



Item No. 13 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: NOVEMBER 18, 2020

**SUBJECT: SECOND READING AND ADOPTION OF ORDINANCE OF THE CITY
COUNCIL OF THE TOWN OF ATHERTON TO INCREASE
REFUSE RESIDENTIAL, COMMERCIAL, AND GREEN WASTE
RATES IN THE TOWN OF ATHERTON**

RECOMMENDATION

Waive further reading and adopt ordinance increasing residential, commercial, and green waste rates in the Town of Atherton.

BACKGROUND

The Refuse Subcommittee met to discuss the refuse rate setting process and the following items were recommended based on current compensation requirements:

- Increase of Refuse Residential, Commercial, and Green Waste rates

The City Council sets local collection rates based on the revenue requirements for contractor compensation set by the SBWMA Board of Directors. The rates are reviewed every year in order to ensure the total revenue requirement meets the total yearly cost of service, including disposal and processing costs, agency fees, and any surplus/shortfalls owed to/from Recology/or *other service providers*. Adjustments in the refuse rates are required under the current franchise agreement with Recology and are not resultant from the change in franchisee to Greenwaste Recovery. The Subcommittee's recommendation is that all rates within the refuse collection program be adjusted.

The Town conducted a public hearing and introduced the attached ordinance at the regular Council Meeting on October 21, 2020. The respective fixed cart rates for the residential refuse garbage container, which includes no additional charge for recycled materials are set to increase. Based on

the present rate structure, the following is the calculation for the Garbage cart rates and are reflected in the attached ordinance.

Garbage Carts

Based on the present rate structures, the following is the calculation for Residential Garbage Cart Rates:

Cart Size	Current Rate	Proposed New Rate
20 Gallon	\$25	\$28
32 Gallon	\$50	\$54
64 Gallon	\$93	\$98
96 Gallon	\$138	\$141

There is a minimum \$25 monthly flat fee on residential properties regardless of collections size for recycling, organics, waste for a property that uses the services or not (due to vacations/sale of a house/construction etc.). The current rate structure includes a fixed rate for each gallon of refuse, with no additional charge for recycled materials or green waste collection. The proposed new rates would look as follows:

Cart Size	Flat Fee	PLUS Standard Cart rate	Total Current/NEW Rate
20 Gallon	\$25	\$3	\$28
32 Gallon	\$25	\$29	\$54
64 Gallon	\$25	\$73	\$98
96 Gallon	\$25	\$116	\$141

Green Carts

The Subcommittee recommended adjusting the green waste cart rates to continue to move closer to cost alignment for collection. The current rate structure includes a fixed rate for each gallon of refuse, with no additional charge for recycled materials or green waste collection. *The rate structure allows a resident to obtain additional green carts.* Based on the present rate structure, the following is the calculation for the new Green Waste rates and are reflected in the ordinance:

# of Carts	Current Rate	New Rate
Carts 3 and 4	\$20 each	\$24 each
Carts 5 and above	\$25 each	\$30 each

The only residents that will be affected by Green Cart increases are those that have more than 2 Green Carts.

Commercial Rates

The Subcommittee recommended adjusting the commercial rates to account for the increase cost in tipping fees per ton. The proposed increase is 20% to commercial and organic bin rates. These adjustments are reflected in the attached ordinance.

Based on the present rate structures, the following is the calculation for Commercial and Organic Rates:

Refuse Commercial Bins	Current Rate	Proposed New Rate	Current Organic Rates	Proposed New Organic Rates
1-96 Yard	\$152	\$182	\$129	\$155
1-1 Yard	\$275	\$330	\$234	\$281
1-2 Yard	\$425	\$510	\$361	\$433
1-3 Yard	\$580	\$696	\$493	\$592
1-4 Yard	\$730	\$876	\$621	\$745
1-6 Yard	\$880	\$1,056	\$748	\$898
1-8 Yard	\$1,160	\$1,392	\$1,160	\$1,392

Attached is an Ordinance adjusting the above-mentioned collection rates for refuse service, green waste and commercial.

POLICY FOCUS

The setting of refuse collection rates is a matter of policy discussion for the City Council. Establishing rates that reflect full cost recovery is consistent with Proposition 218.

FISCAL IMPACT

If the number of refuse carts remain the same, the proposed rates increase the revenue per month to the respective carts by \$9,278. Assuming a static number of carts, the recommended fee change per green waste cart use includes an *increase* of \$8,460 per month. Waste diversion is a bigger priority and as the cost for diversion increases, it is important to ensure the commercial rates are set accordingly. Of the 10 commercial accounts, 9 have organic bins. The increase of the commercial rates (non-organic) would amount to \$1,714 more per month. The organics bin use would amount to \$891 more per month. With the total recommended fee changes the total fiscal impact is an increase of \$20,343 per month.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also

disseminated via the Town’s electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town’s electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire Protection District, service provides (water, power, and sewer), and regional elected officials.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ___ has or ___ X has not been before a Town Committee or Commission.

- ___ Audit/Finance Committee (meets every other month)
- ___ Bicycle/Pedestrian Committee (meets as needed)
- ___ Civic Center Advisory Committee (meets as needed)
- ___ Environmental Programs Committee (meets every other month)
- ___ Park and Recreation Committee (meets each month)
- ___ Planning Commission (meets each month)
- ___ Rail Committee (meets every other month)
- ___ Transportation Committee (meets every other month)
- ___ Tree Committee (meets each month)

ATTACHMENTS

Ordinance

ORDINANCE XXX

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON AMENDING THE RATES SET FORTH IN ORDINANCE 633 TO INCREASE THE REFUSE RESIDENTIAL, COMMERCIAL, AND GREEN WASTE CART RATES

WHEREAS, the Town of Atherton ("Town") has provided a franchise to Recology San Mateo County ("Franchisee") allowing for and governing the collection of refuse, recyclable material and plant material within the Town of Atherton's limits; and

WHEREAS, pursuant to the Uniform Franchise Agreement for Collection Services ("Solid Waste/Recycling Collection Agreement") between Franchisee and the Town, the Town is required to adopt solid waste/recycling collection rates that produce revenues sufficient to provide payment to Franchisee in accordance with the amount due under the Solid Waste/Recycling Collection Agreement; and

WHEREAS, the Town has reviewed and approved rates on June 20, 2018 by Ordinance 633, that Franchisee may charge for these solid waste/recycling collection services; and

WHEREAS, the City Council directed staff to prepare an adjustment to refuse residential, commercial, and green waste cart collection rates above the standard residential pick up service to reflect a cost model closer to full cost recovery; and

WHEREAS, the Town has posted a public hearing notice of the proposed rate increases, including the date, time and location of a public hearing not less than 45 days before said public hearing; and

WHEREAS, the Town held the duly noticed public hearing and considered any and all comments;

NOW, THEREFORE, THE CITY COUNCIL OF THE TOWN OF ATHERTON DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. In accordance with Article XIII D, Section 6(b), of the California Constitution, the City Council makes the following findings:

- A. The revenues derived from the increased green waste collection rates, do not exceed the funds required to provide refuse services pursuant to the Solid Waste/Recycling Collection Agreement.
- B. The revenues derived from the increase in residential garbage collection rates, do not exceed the funds required to provide refuse services pursuant to the Solid Waste/Recycling Collection Agreement.
- C. The revenues derived from the increase in commercial garbage/organic collection rates will not be used for any other purpose other than pursuant to Solid Waste/Recycling Collection Agreement.
- D. Review of cost model fairness to move closer to full cost recovery.
- E. The solid waste/recycling collection services are presently available.

SECTION 2. Beginning on the effective date of this Ordinance, the refuse garbage, commercial refuse/organic bins, and the green waste cart collection rates above the standard residential pick up service are amended as listed below.

Residential Rates:

Refuse Garbage Container	Rates
20 gallon	\$28
32 gallon	\$54
64 gallon	\$98
96 gallon	\$141

Minimum Monthly Flat Fee:

Cart Size	Minimum Monthly Flat Fee	PLUS Standard Cart rate	Total Current Rate
20 Gallon	\$25	\$3	\$28
32 Gallon	\$25	\$29	\$54
64 Gallon	\$25	\$73	\$98
96 Gallon	\$25	\$116	\$141

Commercial Rates:

Refuse Commercial Bins	Current Rate	Current Organic Rates
1-96 Gallon	\$182	\$155
1-1 Yard	\$330	\$281
1-2 Yard	\$510	\$433
1-3 Yard	\$696	\$592
1-4 Yard	\$876	\$745
1-6 Yard	\$1,056	\$898
1-8 Yard	\$1,392	\$1,392

Green Waste carts:

Unscheduled Service Category	Cost	Description of Cost
Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase (in addition to the two Organic Material carts and one Recyclable Materials cart)	A – \$24.00 each for 1 or 2 additional cans \$30.00 each for 3 or more additional cans B - \$3.00 C – \$63.00 D – \$69.00	A – monthly rental fee (any size Cart) for Organic Materials Carts B – monthly rental fee (any size Cart) for Targeted Recyclable Materials Carts C – Customer purchase of a 64 gallon Cart D – Customer purchase of a 96 gallon Cart

**OTHER SERVICES
COST SCHEDULE**

Backyard Collection Service Distance Costs for Single-Family Dwellings				
	One (1) Solid Waste Cart	Two (2) Solid Waste Carts	Three (3) Solid Waste Carts	Four (4) Solid Waste Carts
Distance from Curbside	Base monthly Solid Waste Rate plus			
0-100 feet	\$21.00	\$31.72	\$60.44	\$89.16
101-150 feet	\$24.00	\$34.72	\$63.44	\$92.16
151 – 200 feet	\$27.00	\$37.72	\$66.44	\$95.16
201 – 250 feet	\$30.00	\$40.72	\$69.44	\$98.16
251 – 300 feet	\$33.00	\$43.72	\$72.44	\$101.16
301 feet or more	\$36.00	\$46.72	\$75.44	\$104.16

Unscheduled Service Category	Cost	Description of Cost
Distance Charge for Commercial Accounts	A – 10% of base monthly Rate B – 25% of base monthly Rate	A – 51 to 100 feet from access by Contractor's collection vehicle B – 101 feet or more from access by Contractor's collection vehicle

Unscheduled Service Category	Cost	Description of Cost
Extra Pick-up Cost for Commercial Customers	25% of the base monthly Rate for the size of Container Collected once per week	Per Collection event
Single-Family Return Trip Cost (i.e., request to provide Collection service after the regularly scheduled Collection day)	\$15.00	Per Collection event
Fee for Service On-Call Bulky Item Collection Service	\$81.55 per the 3 rd occurrence Residents receive first 2 for free	Per event (after the 2 nd event)
Overage Fee	100% of the base monthly Rate	Per Collection event
Overage Bags Cost	50% of the base monthly Rate or \$8.00 minimum	Per bag
Container Cleaning Fee	A – \$50.00 B – \$85.00	A – per Cart B – per Bin or Drop-Box
Dirty Cart Replacement Cost	A – \$65.00 B – \$75.00 C – \$85.00	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart

SECTION 3. The City Council hereby declares that it would have passed this Ordinance, sentence by sentence, paragraph by paragraph, and section by section, and does hereby declare that any provisions in this Ordinance are severable and, if for any reason any sentence, paragraph or section of this Ordinance shall be held invalid, such decision shall not affect the validity of the remaining parts of this Ordinance.

SECTION 4. This Ordinance was approved by a 2/3 vote of the City Council pursuant to Health & Safety Code section 5471.

SECTION 5. This Ordinance shall take effect thirty (30) days after adoption as provided by Government Code section 36937.

SECTION 6. This Ordinance shall be published once fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Government Code section 36933.

* * * * *

Introduced at a regular meeting of the City Council held on October 21, 2020, and passed and adopted by the City Council of the Town of Atherton on the 18th day of November, 2020 by the following roll call vote, to wit:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

Rick DeGolia, Mayor
Town of Atherton

ATTEST:

Anthony Suber
City Clerk

APPROVED AS TO FORM:

Mona Ebrahimi
City Attorney