

**MARION COUNTY  
SOLID WASTE MANAGEMENT ADVISORY COUNCIL**

March 17, 2016

1:00-3:00 p.m.

Willamette Conference Room – Public Works

5155 Silverton Rd NE

Salem, Oregon

Members Present: Bob Anderson, Bill Brauer, Todd Irvine, Brian May, Darby Randklev, Judy Skinner, Bonnie Sullivan, and Brian Sund

Members Absent: Jeanne Collins, Joe Fowler, and Thomas Smith

Public Signed in: Will Posegate

Staff Present: Dennis Mansfield and Barb Young

BOC Liaison: Janet Carlson (unable to attend)

Motion: Bonnie Sullivan moved to approve the February 23, 2016 meeting minutes. Motion was seconded by Bob Anderson.

Discussion: Comments were made regarding three corrections and that the Council prefers summarized minutes.

Results: Minutes approved.

**ADMINISTRATIVE:**

- Chair Bill Brauer welcomed everyone and thanked them for coming to the alternative meeting so the Budget Subcommittee could provide comments and its recommendation.

**SOLID WASTE PROGRAM DISCUSSION TOPICS:**

Metro Hearing on Energy from Waste Usage

- Matt Marler indicated there is nothing new from last month. First meeting with Metro is at the end of the month; there is no agenda yet.
- This item will be on next month's agenda.

Budget Subcommittee Update and Recommendations

- Bob Anderson indicated the Budget Subcommittee met twice since the last SWMAC meeting. They looked at charts and other information and all indicates the county is behind the market for rates charged for collection and processing. The Subcommittee concluded the full Council should make a recommendation to the board that the rate adjustments be made as quickly as possible. A periodic review process should be in place and occur in February and August of each year.
- Dennis Mansfield provided a power point presentation showing:
  - The county has two active disposal sites, two active transfer stations, a scale house at the WTE Facility, and household hazardous waste facility that is contracted out.
  - Environmental Services has a community education program and other programs on recycling.
  - 1992 was the last time tip fees were raised. Since then there has been a decreased value of electricity and metal prices and rising expenses.
  - Electricity: power production has changed and no longer tied to coal - now to natural gas. Result is a 66% reduction in value of electricity to Marion County – a \$4 million reduction.

- Metal Prices: these dropped sharply in the last few years. Metal recover programs have seen significant reductions in revenue. July 2010 price was \$150/ton for ferrous metal, in January 2014 it was at \$200/ton, and at the end of 2014 it was at \$14.33/ton. Biggest driver is China not requesting as much metal.
- Revenue Sources: in 13/14 60% was in tip fees, 25% in electrical, 10% metal recovery, and 5% from franchise fees. In 15/16 it is projected to be 85% from tip fees, electrical is 9%, metal recover is 1%, and other is 5%. This shows how reliant the program is on tip fees.
- Expenses: For 15/16, 53% is the Covanta contract, 13% is transfer station contracts, 12% is Personnel at sites and programs ES runs, 5% leachate disposal, ash disposal is 6%, 1% is DEQ fees (significant increase set for July 1), and 10% is other (maintenance, supplies, advertising, etc.). Contracts have a CPI. In 06/07 the cost was \$6.5 million and it is now costing \$7.9 million. If the tip fee of \$67.45 in 1992 had a similar CPI it would now be \$120.09.
- Reducing expenditures: ES has suspended metal recovery programs, eliminated school coordinator and summer interns, cut advertising budget, and cut all but one waste reduction grant.
- Rates proposed for increase:
  - biggest increase to residential and commercial customers is curbside pickup, commercial pickup and industrial customers. The proposed increase is \$20 and to \$13/yard.
  - Transfer station proposed fee increase of \$20/ton, also. This will impact about 40% of customers. The other 60% stays within the minimum rate increase.
  - Appliances with Freon: from \$5.50 each to \$20 each and is what the county is getting charged by the contractor.
  - Asbestos, non-friable: current \$45/yard increase is proposed to \$75. Friable is currently \$75/yard but, operationally, there isn't much difference. The difference is in the packaging at the disposal site.
- Dennis explained "required reserves" is the amount the county must hold as mandated by DEQ to close each open cell and that maintenance costs are available for the next 30 years of the closed cells. The county is now at \$7 million in required reserves.
- Dennis will continue to monitor all revenues and expenditures along with the proposed semi-annual meeting of the Budget Subcommittee. He would alert SWMAC of any emergency. The tip fee increase helps buy time and allows the county to see what happens with the electrical and metal market, renegotiations in contracts, etc.
- The full Council will also review all of this information a minimum of twice a year and more frequently if needed. This includes looking forward with new technology and preparing for these changes, financially.
- Comment was made that out-of-county medical should stay at market rate and discussion followed on the need to continue to discuss and review rates and what programs to bring back when possible. Dennis added that 5,000 tons of blue bin medical waste is an additional revenue source of approximately \$1 million, shared with Covanta.
- A member asked about the subsidy for contractors? The Budget Subcommittee discovered all contractors with a CCB license can receive a discount. A reduction was given in the late 80's when the economy was "in the tank" and was supposed to sunset in 1994 but wasn't. Dennis added approximately 7400 tons/year come in under that rate but staff is unable to determine the amount of discount due to the minimum amount fee. Members agreed these can be dealt with later along with other rates when the group has more time to get into detail.
- Bonnie read Bob's summary: "After carefully considering several marketplace conditions, including electrical revenue and plummeting scrap metal prices and their effect on the collection and processing of waste in our county, the Budget Subcommittee has concluded the following: first, we believe that our full Council should recommend to the BOC that making rate adjustments in a few selected areas pertaining to waste best serves the needs of all stakeholders in our county. We have further concluded

a periodic review process specifically designed to reevaluate those adjustments should occur in February and in August of each following year. We believe that periodic reviews will better prepare everyone to deal with ongoing marketplace fluctuations that affect both the cost and the process of dealing with municipal solid waste.”

- Bill stated there was a motion to accept the Budget Subcommittee’s proposal for the tip fee increase and to provide this to the Board of Commissioners. Bob suggested the motion be tip fees and all associated other rate increases. Bill added the motion includes the bi-annual review of the finances by the full Council. Darby Randklev seconded the motion. The motion passed unanimously.
- Barb Young, Board’s Office, explained the process, typically, is the Chair and Subcommittee Chair would come to board session, along with Dennis and his power point presentation, and present the SWMAC recommendation. It will be during the public hearing on March 30<sup>th</sup>.

**FUTURE TOPICS / EMERGING ISSUES / OTHER BUSINESS:**

- Council member announcements - Judy Skinner won “Recycler of the Year” award at the Green Awards.
- Upcoming Events - AOR spring forum on the bottle bill, April 14<sup>th</sup>, Reed Opera House and April 23<sup>rd</sup> is Earth Day at Oregon Garden.
- Membership/Attendance - Thomas, Joe, and Jeanne were excused.
- Meeting Review - Members commented that Dennis’ power point presentation was outstanding and very helpful to the Council with its explanations and transparency. Barb Young added the Board is very appreciative of the time and efforts SWMAC has made on the fees.

**MEETING ADJOURNED at 3:00 p.m.**

If anyone would like to come to the office to listen to the recorded version of the minutes, please call 503-588-5169 to schedule a time.