the job is never done Proposed RSF allocation to local jurisdictions is 4 cents on the dollar (approx). This is a decrease of nearly 45% since 2009</p> <p>Would like more discussion, information and transparency on Metro’s data/justification for the SWR and Regional System fee increases (10% and 5% respectively)</p> <p>Unclear if the Regional System and SWR fees are increasing purely due to tonnage decrease and Metro increased cost to run</p> <p>How will Metro be adjusting their fee models in the future as we work towards lower wet waste tonnage in the system overall</p> <p>This isn’t the highest fee increased we have faced we need transparency because all increases ultimately hit the customer Regional cost increases</p>

Additional local government input:

- There are important, specific reasons to highlight when considering why cities and counties believed continued regional revenue sharing for food scraps is appropriate. First, this is a permanent Metro mandate. The obligation and need to support businesses are ongoing, and we encourage a transition to a lower maintenance level. For years, cities and counties have been flagging this issue, and we do not agree that there was a shared plan to ‘sunset’ this funding. We were surprised by the proposal to eliminate funding, which would result in an unfunded mandate. Second, food waste is the most climate impactful material for us to address in our waste shed, and given our shared climate goals, we believe this is a missed opportunity. Third, if Metro Council wishes to continue forward with a landfill disposal ban, this will only magnify the importance for us to be able to provide excellent and nimble technical

assistance. While it is accurate that we are eligible to receive funding under the Recycling Modernization Act, those resources are distinct, with their own obligations and expectations specific to recycling contamination. Those funds do not justify eliminating regional revenues to support businesses with food waste. At a minimum, we would request Metro staff not frame those resources as an offset to food scraps funding.

- We also want to highlight why elected leaders and staff at cities and counties continue to express concern about disposal fees. We appreciate the additional touchpoints and process at the Regional Waste Advisory Committee (RWAC). However, we are requesting a discussion on process to ensure that cities and counties have an opportunity to understand these increases and whether they are adding value based on shared priorities. Affordability may be a stated priority, but we are not addressing that priority with sufficient attention. For example, the increased overhead costs over the last 5-7 years is unexplained, and local jurisdictions would benefit from additional analysis. In addition, the proposed disposal is 92% above the 2020 level and well above economy-wide inflation. We remain interested in exploring options to control organics and disposal fees which to date has not happened. More generally, we would welcome a shift in approach that makes partnership more meaningful and allows for city and county perspectives to more directly inform our regional priorities at the front end of the process.
- Budget and staff reductions at Metro South should not lead to any loss of service at the facility.
- Monies must be available to move forward with wet waste collection and reduction of this material going in the landfill. It is short sided. Technical assistance is needed to continue the outreach to residential and commercial customers in order to change “hearts and minds”. We must move forward not backward.

Industry representatives

<p>Supports Regional Priorities and System Outcomes</p>	<p>Change to commercial organics to more adequately cover the costs w/o subsidy</p> <p>Good to recover CC fee and put that on paying customers</p> <p>Appreciate some of the hard decisions around operational efficiencies that may have creates some staffing costs</p> <p>Nice to have all these discussion and question opportunities early in the process</p>
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	<p>Appreciate zero based budget approach and us of the 3rd party audit/review</p> <p>In support that rates should increase of support lowering tonnage</p>
<p>Opportunities for Adjustment or Clarification</p>	<p>I'm not really understanding why FTE change at Metro South transfer station for second half of FY 2026 27 is not reflected in budget now. Staff made this change/decision indicating savings. We should see that now</p> <p>Cornelius site – Suggest delaying until tons rebound. Not the right time, supplement with interim solutions to fill that gap</p> <p>Sill concerned over success of food scraps with end of local government funding. Would like to see some level of funding continue. RMA funding cannot be used for food scraps.</p> <p>Concerned about Metro staff saying LGs determine what happens with RMA. PRIO funds. Pretty specific in state how re: plastic pollution and packaging</p> <p>Costs associated with depackaging is being allocated in RSF. Understanding Metro collects majority of the tons but it is still a facility cost and should be treated as such</p> <p>Better understanding of FTE year over year in comparison to tonnage fluctuations. Are costs and fees in correlational with those changes</p>
<p>Areas of Concern and Misalignment</p>	<p>Concerns over how PDX tonnage decline is outpacing other areas and how that impacts the Metro budget and tonnage allocation of private transfer stations and especially non-PDX facilities</p> <p>Timing of metro setting SW tip fee- LG need it set earlier</p> <p>Depackager-feel strongly this should not be RSF funded. How much additional diversion is anticipated for \$7M</p> <p>When looking @ setting rates and given Metro trying to achieve cost of service I believe the budget should be built in actual tons Does budgeting model align with overall goals of reducing waste?</p> <p>Revenue/RS should be funded by landfill tons</p> <p>Not sure if now is the time with economic conditions to make capital expenditures like compactors and depacker at Metro central. Also concerned about costs for Cornelius site</p>

Additional industry input:

- It is still unclear to me how forecast vs. Actuals play into the budget. Look back and looking forward.
- When we talk about tons going up/down, we should really be measuring tons per person. That is a better indication of waste reduction than total tons in region. Measure consumption per person in region.

Reuse representative

Supports Regional Priorities and System Outcomes	Keeping the reuse impact fund Maintaining full-service household hazardous waste collection at Metro Central and South
Opportunities for Adjustment or Clarification	As many have brought up if revenue is based on tonnage but tonnage will probably continue to decline. Idea: find annual fee to support reuse? Encouraging .. to separate tons Although I am excited to see the development of a community drop off depot in Washington county, I am concerned about timing due to current financial climate
Areas of Concern and Misalignment	One RWAC member said tonnage was going down is not felt by everyone. We need to explore that more , is it worth prioritizing sites there

Fee Setting Criteria May 2026

Rationale: During the process of fee development, staff relies on Metro's legal authority as determined by Metro Code and Oregon Revised Statute, as well as policy adopted by the Metro Council and other informal guidance. In addition, the solid waste fee setting process is guided by core set of criteria used to ensure effective management of the regional solid waste system.

Action: Solid waste fee and rate setting guidance recommends that fee and rate setting policy be periodically reviewed. The fee setting principles below are based on recommendations from the Waste Fee Policy Task Force appointed by the Metro Council in FY 2023-24. The fee setting criteria were presented to both the Metro Council and the Regional Waste Advisory Committee in FY 2025-26. By adopting fees and the fee setting criteria, Council has reviewed the below fee setting criteria that are to be used during fee development.

Prioritized criteria in fee development:

Accessible and Equitable System: Fee setting should encourage public, private, and nonprofit investment in services that provide regional benefit, emphasizing geographic equity, access to service and a reduction in local environmental and human health impacts.

Healthy Environment: The fee structure should encourage keeping valuable materials out of the landfill, reducing climate and environmental impacts through highest material use, and safe disposal of hazardous waste.

Affordability: Fee setting should consider the economic effects and distribution of benefits to the various types of users in the Solid Waste System, including the cost of living on residential waste generators and the cost of doing business on nonresidential generators, as well as the economic effect on others in the region.

Public-Private System: Fees should give fair weight to the operational and capital needs of all providers: publicly owned, privately owned, and nonprofit.

The following criteria are important considerations, but are not prioritize as those above:

- A. **Predictability:** Metro fee adjustments should be predictable and orderly to allow local governments, haulers, and rate payers to perform effective planning.
- B. **Resilient Economy for All:** Fee setting should consider the economic effects of short- and long-term fee changes.
- C. **Service Provision:** Charges to users of the waste disposal system should be directly related to disposal services received. Fee impacts to residents of the Metro service district who may not be direct users of the disposal system should be related to other benefits received.
- D. **Consistency:** Solid waste fee setting should be consistent with Metro's agency-wide planning policies and objectives, including but not limited to the Regional Waste Plan.



April 29, 2026

Metro
600 NE Grand Avenue
Portland, OR 97232-2736

Subject: Review of Fiscal Year 2026-2027 Solid Waste Disposal Fees

Dear Ms. Madrigal, Chief Operating Officer,

Metro engaged FCS, a Bowman company (FCS) to provide an independent review of the methodology for calculating proposed solid waste disposal fees for Fiscal Year (FY) 2026-2027. In response to this request, we have reviewed Metro's updated Excel Fee Model (Model) and associated fees for accuracy, adequacy, reasonableness and compliance with industry practices. This review is in accordance with *Metro Code – Title V Solid Waste Section 5.03.070 "Independent Review of Fee Setting Process; Written Report"*.

This review focused on the overall methodology and resulting fees for compliance with industry practices for FY 2026-2027. The review did not validate the accuracy of source documents, formulae or structure utilized in the Model.

The FY 2026-2027 findings and comments are summarized below:

- The methodology utilized in the fee setting process follows best practices in the industry. The overall analysis is structured around three (3) fee setting components, or steps:
 1. *Revenue requirement*: evaluates the overall revenue needs of the utility on a self-supporting basis, considering operating and maintenance expenditures, capital/equipment funding needs, debt requirements and fiscal policies.
 2. *Cost-of-service*: equitably distributes costs to services based on their proportional demand and use of the system.
 3. *Rate / fee design*: includes the development of fees that generate sufficient revenue to support the revenue requirement and address Metro's policy goals and objectives.
- For this year's fee development process Metro consolidated the Model and the Regional System Fee Model (RSF Model) utilized during the prior year's rate setting process. The consolidated model continues to track regional system fee related revenues and expenditures independently from all other solid waste related components. Consolidating the two models into one allows for greater consistency for tracking transfers between the RSF Model and Model for shared expenses (e.g., organics support, disaster debris, administrative and system facilities plan). By combining the models yet keeping the RSF expenditures isolated, the RSF fee development process maintains its simplicity and transparency. Fees are calculated by dividing the projected annual cost forecast by the projected annual tonnage. No additional allocation is required for the RSF fee development.
 - » The operating and maintenance (O&M) expense projection for the RSF portion of the model does include a budget realization factor of approximately 6.5 percent on personnel services and material and services. The budget realization factor reduces the overall budget for the associated

expenses down to 93.5 percent of the budget total. This practice is common in the rate setting industry and is often utilized if a utility has historically expensed less than budgeted or if the utility anticipates the test year to be below budget due to factors identified after the budget has been adopted. The budget realization factor reduces the overall RSF related operating budget by approximately \$2.1 million for the FY 2026-2027 test year. Metro should continue to closely monitor actual annual expenditures and compare them to the figures used in the current rate strategy and adjust the overall strategy if necessary.

- For the non RSF fee development portion of the Model, the recommended overall fee strategy (step 1, revenue requirement) for FY 2026-2027 projects revenues after increase to be sufficient to cover annual obligations and generate a positive cash flow. The cash flow is utilized to meet existing reserve policy targets and continue funding projected capital expenditures. The benefit of projecting revenue requirements beyond the immediate test year period is the ability to level out impacts over time, if necessary. The Model does project that revenues after increase for subsequent years meet the estimated revenue needs, assuming the proposed fees are implemented.
 - » This year's analysis includes an updated tonnage forecast, reflecting the latest economic conditions and actual utilization of Metro's transfer stations. The tonnage forecast is key to the analysis and affects both revenues and expenses. It will be important to continue monitoring tonnage and its impact on both revenues and expenses and modify the projections as necessary if significant deviation in the forecast occur.
 - » As discussed in the RSF portion of the Model review above, RSF related expenditures are removed from this year's non RSF fee development. While the costs removed were directly attributable to the RSF, shared expenses were left in the non RSF portion of the Model. To account for the RSF's portion of shared expenses, the non RSF portion of the Model includes a non-rate revenue transfer from RSF based on the RSF's proportional share of costs. The allocation used to establish the RSF transfer was consistent with the prior combined model approach.
 - » Similar to the RSF related expenses, the Model assumes a budget realization factor for non RSF O&M expenses related to personnel services and material and services of 6.5 percent. The budget realization factor reduces the overall budget for the associated expenses down to 93.5 percent of the budgeted total. The budget realization factor reduces the overall non RSF operating budget by approximately \$4.9 million for the FY 2026-2027 test year. Metro should continue closely monitoring actual annual expenditures and compare them to the figures in the current rate strategy and adjust the overall strategy if necessary.
 - » With the proposed fee adjustments, FY 2026-2027 combined ending cash balances are projected to meet or exceed minimum target levels.
- The Model's cost allocation (step 2, cost of service) utilized in developing non RSF service level charges appears technically sound and consistent with that deemed acceptable by industry practices. Costs appear to be allocated with cost causation principles, mimicking the nature of how they are incurred. Primary allocation occurs based on actual time spent by employees within each service level, contractual costs associated with each service level or a direct assignment of costs to a specific service level.

- » The results of the cost-of-service analysis indicate that cost differences are present between existing fees and the cost-based allocation. It should be noted that, typically, if the result of each individual service is within plus (+) or minus (–) 5.0 to 10.0 percent of the overall system average, they are generally considered to be within cost-of-service. This range of reasonableness is given since although there is an industry accepted methodology, the specific classification and allocation of expenses reflect cost and waste characteristics at a given point in time. With time, waste patterns, composition and facility requirements change resulting in changes to cost-of-service. The flexibility to work within the range of reasonableness can minimize annual peaks and valleys and help maintain stable fees from year to year.
- The Model’s proposed non RSF fees (step 3, rate / fee design) phase-in cost-of-service results over a 5-year period. Staffed and automated fee, mixed solid waste, residential organics and commercial organics are phased-in to within 3.0 percent of their cost-of-service level, with the majority projected to be within 1.0 percent. By the end of the 5-year period, clean wood fees are projected to be at 80.8 percent of their cost-of-service, which is outside the 10.0 percent range of reasonableness. The updated contract for the Central Transfer Station increased the cost of wood processing impacting the results of the cost-of-service analysis compared to the Model results with prior contract costs. The yard waste fee is projected to be held constant to allow it to phase-in towards cost-of-service, which is projected to end the 5-year period within 3.8 percent of cost.
 - » The proposed rate design, when reconciled with projected billing units, does project a lower revenue generation in comparison to the total revenue requirement targets identified in step 1, revenue requirement for FY 2026-2027 and FY 2027-2028. The deficiency ranges from \$383,000 in FY 2026-2027 decreasing to \$118,000 in FY 2027-2028. While Metro’s existing fund balances are projected to be sufficient to cover the deficiencies, they may decrease below the minimum target levels in FY 2026-2027 and FY 2027-2028, before recovering in FY 2028-2029. Metro should continue monitoring annual cash flow and revisit the rate strategy if reserves decrease below minimum target levels in future years.

We appreciate the opportunity to complete this independent review for Metro. Please do not hesitate to contact me if you have any questions regarding this letter or if additional information is needed.

Sincerely,

FCS



Sergey Tarasov

Principal

cc: Metro Councilors Hwang, Simpson, Lewis, Rosenthal, Gonzalez, and Nolan, Chief Financial Officer Brian Kennedy, Budget Director Cinnamon Williams and WPES Director Marta McGuire.

Tons of Metro area waste subject to Metro's reduced rate or exempt from fees and taxes at a disposal site

July 1, 2024 - June 30, 2025

Fiscal Year 2025

Reduced rate waste (cleanup material)		Tons
Type:		
Petroleum Contaminated Soil		170,856
Other		45,075
	total	<u><u>215,931</u></u>

Exempt waste		Tons
Generator:		
Evraz NA		831
Greenway Recycling		11,993
Pride Recycling		1,773
Metro Paint		884
Metro South		9
Rivergate Scrap Metals		166
Schnitzer Steel		92,202
Siltronics Corp		321
Tualatin Valley Waste Recovery		4,303
Willamette Resources Inc		3,310
	total	<u><u>115,792</u></u>

Regional System Fee not collected from waste exemption (\$31.72/ton)	\$3,672,922
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Metro

600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

Agenda #: 4.2

File #: RES 26-5576

Agenda Date: 5/14/2026

Resolution No. 26-5576 For the Purpose of Adopting Regional System Fee for FY 2026-27

Marta McGuire (she/her), Waste Prevention and Environmental Services Director

Patrick Dennis (he/him), Waste Prevention and Environmental Services Finance Manager

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE REGIONAL SYSTEM FEE FOR FY 2026-27) RESOLUTION NO. 26-5576) Introduced by Chief Operating Officer Marissa Madrigal with the concurrence of Acting Council President Duncan Hwang

WHEREAS, Metro Code Chapter 5.02 establishes a regional system fee, which recovers Metro’s costs for all associated regional solid waste activities related to managing, planning, and administering the entire recycling, processing, and disposal system for the Metro region; and

WHEREAS, Metro Code Chapter 5.02 further establishes that all solid waste generated from inside the Metro jurisdictional boundary is subject to the regional system fee at the time the waste is delivered to a Metro transfer station or otherwise disposed; and

WHEREAS, any person who transports solid waste generated from inside the Metro jurisdictional boundary must pay the regional system fee to Metro at the time the waste is disposed; and

WHEREAS, the regional system fee funds regional waste reduction programs and services; and

WHEREAS, the regional system fee is distinct from Metro’s solid waste tonnage fees, which are governed by Metro Code Chapter 5.03, and which recover the costs of operating and managing Metro’s two solid waste transfer stations, Metro South and Metro Central; and

WHEREAS, Metro’s costs for regional waste reduction programs and services have changed; and

WHEREAS, the proposed regional system fees comply with Metro Charter Section 15 (“Limitations on Amount of User Charges”); now therefore,

BE IT RESOLVED that the Metro Council adopts the following regional system fees on solid waste effective July 1, 2026, as authorized by Metro Code Chapter 5.02:

Regional System Fees by waste class
(1) Cleanup material\$ 2.50
(2) All other solid wastes\$34.23

ADOPTED by the Metro Council this 14th day of May 2026.

Duncan Hwang, Acting Council President

APPROVED AS TO FORM:

Carrie MacLaren, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF:

RESOLUTION NO. 26-5575 FOR THE PURPOSE OF ADOPTING SOLID WASTE FEES AT THE METRO TRANSFER STATIONS AND METRO'S COMMUNITY ENHANCEMENT FEE FOR FY 2026-27

RESOLUTION NO. 26-5576 FOR THE PURPOSE OF ADOPTING THE REGIONAL SYSTEM FEE FOR FY 2026-27

Date: May 6, 2026
Department: Finance and Regulatory Services
Meeting Date: May 14, 2026

Prepared by:
Marta McGuire, WPES Director
Patrick Dennis, WPES Finance Manager

Presenters:
Marta McGuire, WPES Director
Patrick Dennis, WPES Finance Manager
Length: 30 minutes

ISSUE STATEMENT

Resolution 26-5575 will authorize an increase to the solid waste fees at the Metro transfer stations and authorize collection of a community enhancement fee effective July 1, 2026.

Resolution 26-5576 will authorize an increase to the regional system fee, effective July 1, 2026.

ACTION REQUESTED

Council adoption of Resolution 26-5575 and Resolution 26-5576.

IDENTIFIED POLICY OUTCOMES

Council adoption of these resolutions will:

1. Increase the solid waste fees at the Metro transfer stations, effective July 1, 2026;
2. Increase the regional system fee, effective July 1, 2026;
3. Authorize Metro to impose and collect a community enhancement fee on waste disposed under certain conditions, effective July 1, 2026;
4. Provide Council with the annual report of the amount of solid waste that was subject to reduced fees and taxes or exempted during FY 2025-26.

POLICY QUESTION

Should Council increase the solid waste fees at the Metro transfer stations and the regional system fee to cover the costs of service of Metro transfer station operations and regional waste reduction programs and services?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

1. Adoption of the resolutions to increase solid waste fees at the Metro transfer stations and regional system fee to fund projected FY 2026-27 department expenses.
2. Reject the resolution to increase the solid waste fees at the Metro transfer stations; and/or reject the resolution to increase the regional system fee. These actions will result in future operational budget shortfalls. This will require Metro to further reduce public services and make additional changes to programs and capital plans to keep spending in line with expected revenue collected.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of Resolution 26-5575 and Resolution 26-5576.

BUDGET AND FEE ENGAGEMENT SUMMARY

Regional Waste Advisory Committee

Metro convened the Regional Waste Advisory Committee (RWAC) with the intended purpose of improving engagement and collaboration on budget and fee development. RWAC held two meetings on April 16th, 2026 and April 30th, 2026, where they learned about the FY 2026-27 proposed budget and fee development processes, and engaged with staff to review and provide input on the Waste Prevention and Environmental Services (WPES) budget and fee develop as it relates to the implementation the 2030 Regional Waste Plan, as the committee's defined function is stated in Metro Code Section 2.19.130.

Committee members expressed strong alignment with regional outcomes and overall direction. There was broad support for efforts to better align costs with revenue, including implementing cost recovery measures, and improving operational efficiency. Members acknowledged the need for difficult decisions in response to current financial conditions. They also supported the direction of the System Facilities Plan, including investments in infrastructure and long-term planning to address access and system gaps. There was strong support for maintaining core services such as household hazardous waste collection, community education, waste prevention, and regulatory functions. In addition, members appreciated the level of engagement and transparency in the budget development process, including the use of zero-based budgeting and third-party review.

At the same time, members identified several areas for adjustment or further consideration. There was interest in gaining a clearer understanding of central service costs, including how costs are allocated, managed, and controlled prior to fee increases. Members also requested greater transparency in fees, cost drivers, and forecasting assumptions. While recognizing progress in food scraps implementation, members expressed interest in exploring transition strategies for the sunset of supplemental funding, including phased approaches. Questions were also raised about the timing and phasing of capital investments, with interest in considering interim or staged approaches given current financial conditions.

Members also raised several areas of concern. A primary concern is the long-term sustainability of the funding model, particularly the reliance on tonnage-based revenue while system goals aim to reduce waste. There were also concerns about fee levels and affordability, including the drivers of recent increases and the timing of fee setting. Members noted the ongoing need to support food scraps policy implementation, even as supplemental funding sunsets. Finally, concerns were raised about the accuracy and variability of tonnage forecasts and the implications for financial planning, fee setting, and long-term decision-making.

The complete advisory report is attached in **Attachment 1**.

Regional Budget Forum

Metro also held a Local Government Budget Forum on April 15th, 2026, to present the proposed WPES FY 2026–27 budget and solid waste fees. The forum offered an opportunity for local jurisdictions, community organizations, and industry representatives to ask questions and provide input on the department’s priorities, progress, and strategic investments.

Committee members raised several areas for clarification and further discussion. There was a need for greater transparency around rising agency central service costs and the controls in place to manage them. Members expressed concern about the elimination of food scraps funding, with interest in a phased approach and continued support for outreach. Questions were also raised about operations, including staffing levels, efficiency, and benchmarking. In addition, members requested updated tonnage forecasts and a clearer understanding of the planning implications. Finally, there was a desire for more responsive engagement, including ongoing dialogue and follow-up.

Local Government Monthly Update

Metro also maintained ongoing engagement with local governments through proactive monthly updates over the past year, sharing key information on budget and fee development and creating consistent opportunities for awareness and input.

PROPOSED FEES

The process for setting Metro’s solid waste fees and taxes is set forth in Metro Code Chapters 5.02, 5.03, 5.06 and 7.01. Metro reviews its solid waste fees annually. The proposed FY 2026-27 fees comply with the restriction set forth in Chapter III, Section 15 of the Metro Charter limiting user charges to the amount needed to recover the costs of providing goods and services.

Figure 1. Proposed fee schedule

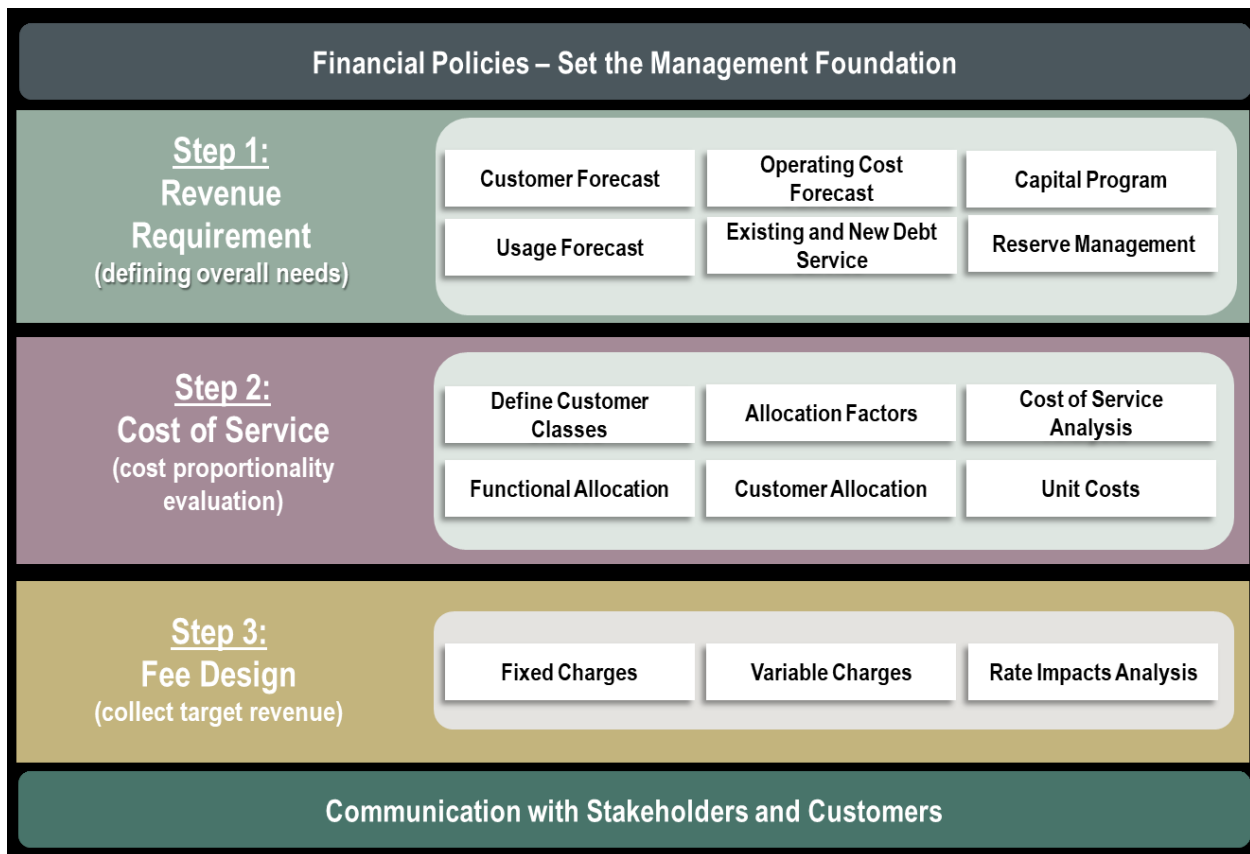
Proposed Fee Schedule				
	Existing 2026	Proposed 2027	Difference	
			\$	%
Transaction Fee				
Staffed Scalehouse	\$28.00	\$30.00	\$2.00	7.1%
Automated Scalehouse	\$7.85	\$8.34	\$0.49	6.2%
Tonnage Charge				
Solid Waste Fee (SWF)	\$112.19	\$123.41	\$11.22	10.0%
Clean Wood	\$87.39	\$96.13	\$8.74	10.0%
Yard Debris	\$55.00	\$55.00	\$0.00	0.0%
Residential Organics	\$100.48	\$110.53	\$10.05	10.0%
Commercial Organics	\$87.92	\$94.25	\$6.33	7.2%
Fees and Taxes				
Enhancement Fee	\$1.00	\$1.00	\$0.00	0.0%
Regional System Fee (SWF Only)	\$32.60	\$34.23	\$1.63	5.0%
Metro Excise Tax (SWF Only)	\$14.46	\$16.17	\$1.71	11.8%
DEQ Fees (SWF Only)	\$1.89	\$1.89	\$0.00	0.0%
Environmental Cleanup Fee	\$2.50	\$2.50	\$0.00	0.0%
SWF Tipping Fee (including taxes)	\$162.14	\$176.70	\$14.56	9.0%
Minimum Fee (SWF)	\$47.00	\$51.00	\$4.00	8.5%

The fees established by this resolution are designed to raise \$61 million in Solid Waste Fee revenue, \$9 million from transaction fees, \$7 million from non-SWF tonnage charges and \$49 million in Regional System Fee revenue for FY 2026-27. WPES *budgeted* Operating and Materials (O&M) expenses for Solid Waste Fee programs at \$85 million and for Regional System Fee programs at \$50 million for FY 2026-27. There are non-rate revenues that contribute to balancing the O&M budgets.

BACKGROUND

Metro establishes the Solid Waste Fee and Regional System Fee based on principles that are generally accepted and widely followed throughout the utility industry. Three key analyses are done: 1) revenue requirement - which identifies the total revenue to fully fund the department on a standalone basis; 2) cost of service - which establishes how to distribute the costs to the end user of the service (or customer class); and 3) fee design - which develops a fee structure that generates sufficient revenue to meet the system’s revenue requirement and Solid Waste Fee and Regional System Fee pricing objectives.

Figure 2. Financial policies for fee setting



Metro’s fee development follows these guidelines but makes them *four* steps instead of three, to establish clear roles and responsibilities for the work performed by staff.

In alignment with Metro’s financial policy, WPES has been diligent in keeping transfer station operations and Regional System Fee-funded activities separated.

Metro Fee Development:

Step 1. Identify the revenue requirement – This step identifies the total annual financial obligations of the system. This information comes from the WPES FY 2026-27 *proposed* budget that includes the department’s full operations and maintenance (O&M) costs, capital improvements and replacements, and adheres to Metro fiscal policy compliance.

Most of the revenue requirement is driven by the following two areas:

Metro Disposal Service Costs: Metro owns two transfer stations that provide disposal services to commercial haulers, businesses, and the public. Metro transfer stations cover operating costs, such as wages, equipment, improvements, biodiesel, and practices that protect the safety of the workers and customers. Fees also cover the costs of recycling, transport, and disposal of the garbage brought to the facilities. Most of these costs are driven by the operation of the stations. Transport and disposal are performed by private operators under long-term contracts with Metro.

Regional Programs: Metro provides or participates in solid waste services and programs with region-wide impact. These services include Metro’s community stewardship program, which cleans up hundreds of tons of garbage dumped on public property every year; education programs to support long-term recycling and reduction efforts across the region; and oversight of private garbage and recycling facilities to ensure they manage waste in a way that minimizes impacts on local communities and the environment. The core service areas included in the budget are:

- Household Hazardous Waste
- Community Grants
- Dumped Garbage Clean Up
- Environmental Education Programs
- Youth Internship Program
- Direct Funding to Local Governments
- Policy & Planning
- Compliance

Figure 3. Revenue Requirement from proposed budget

Solid Waste Revenue Fund	
CURRENT FY 2026-27 Proposed Budget	
Personnel Services	\$ 32,381,098
Materials & Services	74,700,958
Indirect Transfers for internal cost allocation plan	24,249,962
Proposed Budget Current Expenditures (excluding Capital Outlay)	\$ 131,332,018
TOTAL OPERATING EXPENSES	\$ 131,332,018

Revenue requirements are driven by the WPES budget for the disposal service, regional program needs and the administrative costs that allow these activities to occur.

Figure 4. Total amount of revenue to be recovered by the Metro fees

Revenue by Fee Type	
	2027
Staffed Transactions	\$ 8,425,298
Automated Transactions	893,645
Mixed Solid Waste Tip Fee	61,357,487
Clean Wood Tip Fee	92,684
Yard Waste Tip Fee	872,784
Residential Organics Tip Fee	4,165,032
Commercial Organics Tip Fee	1,527,492
Regional System Fee Tip Fee	48,596,246
<i>Cleanup Material</i>	666,502
Total	\$ 126,597,170

Step 2. Allocate costs – The fee process uses a cost-of-service approach that distributes costs based on the proportionate share of costs required to provide service. This step calculates (in the fee model) the functional cost allocation to different customer classes based on their unique demands for each service. This provides fee fairness through cost causation.

Indirect Costs: Administrative costs are identified in two different ways: the department’s functional administrative costs and the Agency’s (Metro) cost to provide administrative central service support (internal cost allocation plan). These two administrative costs are allocated differently to reflect the different nature of which they are caused. Administrative costs from the department are allocated by how the staffing levels are applied to each program area. The Agency central service costs are allocated in a way that most directly reflect how the Agency allocates costs which is a blend of spending and staff allocations.

Direct Costs: The allocation methodology used identifies how expenses are allocated to the solid waste system functional areas including disposal and recovery, and regional programs. Allocations are based on staff time, floor area and tonnage. The allocation factor is designed to be an equitable expression of how and why the cost is incurred. The cost-of-service details cost allocation for an additional layer of service by waste type: (mixed) solid waste, wood waste, yard debris, residential organics, and commercial organics. Costs associated with processing each waste type were reviewed and discussed by Metro staff and leadership.

Step 3. Forecast activity – This step estimates the waste unit activity in the region to forecast the solid waste activity anticipated for the upcoming fiscal year. Metro staff prepares a Solid Waste Forecast for waste unit activity in the region and projected anticipated levels of tonnage and transactions by material type at Metro transfer stations and private facilities. For the FY 2026-27 fee development, staff used the Fall 2025 forecast for unit information.

Step 4. Fee development and design – This step achieves required revenue levels by establishing fees and charges that accurately reflect the cost to provide a particular service. Unit costs were developed for each fee charged and were analyzed to identify any warranted shifts in cost burden that could improve equity between the fees and charges. The result of the cost-of-service process is a calculated fee for providing solid waste services. This process has a great deal of influence from Metro leadership and compliance with financial policies.

Figure 5. Proposed fees and charges for FY 2026-27

Description	(Mixed) Solid Waste	Clean Wood	Yard Debris	Residential Organics	Commercial Organics
Transaction Fee:					
Staffed Scalehouse	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Automated Scalehouse	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34
Tip Fee:					
Tonnage Charge	\$123.41	\$96.13	\$55.00	\$110.53	\$94.25
Regional System Fee	\$34.23	-	-	-	-
Excise Tax	\$16.17	-	-	-	-
DEQ Fees	\$1.89	-	-	-	-
Community Enhancement Fee	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Tip Fee	\$176.70	\$97.13	\$56.00	\$111.53	\$95.25
Min Load Fee (240 lbs.)	\$51.00	\$42.00	\$37.00	\$43.00	\$41.00

Fee Setting Criteria:

Per Metro Code 5.03.060, each year the Chief Operating Officer will propose fees to Council that will consider any solid waste fee setting criteria and fee setting policies adopted by Council.

Attachment 2 is the current fee setting criteria that will be adopted by Council, through this resolution.

Independent Solid Waste Fee Review:

As required by Metro Code Chapter 5.03.070, the Solid Waste fees rate model was reviewed by an independent reviewer. Metro employs consultant FCS Group (a Bowman company) who reviews the models and provisional fees. This review includes a letter with their findings and recommendations during this review. The current review letter is provided as **Attachment 3**.

Clean-up Material and Special Exemptions:

Metro Code Section 5.02.070(b) states that the Chief Operating Officer must provide the Metro Council with an annual report indicating the amount of solid waste recycled or disposed of under special exemption permits and the total regional system revenue that was not collected during the fiscal year because of those special exemptions. A summary showing the total amount of Metro area waste that was subject to Metro's reduced rate or exempt from fees and taxes during FY 2024-25 is provided in **Attachment 4**.

Other Fee Considerations:

Metro assesses the regional system fee and excise tax on waste at the time of disposal. The amount of the fee and tax rate is calculated annually in accordance with Metro Code Chapters 5.02 and 7.01.

In general, Metro has a three-tiered fee and tax rate structure for waste that is transported directly to disposal sites.

- Full Rate: The full fee and tax rate, which is included as a component of Metro's transfer station charges, is assessed on most of the region's waste at the time of its disposal (such as household garbage, construction and demolition debris, etc.).
- Reduced Rate: The reduced fee and tax rate is generally assessed on contaminated "cleanup material" at the time of its disposal (such as contaminated soils, catch basin pumping, street sweepings, etc.).
- Exempt: There is a fee and tax exemption for any material that is recovered, recycled, or diverted away from disposal sites. Under certain circumstances, Metro may also waive fees and taxes for certain types of waste that are sent to disposal sites (such as under special exemption permits, and "useful material" which includes alternative daily cover and road base used at a landfill).

ATTACHMENTS

- Attachment 1 – Regional Waste Advisory Committee Advisory Report
- Attachment 2 – Fee Setting Criteria
- Attachment 3 - Independent Rate Model Review Letter
- Attachment 4 – Annual Waste Exemptions Report for FY 2024-25



Regional Waste Advisory Committee Advisory Report: Proposed FY2026-27 Budget and Fees

Overview

This summary reflects the Regional Waste Advisory Committee's discussion and input on Metro's proposed FY26–27 Waste Prevention and Environmental Services (WPES) budget and associated solid waste fees. In April 2026, the committee reviewed the existing programs and investments, the solid waste fee setting guidance and proposed FY2026-27 budget and fees.

Summary of Committee Engagement and Key Guidance

As part of the Regional Waste Advisory Committee's engagement on the proposed FY2026–27 Waste Prevention and Environmental Services budget and fees, committee members participated in a structured input exercise using the red-yellow-green feedback framework. Members were asked to assess the proposal by identifying areas of strong alignment (green), areas requiring clarification or potential adjustment (yellow), and areas of concern or potential misalignment (red). Each member was asked to select their top two priorities in each color category to focus the discussion on the most critical issues, while also having the opportunity to submit additional comments beyond their initial selections. This approach was designed to focus dialogue, elevate key themes, and collect meaningful input to inform Metro Council's final budget and fee decisions.

The input collected through this process was collected, logged and organized into major themes based on the committee's input. The following section summarizes the key areas of support, questions, and concerns identified across all red, yellow, and green comments. These themes represent a range of perspectives offered by committee members and highlight both areas of alignment with the proposed budget and fees, as well as areas where additional clarification, adjustments, or further consideration may be needed. The following major themes emerged:

Strong Alignment with Regional Outcomes

1. **Cost Alignment and Financial Discipline:** There is general support for efforts to better align costs with revenue, including adjustments to reduce subsidies, implement cost recovery measures, and make operational efficiency improvements. Committee members acknowledged the need for difficult decisions to respond to current financial conditions.

2. **Support for System Facilities Plan Direction:** Members expressed support for the overall direction of the System Facilities Plan, including investments in infrastructure and long-term system planning to address access and system gaps.
3. **Continued Investment in Core Services:** There is strong support for maintaining essential services, including household hazardous waste collection, community education, waste prevention, planning and regulatory functions.
4. **Appreciation for Process and Engagement:** Committee members appreciated the opportunity for early engagement, discussion, and transparency in the budget development process, including the use of zero-based budgeting and third-party review.

Areas of Adjustment or Further Consideration

1. **Central Service Costs and Internal Efficiency -** Members expressed interest in better understanding internal cost management, including central service cost allocation, operational efficiency efforts, and how cost controls are applied prior to fee increases. There is a desire for greater visibility into how Metro is managing central agency costs and ensuring they are efficient and proportionate.
2. **Transparency in Fees, Costs, and Forecasting:** Members requested greater clarity on fee increases, cost drivers, tonnage forecasting assumptions, and internal efficiency efforts.
3. **Transition Strategy for Food Scraps Funding:** While recognizing the program's progress, members expressed interest in exploring transition strategies for the sunset of supplemental food scraps funding, including phased approaches to taper out funding.
4. **Capital Investment Timing and Phasing-** Members raised questions about the timing of major capital investments, suggesting consideration of phased implementation or interim solutions given current financial conditions.

Areas of Concern or Misalignment

1. **Long-Term Sustainability of the Funding Model:** A primary concern is the reliance on tonnage-based revenue while system goals aim to reduce waste. Members questioned whether the current model is sustainable and supported exploring of alternative funding approaches.
2. **Fee Setting, Cost Drivers and Affordability:** Members expressed concern about the magnitude and drivers of fee increases, including whether increases are primarily driven by declining tonnage, rising costs, or both. Questions were also raised about the timing of fee setting and overall regional cost increases.

3. **Ongoing Program Needs for Food Scraps Policy:** Members expressed concern about the sunset of supplemental food scraps funding, noting that while significant progress has been made, the work to maintain compliance and education is ongoing.
4. **Forecasting Accuracy and Financial Risk:** Concerns were raised about the variability and reliability of tonnage forecasts, and how forecasting assumptions impact fee setting, financial planning, and long-term decision-making.

Key Themes and Detailed Commentary

Additional details and representative comments are provided below to further illustrate the key themes and highlight specific committee perspectives.

Strong Alignment with Regional Outcomes

Theme	Comments
Cost Alignment and Financial Discipline	<p>Credit card fee which saves 500k – there are other payment methods available (Community representative)</p> <p>Moving from contracting that was not competitive – to metro internal to have cost flexibility – sounds prudent (Community representative)</p> <p>Good to recover CC fee and put that on paying customers (Industry representative)</p> <p>Metro Paint Changes (Community representative)</p> <p>Metro South changes (Community representative)</p>
Support for System Facilities Plan Direction	<p>HHW in Corneilus and Cornelius depot planning (Community representative)</p> <p>DEQ supports the SFP (Local government representative)</p>
Continued Investment in Core Services	<p>Support for Services and community education, Planning and regulation and Community education and waste prevention education (Community representative)</p> <p>Supports Planning and regulation (Local government representative)</p> <p>Keeping the reuse impact fund (Reuse representative)</p> <p>Maintaining full-service household hazardous waste collection at Metro Central and South (Reuse representative)</p>

Appreciation for Process and Engagement	<p>Nice to have all these discussion and question opportunities early in the process (Industry representative)</p> <p>Appreciate zero based budget approach and us of the 3rd party audit/review (Industry representative)</p>
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Areas of Adjustment or Further Consideration

Theme	Comments
Transparency in Fees, Costs, and Forecasting	<p>Budget increase is dependent on tonnage allocation w/less tonnage is the goal. As tonnage is forecasted to continue to decrease through FY28 concerned with how many more FTE will continue to need to be cut and continuation of increased fees (Community representative)</p> <p>Concerns over how PDX tonnage decline is outpacing other areas and how that impacts the Metro budget and tonnage allocation of private transfer stations and especially non-PDX facilities (Industry representative)</p> <p>Concerns about increase in tipping fees. Could this be adjusted/subsidized for nonprofits/businesses focused on reuse or waste prevention (Community representative)</p>
Transition Strategy for Food Scraps Funding	<p>There are tough choices that Metro needs to make to balance the budget. Given the timing so close to the end of fiscal year. Are there any solutions for a model to taper support to local government food waste over the course of FY and slow velocity of planned investments in order to allow adjustment time for governments to have a softer landing (Community representative)</p> <p>Reduction in food waste/scrap support - could this be reduced instead of fully eliminated (Community representative)</p>
Capital Investment Timing and Phasing	<p>Cornelius site. Suggest delaying until tons rebound. Not the right time, supplement with interim solutions to fill that gap (Industry representative)</p> <p>Although I am excited to see the development of a community drop off depot in Washington county, I am concerned about timing due to current financial climate (Reuse representative)</p>
Internal Efficiency and Central Service Costs	<p>Central services/efficiency Would like more transparency/clarity around internal operational efficiency metrics across Metro (Community representative)</p>

	Revisit central overhead costs. Is WPES funds contributing a proportional amount to agency as other funds? (Local government representative)
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Areas of Concern or Misalignment

Theme	Comments
Long-Term Sustainability of the Funding Model	<p>When looking at setting rates and given Metro trying to achieve cost of service I believe the budget should be built in actual tons (Industry representative)</p> <p>How will Metro be adjusting their fee models in the future as we work towards lower wet waste tonnage in the system overall (Local government representative)</p> <p>The greatest concern I have is the exiting funding model – it is seemingly a horse and cart situation is upon us the goal is to reduce tonnage – it seems prudent to re-think funding models before forging ahead on new investments without re-imaging the model. We will continue to create our own funding issues if we are successful with our intended goals (Community representative)</p>
Fee Setting, Cost Drivers and Affordability	<p>Would like more discussion, information and transparency on Metro’s data/justification for the SWR and Regional System fee increases (10% and 5% respectively) (Local government representative)</p> <p>Concerns about increase in tipping fees. Could this be adjusted/subsidized for nonprofits/businesses focused on reuse or waste prevention (Community representative)</p> <p>Depackager-feel strongly this should not be RSF funded. How much additional diversion is anticipated for \$7M (Industry representative)</p> <p>Unclear if the Regional System and SWR fees are increasing purely due to tonnage decrease and Metro increased cost to run (Local government representative)</p>
Ongoing Program Needs for Food Scrap	<p>Food scraps compliance- 85 percent compliance implies a finality to compliance management that I have never seen reflected in the real world of recovery (Community member)</p> <p>Food scraps funding to local government – the job is never done (Local government representative)</p>

Forecasting Accuracy and Financial Risk	<p>One RWAC member said tonnage was going down is not felt by everyone. We need to explore that more, is it worth prioritizing sites there (Reuse representative)</p> <p>Forecasting methodology- while I understand some variance is expected between forecast and actuals, the severity of this and consistent year over year trend is one of the biggest economic driver in fee setting process (Community representative)</p>
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Detailed Comments by Seat

The following section provides a detailed record of the feedback submitted by committee members, organized by the type of seat they hold. Committee members were asked to select their two top priorities for each area of input including where they see strong alignment with regional priorities, and areas of concern and misalignment. They were also given an opportunity to provide additional feedback. These comments reflect individual perspectives on the proposed FY2026–27 Waste Prevention and Environmental Services budget and fees, including areas of strong alignment, opportunities for adjustment or clarification, and concerns or areas of potential misalignment. This detailed record is intended to supplement the high-level thematic summary and offer additional insight into the range of perspectives shared during the committee’s engagement process.

Community representatives

Supports Regional Priorities and System Outcomes	<p>Metro Paint Changes</p> <p>HHW in Corneilus and Cornelius depot planning</p> <p>Credit card fee which saves 500k – there are other payment methods available</p> <p>Metro South changes</p> <p>Moving to contracting that was not competitive – to metro internal to have cost flexibility – sounds prudent</p> <p>Services and community education</p> <p>Planning and regulation</p> <p>Community education and waste prevention education</p>
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<p>Opportunities for Adjustment or Clarification</p>	<p>Metro South operations hours change. Uncertainty of accessibility in the region</p> <p>Central services/efficiency Would like more transparency/clarity around internal operational efficiency metrics across Metro FTE cuts. For internal cut decisions, would like more clarity around where/why these were made-how positional were prioritized</p> <p>Budget increase is dependent on tonnage allocation w/less tonnage is the goal. As tonnage is forecasted to continue to decrease through FY28 concerned with how many more FTE will continue to need to be cut and continuation of increased fees</p> <p>Reduction in food waste/scrap support - could this be reduced instead of fully eliminated</p> <p>More discussion is needed on the garbage and recycling operating hours for transfer stations (curious if there is any data on how many community members access the transfer stations during the hours being cut/how much that would affect the public)</p> <p>Concerns about increase in tipping fees. Could this be adjusted/subsidized for nonprofits/businesses focused on reuse or waste prevention</p> <p>Very interested in discussing how to adjust revenue models moving forward</p> <p>There are tough choices that Metro needs to make to balance the budget. Given the timing so close to the end of fiscal year. Are there any solutions for a model to taper support to local government food waste over the course of FY and slow velocity of planned investments in order to allow adjustment time for governments to have a softer landing</p>
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Areas of Concern and Misalignment	<p>The greatest concern I have is the exiting funding model – it is seemingly a horse and cart situation is upon us the goal is to reduce tonnage – it seems prudent to re-think funding models before ahead on new investments 2/0 re-imagining the model. We will continue to create our own funding issues if we are successful with our intended goals</p> <p>Regional system fee decrease in service and education budget Food scraps compliance- 85 percent compliance implies a finality to compliance management that I have never seen reflected in the real world of recovery</p> <p>Forecasting methodology- while I understand some variance is expected between forecast and actuals, the severity of this and consistent year over year trend is one of the biggest economic driver in fee setting process</p>
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Additional community input:

- While I personally tend to favor public (versus privately run) public services, always curious about operational cost comparison for Metro versus private transfer stations, especially in light of decreasing regional tonnage and economies of scale for waste management.
- Regional system fee covers Metro’s core values to decrease waste and enhance environment, but this fee is increased by only 5% and proposed reduction at \$7.9M (\$3.4M after subtracting \$4.5M of Metro Paint). I am concerned how much is cut from services and education other than food scrap funding to local gov.
- Reason to support Cornelius site is that now is the best timing to invest due to declining tonnage forecast (tighter budget in the near future) and the nature of correcting inequality/service gap.

Local governments representatives

Supports Regional Priorities and System Outcomes	<p>DEQ supports the SFP</p> <p>Looking for wet and dry waste fees separately – blended fees penalize customers/results in anti- competitive low pricing of dry waste</p> <p>Planning and regulation</p>
Opportunities for Adjustment or Clarification	<p>Revisit central overhead costs. Is WPES funds contributing a proportional amount to agency as other funds?</p>

	<p>DEQ is concerned how will implementation of RWP be carried out. Any changes to Regional Waste Plan needed?</p> <p>DEQ concerned about compliance of Regional Waste Plan. DEQ has considered Metro IGAs with local governments to be may Metro compels compliance of local governments with RWP through funding provided</p> <p>Shared services</p> <p>Garbage and Recycling ops</p>
<p>Areas of Concern and Misalignment</p>	<p>Food scraps funding to local government – the job is never done Proposed RSF allocation to local jurisdictions is 4 cents on the dollar (approx). This is a decrease of nearly 45% since 2009</p> <p>Would like more discussion, information and transparency on Metro’s data/justification for the SWR and Regional System fee increases (10% and 5% respectively)</p> <p>Unclear if the Regional System and SWR fees are increasing purely due to tonnage decrease and Metro increased cost to run</p> <p>How will Metro be adjusting their fee models in the future as we work towards lower wet waste tonnage in the system overall</p> <p>This isn’t the highest fee increased we have faced we need transparency because all increases ultimately hit the customer Regional cost increases</p>

Additional local government input:

- There are important, specific reasons to highlight when considering why cities and counties believed continued regional revenue sharing for food scraps is appropriate. First, this is a permanent Metro mandate. The obligation and need to support businesses are ongoing, and we encourage a transition to a lower maintenance level. For years, cities and counties have been flagging this issue, and we do not agree that there was a shared plan to ‘sunset’ this funding. We were surprised by the proposal to eliminate funding, which would result in an unfunded mandate. Second, food waste is the most climate impactful material for us to address in our waste shed, and given our shared climate goals, we believe this is a missed opportunity. Third, if Metro Council wishes to continue forward with a landfill disposal ban, this will only magnify the importance for us to be able to provide excellent and nimble technical

assistance. While it is accurate that we are eligible to receive funding under the Recycling Modernization Act, those resources are distinct, with their own obligations and expectations specific to recycling contamination. Those funds do not justify eliminating regional revenues to support businesses with food waste. At a minimum, we would request Metro staff not frame those resources as an offset to food scraps funding.

- We also want to highlight why elected leaders and staff at cities and counties continue to express concern about disposal fees. We appreciate the additional touchpoints and process at the Regional Waste Advisory Committee (RWAC). However, we are requesting a discussion on process to ensure that cities and counties have an opportunity to understand these increases and whether they are adding value based on shared priorities. Affordability may be a stated priority, but we are not addressing that priority with sufficient attention. For example, the increased overhead costs over the last 5-7 years is unexplained, and local jurisdictions would benefit from additional analysis. In addition, the proposed disposal is 92% above the 2020 level and well above economy-wide inflation. We remain interested in exploring options to control organics and disposal fees which to date has not happened. More generally, we would welcome a shift in approach that makes partnership more meaningful and allows for city and county perspectives to more directly inform our regional priorities at the front end of the process.
- Budget and staff reductions at Metro South should not lead to any loss of service at the facility.
- Monies must be available to move forward with wet waste collection and reduction of this material going in the landfill. It is short sided. Technical assistance is needed to continue the outreach to residential and commercial customers in order to change “hearts and minds”. We must move forward not backward.

Industry representatives

<p>Supports Regional Priorities and System Outcomes</p>	<p>Change to commercial organics to more adequately cover the costs w/o subsidy</p> <p>Good to recover CC fee and put that on paying customers</p> <p>Appreciate some of the hard decisions around operational efficiencies that may have creates some staffing costs</p> <p>Nice to have all these discussion and question opportunities early in the process</p>
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	<p>Appreciate zero based budget approach and us of the 3rd party audit/review</p> <p>In support that rates should increase of support lowering tonnage</p>
<p>Opportunities for Adjustment or Clarification</p>	<p>I'm not really understanding why FTE change at Metro South transfer station for second half of FY 2026 27 is not reflected in budget now. Staff made this change/decision indicating savings. We should see that now</p> <p>Cornelius site – Suggest delaying until tons rebound. Not the right time, supplement with interim solutions to fill that gap</p> <p>Sill concerned over success of food scraps with end of local government funding. Would like to see some level of funding continue. RMA funding cannot be used for food scraps.</p> <p>Concerned about Metro staff saying LGs determine what happens with RMA. PRIO funds. Pretty specific in state how re: plastic pollution and packaging</p> <p>Costs associated with depackaging is being allocated in RSF. Understanding Metro collects majority of the tons but it is still a facility cost and should be treated as such</p> <p>Better understanding of FTE year over year in comparison to tonnage fluctuations. Are costs and fees in correlational with those changes</p>
<p>Areas of Concern and Misalignment</p>	<p>Concerns over how PDX tonnage decline is outpacing other areas and how that impacts the Metro budget and tonnage allocation of private transfer stations and especially non-PDX facilities</p> <p>Timing of metro setting SW tip fee- LG need it set earlier</p> <p>Depackager-feel strongly this should not be RSF funded. How much additional diversion is anticipated for \$7M</p> <p>When looking @ setting rates and given Metro trying to achieve cost of service I believe the budget should be built in actual tons Does budgeting model align with overall goals of reducing waste?</p> <p>Revenue/RS should be funded by landfill tons</p> <p>Not sure if now is the time with economic conditions to make capital expenditures like compactors and depacker at Metro central. Also concerned about costs for Cornelius site</p>

Additional industry input:

- It is still unclear to me how forecast vs. Actuals play into the budget. Look back and looking forward.
- When we talk about tons going up/down, we should really be measuring tons per person. That is a better indication of waste reduction than total tons in region. Measure consumption per person in region.

Reuse representative

Supports Regional Priorities and System Outcomes	Keeping the reuse impact fund Maintaining full-service household hazardous waste collection at Metro Central and South
Opportunities for Adjustment or Clarification	As many have brought up if revenue is based on tonnage but tonnage will probably continue to decline. Idea: find annual fee to support reuse? Encouraging .. to separate tons Although I am excited to see the development of a community drop off depot in Washington county, I am concerned about timing due to current financial climate
Areas of Concern and Misalignment	One RWAC member said tonnage was going down is not felt by everyone. We need to explore that more , is it worth prioritizing sites there

Fee Setting Criteria May 2026

Rationale: During the process of fee development, staff relies on Metro's legal authority as determined by Metro Code and Oregon Revised Statute, as well as policy adopted by the Metro Council and other informal guidance. In addition, the solid waste fee setting process is guided by core set of criteria used to ensure effective management of the regional solid waste system.

Action: Solid waste fee and rate setting guidance recommends that fee and rate setting policy be periodically reviewed. The fee setting principles below are based on recommendations from the Waste Fee Policy Task Force appointed by the Metro Council in FY 2023-24. The fee setting criteria were presented to both the Metro Council and the Regional Waste Advisory Committee in FY 2025-26. By adopting fees and the fee setting criteria, Council has reviewed the below fee setting criteria that are to be used during fee development.

Prioritized criteria in fee development:

Accessible and Equitable System: Fee setting should encourage public, private, and nonprofit investment in services that provide regional benefit, emphasizing geographic equity, access to service and a reduction in local environmental and human health impacts.

Healthy Environment: The fee structure should encourage keeping valuable materials out of the landfill, reducing climate and environmental impacts through highest material use, and safe disposal of hazardous waste.

Affordability: Fee setting should consider the economic effects and distribution of benefits to the various types of users in the Solid Waste System, including the cost of living on residential waste generators and the cost of doing business on nonresidential generators, as well as the economic effect on others in the region.

Public-Private System: Fees should give fair weight to the operational and capital needs of all providers: publicly owned, privately owned, and nonprofit.

The following criteria are important considerations, but are not prioritize as those above:

- A. **Predictability:** Metro fee adjustments should be predictable and orderly to allow local governments, haulers, and rate payers to perform effective planning.
- B. **Resilient Economy for All:** Fee setting should consider the economic effects of short- and long-term fee changes.
- C. **Service Provision:** Charges to users of the waste disposal system should be directly related to disposal services received. Fee impacts to residents of the Metro service district who may not be direct users of the disposal system should be related to other benefits received.
- D. **Consistency:** Solid waste fee setting should be consistent with Metro's agency-wide planning policies and objectives, including but not limited to the Regional Waste Plan.



April 29, 2026

Metro
600 NE Grand Avenue
Portland, OR 97232-2736

Subject: Review of Fiscal Year 2026-2027 Solid Waste Disposal Fees

Dear Ms. Madrigal, Chief Operating Officer,

Metro engaged FCS, a Bowman company (FCS) to provide an independent review of the methodology for calculating proposed solid waste disposal fees for Fiscal Year (FY) 2026-2027. In response to this request, we have reviewed Metro's updated Excel Fee Model (Model) and associated fees for accuracy, adequacy, reasonableness and compliance with industry practices. This review is in accordance with *Metro Code – Title V Solid Waste Section 5.03.070 "Independent Review of Fee Setting Process; Written Report"*.

This review focused on the overall methodology and resulting fees for compliance with industry practices for FY 2026-2027. The review did not validate the accuracy of source documents, formulae or structure utilized in the Model.

The FY 2026-2027 findings and comments are summarized below:

- The methodology utilized in the fee setting process follows best practices in the industry. The overall analysis is structured around three (3) fee setting components, or steps:
 1. *Revenue requirement*: evaluates the overall revenue needs of the utility on a self-supporting basis, considering operating and maintenance expenditures, capital/equipment funding needs, debt requirements and fiscal policies.
 2. *Cost-of-service*: equitably distributes costs to services based on their proportional demand and use of the system.
 3. *Rate / fee design*: includes the development of fees that generate sufficient revenue to support the revenue requirement and address Metro's policy goals and objectives.
- For this year's fee development process Metro consolidated the Model and the Regional System Fee Model (RSF Model) utilized during the prior year's rate setting process. The consolidated model continues to track regional system fee related revenues and expenditures independently from all other solid waste related components. Consolidating the two models into one allows for greater consistency for tracking transfers between the RSF Model and Model for shared expenses (e.g., organics support, disaster debris, administrative and system facilities plan). By combining the models yet keeping the RSF expenditures isolated, the RSF fee development process maintains its simplicity and transparency. Fees are calculated by dividing the projected annual cost forecast by the projected annual tonnage. No additional allocation is required for the RSF fee development.
 - » The operating and maintenance (O&M) expense projection for the RSF portion of the model does include a budget realization factor of approximately 6.5 percent on personnel services and material and services. The budget realization factor reduces the overall budget for the associated

expenses down to 93.5 percent of the budget total. This practice is common in the rate setting industry and is often utilized if a utility has historically expensed less than budgeted or if the utility anticipates the test year to be below budget due to factors identified after the budget has been adopted. The budget realization factor reduces the overall RSF related operating budget by approximately \$2.1 million for the FY 2026-2027 test year. Metro should continue to closely monitor actual annual expenditures and compare them to the figures used in the current rate strategy and adjust the overall strategy if necessary.

- For the non RSF fee development portion of the Model, the recommended overall fee strategy (step 1, revenue requirement) for FY 2026-2027 projects revenues after increase to be sufficient to cover annual obligations and generate a positive cash flow. The cash flow is utilized to meet existing reserve policy targets and continue funding projected capital expenditures. The benefit of projecting revenue requirements beyond the immediate test year period is the ability to level out impacts over time, if necessary. The Model does project that revenues after increase for subsequent years meet the estimated revenue needs, assuming the proposed fees are implemented.
 - » This year's analysis includes an updated tonnage forecast, reflecting the latest economic conditions and actual utilization of Metro's transfer stations. The tonnage forecast is key to the analysis and affects both revenues and expenses. It will be important to continue monitoring tonnage and its impact on both revenues and expenses and modify the projections as necessary if significant deviation in the forecast occur.
 - » As discussed in the RSF portion of the Model review above, RSF related expenditures are removed from this year's non RSF fee development. While the costs removed were directly attributable to the RSF, shared expenses were left in the non RSF portion of the Model. To account for the RSF's portion of shared expenses, the non RSF portion of the Model includes a non-rate revenue transfer from RSF based on the RSF's proportional share of costs. The allocation used to establish the RSF transfer was consistent with the prior combined model approach.
 - » Similar to the RSF related expenses, the Model assumes a budget realization factor for non RSF O&M expenses related to personnel services and material and services of 6.5 percent. The budget realization factor reduces the overall budget for the associated expenses down to 93.5 percent of the budgeted total. The budget realization factor reduces the overall non RSF operating budget by approximately \$4.9 million for the FY 2026-2027 test year. Metro should continue closely monitoring actual annual expenditures and compare them to the figures in the current rate strategy and adjust the overall strategy if necessary.
 - » With the proposed fee adjustments, FY 2026-2027 combined ending cash balances are projected to meet or exceed minimum target levels.
- The Model's cost allocation (step 2, cost of service) utilized in developing non RSF service level charges appears technically sound and consistent with that deemed acceptable by industry practices. Costs appear to be allocated with cost causation principles, mimicking the nature of how they are incurred. Primary allocation occurs based on actual time spent by employees within each service level, contractual costs associated with each service level or a direct assignment of costs to a specific service level.

- » The results of the cost-of-service analysis indicate that cost differences are present between existing fees and the cost-based allocation. It should be noted that, typically, if the result of each individual service is within plus (+) or minus (–) 5.0 to 10.0 percent of the overall system average, they are generally considered to be within cost-of-service. This range of reasonableness is given since although there is an industry accepted methodology, the specific classification and allocation of expenses reflect cost and waste characteristics at a given point in time. With time, waste patterns, composition and facility requirements change resulting in changes to cost-of-service. The flexibility to work within the range of reasonableness can minimize annual peaks and valleys and help maintain stable fees from year to year.
- The Model’s proposed non RSF fees (step 3, rate / fee design) phase-in cost-of-service results over a 5-year period. Staffed and automated fee, mixed solid waste, residential organics and commercial organics are phased-in to within 3.0 percent of their cost-of-service level, with the majority projected to be within 1.0 percent. By the end of the 5-year period, clean wood fees are projected to be at 80.8 percent of their cost-of-service, which is outside the 10.0 percent range of reasonableness. The updated contract for the Central Transfer Station increased the cost of wood processing impacting the results of the cost-of-service analysis compared to the Model results with prior contract costs. The yard waste fee is projected to be held constant to allow it to phase-in towards cost-of-service, which is projected to end the 5-year period within 3.8 percent of cost.
 - » The proposed rate design, when reconciled with projected billing units, does project a lower revenue generation in comparison to the total revenue requirement targets identified in step 1, revenue requirement for FY 2026-2027 and FY 2027-2028. The deficiency ranges from \$383,000 in FY 2026-2027 decreasing to \$118,000 in FY 2027-2028. While Metro’s existing fund balances are projected to be sufficient to cover the deficiencies, they may decrease below the minimum target levels in FY 2026-2027 and FY 2027-2028, before recovering in FY 2028-2029. Metro should continue monitoring annual cash flow and revisit the rate strategy if reserves decrease below minimum target levels in future years.

We appreciate the opportunity to complete this independent review for Metro. Please do not hesitate to contact me if you have any questions regarding this letter or if additional information is needed.

Sincerely,

FCS



Sergey Tarasov

Principal

cc: Metro Councilors Hwang, Simpson, Lewis, Rosenthal, Gonzalez, and Nolan, Chief Financial Officer Brian Kennedy, Budget Director Cinnamon Williams and WPES Director Marta McGuire.

Tons of Metro area waste subject to Metro's reduced rate or exempt from fees and taxes at a disposal site

July 1, 2024 - June 30, 2025

Fiscal Year 2025

Reduced rate waste (cleanup material)		Tons
Type:		
Petroleum Contaminated Soil		170,856
Other		45,075
	total	<u><u>215,931</u></u>

Exempt waste		Tons
Generator:		
Evraz NA		831
Greenway Recycling		11,993
Pride Recycling		1,773
Metro Paint		884
Metro South		9
Rivergate Scrap Metals		166
Schnitzer Steel		92,202
Siltronics Corp		321
Tualatin Valley Waste Recovery		4,303
Willamette Resources Inc		3,310
	total	<u><u>115,792</u></u>

Regional System Fee not collected from waste exemption (\$31.72/ton)	\$3,672,922
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Metro

600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

Agenda #: 5.1

File #: ORD 26-1543

Agenda Date: 5/14/2026

Ordinance No. 26-1543 For the Purpose of Annexing to the Metro Boundary Approximately 10 Acres in North Bethany Along Northwest Kaiser Road

Glen Hamburg (he/him), Senior Regional Planner

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ANNEXING TO THE) ORDINANCE NO. 26-1543
METRO BOUNDARY APPROXIMATELY 10)
ACRES IN NORTH BETHANY ALONG) Introduced by Chief Operating Officer
NORTHWEST KAISER ROAD) Marissa Madrigal with the Concurrence of
) Acting Council President Duncan Hwang

WHEREAS, Otak, Inc. has submitted a complete application for annexation of approximately 10 acres of unincorporated Washington County (“the territory”) to the Metro service district boundary (the “Metro boundary”); and

WHEREAS, the Metro Council added the territory to the urban growth boundary (UGB) by Ordinance No. 02-987A adopted on December 12, 2002; and

WHEREAS, Title 11 (Planning for New Urban Areas) of the Urban Growth Management Functional Plan requires annexation to the Metro boundary prior to application of land use regulations intended to allow urbanization of the territory; and

WHEREAS, Metro has received consent to the annexation from the owners of the land in the territory; and

WHEREAS, the proposed annexation complies with Metro Code 3.09.070; and

WHEREAS, the Council held a public hearing on the proposed amendment on May 14, 2026; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- 1. The Metro District Boundary Map is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance.
- 2. The proposed annexation meets the criteria in section 3.09.070 of the Metro Code, as demonstrated in the Staff Report dated May 6, 2026, attached and incorporated into this ordinance.

ADOPTED by the Metro Council this ___ day of _____ 2026.

Duncan Hwang, Acting Council President

Attest:

Approved as to form:

Georgia Langer, Recording Secretary

Carrie MacLaren, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 26-1543, FOR THE PURPOSE OF ANNEXING TO THE METRO BOUNDARY APPROXIMATELY 10 ACRES IN NORTH BETHANY ALONG NORTHWEST KAISER ROAD

Date: May 6, 2026
Department: Planning, Development & Research

Prepared by: Glen Hamburg
Senior Regional Planner

BACKGROUND

CASE: AN0226, Annexation to Metro Boundary

PETITIONER: Otak, Inc.
808 SW Third Ave., Ste. 800
Portland, OR 97204

PROPOSAL: The petitioner requests annexation of territory in Washington County to Metro's service district boundary (the "Metro boundary").

LOCATION: The subject territory, totaling approximately 10 acres in area, is located in unincorporated Washington County on the east side of Northwest Kaiser Road, south of Northwest Raywood Lane. The subject territory can be seen as the cross-hatched area in Attachment 1.

ZONING: Separate portions of the subject territory are zoned by Washington County as follows: R-6 North Bethany District (R-6 NB); R-9 North Bethany District (R-9 NB); R-15 North Bethany District (R-15 NB); R-24 North Bethany District (R-24 NB); and R-25+ North Bethany District (R-25+ NB).

The subject territory was added to the urban growth boundary (UGB) in 2002. The territory must be annexed into the Metro boundary for urbanization to occur.

APPLICABLE REVIEW CRITERIA

The criteria for annexation to the Metro boundary are contained in Metro Code section 3.09.070.

3.09.070 Changes to the Metro Boundary

(e) The following criteria apply in lieu of the criteria set forth in section 3.09.050(d). The Metro Council's final decision on a boundary change must include findings and conclusions to demonstrate that:

- 1. The affected territory lies within the UGB;*

Staff Response:

The subject territory was brought into the UGB in 2002 through the Metro Council's adoption of Ordinance No. 02-987A. Publicly available online maps, including Metro's MetroMap service, also identify the territory as within the UGB. No parties have contested that the property is within the UGB. Because the territory is in fact within the UGB, the application meets the criteria of section 3.09.070(e)(1).

2. *The territory is subject to measures that prevent urbanization until the territory is annexed to a city or to service districts that will provide necessary urban services; and*

Staff Response:

The subject territory is already zoned R-6 NB, R-9 NB, R-15 NB, R-24 NB, and R-25+ NB, each of which are urban residential zoning districts of Washington County. The territory is also already in the Tualatin Valley Fire District and the TriMet transit service district. However, the territory cannot be developed with urban uses until it is also annexed to the Metro district, as well as certain other service districts. Washington County staff have confirmed that section 501-10.2 of Washington County's Community Development Code provides the following: "...an application for development approval within the North Bethany Subarea Plan shall be denied unless the applicant demonstrates that: (A) The property(ies) has been annexed to the following jurisdictions: Clean Water Services, Metro, Tualatin Hills Park & Recreation District, Tualatin Valley Fire and Rescue, Tualatin Valley Water District, Enhanced Sheriff's Patrol District, and Urban Road Maintenance District." The territory is in the County's North Bethany Subarea Plan and is therefore subject to measures that prevent its urbanization until it is annexed to service districts that will provide necessary urban services. The application meets the criteria in section 3.09.070(e)(2).

3. *The proposed change is consistent with any applicable cooperative or urban service agreements adopted pursuant to ORS Chapter 195 and any concept plan.*

Staff Response:

The subject territory is already within the UGB and has been planned and zoned for urban residential land uses; it is therefore not subject to any urban reserve concept plan. The territory is specifically in the North Bethany Subarea of Washington County's "Comprehensive Framework Plan for the Urban Area." Chapter 390-8 of the Community Development Code of Washington County states that the various residential zones that apply to the subject territory generally allow for between six and 25 dwelling units per acre. As noted above, the territory is already in the Tualatin Valley Fire District and TriMet's transit service district. Notice of this application was provided to Washington County and to urban service providers; neither the County nor any service provider has asserted that the proposal to annex the territory to the Metro boundary is inconsistent with any adopted cooperative or urban service agreement. The Tualatin Valley Water District (TVWD) submitted a copy of TVWD Board Resolution 05-12 endorsing annexation of the subject territory to the TVWD service area. The application meets the criteria in section 3.09.070(e)(3).

ANALYSIS/INFORMATION

Known Opposition: Notice of this annexation application was mailed to nearly 300 nearby property owners and other interested parties. One party submitted written testimony in opposition to the application on May 4, 2026; their testimony is included in the record.

Legal Antecedents: Metro Code section 3.09.070 allows for annexation to the Metro boundary.

Anticipated Effects: This amendment will add approximately 10 acres to the Metro boundary. The land is currently within the UGB and approval of this request will allow for the urbanization of the land to occur consistent with the Washington County Comprehensive Framework Plan for the Urban Area.

Budget Impacts: The only resources expended for this request are for associated staff time and for routine printing and postage for required public notices, which are already in the approved budget. Territories annexed to the Metro boundary are subject to relevant Metro tax requirements.

RECOMMENDED ACTION

Staff recommends adoption of Ordinance No. 26-1543.

From: Metro
To: [Legislative Coordinator](#)
Subject: New online testimony for Metro Council
Date: Monday, May 4, 2026 1:20:39 AM

Submitted on Mon, 05/04/2026 - 01:20

Submitted by: Anonymous

Submitted values are:

Name

Alexander Ko

Email

akakak88@gmail.com

Address

15109 NW Orchid St.
Portland, Oregon. 97229

Your testimony

ORDINANCE NO. 26-1543

Proposal No. AN0226 — Karas / KB Trees, LLC Annexation

TESTIMONY IN OPPOSITION

Summary of Position

I respectfully request that the Metro Council DENY Ordinance No. 26-1543, or in the alternative CONTINUE the matter, on the following grounds:

- The applicant's narrative addresses Metro Code § 3.09.050(D), which is the County's framework. This hearing, however, is governed by Metro Code § 3.09.070(e), and need to see applicant supplying findings under that section.
- Criterion (e)(2) — that the territory is subject to measures preventing urbanization until annexed — is not addressed at all in the applicant's submission.
- Criterion (e)(3) — consistency with applicable cooperative or urban service agreements and any concept plan — is contradicted by Washington County's own Notice of Incomplete Application dated September 24, 2025 (Tracking #S2500199), which identifies multiple unresolved consistency items under the North Bethany Subarea Plan.
- The applicant's narrative does not address Metro Title 13 (Nature in Neighborhoods) or Statewide Planning Goal 5, despite the wildlife use and drainage corridor I have personally observed and photographed on the parcel.
- The acreage of the territory described in the petition is internally inconsistent across the application materials (variously cited as 9.63, 9.94, 2.62, and 2.48 acres versus the ~10 acres in the public notice), undermining a precise finding under Criterion (e)(1).

Attach a file

{Empty}

Is your testimony related to an item on an upcoming agenda?

Yes

Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: May 13, 2026
To: Acting Council President Hwang and Metro Councilors
From: Glen Hamburg, Senior Regional Planner
Subject: Staff response to submitted testimony in opposition to Ordinance No. 26-1543

The Metro Council is scheduled to hold a public hearing on Ordinance No. 26-1543 on May 14, 2026. The ordinance, if approved, would annex approximately 10 acres in the North Bethany area of urban unincorporated Washington County to Metro's service district boundary (a.k.a., the "Metro boundary"). Annexation to the Metro boundary is necessary for future development of the subject territory under Washington County's jurisdiction. The territory is generally described as Tax Lot 1N117A000600 with situs address 7250 NW Kaiser Road, and is located on the east side of NW Kaiser Road south of NW Raywood Lane. The owner of the territory has consented to the requested annexation.

Metro mailed notice of the May 14 public hearing to nearly 300 nearby property owners and other interested parties. To date, Metro staff have received written opposition to the proposed annexation from just one party, a resident of 15109 NW Orchid Street, who submitted testimony on May 4 outlining certain concerns.

Since this testimony was submitted, Metro staff have had the opportunity to communicate directly with the commenter as well as with Washington County staff to confirm that some of the stated concerns are more specifically with *other* land-use-related applications, including other annexations and development proposals involving the same property, that are being considered by the County, rather than by Metro. Metro staff have also helped to clarify for the commenter Metro boundary related criteria.

To ensure the Metro Council and the record for Ordinance No. 26-1543 also have clarification, this memo further responds to the concerns raised in the May 4 testimony.

Concern #1: "The applicant's narrative addresses Metro Code § 3.09.050(D), which is the County's framework. This hearing, however, is governed by Metro Code § 3.09.070(e), and need to see applicant supplying findings under that section."

Metro staff understand that there may have been confusion between the Metro boundary annexation application to be decided on by the Metro Council and other service district annexation applications to be considered separately by Washington County. Metro does not require a narrative for applications for annexation to the Metro boundary, nor was one submitted by the applicant (Otak, Inc.) with their application for annexation to the Metro boundary.

It is correct that changes (e.g., annexations) to the Metro boundary are subject to the criteria in Metro Code subsection 3.07.070(e) and not subsection 3.09.050(d). As with all Metro boundary annexation applications, Metro staff prepare a staff report that includes findings on the proposal's

consistency with subsection 3.07.070(e); if the Metro Council agrees with those findings, they adopt the staff report with and as an attachment to the ordinance. The applicant has not addressed, and does not need to address, either subsections 3.09.050(d) or 3.09.070(e) themselves with written findings in order for their application to be complete and for the ordinance to be approved by the Metro Council as recommended by Metro staff in the staff report.

Concern #2: “Criterion (e)(2) — that the territory is subject to measures preventing urbanization until annexed — is not addressed at all in the applicant's submission.”

Metro Code subsection 3.09.070(e), paragraph (2) requires that, for a territory to be annexed to the Metro boundary, it be “*subject to measures that prevent urbanization until the territory is annexed to a city or to service districts that will provide necessary urban services.*” However, applicants are not required to make that determination in their application. Rather, as explained above, Metro staff make findings in response to this and other criteria in the staff report. The Metro Council then considers those staff findings and, if they agree, adopt them with the ordinance.

The subject territory is not proposed for annexation to any city. After annexation to the Metro boundary, it may be urbanized under Washington County’s land use jurisdiction according to the County’s land use plans and implementing regulations for the area. As noted in the staff report dated May 6, 2026, the territory is already in the Tualatin Valley Fire District and TriMet’s transit service district. The territory also cannot be developed with urban uses until it is also annexed to the Metro district, as well as to Clean Water Services for sanitary sewer service and the Tualatin Valley Water District for water service.

Per Washington County, the County does have measures that will prevent urbanization of the territory until it is annexed to the service districts that will provide necessary urban services. Specifically, section 501-10.2 of Washington County’s Community Development Code provides the following:

“...an application for development approval within the North Bethany Subarea Plan shall be denied unless the applicant demonstrates that:

- A. The property(ies) has been annexed to the following jurisdictions: Clean Water Services, Metro, Tualatin Hills Park & Recreation District, Tualatin Valley Fire and Rescue, Tualatin Valley Water District, Enhanced Sheriff’s Patrol District, and Urban Road Maintenance District.”*

The subject territory is in the County’s North Bethany Subarea Plan and is therefore subject to measures that prevent its urbanization until it is annexed to service districts that will provide necessary urban services. The criteria in Metro Code section 3.09.070(e)(2) are met.

Concern #3: “Criterion (e)(3) — consistency with applicable cooperative or urban service agreements and any concept plan — is contradicted by Washington County's own Notice of Incomplete Application dated September 24, 2025 (Tracking #S2500199), which identifies multiple unresolved consistency items under the North Bethany Subarea Plan.”

The May 4 testimony did not include a copy of the referenced Washington County notice. Nonetheless, Metro staff understand the County notice relates to a separate and pending County development application, not the application for annexation of the subject territory to the Metro boundary to be considered by the Metro Council. The County does not send notices of incomplete

Metro boundary annexation applications, and no incomplete application notice was ever sent by Metro for annexation of subject property to the Metro boundary.

Page 6 of the May 4 testimony states, “*the application packet contains a [Tualatin Valley Water District (TVWD)] water Service Provider Letter and a [Clean Water Services (CWS)] sanitary sewer letter dated in 2025; the fire-district line on at least one Service Provider Letter form is blank, and the [Tualatin Hills Parks and Recreation District (THPRD)] documentation responds to a 2.62-acre footprint, not the full ~10 acres being annexed.*” Metro staff understand the commenter is actually referring here to the record for County application, not the Metro annexation application. The Metro annexation application and wider record does not include any service provider letters. Metro Code does not require service provider letters to be submitted and there is not a basis in Metro Code to deny the application for lack of service provider letters.

Metro Code section 3.09.070(e)(3) does require that a change to the Metro boundary be “*consistent with any applicable cooperative or urban service agreement adopted pursuant to ORS chapter 195 and any concept plan.*” The section does not require that any particular future development of the subject territory reviewed under another agency’s (e.g., the County’s) separate criteria be determined in advance by service providers to be serviceable by them (e.g., with water or sewer service); serviceability would be determined later by the local jurisdiction, after annexation to relevant districts, depending on the particular development ultimately proposed.

It is appropriate and required for the territory to be annexed to the Metro boundary and to other service districts *before* the County approves a development of the property with a determination that there are sufficient urban services to accommodate that development. Mere annexation of the territory to the Metro boundary would not authorize development and the record for this Metro boundary annexation application does not include evidence that such annexation runs contrary to any cooperative or urban service agreement.

Indeed, Metro provided notice of this Metro boundary annexation application to Washington County, Clean Water Services, Tualatin Valley Water District, Tualatin Hills Parks and Recreation District, Tualatin Valley Fire and Rescue, and the Beaverton School District. None of these entities have raised concerns of the proposed Metro boundary annexation, and the Tualatin Valley Water District proactively provided written documentation (attached) demonstrating its board’s endorsement of annexing the subject territory and the wider North Bethany Subarea to its service district if and when there is a request.

As noted above, Metro Code subsection 3.09.070(e), paragraph (3) requires annexation of a territory to be consistent with any concept plan. A “concept plan” is a high-level plan for future development of urban reserve areas outside of the urban growth boundary (UGB) and may guide the composition of more detailed comprehensive/community plans for the area once it is added to the UGB. The subject territory is already in the UGB and part of an adopted comprehensive/community plan with implementing County land use regulations, so there is no issue of consistency with a concept plan to be evaluated.

Concern #4: “*The applicant’s narrative does not address Metro Title 13 (Nature in Neighborhoods) or Statewide Planning Goal 5, despite the wildlife use and drainage corridor I have personally observed and photographed on the parcel.*”

Title 13, *Nature in Neighborhoods*, is one title of Metro Code chapter 3.07, *the Urban Growth Management Functional Plan*. Title 13 doesn’t directly regulate any particular development. Instead,

Title 13 has regional requirements and recommendations for local land use plans and regulations related to protection and restoration riparian and upland wildlife habitat, and Metro has already formally determined that Washington County's land use plans and regulations comply with Title 13. The application to annex the subject territory to the Metro boundary would not change the County's land use plans or regulations, so there is no justification for findings under Title 13. Metro Code section 3.09.070, which has the criteria for annexations to the Metro boundary, does not have any Title 13 related requirements; therefore, there would be no basis for denying the annexation application according to provisions in Title 13. Washington County – not Metro – is responsible for assessing whether any future development of the subject territory satisfies the County's Title 13 compliant habitat protection/restoration program.

Similarly, Statewide Planning Goal 5, *Natural Resources, Scenic and Historic Areas, and Open Spaces*, and its implementing administrative rules have requirements for local land use plans and regulations related to certain resources, including wildlife habitat. Again, the application to annex the subject territory to the Metro boundary would not change the County's land use plans or regulations, and there is no provision in the Metro Code annexation criteria warranting Goal 5 related findings.

While not relevant to the Metro district annexation application before the Metro Council, it may be worth noting that neither Title 13 nor Goal 5 prohibit local land use plans and regulations from allowing all development in or near wildlife habitat or drainage corridors. It's also the case that land divisions (e.g., subdivisions) approved by a local government may result in additional protection of habitat areas with local requirements for dedication of defined open space tracts on properties where they do not yet currently exist.

Metro staff have recommended the commenter to connect directly with Washington County to raise their concerns/ideas about habitat protection on the subject property.

Concern #4: “The acreage of the territory described in the petition is internally inconsistent across the application materials (variously cited as 9.63, 9.94, 2.62, and 2.48 acres versus the ~10 acres in the public notice), undermining a precise finding under Criterion (e)(1).”

“Criterion (e)(1)” presumably refers to Metro Code subsection 3.09.070(e), paragraph (1), which requires a territory to be in the UGB in order to be annexed to the Metro boundary. There is no dispute that the subject territory, which is more than 1,600 feet (nearly a third of a mile) from the UGB at its closest point, is inside the UGB. The commenter themselves attests to the subject territory meeting the criterion in subsection 3.09.070(e), paragraph (1), noting on Page 4 of their testimony that the territory “was added to the UGB in 2002.” The publicly available “MetroMap” tool¹ also identifies the territory as “Inside the Portland Metro urban growth boundary”.

There also is no inconsistency in references to the subject territory's size in the Metro boundary annexation record. Nothing in the Metro boundary annexation application materials include references to the subject territory being fewer than 9+ acres. The Metro boundary annexation application does include a Washington County tax map identifying a 9.65-acre area. The territory

¹ The subject territory is identified on MetroMap here, with the UGB shown as a red line roughly a third of a mile to the north and east: [https://gis.oregonmetro.gov/metromap/?center=45.57390460717195%2C-122.83736249753521&datatab=layers&layers=Taxlots%2C1%2CTaxlot%20Additional%20Records%2C1%2CCities%2C0.3%2CMetro%20District%20Boundary%2C0.5%2CUrban%20Growth%20Boundary%20\(UGB\)%2C1&search=click%7C45.57255%2C%20-122.83588&zoom=15](https://gis.oregonmetro.gov/metromap/?center=45.57390460717195%2C-122.83736249753521&datatab=layers&layers=Taxlots%2C1%2CTaxlot%20Additional%20Records%2C1%2CCities%2C0.3%2CMetro%20District%20Boundary%2C0.5%2CUrban%20Growth%20Boundary%20(UGB)%2C1&search=click%7C45.57255%2C%20-122.83588&zoom=15)

was appropriately described in the public notice for annexation as “approximately 10 acres”, with an accompanying map. The references in the testimony to other acreages may be with other applications submitted to and being reviewed by Washington County for separate purposes.

The testimony asks the Metro Council to “*require the applicant to identify the precise legal description, acreage, and survey closure of the territory before adopting any finding under [Metro Code paragraph 3.07.070](e)(1).*” The annexation application already includes the attached legal description and map certified as accurate by a cartographer with Washington County Assessment & Taxation. A survey of the property is not required by Metro Code section 3.09.070, nor is it necessary to further verify that the property is well within the UGB. Metro staff believe that lack of a survey in the record would not be an appropriate basis for denying the Metro boundary annexation application.

ATTACHMENTS

1. Testimony from Alexander Ko submitted May 4, 2026
2. Tualatin Valley Water District Resolution 05-12
3. Washington County Assessment & Taxation cartographer certification of legal description and map of the subject property

Attachment 1

Testimony of Alexander Ko — Ord. 26-1543 / AN0226

**BEFORE THE METRO COUNCIL
OF THE METRO REGIONAL GOVERNMENT**

In the Matter of:

ORDINANCE NO. 26-1543

Proposal No. AN0226 — Karas / KB Trees, LLC Annexation

TESTIMONY IN OPPOSITION

Submitted by:

Alexander Ko

15109 NW Orchid Street

Public Hearing: Thursday, May 14, 2026, 10:00 a.m.

Metro Regional Center, 600 NE Grand Avenue, Portland, Oregon

Subject Property: Tax Lot 1N117A000600 (~10 acres), east side of NW Kaiser Rd, south of NW Raywood Lane, North Bethany Subarea

Attachment 1

Testimony of Alexander Ko — Ord. 26-1543 / AN0226

CONTENTS

Part I. Cover Sheet & Statement of Standing

Part II. Written Objection

Part III. Oral Testimony — Statement at Hearing

Part IV. Exhibit A — Photograph of Drainage Corridor on Subject Property (Aug. 25, 2025)

Part V. Exhibit B — Photograph of Wildlife on Subject Property (Oct. 10, 2024)

Part VI. Issue Preservation Statement (ORS 197.797 / 197.830)

Attachment 1

Testimony of Alexander Ko — Ord. 26-1543 / AN0226

PART I — COVER SHEET & STATEMENT OF STANDING

TO: Metro Council, c/o Council Clerk, Metro Regional Center, 600 NE Grand Avenue, Portland, OR 97232

FROM: Alexander Ko, 15109 NW Orchid Street, Portland, OR

RE: Ordinance No. 26-1543 / Proposal AN0226 (KB Trees, LLC / Otak, Inc. — Karas Bethany Subdivision Annexation)

DATE OF HEARING: May 14, 2026, 10:00 a.m.

FILED: May 4, 2026, — submitted into the record both in writing and in oral testimony at the hearing.

Statement of Standing

I, Alexander Ko, reside at 15109 NW Orchid Street, in unincorporated Washington County. My residence directly overlooks Tax Lot 1N117A000600, the property that is the subject of Ordinance 26-1543. I have personally observed the subject property over a multi-year period and am directly and adversely affected by the proposed boundary change. By raising the issues set forth herein with sufficient specificity, I preserve all such issues for appeal to the Oregon Land Use Board of Appeals (LUBA) under ORS 197.830.

Summary of Position

I respectfully request that the Metro Council DENY Ordinance No. 26-1543, or in the alternative CONTINUE the matter, on the following grounds:

- The applicant's narrative addresses Metro Code § 3.09.050(D), which is the County's framework. This hearing, however, is governed by Metro Code § 3.09.070(e), and need to see applicant supplying findings under that section.
- Criterion (e)(2) — that the territory is subject to measures preventing urbanization until annexed — is not addressed at all in the applicant's submission.
- Criterion (e)(3) — consistency with applicable cooperative or urban service agreements and any concept plan — is contradicted by Washington County's own Notice of Incomplete Application dated September 24, 2025 (Tracking #S2500199), which identifies multiple unresolved consistency items under the North Bethany Subarea Plan.
- The applicant's narrative does not address Metro Title 13 (Nature in Neighborhoods) or Statewide Planning Goal 5, despite the wildlife use and drainage corridor I have personally observed and photographed on the parcel.
- The acreage of the territory described in the petition is internally inconsistent across the application materials (variously cited as 9.63, 9.94, 2.62, and 2.48 acres versus the ~10 acres in the public notice), undermining a precise finding under Criterion (e)(1).

PART II — WRITTEN OBJECTION

1. The Criteria the Council Must Apply

The hearing notice for Ordinance 26-1543 identifies Metro Code chapter 3.09, section 3.09.070, and reproduces subsection (e) as the criteria the Metro Council must apply. Subsection (e) provides that the Council's final decision "must include findings and conclusions to demonstrate that":

- (1) the affected territory lies within the UGB;
- (2) the territory is subject to measures that prevent urbanization until the territory is annexed to a city or to service districts that will provide necessary urban services; and
- (3) the proposed change is consistent with any applicable cooperative or urban service agreements adopted pursuant to ORS Chapter 195 and any concept plan.

These criteria apply "in lieu of" the criteria in § 3.09.050(d). Findings on each must be supported by substantial evidence in the record. The record before the Council does not currently support findings on Criteria (e)(2) or (e)(3).

2. The Applicant Need to Address the Right Code Section

The applicant's "Boundary Change (Service District Annexation) Narrative," prepared by Otak, Inc. and dated January 21, 2026, is structured almost entirely around Metro Code § 3.09.050(D)(1) and (2). That is the County's framework under ORS 198.850 for service-district annexations. It is not the framework the Metro Council applies to a change to the Metro service district boundary, which is governed by § 3.09.070(e).

The two frameworks are not the same. The (e)(2) anti-urbanization criterion has no analog in the applicant's analysis. The (e)(3) criterion is narrower than § 3.09.050(D)'s six-part list and elevates concept-plan consistency to a stand-alone, mandatory finding. Because the applicant has not briefed (e)(2) at all, and has only conclusorily addressed (e)(3), the Council cannot lawfully adopt findings under those subsections on this record.

3. Criterion (e)(1) — UGB Status

I do not contest that Tax Lot 1N117A000600 is located within the Metro Urban Growth Boundary. The North Bethany Subarea was added to the UGB in 2002 by Metro Ordinance No. 02-987A. I do, however, note that the public notice describes the territory as "approximately 10 acres," while the applicant's own materials variously describe the site as 9.63, 9.94, 2.62, and 2.48 acres. The Council should require the applicant to identify the precise legal description, acreage, and survey closure of the territory before adopting any finding under (e)(1).

4. Criterion (e)(2) — Measures That Prevent Urbanization

This is the central legal failure of the application. To make the (e)(2) finding, the Council must identify on the record the specific measure that legally prevents urbanization of the affected territory until annexation

Attachment 1

Testimony of Alexander Ko — Ord. 26-1543 / AN0226

occurs. Such measures typically take the form of an interim zoning overlay, a deed restriction, a comprehensive plan provision conditioning urban use on annexation, or a similar concrete legal restraint.

The applicant's narrative does not identify any such measure. Its citation to Washington County CDC § 501-8.3 — which conditions land-use approval on annexation — is not a measure preventing urbanization of the territory itself. It is a procedural condition on a future development approval. The (e)(2) criterion asks whether the territory is subject to measures that prevent urbanization, not whether annexation is a prerequisite for a particular subdivision approval.

Without record evidence identifying the specific anti-urbanization measure, the (e)(2) finding cannot be made.

5. Criterion (e)(3) — Consistency with Concept Plan and Service Agreements

The North Bethany Subarea Plan is the applicable concept plan. It establishes the land use framework, infrastructure systems, service-provider responsibilities, Subarea Design Elements, and Areas of Special Concern that constrain urban development within the Subarea. Consistency with that plan — at the parcel level — is the test (e)(3) imposes.

The record demonstrates the underlying development is not currently consistent with the Subarea Plan. Washington County issued a Notice of Incomplete Application on September 24, 2025 (Tracking #S2500199) identifying multiple unresolved consistency items, including:

- Failure to comply with minimum residential density requirements in the R-9 NB and R-15 NB districts on a gross-acreage basis under CDC § 300-2 (the application as proposed "does not meet the minimum residential requirements");
- Absence of a written narrative addressing North Bethany Subarea Design Elements 5, 6, 10, 11, 12, 13, 14, 16, 17, and 20;
- Absence of a narrative addressing Areas of Special Concern 6A and 12;
- Absence of a narrative addressing the Northeast Neighborhood provisions of the North Bethany Subarea Plan;
- Absence of a narrative and illustrations demonstrating compliance with Building Design and Variety requirements under § 390-20;
- Absence of an overall land use designation map of the entire development site, including tax lot 600, with existing and proposed designation boundaries and acreages.

The local jurisdiction administering the concept plan has thus expressly determined that the application is incomplete on consistency grounds. The Metro Council cannot find consistency with a concept plan when the plan's administering jurisdiction has formally determined the application does not yet demonstrate consistency. The (e)(3) finding is unsupported on this record.

The cooperative-/urban-service-agreement prong of (e)(3) is also unsupported. The applicant references "adopted service frameworks" and "intergovernmental planning agreements" generically, but does not identify any agreement by name, date, or signatory, and does not place them in the record. The Council cannot find consistency with agreements that are not identified.

Attachment 1

Testimony of Alexander Ko — Ord. 26-1543 / AN0226

6. Annexation Should Not Be Used to Bypass an Incomplete-Application Determination

Washington County has formally determined that the underlying development application does not yet demonstrate compliance with the North Bethany Subarea Plan. Approving annexation before that compliance is demonstrated allows the boundary change — a Metro decision — to proceed on a record the local jurisdiction administering the concept plan has expressly found insufficient.

The proper sequence is: complete application first, consistency finding second, annexation third. The applicant asks the Council to invert that sequence and grant urban-service status before the underlying land-use application has cleared even the County's threshold completeness review. That precedent would invite future applicants to use Metro annexation as a workaround for unresolved local-jurisdiction findings, undermining the cooperative framework that ORS Chapter 195 and Metro Code § 3.09.070(e) exist to protect.

7. Metro Title 13 and Statewide Planning Goal 5

Metro Title 13 of the Urban Growth Management Functional Plan requires the protection of regionally significant fish and wildlife habitat. Statewide Planning Goal 5 protects natural resources, including riparian corridors, wetlands, and wildlife habitat. The North Bethany Subarea Plan implements Goal 5 in part through its Areas of Special Concern.

Photographs I took from my residence at 15109 NW Orchid Street, submitted as Exhibits A and B, document (a) a defined drainage corridor on the subject property containing mature riparian vegetation in August 2025, and (b) two deer foraging on the property in October 2024. The applicant's narrative does not mention Title 13, Goal 5, the drainage corridor, or any wildlife resources. The County's own Incomplete Application letter independently flagged Areas of Special Concern 6A and 12 as unaddressed. The Council cannot make an (e)(3) consistency finding while these resource issues remain unanalyzed.

8. Scope of Annexation Exceeds Scope of Concept-Plan-Consistent Development

The applicant proposes to annex the entire ~10-acre tax lot but seeks land use approval only for a 2.48-acre portion ("Adjusted Property B"). The remaining ~7.46 acres ("Adjusted Property A") has no current development application, no concept-plan-consistent layout, and no service-provider letters tied to a specific development. Annexing the full tax lot bootstraps urban-service status for territory whose concept-plan consistency has not been demonstrated. The applicant's "avoids fragmentation" argument is one of administrative convenience, not a finding under (e)(3).

9. Service Provider Record Is Incomplete and Mismatched in Scope

The application packet contains a TVWD water Service Provider Letter and a CWS sanitary sewer letter dated in 2025; the fire-district line on at least one Service Provider Letter form is blank, and the THPRD documentation responds to a 2.62-acre footprint, not the full ~10 acres being annexed. The County's own Incomplete Application letter requires that Service Provider Letters be no more than 90 days old. The Council's (e)(3) consistency finding rests in part on these letters; their currency, completeness, and scope are at issue.

Attachment 1

Testimony of Alexander Ko — Ord. 26-1543 / AN0226

10. Requested Disposition

For the foregoing reasons, I respectfully request that the Metro Council:

- DENY Ordinance 26-1543 without prejudice; or, in the alternative,
- CONTINUE this matter until (a) current Service Provider Letters scoped to the full annexation area are placed in the record; and (b) the applicant identifies any anti-urbanization measure relied upon for Criterion (e)(2), (e)(3) and addresses Metro Title 13 and Goal 5.

Respectfully submitted this May, 4, 2026.

Alexander Ko

15109 NW Orchid Street

Akakak88@gmail.com

PART III — EXHIBIT A

Photograph: Drainage Corridor on Subject Property

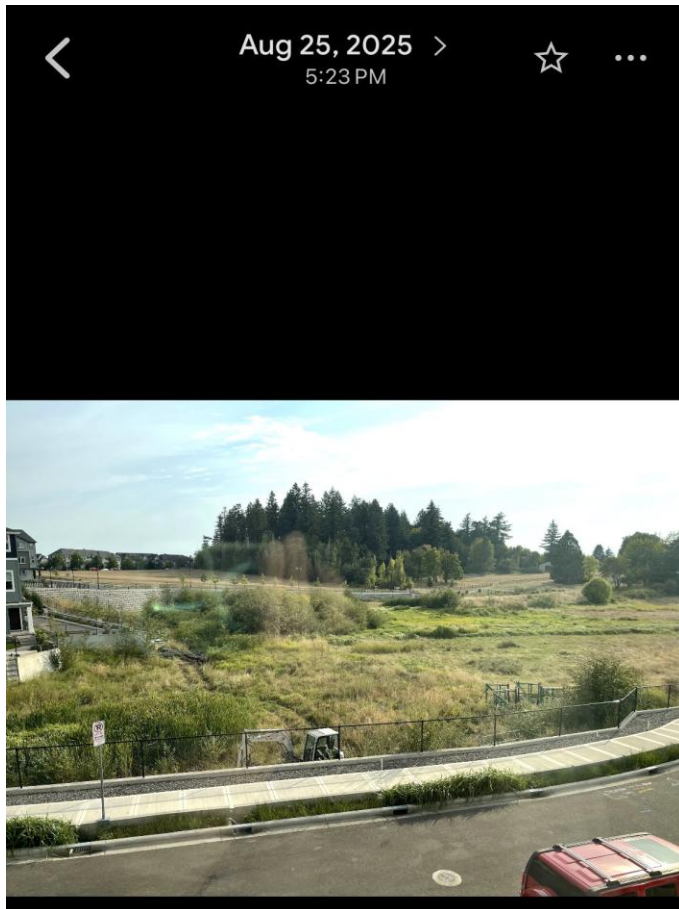
Date taken: August 25, 2025, at 5:23 p.m.

Location: Tax Lot 1N117A000600, viewed from 15109 NW Orchid Street.

Photographer: Alexander Ko (the undersigned).

Description: A defined drainage corridor with mature willows and other riparian vegetation crossing the subject property. A small excavator is visible on adjacent ground; existing residential development appears at left.

Relevance: Documents the presence of a drainage corridor / riparian feature on the affected territory that the applicant's narrative does not identify or analyze. Supports issues raised under Metro Code § 3.09.070(e)(3) (concept-plan consistency), Metro Title 13, Goal 5, Clean Water Services Vegetated Corridor requirements, and the North Bethany Subarea Plan's Areas of Special Concern. Also bears on the scope of any accurate "developable area" analysis.



PART IV — EXHIBIT B

Photograph: Wildlife on Subject Property

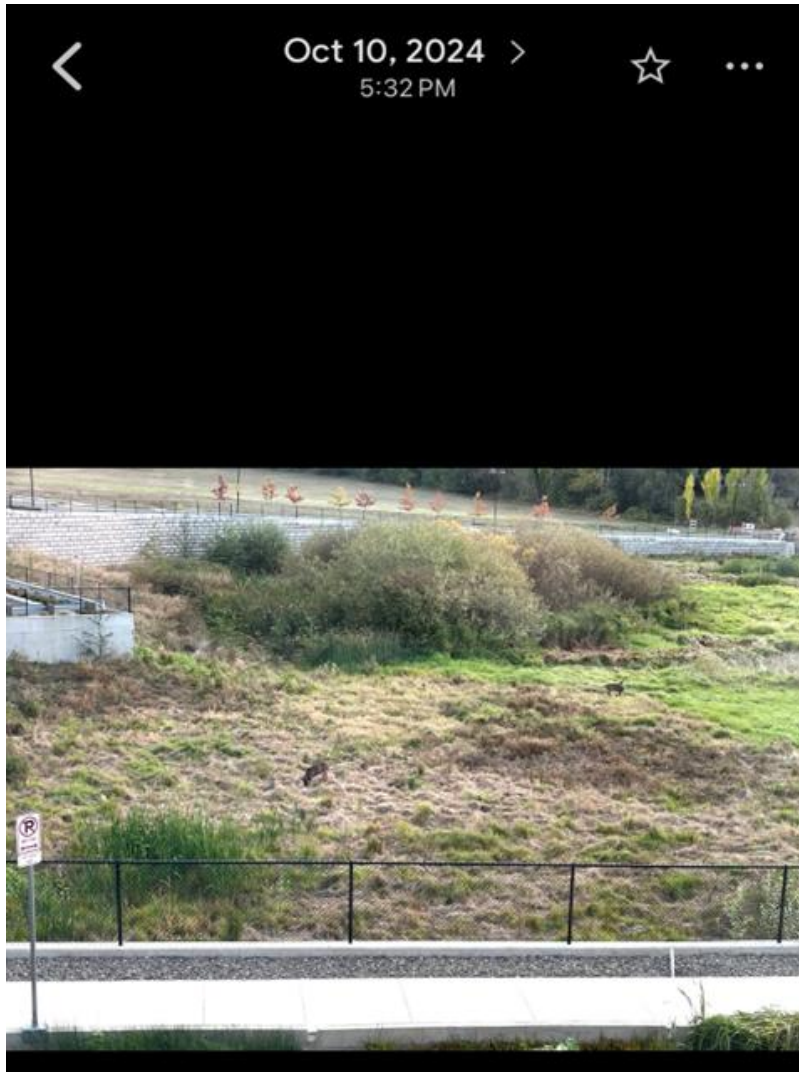
Date taken: October 10, 2024, at 5:32 p.m.

Location: Tax Lot 1N117A000600, viewed from 15109 NW Orchid Street.

Photographer: Alexander Ko (the undersigned).

Description: Two deer foraging on the subject property. Riparian vegetation (willow thickets, emergent grasses, cattails) is visible across the central portion of the parcel, with a defined low area consistent with a drainage corridor.

Relevance: Documents active wildlife use of the affected territory, supporting issues raised under Metro Code § 3.09.070(e)(3) (concept-plan consistency), Metro Title 13 (Nature in Neighborhoods), Statewide Planning Goal 5, and the North Bethany Subarea Plan's Areas of Special Concern 6A and 12.



PART VI — ISSUE PRESERVATION STATEMENT

Pursuant to ORS 197.797 and ORS 197.830, I hereby raise — both in writing through this submission and orally at the public hearing on May 14, 2026 — each of the following issues with sufficient specificity to afford the Metro Council an opportunity to respond and to preserve each issue for review by the Land Use Board of Appeals:

- Failure of the applicant to address the criteria of Metro Code § 3.09.070(e), the criteria identified in the public notice as the criteria the Council must apply.
- Failure of the record to identify any "measure that prevents urbanization" of the affected territory, as required by Metro Code § 3.09.070(e)(2).
- Failure of the record to demonstrate consistency between the proposed annexation and the North Bethany Subarea Plan (the applicable concept plan), as required by Metro Code § 3.09.070(e)(3), in light of the Washington County Notice of Incomplete Application dated September 24, 2025 (Tracking #S2500199).
- Failure of the applicant to identify any cooperative or urban service agreement adopted under ORS Chapter 195 by name, date, or signatory, as required for the Council's consistency finding under § 3.09.070(e)(3).
- Failure of the applicant or the record to address Metro Title 13 (Nature in Neighborhoods) and Statewide Planning Goal 5 with respect to documented wildlife habitat and a drainage corridor on the affected territory.
- Failure of the applicant to address Areas of Special Concern 6A and 12, Subarea Design Elements 5, 6, 10, 11, 12, 13, 14, 16, 17, and 20, the Northeast Neighborhood provisions, minimum density (CDC § 300-2), and Building Design and Variety (§ 390-20) — all flagged by the County as unresolved.
- Internal inconsistency in the legal description and acreage of the territory proposed for annexation across the application materials (variously cited as 9.63, 9.94, 2.62, 2.48 acres versus the ~10 acres in the public notice).
- Mismatch between the scope of the annexation (~10 acres) and the scope of any submitted, concept-plan-consistent development application (2.48 acres).
- Inadequacy and currency of Service Provider Letters in the record, including the absence of a complete fire-district letter and the limitation of the THPRD letter to a 2.62-acre footprint.

Each is supported by reference to specific items in the record before the Council, and by the photographic exhibits submitted herewith.

Alexander Ko

15109 NW Orchid Street

Date: 5/4/2026

Attachment 2

Tualatin Valley Water District



RESOLUTION 05-12

A RESOLUTION ENDORSING ANNEXATION OF THE NORTH BETHANY SUBAREA

WHEREAS, this matter has come before the Board of Commissioners of the Tualatin Valley Water District, hereinafter referred as the Board; and

WHEREAS, the Washington County Department of Land Use and Transportation (DLUT) has been preparing the North Bethany Subarea Plan (Plan) as shown on Exhibit A, attached hereto and incorporated by reference; and

WHEREAS, the District in cooperation with DLUT, and other local and regional stakeholders, have engaged in development of the Plan and that TVWD is designated to provide water service in the Plan area; and

WHEREAS, the Board has been requested by the Washington County Department of Land Use & Transportation to provide a general endorsement of the annexation of the land within the North Bethany Subarea Plan into the TVWD service area in anticipation of future development within the Plan area; and

WHEREAS, the Board typically under ORS 198.850 endorses property for annexation as each Parcel is proposed therefore, but believes this master resolution for the entire Plan area is more economic and efficient and being fully advised,

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TUALATIN VALLEY WATER DISTRICT AS FOLLOWS:

Section 1: That in accordance with ORS 198.850, the Board by this Resolution endorses the proposed annexation of multiple tax lots with the boundaries of the North Bethany Subarea Plan as defined by Washington County and as shown in attached Exhibit A that depicts the area to be annexed, if and when there is a request for annexation; and

Section 2: That the Secretary of the Board or Chief Executive Officer of the District is hereby directed to file this Resolution with the Washington County Board.

INTRODUCED AND ADOPTED THIS 15th DAY OF FEBRUARY 2012.

TUALATIN VALLEY WATER DISTRICT

BY Dick Schmidt
Dick Schmidt, President

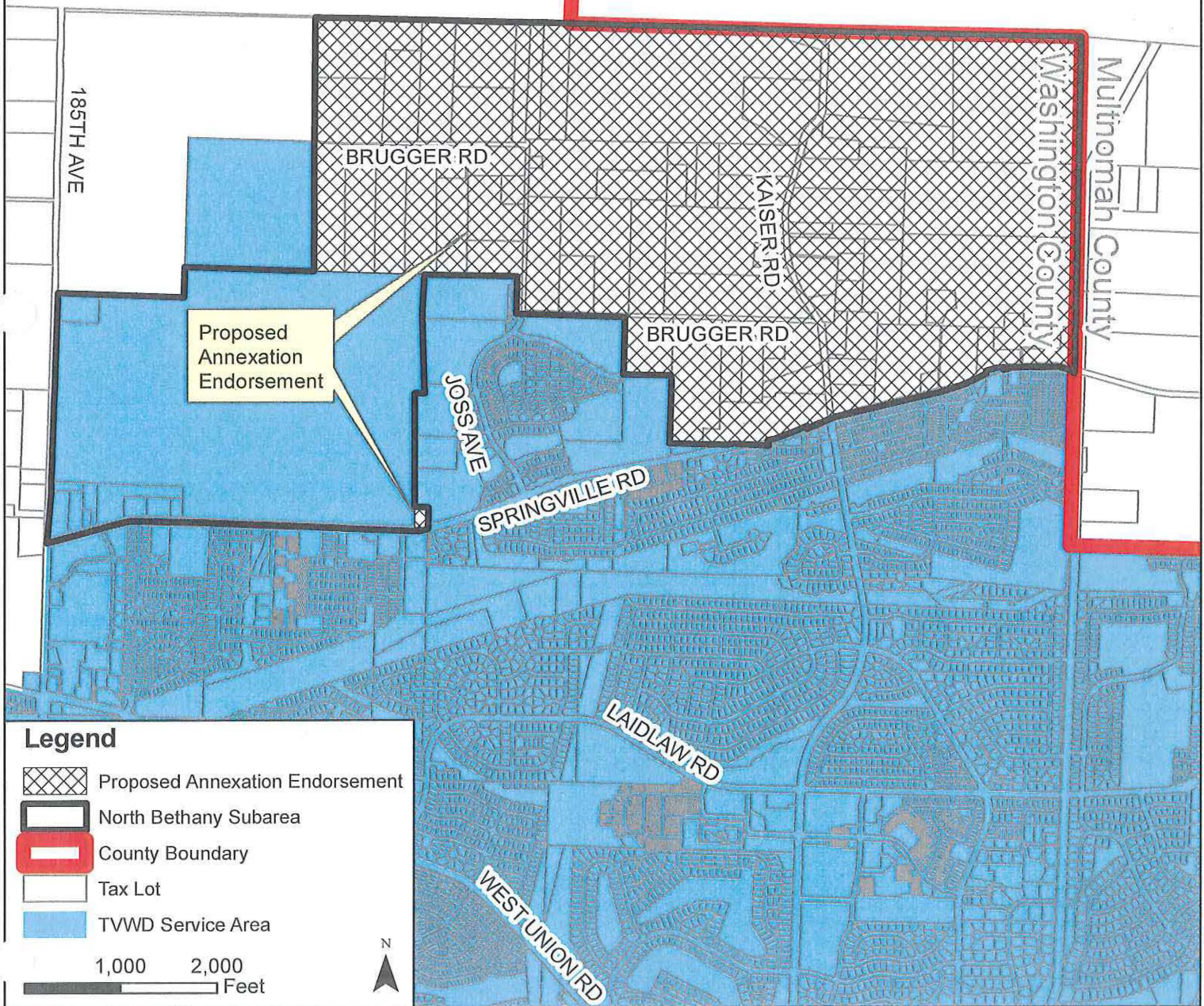
BY James L. Drane
James Duggan, Secretary
Acting
James L. Drane

Attachment 2

Exhibit A
Resolution 05-12

Washington County
Multnomah County

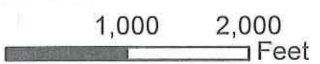
Washington County
Multnomah County



Proposed
Annexation
Endorsement

Legend

- Proposed Annexation Endorsement
- North Bethany Subarea
- County Boundary
- Tax Lot
- TVWD Service Area



2/7/2012

Tualatin Valley Water District

Proposed North Bethany Annexation Endorsement

Attachment 3



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Assessor Certification of Legal Descriptions and Exhibit Maps

To be completed by the county tax assessor's office, certifying the accuracy of the legal descriptions and exhibit maps included with the application for annexation to the Metro District Boundary


"I hereby certify that the descriptions of the property included within the attached petition have been checked by me and that they are true and exact descriptions of the property under consideration. I hereby also certify that the descriptions correspond to the attached maps."

Name: TED FOSTER

Title: GIS TECH

Department: CARTOGRAPHY

County: WASHINGTON

Signature: 

Date: 4/9/26

ANNEXATION CERTIFIED

BY 

APR 09 2026

**WASHINGTON COUNTY A & T
CARTOGRAPHY**

Attachment 3

EXHIBIT A
LEGAL DESCRIPTION
KARAS PROPERTY LINE ADJUSTMENT
“Original Property A”

October 23, 2024 (Otak #21774.100)

Lot 33, BRUGGER TRACT, Washington County Plat Records, in the northeast quarter Section 17, Township 1 North, Range 1 West, Willamette Meridian, Washington County, Oregon.

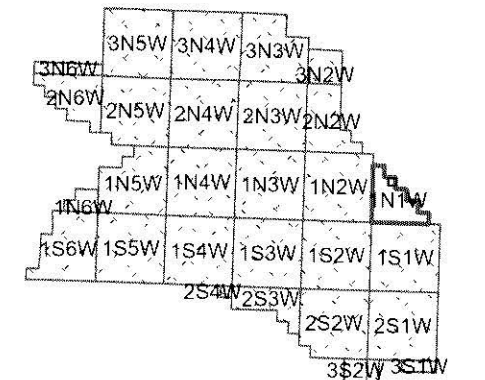
ANNEXATION CERTIFIED

BY TF

JAN 21 2026

WASHINGTON COUNTY A & T
CARTOGRAPHY

WASHINGTON COUNTY OREGON
NE 1/4 SECTION 17 T1N R1W
SCALE 1" = 200'

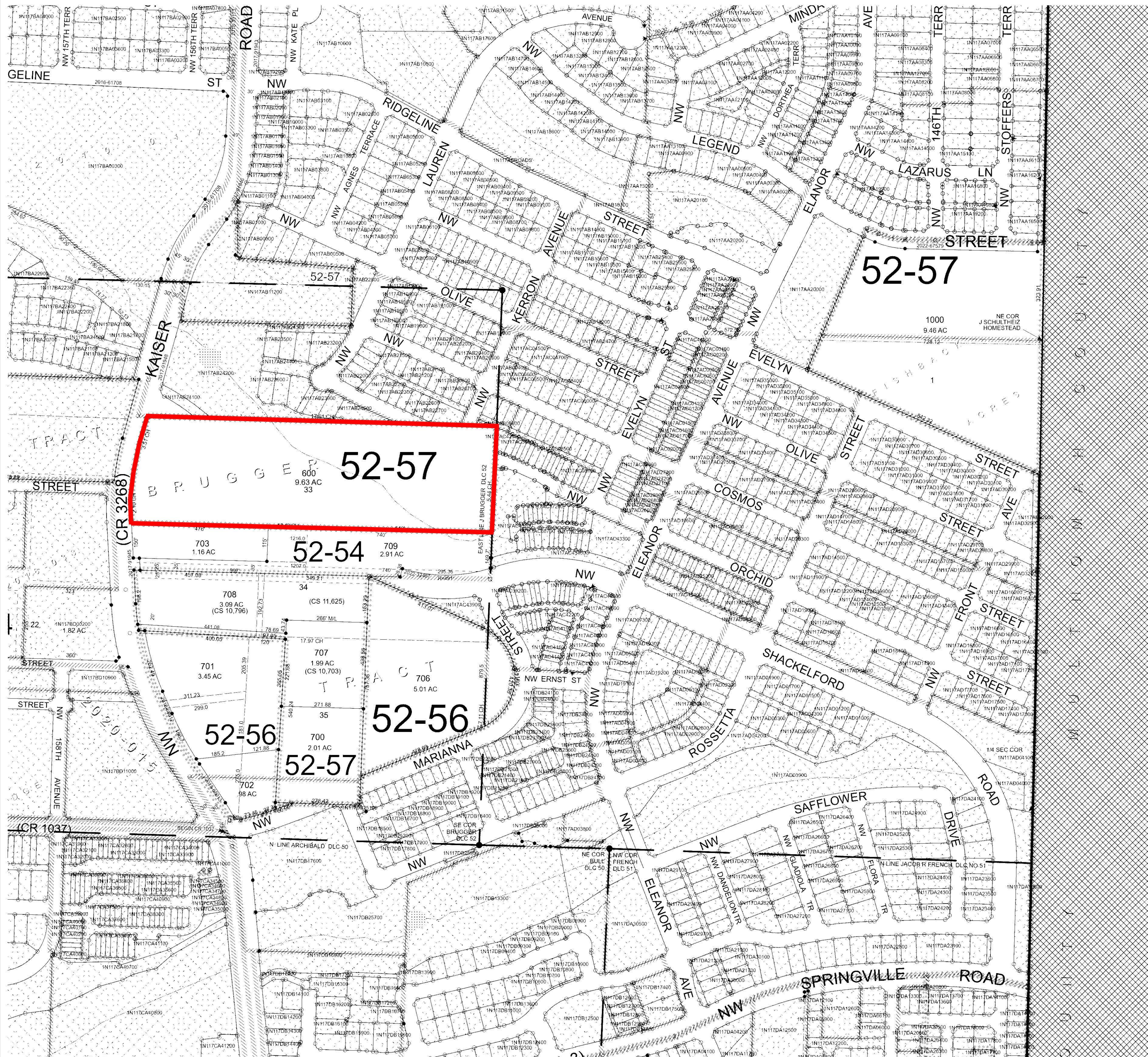


36	31	32	33	34	35	36	31
1	6	5	4	3	2	1	6
12	7	8	9	10	11	12	7
13	18	17	16	15	14	13	18
24	19	20	21	22	23	24	19
25	30	29	28	27	26	25	30
36	31	32	33	34	35	36	31
1	6	5	4	3	2	1	6

BB	BA	AB	AA
B	B	A	A
BC	BD	AC	AD
C	C	D	D
CB	CA	DB	DA
C	C	D	D
CC	CD	DC	DD
C	C	D	D

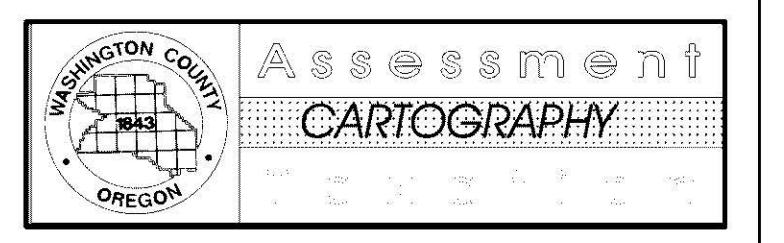
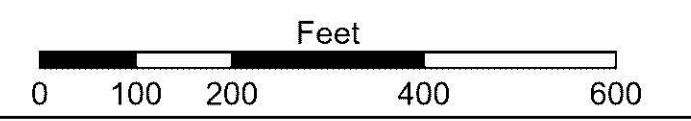
SECTION 17

FOR ADDITIONAL MAPS VISIT OUR WEBSITE AT
www.washingtoncountyor.gov/gis



Cancelled Taxlots For: 1N117A
710, 704, 900, 201, 801, 705, 800, 501, 802, 500, 1300, 1100, 803, 1200, 1400, 100, 101, 200, 202, 300, 400, 1500, 1600

ANNEXATION CERTIFIED BY
WASHINGTON COUNTY
CARTOGRAPHY
1/21/2026



PLOT DATE: 3/14/2025
FOR ASSESSMENT PURPOSES
ONLY - DO NOT RELY ON
FOR OTHER USE

Map areas delineated by either gray shading or a cross-hatched pattern are for reference only and may not indicate the most current property boundaries. Please consult the appropriate map for the most current information.



Metro

600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

Agenda #:

File #: ORD 26-1544

Agenda Date:5/14/2026

Ordinance No. 26-1544 For the Purpose of Amending Metro Code Chapter 7.04 to Allow Allocation of CET Funds to Technical Assistance and to Update the CET Exemption for Affordable Housing

Hau Hagedorn, Community Investments Manager, Planning, Development and Research
Malu Wilkinson, Deputy Director, Planning, Development and Research

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO)	ORDINANCE NO. 26-1544
CODE CHAPTER 7.04 TO ALLOW)	
ALLOCATION OF CET FUNDS TO)	Introduced by Chief Operating Officer
TECHNICAL ASSISTANCE AND TO UPDATE)	Marissa Madrigal in concurrence with Acting
THE CET EXEMPTION FOR AFFORDABLE)	Council President Duncan Hwang
HOUSING.		

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning; and

WHEREAS, in 2017, the Metro Council adopted Resolution No. 17-4782, which approved revisions to the administrative rules governing the CET grant program, changed the name of the program to 2040 Planning and Development Grant Program, and changed the program to annual grant cycles; and

WHEREAS, following two extensions of the CET in 2009 and 2014, and recognizing the ongoing need for funding regional and local planning, in 2018 the Metro Council adopted Ordinance No. 18-1425, making the CET a permanent source of revenue; and

WHEREAS, in 2020, the Metro Council adopted Ordinance No. 20-1447 to expand the purpose of the 2040 Planning and Development Grant Program to facilitate economic development and community stabilization as well as continuing to fund planning and development activities; and

WHEREAS, in 2024, the Metro Council adopted Ordinance No. 24-1509 to expand eligibility parameters for 2040 Planning and Development Grants and allow allocation of CET funds to the Community Placemaking Program; and

WHEREAS, in December 2025, the Metro Council approved Resolution No. 25-5535 to adopt the Regional Housing Coordination Strategy, which identified housing production action items that may be eligible for CET funds; and

WHEREAS, in January 2026, the Metro Council approved Resolution No. 25-5540 to establish the Housing Production Accelerator to provide support for housing production activities through grants and technical assistance funded with CET dollars; now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Chapter 7.04 (Construction Excise Tax) is amended as shown on Exhibit A, with inserted text underlined and deleted text in strikethrough, to allow allocation of CET funds to technical assistance, which will facilitate implementation of the Housing Production Accelerator.

2. Metro Code Chapter 7.04 (Construction Excise Tax) is amended as shown on Exhibit A, with inserted text underlined and deleted text in strikethrough, to change the CET exemption for affordable housing to 80 percent of the area median income.

ADOPTED by the Metro Council this 4th day of June 2026.

Duncan Hwang, Acting Council President

Attest:

Approved as to Form:

Georgia Langer, Recording Secretary

Carrie MacLaren, Metro Attorney

Exhibit A to Ordinance No. 26-1544

The Metro Code Sections below are amended as shown with underlined text representing inserted text and ~~strikethrough~~ text representing deleted text.

CHAPTER 7.04 CONSTRUCTION EXCISE TAX

[No changes to sections 7.04.010 through 7.04.030]

7.04.040 Exemptions

- (a) No obligation to pay the tax imposed by Section 7.04.070 shall be imposed upon any Person who establishes that one or more of the following are met:
- (1) The Value of New Construction is less than or equal to \$100,000; or
 - (2) The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes and the property is restricted to being occupied by people with incomes less than ~~60~~ 80 percent (~~60~~80%) of the median income for a period of 30 years or longer; or
 - (3) The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) and the Construction is dedicated for use for the purpose of providing charitable services to disadvantaged people.
- (b) The Building Official or Chief Operating Officer may require any Person seeking an exemption to demonstrate that the Person is eligible for an exemption and that all necessary facts to support the exemption are established. [Ord. 06-1115, Sec. 1, Ord. No. 18-1425.]

[No changes to sections 7.04.045 through 7.04.210]

7.04.220 Procedures for Distribution

The Chief Operating Officer will distribute the revenues from the Construction Excise Tax through grants and technical assistance to local governments, private entities partnering with local governments, federally recognized Tribes, or community groups inside unincorporated urban areas wanting to explore incorporation or annexation, for planning and projects consistent with Section 7.04.210. The Chief Operating Officer may also allocate a portion of Construction Excise Tax revenue to be distributed through grants awarded by Metro's Community Placemaking grant program. [Ord. 06-1115, Sec. 1; Ord. 09-1220, Sec. 2, Ord. No. 18-1425; Ord. No. 20-1447; Ord. No. 24-1509.]

7.04.225 Metro Administrative Fee

Metro ~~shall~~ will retain five percent (5%) of the taxes remitted to Metro for payment towards Metro's administrative expenses. [Ord. 09-1220, Sec. 2; Ord. 14-1328, Sec. 2.]

STAFF REPORT FOR COUNCIL MEETING

IN CONSIDERATION OF ORDINANCE NO. 26-1544 FOR THE PURPOSE OF AUTHORIZING CHANGES TO METRO CODE CHAPTER 7.04 REGARDING HOW CONSTRUCTION EXCISE TAX FUNDS MAY BE DISTRIBUTED

Date: April 22, 2026

Department: Community Investments

Meeting Date: May 14, 2026

Presenters:

Hau Hagedorn, Community Investment Manager, PD&R

Malu Wilkinson, Deputy Director, PD&R

Prepared by: Serah Breakstone, 2040

Grants Program Manager

Length: 20 minutes

ISSUE STATEMENT

Construction excise tax (CET) revenue has been funding important planning work in the region for 20 years. Since its establishment in 2006, the CET program has been updated multiple times to enhance effectiveness and respond to shifting regional priorities. At this time, staff is preparing a new round of updates to the CET program intended to implement strategies identified in the *Regional Housing Coordination Strategy*, adopted by Metro Council in December 2025 (Resolution 25-5535).

Several strategies in the *Regional Housing Coordination Strategy* called for exploring the use of CET dollars to fund action items that will accelerate housing production in the region. On January 8, 2026, Metro Council approved resolution No. 25-5540 to establish the Housing Production Accelerator using CET funds, which will provide support for housing production activities through grants and technical assistance.

In order to implement this direction from Council, amendments to the Metro Code are needed. Specifically, amendments to Metro Code Chapter 7.04 are proposed to achieve the following:

- Update the CET exemption for affordable housing developments from 60 percent of area median income (AMI) to 80 percent of AMI. This will make the Metro Code consistent with state rules.
- Allow distribution of CET funds through technical assistance. Currently, the Code allows distribution of funds only through grants. Adding technical assistance will allow flexibility for how dollars can be spent through the Housing Production Accelerator, increasing efficiency and effectiveness of the program.

These amendments to the Code will be supported and further clarified by amendments to the associated Administrative Rules Chapter 7.04.

ACTION REQUESTED

Staff requests that Council consider approving Ordinance No. 26-1544 for the purpose of amending Metro Code Chapter 7.04 as identified in Attachment A.

IDENTIFIED POLICY OUTCOMES

The proposed amendments to the Metro Code will implement the Housing Production Accelerator, which will provide funding for activities that remove barriers for housing development. This program aligns directly with priorities and strategies identified in the *Regional Housing Coordination Strategy* and is designed to respond to the needs of Metro’s partner jurisdictions and housing stakeholders.

STAFF RECOMMENDATIONS

Staff recommends that Council approve Ordinance No. 26-1544 to amend the Metro Code as identified in Attachment A.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The proposed Metro Code amendments will facilitate the Housing Production Accelerator, which is intended to implement the following action items from the *Regional Housing Coordination Strategy*:

- Action #1 - Housing pre-development and technical assistance
- Action #2 - Expand funding for the brownfields grant program
- Action #3 - Local housing production strategy (HPS) implementation funding and support
- Action #4 - Develop a regional pool of housing professionals for technical assistance and staffing support
- Action #12 - Explore regional land bank strategies

These action items are intended to help make land ready for housing development and are therefore eligible uses of CET funding per the existing Metro Code.

ATTACHMENTS

None



Metro

600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

Agenda #: 6.1

File #: ORD 26-1542

Agenda Date:5/7/2026

Ordinance No. 26-1542 For the Purpose of Amending Metro Code Section 7.05.150 (Deficiencies and Refunds) to Extend Tax Refund Filing Deadlines for Tax Years 2021 and 2022 Under Certain Circumstances

Justin Laubscher (he/him), Tax Compliance Program Manager

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO) ORDINANCE NO. 26-1542
CODE SECTION 7.05.150 (DEFICIENCIES AND)
REFUNDS) TO EXTEND TAX REFUND FILING) Introduced by Chief Operating Officer
DEADLINES FOR TAX YEARS 2021 AND 2022) Marissa Madrigal in concurrence with Acting
UNDER CERTAIN CIRCUMSTANCES) Council President Duncan Hwang

WHEREAS, Metro Code Chapter 7.05 (Income Tax Administration for Personal Income and Business Taxes) administers Metro’s Supportive Housing Services (SHS) business and personal income taxes; and

WHEREAS, consistent with state law (ORS Chapter 314), the Metro Code authorizes a three-year statute of limitations to seek a tax refund from the date the taxfiler filed the original tax return, or two years from the date in which the tax was paid if no return was filed; and

WHEREAS, Metro staff recently learned that several thousand individuals had taxes withheld by their employers during Tax Years 2021 and 2022, but these individuals did not ultimately meet the income threshold necessary to owe Metro’s Supportive Housing Services personal income tax (SHS Personal Income Tax); and

WHEREAS, these individuals may not have been aware that they could seek a refund of overpaid income tax amounts withheld by their employers, and yet the time for seeking a refund under current Metro Code has expired for Tax Years 2021 and 2022; and

WHEREAS, Metro’s tax administrator is proactively monitoring similar situations for tax years after 2022 to ensure that individuals are aware of refund opportunities of withheld taxes if they are not ultimately required to pay the SHS Personal Income Tax due to not meeting the income thresholds; and

WHEREAS, it is the public interest that Metro amend its SHS Income Tax Code to authorize an extended statute of limitations to allow an individual to seek a refund for tax years 2021 and 2022 if the individual: (1) had the tax withheld from wages, (2) did not otherwise owe the SHS Income Tax, and (3) may have been unaware of the individual’s ability to seek a refund; and

WHEREAS, this extended statute of limitations only applies to a subset of individuals for tax years 2021 and 2022. Namely, those that: had SHS Income Tax withheld by their employers, ultimately did not meet the income threshold required to owe the SHS Income Tax, failed to file a tax return or seek a timely refund, and proactively file a refund request no later than April 15, 2027; and

WHEREAS, upon this Ordinance’s adoption, Metro’s tax administrator will begin notifying all affected individuals that they may seek a refund for these overpayments by filing an original tax return and refund request no later than April 15, 2027; and

WHEREAS, the Metro Council has previously acknowledged that externally facing regulatory Metro Code chapters—primarily the solid waste and income tax code chapters—require more frequent code updates to ensure ongoing regulatory clarity, align with state and federal law changes, and maintain best practices (Resolution No. 22-5293); and

WHEREAS, pursuant to Resolution No. 22-5293, the Office of Metro Attorney reviewed Metro Code Section 7.05.150 to consider whether any plain language revisions were necessary and determined that no additional changes were needed; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 7.05.150 (Deficiencies and Refunds) is amended as set forth in the attached as Exhibit A, with inserted language in underlined text and deleted language in strikethrough text.

SECTION 2. The amendment to Metro Code Section 7.05.150 made by Section 1 of this Ordinance is repealed on May 1, 2027.

SECTION 3. The Chief Operating Officer may, if necessary, adopt new administrative rules or amend existing income tax administrative rules without a public comment process to ensure conformity with the Metro Code amendments adopted by this ordinance.

SECTION 4. That this ordinance being necessary for the immediate preservation of public health, safety or welfare, an emergency is declared to exist, and this ordinance takes effect immediately upon adoption pursuant to Metro Charter Section 38(1). The Council finds that an immediate ordinance effective date is necessary to ensure timely and appropriate refunds to individuals that paid Metro's SHS Income Tax but did not meet the necessary income tax thresholds upon which the tax is imposed and therefore did not owe the tax.

SECTION 5. If a court of competent jurisdiction finds that any portion of this ordinance is invalid or unenforceable as a matter of law, that finding does not invalidate or render unenforceable any other provisions of this ordinance.

ADOPTED by the Metro Council this 14th day of May 2026.

Duncan Hwang, Acting Council President

Attest:

Approved as to Form:

Georgia Langer, Recording Secretary

Carrie MacLaren, Metro Attorney

Metro Code Subsection 7.05.150 is amended as follows, with underlined text representing inserted text and ~~striketrough~~ representing deleted text.

7.05.150. Deficiencies and Refunds.

- (a) The Administrator may assess deficiencies and grant refunds any time within the periods set forth for deficiencies or refunds under ORS Chapter 314. The Administrator may by agreement with the taxfiler extend the time periods to the same extent as provided by statute.
- (b) When no tax return has been filed, there is no time limit for a notice of deficiency or the assessment of taxes, penalty and interest due.
- (c) Notwithstanding subsections (a) and (b), the Administrator is not required to accept any tax return for any tax period from a taxfiler if:
 - (1) The Administrator obtains a money judgment against the taxfiler for failure to pay an unpaid account balance due; and
 - (2) The Administrator or its designee lawfully served the taxfiler with the lawsuit pursuant to the Oregon Rules of Civil Procedure; and
 - (3) The tax return is for a taxable year that is the subject of the general money judgment; and
 - (4) The Administrator gave written notice stating that the taxfiler had an outstanding balance due at least 30 days before the Administrator (or its designee) filed a lawsuit for those particular taxable years.
- (d) Notwithstanding subsection (a), the Administrator may issue a personal income tax refund beyond the periods set forth for refunds under ORS Chapter 314 for an overpayment that resulted from employer withholding for Tax Years 2021 and 2022, provided that:
 - (1) The individual claims a refund of the overpayment on an original personal income tax return; and
 - (2) The individual files the return no later than April 15, 2027.

IN CONSIDERATION OF ORDINANCE NO. 26-1542, AMENDING METRO CODE SECTION 7.05.150 (DEFICIENCIES AND REFUNDS) TO EXTEND TAX REFUND FILING DEADLINES FOR TAX YEARS 2021 AND 2022 UNDER CERTAIN CIRCUMSTANCES

Date: April 20, 2026

Departments: Council Office,
Revenue and Analytics Division

Meeting Date: May 7, 2026

Prepared by: Justin Laubscher

Presenter: Justin Laubscher, Tax
Compliance Program Manager
justin.laubscher@oregonmetro.gov

Length: 10 min

ISSUE STATEMENT

Metro Code currently limits the timeframe in which taxpayers may claim refunds for the Supportive Housing Services (SHS) personal income tax. Metro's statute of limitations for seeking a refund aligns with State law. Some taxpayers overpaid taxes for 2021 and 2022 due to automatic withholding of wages, even though they were ultimately not liable for Metro's SHS Personal Income Tax because they did not meet the income threshold and may not be aware that they can seek a refund. They have not filed returns and are unable to claim refunds under existing timelines.

ACTION REQUESTED

Hear public comments and discuss potential adoption of Ordinance No. 26-1542 at an expected second read on May 14, 2026.

IDENTIFIED POLICY OUTCOMES

- Provide a limited opportunity for taxpayers to claim refunds for tax years 2021 and 2022.
- Increase voluntary compliance with SHS tax filing requirements.
- Improve administrative clarity and consistency in refund processing.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Adopt Ordinance No. 26-1542 as proposed. Allows refunds for 2021 and 2022 tax years if returns are filed by April 15, 2027.
- Amend Ordinance No. 26-1542 to refine timing or language.
- Do not adopt Ordinance No. 26-1542. Modify the eligible tax years or filing deadline prior to adoption.

STAFF RECOMMENDATION

Staff recommends adoption of Ordinance 26-1542 as drafted.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

This ordinance supports Metro’s goals of equitable tax administration and improved compliance with the Supportive Housing Services tax. By providing a defined, time-limited opportunity to claim refunds, the policy balances fairness to taxpayers with administrative efficiency and program integrity.

Known Opposition/Support/Community Feedback

None known at this time.

Legal Antecedents

- Measure 26-210 (2020) established the Supportive Housing Services personal and business income taxes.
- Metro Code Chapter 7.05 (Supportive Housing Services Personal Income Tax)

Anticipated Effects

If adopted:

- Increased filing of tax returns for 2021 and 2022.
- Additional refund claims processed within the specified timeframe.
- Improved taxpayer compliance and engagement.

Financial Implications

The ordinance may result in additional refund payments for tax years 2021 and 2022. These impacts are expected to be limited and can be managed within existing program resources. No significant new administrative costs are anticipated.

BACKGROUND

The Supportive Housing Services personal income tax requires eligible taxpayers to file annual returns. Some taxpayers have not yet filed returns for the 2021 and 2022 tax years, including those who may have overpaid through employer withholding.

Metro staff recently learned that several thousand individuals had taxes withheld by their employers during Tax Years 2021 and 2022, but these individuals did not ultimately meet the income threshold necessary to owe Metro’s Supportive Housing Services personal income tax. These individuals may not be aware that they could seek a refund of overpaid income tax amounts withheld by their employers, and yet the time for seeking a refund under current Metro Code has expired for Tax Years 2021 and 2022.

Metro’s tax administrator is proactively monitoring similar situations for tax years after 2022 to ensure that individuals are aware of refund opportunities of employer withheld taxes if they are not ultimately required to pay the SHS Personal Income Tax due to not meeting the income thresholds. This ordinance extends the statute of limitations to seek a refund under limited circumstances and establishes a deadline of April 15, 2027, for filing original returns to claim refunds for those years, providing a clear, limited pathway for compliance.

ATTACHMENTS

None



Metro

600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

Agenda #: 7.1

File #: 26-6532

Agenda Date: 5/14/2026

Council Discussion of the FY 2026-27 Approved Budget and Opportunity for Public Testimony

Marissa Madrigal (she/her), Chief Operating Officer

Brian Kennedy (he/him), Chief Financial Officer

STAFF REPORT

FOR THE PURPOSE OF THE COUNCIL TO DISCUSS THE FY 2026-27 APPROVED BUDGET AND TO PROVIDE OPPORTUNITY FOR PUBLIC TESTIMONY

Date: April 30, 2026

Prepared by:
Amanda Akers, Budget Manager

Department: Office of the Chief Operating Officer

Presented by:
Marissa Madrigal, Chief Operating Officer
Brian Kennedy, Chief Financial Officer

Meeting date: May 14, 2026

Length: 60 minutes

ISSUE STATEMENT

This meeting provides an opportunity for Council to discuss the FY 2026-27 Approved Budget in the context of the Council priorities, strategic framework, racial equity outcomes, and climate action goals.

This is a Public Hearing and public testimony will be taken by interested members of the public and agency stakeholders. Information shared at this meeting will help to guide the development of the FY 2026-27 Adopted Budget. The vote to adopt the budget is currently scheduled for June 18, 2026.

ACTIONS REQUESTED

- Council discussion and feedback on the FY 2026-27 Approved Budget.
- Council consideration of public testimony.

IDENTIFIED POLICY OUTCOMES

Development of the FY 2026-27 Adopted Budget that aligns with Council priorities.

POLICY QUESTIONS

Specific factors for Council consideration *may* include:

- Does the Council require any further explanation, or can any actions be taken, to enhance the Council's understanding of the Approved Budget?
- After robust Council discussion and thoughtful consideration of public testimony, does the Council intend to amend the Approved Budget?
 - If applicable, are Council amendments to the Approved Budget within the 10% appropriation increase limit by fund?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Each department's budget has individual items that should achieve outcomes specifically addressed by Council through the strategic framework. Council can support the budget in whole or in part, and modify individual items or larger program requests.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend that Council consider all public testimony and extensively discuss the FY 2026-27 Approved Budget, to ensure that the Adopted Budget aligns with Council priorities.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Each department's FY 2026-27 base budget was developed following the Chief Financial Officer's budget instructions released in early December 2025. The base budgets allow departments to continue existing programs and projects as adjusted for various factors such as inflation, COLAs, etc.

New programs, projects, additional appropriations, and FTE are requested through the department's budget modification request process. These requests were reviewed and analyzed by the Chief Operating Officer, Deputy Chief Operating Officers, Chief Financial Officer, and General Manager of Visitor Venues. Approved requests were built into the Proposed Budget, released on April 3, 2026, and presented by the Chief Operating Officer, in their capacity as the Budget Officer, on April 9, 2026, with their budget message.

The Council, acting as Budget Committee, deliberated on the Proposed Budget, provided opportunity for public testimony, and voted to approve the budget on April 30, 2026.

Legal Antecedent

The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. The Chief Operating Officer, acting in their capacity as the designated Budget Officer, is required to present a balanced budget to Council, acting in their capacity as Metro's Budget Committee.

BACKGROUND

The Budget Officer presented the Metro Council, acting in their capacity as the Budget Committee, the FY 2026-27 Proposed Budget to fully deliberate and to provide guidance in the development of the FY 2026-27 Approved Budget. The Council will hold robust discussions, with multiple opportunities for public input, to develop the FY 2026-27 Adopted Budget that aligns with their priorities.