

Q&A – Proposed 2012 Garbage/Recycling Rate Increase

What is the amount of the proposed increase?

- Redwood City is recommending a 7.81% increase in garbage/recycling collection rates.
- For the great majority of Redwood City households, which have the 32-gallon cart, this will be an additional \$1.93 per month/per cart (for those with 20-gallon carts the proposed increase is 81¢ per month/per cart).
- Corresponding increases would be effective for larger carts and for commercial service.
- It's important to note that other cities are also proposing rate increases, and with the City's deliberate, conservative fiscal management, we've been able to keep the proposed increase to a moderate level, and avoid the more significant increases being proposed in some cities.

What are rates based on?

- Rates charged to customers must reflect Recology's actual cost of providing service.
- Rates must take into account the contractually-agreed upon revenues – in other words, Recology is guaranteed a specified amount of revenue, which was agreed upon during negotiations for the franchise agreement. This is typical of the garbage collection industry.

Why is a rate increase proposed?

- **Recology's costs have been higher than originally anticipated**
 - This first year of Recology's service (and of providing new services such as single-stream recycling, collection of compostable food scraps, and full automation of the pickup service) has provided a more clear picture of actual costs, and they are higher than expected
 - Recology has increasing costs in their labor agreements, and in fuel.
 - A new Door to Door Household Hazardous Waste Collection service is proposed to begin in 2012, with a small increase in cost
- **Recology's revenues have been lower than originally anticipated**
 - During this first year, a higher-than-expected number of customers have switched to smaller garbage carts at a lower cost, which means less revenue
- As a result of the **higher costs and lower revenues**, an increase of 7.81% is proposed, comprised of:
 - 2.3% to cover anticipated cost increases for 2012
 - 2.9% to cover costs increases that occurred in 2011
 - 0.61% to cover proposed Household Hazardous Waste Collection service
 - 2.0% to cover anticipated revenue shortfall in 2012 due to cart-size reductions

What is the approval process, and how can I protest the proposal?

- Recology evaluates its actual costs and revenues, then makes a recommendation as to any changes in rates.
- That recommendation is reviewed by the South Bayside Waste Management Authority (SBWMA), which is the Joint Powers Authority made up of all the member cities and agencies, and then goes to all of the members' boards and councils for consideration of approval.
- All property owners must be notified and a public hearing must be held.
- **Redwood City's public hearing is scheduled for Monday, January 9, 2012, at 7 pm at City Hall, 1017 Middlefield Road.**
- If approved, the rate increase would be effective on January 10, 2012.
- If more than 50% of affected property owners submit a valid written protest of the proposed increase, then the increase cannot be approved.
- Written protests must be received by 5 pm, Monday January 9, 2012, and can be sent to Solid Waste Rates, City Clerk, City of Redwood City, 1017 Middlefield Road, Redwood City, CA 94063, or presented to the City Council prior to the close of the Public Hearing.

Can I pay less if I don't have much garbage to be collected?

- Providing garbage and recycling services is a community-wide benefit to which all residents contribute, through the garbage fees. If you're already using the smallest sized garbage cart (20-gallon) then you're paying the minimal amount possible. We are not able to reduce the cost based on garbage levels below the 20-gallon cart.

A note on water and sewer rates:

- In the interest of keeping community members fully informed, it's important to note that in early 2012 the City will be proposing increases in water and sewer rates, due to continually escalating costs in those services. We know that these increases are a challenge for many residents; the City continues to work to keep necessary increases at a moderate level.