

## **Fee Setting Criteria**

### **April 2023**

**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 were last updated in 2018 (see attachment A). Given both the timing and the adoption of the 2030 Regional Waste Plan, it is timely to conduct a review of the criteria. By adopting fees and the fee setting criteria, Council has reviewed the below fee setting criteria that is to be used during fee development.

### **Fiscal Responsibility**

- A. Credit Rating Impacts: The fee structure should not negatively impact Metro's credit rating.
- B. Authority to Implement: Metro should ensure that it has the legal ability to implement the fee structure; or, if such authority is not already held, evaluate the relative difficulty of obtaining the authority. And, fees should be readily enforceable.
- C. Revenue Adequacy: Fees should be sufficient to generate revenues that fund the costs of the solid waste system and provide fund balance reserves that are necessary for fee stabilization, policy compliance, and unexpected disruptions.

### **Accountability**

- A. Reliability. Anticipated revenues used in the fee setting process should be considered stable and unlikely to deviate from financial plan expectations.
- B. Predictability: Metro fee adjustments should be predictable and orderly to allow local governments, haulers, and rate payers to perform effective planning.
- C. Transparency: Metro fee should be a reflect policy decisions in the fee setting process and structure and have the visibility into the decision-making process (how decisions are being made).

### **Public Benefit**

- A. Administration: Fee setting should evaluate the relative cost and benefits of administering the fees with financial and policy goals.

- B. 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.
- C. Affordability. Fee setting should consider the economic effects and distribution of benefits on 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 non-residential generators, as well as the economic effect on others in the region.
- 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.
- E. Waste Reduction: The rate structure should encourage waste reduction, reuse, and recycling.