



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Meeting minutes

Meeting: Solid Waste Fee and Tax Exemption Policy Evaluation Subcommittee
Date/time: Friday, May 5, 2017, 10 am to noon
Place: Metro, Council Chamber
Purpose: Common baseline understanding of solid waste system within the region and purpose and process for limited-term subcommittee work

Attendees

Terrell Garrett - Greenway Recycling
Dean Kampfer (alternate for Bill Carr) – Waste Management
Tim Collier – Metro
Brian Heiberg – Heiberg Garbage and Recycling
Mark Hope – Tire Disposal and Recycling
Rick Winterhalter – Clackamas County
Reba Crocker – City of Milwaukie
Dave Claugus – Pioneer Recycling Services
Vern Brown – Environmentally Conscious Recycling
Jennifer Martinez – Doctoral Student, Portland State University
Matt Cusma – Schintzer Steel
Koreen Lail – Siltronic Corporation
Audrey O’Brien – DEQ
Janice Thompson – Oregon Citizens’ Utility Board

Absent

Bill Carr – Waste Management

Presenters/Staff

Juri Freeman, RRS
Jamie Zawila (via telephone), RRS
Warren Johnson, Metro
Kevin Six, Metro

Audience

Available upon request.

Summary

Chair Collier welcomed members to the first meeting of the Solid Waste Fee and Tax Exemption Policy Evaluation Subcommittee (the “subcommittee”). He noted that the purpose of the subcommittee is to determine if Metro’s current solid waste fee and tax exemption policies are achieving the public benefits, goals, and objectives of the solid waste system. He explained that the role of the subcommittee is to advise the Solid Waste Alternatives Advisory Committee (SWAAC) which in turn advises the Metro Council.

Chair Collier laid out the ground rules for the subcommittee, explained how meetings will be scheduled, and where information for the group and public will be housed (www.oregonmetro.gov/wastefees). Subcommittee members, staff supporting the committee, and audience members introduced themselves.

Warren Johnson gave an overview of the region's solid waste system. Mr. Johnson explained that Metro's solid waste authority is derived from both state law and Metro's charter. He then provided an overview of the public benefits that are used as a lens for the region's solid waste system. In managing the region's solid waste system, Metro seeks to achieve the following benefits for the public:

- Protect people's health
- Protect the environment
- Get good value for the public's money
- Keep our commitment to the highest and best use of resources
- Be adaptive and responsive in managing materials
- Ensure services are available to all types of customers

Mr. Johnson provided background information on the formation of the subcommittee. He noted that Metro staff had previously initiated proposed changes to Metro's solid waste code (Title V) in 2015 which included changes to Metro's fee and tax exemption policies. At that time, industry stakeholders raised a number of concerns regarding the proposed changes and the process used to develop those changes. Many stakeholders expressed concerns about the lack of transparency in Metro's code adoption process and not having adequate opportunity to provide meaningful input. At the direction of the Metro Council, staff is now going through this process with the subcommittee.

From there, Mr. Johnson introduced a study entitled, *Evaluation of Disposal Trends for Environmental Clean-up and Beneficial Use Materials*, which was conducted by URS in 2006. The purpose of the that study was to evaluate how Metro assesses fees and taxes on useful and beneficial material and the issues related to management of those waste materials. That report laid out four recommended options for Metro to consider going forward:

- Keep status quo
- Clarify Code and reporting to improve tracking (no policy change)
- Establish only reduced-rate category with no exemptions
- Eliminate the reduced-rate and exemption policy

Metro subsequently implemented a pre-approval process and some reporting requirement changes, but did not make any changes to the exemption policies at that time. As the solid waste system has evolved since that study, the Metro Council has asked staff to revisit the study and see if there are new recommendations. Metro contracted with RRS to update the 2006 and evaluate Metro's fee and tax exemption policies to determine if improvements can be made to better achieve the public benefits. The RRS study will be available as a reference guide for subcommittee to use as it considers the topic over the next few months. The subcommittee will also have an opportunity to provide additional input on the report before it's completed in July, The subcommittee will review and provide input the draft background information for the report at this meeting and subsequently provide input on draft recommendations at the June meeting. The consultant's final report will be provided to Metro and shared with the subcommittee in July.

Jennifer Martinez requested information showing the DEQ's approval process for alternative daily cover. Mr. Johnson said that information would be provided to the subcommittee at an upcoming meeting.

Kevin Six then provided an overview of Metro's regional system fee and excise tax. Mr. Six explained how the fee and tax is established, what they are used for, and how they are assessed. In general, there are three categories of rates:

- Full rate,
- Reduced rate, and
- Exemption.

The fee and tax rate is assessed at time of disposal and it is generally determined by waste type or whether the materials is used or disposed.

Mark Hope requested information showing the gross receipts of Metro's solid waste fees and taxes and how those rates have changed over the years. Chair Collier said that information would be provided to the subcommittee at the next meeting.

Juri Freeman and Jamie Zawila, then presented the draft report that RRS prepared summarizing its study findings. Mr. Freeman reviewed the overall project goals, process by which they gathered information and then presented the draft research findings. The draft report did not include recommendations at the time of this meeting.

Mr. Freeman listed Metro's current fee and tax rate (through June 30, 2017), reviewed currently exempted materials, provided a brief overview of a regulatory timeline, and introduced an assessment structure for evaluating whether Metro's exemption policies are transparent, equitable and meet the public benefits. Mr. Freeman said that Metro's current code and exemption policies have challenges including the clarity of definitions, evolution of policy interpretation, determination of jurisdictional oversight and overlaps with DEQ policy/regulations, and finally the long term policy outcomes. Dave Claugus suggested that RRS should also consider how changes in fees and rate structures impact businesses. He said that the subcommittee would need to have that type of information to better understand how changes in policies would impact generators.

Mr. Freeman summarized the findings from his interviews with solid waste industry stakeholders. He explained that the report includes a summary of the interviews, but doesn't include propriety information. Ms. Zawila then explained her research of policies and practices in other jurisdictions and the findings from her interviews within government organizations within Oregon, Idaho, Washington and California. RRS conducted interviews with 10 state and local jurisdictions as part of its research.

Citizen Communications

- Jeff Murray, EFI – Asked for further explanation of Metro's charter limit on excise tax expenditures
- Eric Wentland, Greenway – Offered his opinion that the Metro region is too unique to be compared to other jurisdictions and municipalities for purposes of the fee and tax evaluation.

Decisions

None were made this meeting

Actions agreed upon

- Metro to provide the subcommittee with additional information on DEQ's alternative daily cover approval process at a future meeting.

- Metro to send out a doodle poll to schedule the next meeting.
- Metro to provide a 10-year history of gross receipts (3 tiers) of the fees and taxes received throughout the system.
- Metro to provide a summary of how its fees and taxes have changed over the years.
- RRS to update the state research slide (on its PowerPoint presentation slide deck) with corresponding dollar amounts.
- RRS to provide a summary of how similar the other jurisdictions are to Metro's disposal system.
- RRS will consider further explanation of proposed changes in Metro's policies will impact businesses.
- Stakeholders to provide feedback on draft report by end of day May 12th.

Upcoming Subcommittee Meeting: Tuesday June 27, 10 a.m. Metro Council Chamber