



CONSENT CALENDAR

Agenda Item # 4

AGENDA REPORT SUMMARY

Meeting Date: May 28, 2019

Subject: Resolution No. 2019-12: Solid Waste Rate Adjustment

Prepared by: Aida Fairman, Interim Engineering Services Director

Approved by: Chris Jordan, City Manager

Attachment(s):

1. Resolution No. 2019-12

Initiated by:

Staff; Solid Waste Franchise Agreement

Previous Council Consideration:

June 12, 2018

Fiscal Impact:

A 3.9629% increase in rates charged for service affects all rate payers, including the City.

Environmental Review:

Statutorily Exempt – CEQA Section 15273(a)

Policy Question(s) for Council Consideration:

None

Summary:

- The City of Los Altos Municipal Code Section 6.12.020 - Charge for solid waste collection service states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the City and its franchised hauler”
- The Franchise Agreement with Mission Trail Waste Systems (MTWS) provides for periodic rate adjustments based on the Consumer Price Index
- The calculated increase that will be applied to the existing Solid Waste Collection rates is 3.9629%

Staff Recommendation:

Adopt Resolution No. 2019-12, authorizing the increase of Solid Waste Collection Rates by 3.9629% effective July 1, 2019

Reviewed By:

City Manager

CJ

City Attorney

CD

Finance Director

SE



Subject: Resolution No. 2019-12: Solid Waste Rate Adjustment

Purpose

Adopt Resolution No. 2019-12, authorizing the increase of Solid Waste Collection Rates by 3.9629% effective July 1, 2019

Background

The City of Los Altos Municipal Code Section 6.12.020 - Charge for solid waste collection service states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the City and its franchised hauler.” The Franchise Agreement with Mission Trail Waste Systems (MTWS) provides for periodic rate adjustments based on the Consumer Price Index, and establishes that the next adjustment would apply to service beginning July 1, 2019.

MTWS provided a revised rate schedule to the City for review on April 3, 2019 as described in the Franchise Agreement. The Franchise Agreement provides that MTWS shall charge service recipients an amount not to exceed the Maximum Service Rates set by City Resolution as may be adjusted under the terms of the Agreement.

Discussion/Analysis

The method of computing the price adjustment using the Consumer Price Index (CPI) is provided in the Franchise Agreement as follows:

Subsequent Adjustments: Using one-hundred percent (100%) of the twelve (12) month average percentage change in the CPI between February of the prior year and February of the current year.

The Franchise Agreement defines CPI as the index published by the U.S. Department of Labor, Bureau of Labor Statistics, Series Id: CCUA422SAO, Not Seasonally Adjusted, All Items, All Urban Consumers (CPI-U) for San Francisco-Oakland-San Jose, California. The calculated increase that will be applied to the existing Solid Waste Collection rates is 3.9629%. Attachment 1 shows a complete schedule of the maximum rates for adoption by Council Resolution.

Options

- 1) Adopt Resolution No. 2019-12, authorizing the increase of Solid Waste Collection Rates by 3.9629% effective July 1, 2019

Advantages: The rate increase is in accordance with the Solid Waste Franchise Agreement

Disadvantages: None



Subject: Resolution No. 2019-12: Solid Waste Rate Adjustment

- 2) Do not adopt Resolution No. 2019-12, authorizing the increase of Solid Waste Collection Rates by 3.9629% effective July 1, 2019

Advantages: None

Disadvantages: The rates will not be adjusted as agreed upon in the Solid Waste Franchise Agreement

Recommendation

The staff recommends Option 1.

RESOLUTION NO. 2019-12

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
AUTHORIZING THE INCREASE OF SOLID WASTE COLLECTION RATES
BY 3.9629% EFFECTIVE JULY 1, 2019**

WHEREAS, the City of Los Altos Municipal Code Section 6.12.020 (Charge for solid waste collection service) states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the City and its franchised hauler.”; and

WHEREAS, the agreement between the City of Los Altos and Mission Trail Waste Systems (MTWS) provides for periodic rate adjustments based on Consumer Price Index (CPI); and

WHEREAS, the City Council has determined that the appropriate increase to be effective July 1, 2019 is 3.9629%.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Los Altos hereby authorizes the attached rate schedule to be applied to solid waste collection services within the service area provided in the City’s Franchise Agreement with Mission Trail Waste Systems.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 28th day of May 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lynette Lee Eng, MAYOR

Attest:

Jon Maginot, CMC, CITY CLERK

City of Los Altos 2019-20 Rate Adjustment Calculation

Exhibit 1a Maximum Service Rates – SFD Services Effective July 1, 2019					
A. CURBSIDE COLLECTION SERVICE					
	Garbage Cart Sizes (gallons)	20	32	64	96
1	MONTHLY CURBSIDE RATE	\$32.21	\$34.69	\$69.37	\$104.07
2	Additional Curbside Garbage Cart – (added to Line A2)	\$32.21	\$34.69	\$69.37	\$104.07
B. ON-PREMISE COLLECTION SERVICE					
1	MONTHLY ON-PREMISE RATE (5 – 100 ft)	\$44.24	\$46.71	\$81.39	\$116.09
2	Additional On-Premise Garbage Cart – (added to Line B2)	\$44.24	\$46.71	\$81.39	\$116.09
3	Additional Walk-in Distance – Each 100 feet (add to line B1 or B2)	\$12.32	\$12.32	\$12.32	\$12.32
C. ADDITIONAL BULKY WASTE COLLECTION					
1	Additional On-Call Bulky Waste Collection (Individual Large Items)	\$20.03	Each additional large item (over 3 Large Items per Bulky Waste Collection)		
3	Additional On-Call Bulky Waste Collection (Loose)	\$30.84	Per cubic yard/occurrence (over 2 Bulky Waste Collections per Agreement Year)		
2	Collection of Large Items Containing Freon	\$61.69	Each item/each occurrence		
D. ADDITIONAL CART EXCHANGE OR REPLACEMENT					
1	Additional Garbage Cart Exchange	\$30.63	Each occurrence		
E. ON- CALL HHW COLLECTION					
1	On-Call HHW Collection	\$30.63	Each occurrence		
F. DISPOSAL COST PER TON COST					
	Disposal Facility Charge Per Ton	City Contract Rate	Newby Island Sanitary Landfill		

City of Los Altos 2018-19 Rate Adjustment Calculation

Exhibit 1b						
Maximum Service Rates – Commercial and MFD Services						
Effective July 1, 2019						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
32 Gallon	\$34.69	\$69.37	\$104.06	\$138.73	\$173.43	\$208.10
64 Gallon	\$69.37	\$138.75	\$208.12	\$277.53	\$346.88	\$416.27
96 Gallon	\$104.07	\$208.11	\$312.18	\$416.25	\$520.32	\$624.34
1 CY BIN	\$136.10	\$272.23	\$408.32	\$544.43	\$680.53	\$816.62
2 CY BIN	\$272.23	\$544.43	\$816.63	\$1,088.84	\$1,361.06	\$1,633.27
3 CY BIN	\$408.31	\$816.62	\$1,224.96	\$1,633.28	\$2,041.59	\$2,449.90
4 CY BIN	\$544.43	\$1,088.84	\$1,633.28	\$2,177.67	\$2,722.13	\$3,266.57
6 CY BIN	\$816.62	\$1,633.28	\$2,449.90	\$3,266.54	\$4,083.18	\$4,899.81
Bin Push Rates (rate multiplied by collection frequency)		0 - 25 feet	\$25.63 per month for each 25 feet increment over the first 25 feet			
		No Charge				
Disposal Charge Per Ton			City Contract Rate	Newby Island Sanitary Landfill		
Organic Waste Processing Charge Per Ton			City Contract Rate	Zanker Road Processing Facility		
Organic Waste Processing Charge Per Ton			MTWS Contract Rate	Newby Island Processing Facility, (must be approved by CITY)		
Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton			City Contract Rate	Newby Island Processing Facility		
On-Call Bulky Waste Collection (Loose)			\$30.84	Per cubic yard/occurrence		
On-Call Bulky Waste Collection (Individual Large Items)			\$20.03	Each item/each occurrence		
On-Call Bulky Waste – Large Items Containing Freon			\$61.69	Each item/each occurrence		
Charge for Opening Locked Gate			\$30.84	Per month		
Charge for CONTRACTOR supplied lock			\$30.84	Each lock		
Charge for installing lock bar			\$215.90	Each locking bar		
Charge for special bin delivery			\$92.54	Each special bin		
Charge for extra bin service same day			\$92.54	Each occurrence		
Extra Bin Cleaning			\$91.90	Each occurrence		
Additional Garbage Bin Exchange			\$30.84	Each occurrence		
Additional Bin Garbage Replacement			\$92.54	Each occurrence		
Charge for collecting manure			95% of Garbage rate			
Charge for extra day bin service on regular collection day			1/3 of Monthly Rate			
Charge for extra bin service not on regular collection day			1/2 of Monthly Rate			

City of Los Altos 2018-19 Rate Adjustment Calculation

Exhibit 1c					
Maximum Service Rates – SFD, MFD and Commercial Debris Box Services					
Effective July 1, 2019					
10 CY Debris Box	\$662.34	Per Pull		10 CY Compactor	\$752.25 Per Pull
15 CY Debris Box	\$662.34	Per pull		15 CY Compactor	\$752.25 Per Pull
20 CY Debris Box	\$752.25	Per pull		20 CY Compactor	\$758.31 Per Pull
30 CY Debris Box	\$758.31	Per pull		30 CY Compactor	\$758.31 Per Pull
40 CY Debris Box	\$758.31	Per pull		40 CY Compactor	\$758.31 Per Pull
Disposal Charge Per Ton		City Contract Rate	Newby Island Sanitary Landfill		
Organic Waste Processing Charge Per Ton		City Contract Rate	Zanker Road Processing Facility		
Organic Waste Processing Charge Per Ton		MTWS Contract Rate	Newby Island Processing Facility, (must be approved by CITY)		
Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton		City Contract Rate	Newby Island Processing Facility		
Demurrage Per Charge (not dumped every 7 days)				\$148.08	Per week
Per hour Stand-by Charge (box not ready to be pulled)				\$123.39	Per hour
Saturday Service				\$185.07	Per Pull
Charge for Opening Locked Gate				\$30.86	Per month
Notes:					
<p>All 10, 20, 30, 40 CY debris boxes and compactors are pull rates only; disposal or processing will be based on actual disposal processing and the Franchise Fee will be 15% of the gross receipts per box (including collection, processing or disposal). The total customer rate will be the total cost for the collection, processing or disposal and the franchise fee.</p>					

City of Los Altos 2018-19 Rate Adjustment Calculation

Exhibit 1d Maximum Service Rates – City Services Effective July 1, 2019						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
32 Gallon	\$29.48	\$58.97	\$88.44	\$117.91	\$147.41	\$176.88
64 Gallon	\$58.98	\$117.94	\$176.92	\$235.89	\$294.85	\$353.82
96 Gallon	\$88.46	\$176.90	\$265.38	\$353.81	\$442.27	\$530.70
1 CY BIN	\$115.69	\$231.38	\$347.08	\$462.76	\$578.43	\$694.12
2 CY BIN	\$231.38	\$462.76	\$694.12	\$925.51	\$1,156.91	\$1,388.28
3 CY BIN	\$347.08	\$694.12	\$1,041.22	\$1,388.28	\$1,735.35	\$2,082.42
4 CY BIN	\$462.76	\$925.51	\$1,388.28	\$1,851.05	\$2,313.81	\$2,776.54
6 CY BIN	\$694.12	\$1,388.28	\$2,082.42	\$2,776.54	\$3,470.71	\$4,164.85
10 CY Debris Box	\$562.99	Per Pull		10 CY Compactor	\$639.39	Per Pull
15 CY Debris Box	\$562.99	Per pull		15 CY Compactor	\$639.39	Per Pull
20 CY Debris Box	\$639.39	Per pull		20 CY Compactor	\$644.57	Per Pull
30 CY Debris Box	\$644.57	Per pull		30 CY Compactor	\$644.57	Per Pull
40 CY Debris Box	\$644.57	Per pull		40 CY Compactor	\$644.57	Per Pull
Public Containers Collection (as included in Exhibit 2)	\$7,022.51 per month \$84,270.02 per 12 months		7 days/week			
Green Waste Drop-off	\$37.01 per ton		MTWS transfer facility in Santa Clara			
Disposal Charge Per Ton	City Contract Rate		Newby Island Sanitary Landfill			
Organic Waste Processing Charge Per Ton	City Contract Rate		Zanker Road Processing Facility			
Organic Waste Processing Charge Per Ton	MTWS Contract Rate		Newby Island Processing Facility, (must be approved by CITY)			
Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton	City Contract Rate		Newby Island Processing Facility			
Notes:						
All 10, 20, 30, 40 CY debris boxes and compactors are pull rates only; disposal or processing will be based on actual disposal processing and the Franchise Fee will be 15% of the gross receipts per box (including collection, processing or disposal). The total customer rate will be the total cost for the collection, processing or disposal and the franchise fee.						

City of Los Altos 2018-19 Rate Adjustment Calculation

Exhibit 1e	
Maximum Service Rates – Emergency Service Rates - Employees	
Effective July 1, 2019	
Labor Position	Hourly Rate
As needed	\$92.54

Exhibit 1f		
Maximum Service Rates – Emergency Service Rates - Equipment		
Effective July 1, 2017		
Labor Position or Equipment Type	Make & Model	Hourly Rate
Truck and One person	As needed	\$215.90