



STAFF REPORT

To the Honorable Mayor and City Council
From the City Manager

DATE: January 28, 2019

SUBJECT

Adopt 2019 Solid Waste Rates for Regular and Unscheduled Services Provided by Recology San Mateo County

RECOMMENDATION

Hold a Public Hearing and Adopt a Resolution Establishing 2019 Solid Waste Collection Rates for Regular and Unscheduled Services Provided by Recology San Mateo County.

STRATEGIC INITIATIVE

Government Operations

BACKGROUND

The City Council annually sets rates for solid waste collection. Solid waste services, which include garbage, recycling, organics collection, disposal, and processing, are provided by Recology San Mateo County (Recology) through a franchise agreement with the City.

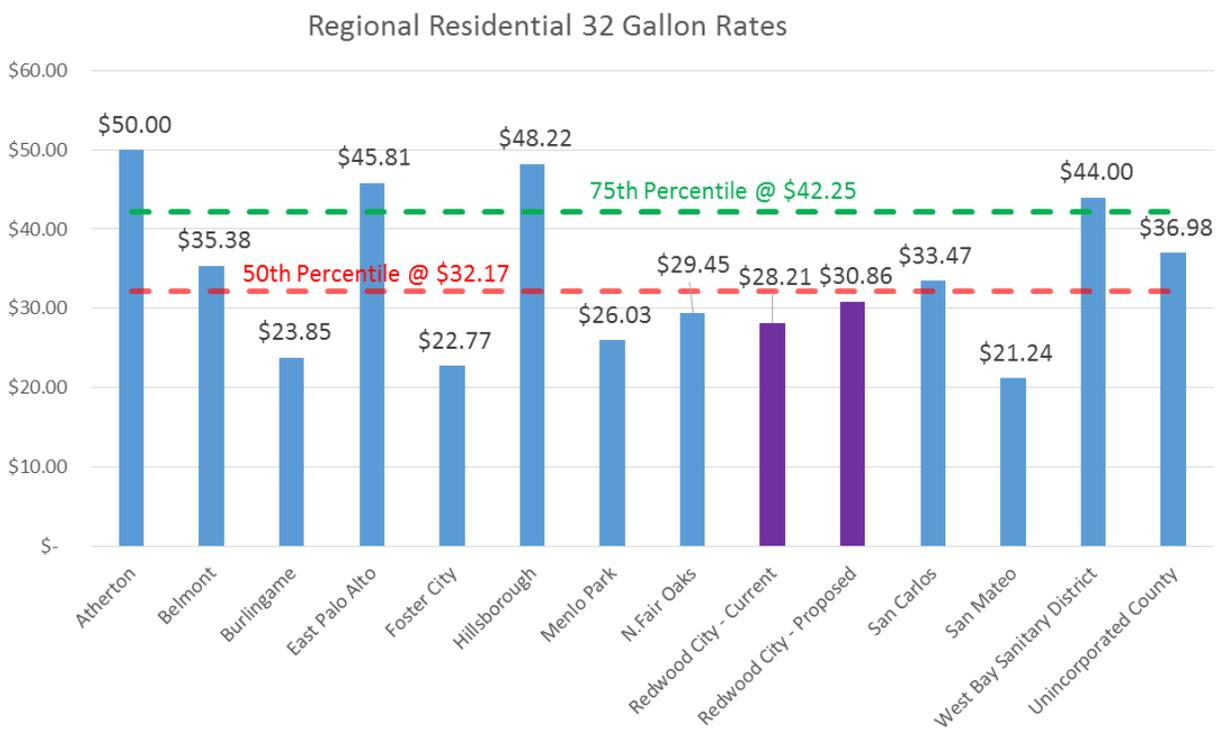
The City is one of twelve member agencies of the Joint Powers Authority, South Bayside Waste Management Authority (SBWMA). SBWMA provides oversight, support and management of solid waste collection services for the member agencies and annually reviews and audits Recology's Compensation Application. The Compensation Application outlines costs for solid waste and agency services for the year. Once the application is approved by SBWMA, it becomes the basis for setting solid waste collection rates for the member agencies.

For 2019, Recology's approved application requires a minimum 9.4% increase for regular, scheduled solid waste services and a 2.07% increase for unscheduled solid waste services to meet revenue requirements for Redwood City. Regular, scheduled solid waste services refer to the basic collection of residential and

commercial solid waste and recyclable materials, such as weekly collection. Unscheduled services include miscellaneous services that are above and beyond routine garbage collection, such as backyard collection, key service, or additional carts. Staff recommends the minimum 9.4% increase in rates for regular, scheduled solid waste services and 2.07% increase in rates for unscheduled solid waste services, as found in the SBWMA-approved application.

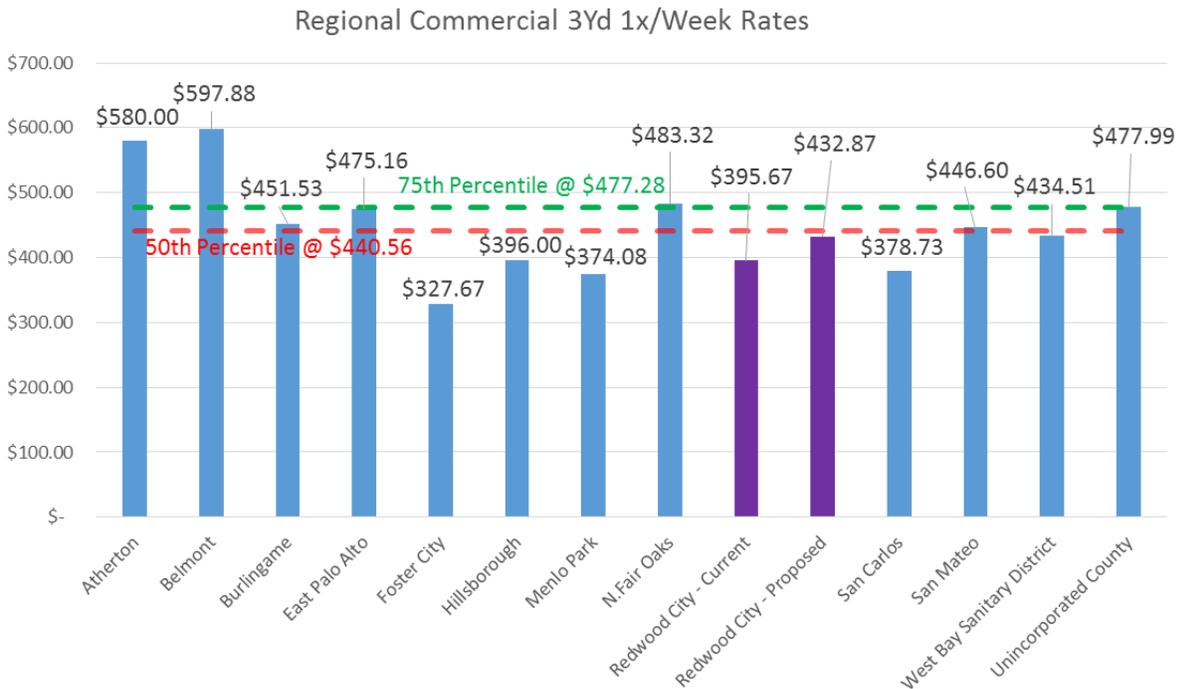
The 9.4% proposed adjustment will be just the second adjustment to regular solid waste rates since 2013. Figures 1 and 2 below chart Redwood City’s current and proposed rates against those of other Bay Area agencies. Even with the proposed increases, Redwood City’s rates will remain less than the average for the region. For a residential customer with a 32-gallon cart service, the most popular service level, the increase amounts to less than three dollars per month. Staff presented this recommendation to the City Council’s Utilities Subcommittee at their November 19, 2018 meeting.

Figure 1: Comparison of 2018 Residential Solid Waste Rates, based on 32-Gallon Cart



*East Palo Alto requires minimum 96-gallon residential service

Figure 2: Comparison of 2018 Commercial Solid Waste Rates, based on 3-Yard Subscription Level



ANALYSIS

In consideration of the proposed solid waste rate increases, staff initiated the following public notification activities:

- Mailed notices to solid waste rate customers pursuant to Article XIII D Section 6 of the California Constitution (Proposition 218) informing them about the proposed rate increase and the public hearing.
- Posted solid waste rate information on the City’s website.
- Published a public hearing notice in the local newspaper.
- Held two community outreach events that provided an in-depth overview of the proposed rates.

To date, the City has received two letters protesting the solid waste rate increases.

FISCAL IMPACT

In accordance with the City’s Franchise Agreement with Recology San Mateo County, the City does not pay for solid waste and recyclable material collection services from the General Fund. Rate payers pay for the cost of these services. This practice is consistent for all SBWMA member agencies.

ENVIRONMENTAL REVIEW

This activity is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

PUBLIC NOTICE

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

ALTERNATIVES

Pursuant to Proposition 218, the City will receive protests from current property owners and rate-paying customers on record. If protests are received from a majority of record owners or rate-paying customers, then the City will not adopt the increased rates. One written protest per parcel is counted in calculating a majority protest. The City Council can reject or revise the recommended rate increases even if a majority protest is not received.

The City Council may elect to not approve the proposed increase, but in doing so may create the need for the City to use the General Fund to subsidize payments for solid waste collection in order to comply with the terms of the Franchise Agreement with Recology. The City Council may direct staff to delay the proposed increase and follow an alternative rate implementation schedule. However, a delay would most likely result in a greater increase than those currently proposed in order to cover the revenue losses that will be owed under the Franchise Agreement.

ATTACHMENTS

Attachment A: Resolution Establishing 2019 Solid Waste Collection Rates

Attachment B: Public Notice on Proposed Solid Waste Rate Increases

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