



**DAN JOHNSON**  
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
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150 BEAVERCREEK ROAD OREGON CITY, OR 97045

April 26, 2022

### MEMORANDUM

TO: Board of County Commissioners  
FROM: Dan Johnson, DTD Director; Cheryl Bell, DTD Assistant Director  
CC: Eben Polk, Manager, Sustainability & Solid Waste  
RE: Metro Solid Waste Disposal Fee Update

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### Metro Solid Waste Disposal Fee-Setting Update #3

At the April 5, 2022 Board Issues session, staff presented an update of our engagement with Metro regarding setting of disposal fees and the related budget process. The information included an analysis of the disposal fee scenario Metro Council endorsed at its Special Work Session on March 31, 2022. The Metro-endorsed scenario of annual increases:

- Range from 7.1% to 7.9% from 2020 to 2027, for a total increase of 67%
- Result in a total average cost per ton of \$164.45 in 2027
- Result in the Metro disposal portion of monthly collection fees paid by Clackamas County customers to be \$9.30 in 2027, or \$2.79 per month more than today

On April 5 the Board approved sending a comment letter to Metro with requests for:

- A comprehensive breakdown of cost drivers for the Metro fee increase scenario;
- Greater dialogue and consultation with jurisdictions in Metro, including bringing proposed decisions that drive changes in disposal fees to public forums; and
- More certain and proportional regional revenue-sharing as we implement work under the Regional Waste Plan.

Metro acknowledged receipt of the letter and asked for some clarification. Our letter was also discussed in an April 12, 2022 [Pamplin media article](#) (Attachment A). On April 21 Metro replied with a letter to the Board (Attachment D).

Since April 5, as requested by the Board, staff have monitored the three additional Metro discussions on disposal fees, which turned out to only cover previously shared information at a high level. The discussions were:

- April 7 presentation of the Metro Waste Prevention & Environmental Services (WPES) Department budget to Metro Council
- April 7 WPES budget forum and listening session
- April 14 Metro Council meeting and public hearing on the proposed budget

Following the April 7 WPES forum, Metro sent an email (Attachment B) to attendees acknowledging that they had heard the following requests from jurisdictions.

1. The opportunity to review and discuss budget priorities sooner, and with time for reflection
2. A table of Metro's solid waste fees from 1980 to 2022
3. More details on the drivers of fee increases at transfer stations
4. Continued focus on opening lines of communication

Metro has asked people who attended the April 7 forum to provide additional feedback on these questions through a survey (<https://oregonmetro.wufoo.com/forms/q1kgxn0b1on5cl0/>), which is open until April 27 (Attachment C).

Information about all the related Metro sessions, including videos of the meetings held from December to April, and FAQs are available at: <https://www.oregonmetro.gov/metros-solid-waste-fee-setting-process>.

### **Next Engagement Opportunity**

The final engagement opportunity on this topic scheduled by Metro is the May 3, 2022 *public hearing* where the Metro Council Budget Committee will deliberate on the proposed budget. Metro Council is scheduled to adopt its budget on May 5, 2022.

### **Options for Further Action**

- 1. Complete the survey**

Direct staff to complete the Metro survey, and in the comments section reiterate the concerns expressed by the Board in the County's April 5 letter.

- 2. Provide testimony at Metro budget meetings**

Provide direct testimony to Metro Council at the May 3, 2022 public hearing. If the Board wishes to provide testimony, staff are available to develop and provide talking points.

### **Recommendation**

Staff respectfully recommends Option 1 - that staff complete the Metro survey, and in the comments section reiterate the concerns expressed by the Board in the April 5 letter.

### **Attachments**

- A. April 12, 2022 Pamplin Media article
- B. April 19, 2022 Metro WPES Budget Forum Follow Up email
- C. Metro WPES Budget Forum survey
- D. April 21 Metro letter to the Board

# Clackamas County officials concerned about spike in garbage rates

Jaelen Ogadhoh, April 12 2022

Pamplin Media

## Metro budget proposes 67% increase in solid waste disposal fees between 2020-27



A forthcoming Metro budget featuring a proposed 67% increase in solid waste disposal fees between 2020 and 2027 has drawn concern from Clackamas County commissioners, who requested Metro provide additional details and regional collaboration opportunities before adopting the budget on May 5.

According to Metro officials, the office annually analyzes projected service and activity costs and forecasts whether or not revenues from existing fee levels can support current solid waste management services.

Metro's Waste Prevention and Environmental Services expenses increase over time due to cost drivers including service demand, which officials say is at a record high since the onset of the COVID-19 pandemic. Officials added that community and programming investments, maintaining federal compliance requirements, securing and retaining staffing and more drive costs up over time.

At a Metro Council special work session on March 31, councilors weighed options for maintaining status quo services amid projected expense increases through 2027, deciding to organize budget increases into regular yearly intervals ranging from about 7% to 8% during that time period.

"The net effect would be a 67% disposal fee increase from 2020 to 2027," according to a [report](#) by county staff, who estimate that monthly ratepayer costs in 2027 will be \$2.79 higher than 2020 rates under this scenario, with monthly collection fees increasing by roughly 50 to 60 cents each year.

On Tuesday, April 5, county commissioners sent the Metro Council a letter expressing "serious concerns" with the proposed increases for waste disposal fees, which comprise approximately 30% of the total cost Clackamas County ratepayers are billed for garbage and recycling collection.



"The proposed rate increases have a negative impact on everyone in the region, especially in light of the economic challenges of the post-pandemic economy," commissioners wrote to the council. "On behalf of our mutual constituents, we look forward to productive discussions with you on these issues.

In the letter, commissioners restate a request submitted to Metro with support from regional partners ahead of a Jan. 26 listening forum, asking councilors to detail the specific cost

drivers substantiating the need for these yearly increases. County staff report that Metro did not directly respond to this question during the session.

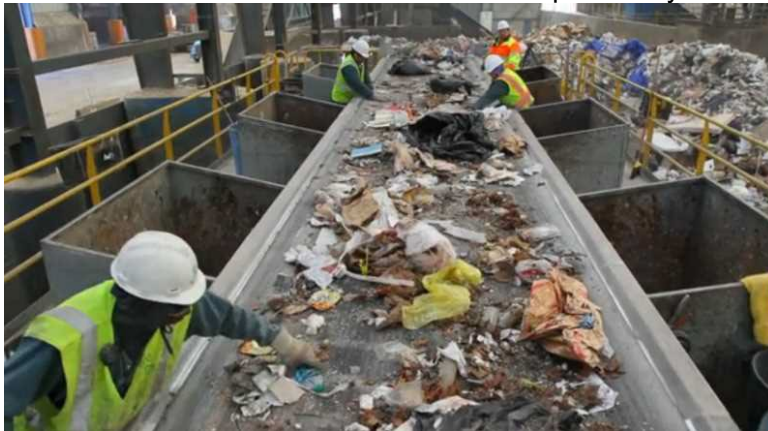
During a public forum on April 7, Metro officials responded to feedback from regional jurisdictions including Clackamas County, outlining their Waste Prevention and Environmental Services budget in greater detail in one of multiple community engagement opportunities the office is holding before May 5.

Metro officials said among the biggest cost drivers they identified were operational expenses for managing its two public waste transfer stations, which they say have experienced a 60% increase in usage demands over the past decade and spiked to record numbers during the pandemic.

Costs to manage other regional facilities, such as hazardous waste plants and landfills have also increased due to supply shortages and policy changes to increase employee wages, officials said. They added that no solid waste fee increases were adopted in 2020 due to the pandemic, forcing the office to account for two years worth of expenses in fee-setting processes for 2021.

Commissioners' letter on April 5 additionally requested that councilors engage in "greater dialogue and consultation with the jurisdictions within Metro, with elected officials, community members and other stakeholders."

"Greater predictability and proportionality in revenue-sharing from the regional system fee that Metro shares with cities and counties" was also requested by the board.



The schedule for Metro's fee setting process included a community engagement opportunity on April 5 as well as the April 7 session and upcoming public hearings on April 14 and May 3 where community members can attend the Metro Council Budget Committee's deliberation over the proposals.

Marissa Madrigal, chief operating officer for Metro, said that the Waste Prevention and Environmental Services department

is additionally developing a system facilities plan that will connect planning cost estimates to the ultimate impact on ratepayer fees.

County staff assured commissioners on April 5 that they will return before the board with any new information or answers that arise during Metro's scheduled series of public hearings before it is scheduled to adopt its Waste Prevention and Environmental Services budget on May 5.

To learn more about Metro's solid waste fee-setting process, and to watch recordings of past community engagement forums, click [here](#).

Clackamas County April 26, 2022 Issues Session  
Metro Solid Waste fee Update #3  
**Attachment B: April 19, 2022 Metro WPES Budget Forum Follow Up email**

**From:** "Madrigal, Marissa" <[Marissa.Madrigal@oregonmetro.gov](mailto:Marissa.Madrigal@oregonmetro.gov)>  
**Date:** April 19, 2022 at 8:48:11 AM PDT  
**To:** "Polk, Eben" <[EPolk@clackamas.us](mailto:EPolk@clackamas.us)>  
**Subject:** Metro WPES Budget Forum Follow up  
**Reply-To:** "Madrigal, Marissa" <[Marissa.Madrigal@oregonmetro.gov](mailto:Marissa.Madrigal@oregonmetro.gov)>



Thank you for attending the April 7 forum for local government and industry partners focused on the budget development process and the priorities for Metro's Waste Prevention and Environmental Services department.

The forum gave us the opportunity to hear and address the questions and concerns that are still lingering in more detail. We heard the following requests:

- 1) The opportunity to review and discuss budget priorities sooner, and with time for reflection
- 2) A table of Metro's solid waste fees from 1980 to 2022
- 3) 3. More details on the drivers of fee increases at transfer stations
- 4) 4. Continued focus on opening lines of communication

In the spirit of continual improvement, we are capturing your input and feedback to design the budget development process for next year. [Click this link](#) to complete a brief survey by April 27, 2022.


You can access the recordings, questions and responses gathered at each of our forums and other requested information here: <https://www.oregonmetro.gov/metros-solid-waste-fee-setting-process>

You can access the proposed budget for FY 2022-23 and find key dates and information for public participation here: <https://www.oregonmetro.gov/metro-budget>

Thanks for your continued partnership.

**Marissa Madrigal** (she/her/ella)  
Chief Operating Officer  
[marissa.madrigal@oregonmetro.gov](mailto:marissa.madrigal@oregonmetro.gov)  
503-314-1813

**NOTE: This survey was copied from the Metro website as it came up on the website. The survey appears to default to having an answer in the "strongly agree" category. Those are not answers given by staff nor are those the answers that would be given by staff.**



**Metro WPES Budget Forum**  
April 7, 2022  
1:00 pm – 3:00 pm  
Post-Participation Survey

**PLEASE SUBMIT YOUR SURVEY BY WEDNESDAY, APRIL 27.**

**Name \***

First Last

**Jurisdiction or Organization \***

**Email Address \***

On a scale of 1–5, did this session provide useful information?

1: Strongly agree  
 2: Agree  
 3: Neither agree nor disagree  
 4: Disagree  
 5: Strongly disagree

On a scale of 1–5, did this session adequately answer your questions?

1: Strongly agree  
 2: Agree  
 3: Neither agree nor disagree  
 4: Disagree  
 5: Strongly disagree

**NOTE: This survey was copied from the Metro website as it came up on the website. The survey appears to default to having an answer in the "strongly agree" category. Those are not answers given by staff nor are those the answers that would be given by staff.**

On a scale of 1–5, do you agree that this session adequately answered the concerns you had?

1: Strongly agree  
 2: Agree  
 3: Neither agree nor disagree  
 4: Disagree  
 5: Strongly disagree

**Please use this space to list any questions or concerns you still have.**

On a scale of 1–5, do you agree with this statement, "If I have a question, I know who to contact to find the answer"?

1: Strongly agree  
 2: Agree  
 3: Neither agree nor disagree  
 4: Disagree (We will follow up with you.)  
 5: Strongly disagree (We will follow up with you.)

What parts of the session worked well? (check all that apply)

Presentation of session objectives  
 Overview of feedback from January 26th budget forum, and direction received from Council on fee-setting  
 Presentation of proposed FY 2022-2023 budget  
 Presentation of public hearing process and opportunities for testimony on budget  
 Facilitated Question and Answer session with panelists  
 Overall format of the session

***NOTE: This survey was copied from the Metro website as it came up on the website. The survey appears to default to having an answer in the “strongly agree” category. Those are not answers given by staff nor are those the answers that would be given by staff.***

To help us improve our communications efforts for next year, please share what we can change about this session.

Do you have any final thoughts to share?

[Submit](#)





**Council President Lynn Peterson**

April 21<sup>st</sup>, 2022

Dear Clackamas County Board of Commissioners:

We have received your letter related to Metro solid waste fee setting. Thank you for taking the time to outline your questions and concerns.

Metro Council recognizes that solid waste fees have increased over the last three years at a rate higher than in the past. These additional costs can be attributed to a variety of external and internal factors, such as increases in illegal dumping, cost of living in the region and severe weather events. Metro Council is proud to present a fee proposal that provides a consistent level of excellent waste disposal and recovery services at Metro facilities, living wages for our employees and contractors, continued investments in climate resilience and justice, and a robust Regional Illegal Dumping program.

Metro has taken steps to increase engagement and transparency in both our solid waste fee setting and budget development, but we recognize that there is more to do. Metro's Waste Prevention and Environmental Services department (WPES) will soon develop recommendations for a budget engagement process for next fiscal year, based on feedback from jurisdictional partners, industry and Metro Council.

In this year's budget development process, staff conducted a series of engagements with local government and industry partners to discuss the budget development process and the priorities for Metro's Waste Prevention and Environmental Services department. Input we received from these engagements was incorporated into the current budget proposal and fee setting approach. Metro Council has not yet adopted solid waste fees for fiscal year 2022-23, but is voting to do so on April 21, 2022. Below, we address the specific items you call attention to in your letter.

**Basis for projected disposal fee increases.** Your letter asks for additional information regarding the solid waste disposal fee increases. Specific drivers for disposal cost increases include fuel costs, employee wages, investment in less polluting equipment, contract costs for processing, disposal and transport and increased investments in regional programs including expansion of the Regional Illegal Dumping program. Metro staff provided additional detail on the rational and drivers for disposal fee increases in previous budget engagements and public meetings, but understand that Clackamas County staff was not able to attend every meeting. If Clackamas County staff would like an additional briefing with Metro staff to review these drivers in depth, please let me know.

**Enhanced engagement.** Your letter calls for additional engagement with cities, counties and elected officials. As noted above, Metro has hosted multiple forums to engage cities and counties in budget development and increase transparency in solid waste fee setting. Metro staff will soon begin the development of this process for next year based on feedback from a variety of stakeholders, including from you. Staff commit to answering questions in a timely manner.

**Regional revenue sharing.** Your letter requests greater predictability and proportionality in revenue-sharing for local governments. Metro has consistently provided funding to local government in a variety of ways. At Metro Council direction, staff developed a 5-year fee predictability model which will allow for greater predictability in local government revenue sharing year over year.

Metro will continue to provide funding to local governments for the Annual Waste Reduction Program which is the primary means for developing and implementing many of the actions in the 2030 Regional Waste Plan and statutory waste reduction requirements. The Annual Waste Reduction Program was established in 1990 through Metro Resolution to create a mechanism to provide predictable funding to local governments to help offset costs associated with the collaborative development and implementation of waste reduction and recycling programs, services, education and outreach as required by state law and regional service standards. This funding is distributed proportionally to jurisdictions based on population levels.

An evaluation of methods to allocate funds to local governments for the Annual Waste Reduction Program was conducted in 2021 to better align funding with implementation of the goals and actions in the 2030 Regional Waste Plan. Based on the results of the evaluation, Metro and local governments collaboratively identified and implemented changes to the funding distribution methods, providing flexibility for Metro and local governments to adapt to changing priorities and local considerations.

In addition to per-capita funding, additional funding has been provided throughout the years to support regional efforts and implementation of requirements. In FY 22-23, Metro staff has included \$2.7 million for distribution to local governments in the base budget. Metro staff has proposed an additional \$1.46 million in the FY 22-23 budget for local government support.

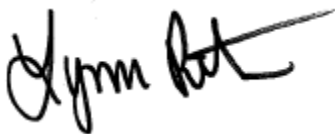
The increase proposed for FY22-23 includes the restoration of funding to support implementation of the business food scraps program to pre-COVID levels, funding

for the Master Recycler program as requested by local governments, increased cleanup services around the region, and funding to pilot bulky waste cleanup events. Metro also plans to work with local governments to develop implementation and distribution plans for the \$10 million allocated by the state to address regional cleanup.

**Proposed rate increase.** Metro is proposing a 7.1% percent fee increase for the total tip fee at Metro transfer stations for FY22-23 to maintain current service levels. The Metro Council directed staff to develop a fee proposal that smoothed fees over the next five years to provide certainty to ratepayers and local government partners. This approach sets a target of keeping annual fee increases between 7% and 8% over the next five years. The current inflation across the entire economy is a significant cost driver for the Waste Prevention and Environmental Services Department. Additional cost drivers include increases in labor expenses and fuel, and continued investments in important regional programs such as the Regional Illegal Dumping program, a new bulky waste collection pilot project and funding local government food scraps program implementation.

Thank you for sharing your questions and concerns with Metro Council. Please do not hesitate to reach out if you have further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Peterson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Metro Council President Lynn Peterson