



COUNCIL AGENDA REPORT

COUNCIL MEETING

Date: March 8, 2010

CITY COUNCIL

Anthony Cannella, Mayor
Bret Durossette Ken Lane
Guillermo Ochoa Chris Vierra

Report Preparation Date: 03/01/10

TO: Mayor and City Council

FROM: Glenn Gebhardt, Interim Development Services Director/City Engineer

SUBJECT: Set Public Hearing for March 22, 2010, for the adoption of a solid waste rate increase for community clean-up events and disposal of street sweeping debris, and to establish recycling rates for large recycling bins, and cleaning rates for large bins.

CONTACT: Kay Dunkel, Administrative Analyst, kay.dunkel@ci.ceres.ca.us, 538-5790

RECOMMENDED COUNCIL ACTION:

Set a Public Hearing for March 22, 2010, for the adoption of a solid waste rate increase for community clean-up events and disposal of street sweeping debris, and to establish recycling rates for large recycling bins, and cleaning rates for large bins.

I. BACKGROUND:

A public hearing is required prior to increasing existing and establishing new solid waste rates.

Staff presented information on a new solid waste contract and potential program changes to the City Council during a Study Session on February 22, 2010. Staff is now requesting that Council set a public hearing for adoption of the revised solid waste rates.

This includes the following:

- A. Increasing solid waste rates to cover the cost of community clean-up debris and street sweeping debris
- B. Establish Rates for Large Recycling Bins
- C. Establish Rates for Garbage Bin Cleaning

Regarding Item "A", the rate increase will spread the costs of community clean-ups to the rate payers, as everyone benefits from the clean-ups. The costs specifically involve providing large bins and the disposal of the debris from the clean-ups. This increase will also spread the costs of disposing of street sweeping debris to all of the solid waste rate payers, as everyone benefits from having cleaner streets.

The waste collected in both the clean-ups and street sweeping are classified as garbage. The cost of these two items is estimated at \$40,000 per year. This is the cost that will be recovered with a rate increase.

Staff is proposing a Ceres solid waste rate increase of approximately 1% to cover the costs. The rate for 90 gallon commercial and residential wastewheelers would increase by \$.17 per month, from \$19.32 to \$19.49. The rate for 60 gallon commercial and residential wastewheelers would increase by \$.11 per month, from \$15.22 to \$15.33. The rate for 60 gallon wastewheelers at mobile home parks would increase by \$.11 per month, from \$11.82 to \$11.93 per month. The rate per cubic yard would increase by \$.50 per month. That means the rate for a one yard bin collected once a week would go from \$40.55 to \$41.05 per month.

Item “B” establishes new monthly recycling rates for large recycling bins. This new rate is in response to a request from the community to be allowed larger recycling containers, and would apply to commercial, industrial, and large multifamily units that want large bins instead of blue recycling totes. (The collection of recycling from the blue recycling totes is already included in the monthly solid waste rates).

Item “C” establishes a rate that Bertolotti can charge for cleaning large bins. From time to time, customers need their bins cleaned. Upon request, Bertolotti transports the bins back to their yard and then washes and returns them to the customers. The charge has been informally applied, but needs to be formalized.

The proposed effective date of the City solid waste rate increase and setting the new rates is July 1, 2010.

II. REASONS FOR RECOMMENDATION:

Separate from increasing the existing solid waste rates and establishing new rates, staff is proposing a new solid waste agreement with Bertolotti Ceres Disposal. The new agreement will come before Council on March 22, 2010, and if approved, become effective July 1, 2010. The items listed in the section above are included in the new agreement.

The proposed new agreement also contains clean up language needed to clarify several modifications to the contract over the past several years. It will also include a provision for an annual adjustment in the solid waste rates for fuel.

Staff recommends that on March 8, 2010, the City Council set a public hearing for March 22, 2010, so that the public will have an opportunity to comment. This will provide Finance staff sufficient time to update the utility billing system prior to the rates becoming effective July 1, 2010.

III. EXISTING POLICY/RELATIONSHIP TO THE STRATEGIC PLAN:

In accordance with AB939, the City is required to continue to develop programs that divert waste from the landfill and wastestream. Having a reduced rate for the large recycling bins, as compared to regular trash bins, will give multi-housing complexes and businesses more of an incentive to recycle. Some of the items that will be collected from the community clean-ups will be recycled.

IV. POLICY ALTERNATIVES:

The City Council may choose to not increase the solid waste rates or establish new rates. However, there are benefits to what is being proposed.

V. FISCAL IMPACTS:

The City will save money when the new solid waste rates go into effect. Part of the rate increase will cover the costs of providing bins at the community clean-ups and the disposal costs of the debris that is collected. In addition, the rate increase will allow for more community clean-ups. Part of the rate increase will cover the costs of disposing of the street sweeping debris. As noted above, the costs of these programs will be spread among all the rate payers (residential, commercial, and industrial).

With the incentive of giving multi-housing complexes and businesses a reduced rate for large recycling bins, some of the establishments may reduce the number of times that garbage is collected per week, or the size of their garbage bin. This could result in less revenue for Bertolotti Ceres Disposal and the City. However, there would still be a charge for the recycling services, and Bertolotti would be required to pay the City a franchise fee on these accounts. Plus, the amount of solid waste diverted from the wastestream will increase. It is possible that the State will require more waste diversion in the future, perhaps 60% to 70%. Also, legislation has been introduced from time to time to make recycling at multi-family complexes mandatory. There has also been a push to make businesses increase their recycling efforts.

We do make the blue recycling totes available to everyone. The schools have been using the blue recycling totes extensively since the 1990's. There are businesses that are using the blue recycling totes as well as some of the multi-family complexes. We would like to see recycling increase even more. Staff will conduct an annual review of rates and charges and monitor the effect of providing large recycling bins at the reduced rates and the effect on revenues versus collection and recycling costs. Currently, there are ten large recycling bins located at businesses. (As mentioned above, some businesses are already using the blue recycling totes).

The City needs to formally establish the bin cleaning rate. The City does not receive a franchise fee for this service that Bertolotti provides for the customers.

It is proposed that the rates go into effect on July 1, 2010. This is also the anticipated effective date of the new solid waste contract.

VI. INTERDEPARTMENTAL COORDINATION:

Staff discussed the rates with the Finance Department.

VII. PUBLIC PARTICIPATION:

A Ceres City Council public hearing notice will be published in the Ceres Courier. This is Attachment "D."

VIII. COMMITTEE RECOMMENDATION: N/A

IX. ENVIRONMENTAL REVIEW:

The project was reviewed pursuant to the California Environmental Quality Act (CEQA) and was determined Statutory Exempt per Section Number: 15273 Rates, Tolls, Fares, and Charges.

X. STEPS FOLLOWING APPROVAL:

Staff will publish the attached “Public Notice” in the Ceres Courier on March 10, 2010, for the March 22, 2010, public hearing. Council will hold a public hearing on March 22, 2010. If the Council approves the rates, the Finance Department will adjust the solid waste rates effective July 1, 2010. At the March 22, 2010 Council meeting, the Council will separately consider the approval of the new solid waste agreement with Bertolotti Ceres Disposal.

Prepared by: Kay Dunkel
Kay Dunkel, Administrative Analyst

Reviewed by: Glenn Gebhardt
Glenn Gebhardt, Interim Development Services Director/City Engineer

Submitted by: Brad L. Kilger
Brad L. Kilger, City Manager

Attachments:

1. Attachment “A”, Proposed Rate Increase
2. Attachment “B”, Recycling Rate for Large Bins
3. Attachment “C”, Bin Cleaning Rate
4. Attachment “D”, Public Notice

CITY OF CERES

SOLID WASTE RATES
Proposed Effective Date: 07/01/10

Container / Service	Proposed Rate
90 gallon wastewheeler, residential	\$19.49
60 gallon wastewheeler, residential	\$15.33
60 gallon wastewheeler, mobile home	\$11.93
90 gallon wastewheeler, commercial	\$19.49
60 gallon wastewheeler, commercial	\$15.33
1 cubic yard bin	\$41.05
2 cubic yard bin	\$70.67
3 cubic yard bin	\$99.63
4 cubic yard bin	\$127.12
6 cubic yard bin	\$182.05

Summary

90 gallon wastewheeler	\$19.49
60 gallon wastewheeler	\$15.33
60 gallon wastewheeler, mobile home	\$11.93

Bin Service

Bins	The number of times that bins are collected per week.					
	1	2	3	4	5	6
1 cubic yard bin	\$41.05	\$73.53	\$106.01	\$138.49	\$170.97	\$203.45
2 cubic yard bin	\$70.67	\$132.83	\$194.98	\$257.14	\$319.29	\$381.45
3 cubic yard bin	\$99.63	\$190.62	\$281.61	\$372.61	\$463.60	\$554.59
4 cubic yard bin	\$127.12	\$245.65	\$364.18	\$482.71	\$601.24	\$719.77
6 cubic yard bin	\$182.05	\$326.31	\$470.57	\$614.83	\$759.09	\$903.35

City of Ceres

Monthly Rate for Large Recycling Bins

Recycling Bin Size	Cubic Yard	The number of times that recycling bins are collected per week.					
		1	2	3	4	5	6
	1	\$20.53	\$36.77	\$53.01	\$69.25	\$85.49	\$101.73
	2	\$35.34	\$66.42	\$97.49	\$128.57	\$159.65	\$190.73
	3	\$49.82	\$95.31	\$140.81	\$186.31	\$231.80	\$277.30
	4	\$63.56	\$122.83	\$182.09	\$241.36	\$300.62	\$359.89
	6	\$91.03	\$163.16	\$235.29	\$307.42	\$379.55	\$451.68

City of Ceres

RATE FOR CLEANING BINS

Charges for cleaning solid waste bins:

- | | | |
|----|--|----------------------|
| A. | Garbage Bins (front loader): | \$25.00 per cleaning |
| B. | Detachable Drop-Off Containers
(roll-off bins): | \$50.00 per cleaning |

PUBLIC NOTICE

Notice of Public Hearing for the Adoption of Changes to the Ceres
Solid Waste Collection Rates

NOTICE IS HEREBY GIVEN that a Public Hearing will be held on Monday, March 22, 2010, at 7:00 p.m., or as soon thereafter as may be heard in the Ceres City Council Chambers, 2701 Fourth Street, to accept public comments on the proposed rate increase for residential, commercial, and industrial solid waste collection, and the establishment of monthly recycling rates for large recycling bins, and the cleaning rate for large bins.

I. The costs for providing solid waste bins at City sponsored community clean-up events and the disposal costs for debris collected from the events, and the disposal costs of street sweeping debris, classified as garbage, results in a small increase to the City's existing garbage rates.

A recommendation will be made to pass the costs of these two items to the Ceres solid waste rate payers, effective July 1, 2010, pursuant to the following:

Solid Waste Collection Monthly Rate (For All Rate Payers):

Type	Existing Rate	Increase	New Rate
90 Gallon Wastewheeler	\$19.32	\$.17	\$19.49
60 Gallon Wastewheeler	\$15.22	\$.11	\$15.33
60 Gallon Wastewheeler, MHP	\$11.82	\$.11	\$11.93
Bins (Example: One yard bin collected once per week).	\$40.55	\$.50	\$41.05

II. A recommendation will be made to establish monthly recycling rates for multi-family, commercial, and industrial establishments that desire large recycling bins for ongoing recycling activities, effective July 1, 2010, pursuant to the following:

Monthly Rate for Large Recycling Bins (For Rate Payers That Have Large Recycling Bins):

Recycling Bin Size	Cubic Yard	The number of times that recycling bins are collected per week.					
		1	2	3	4	5	6
	1	\$20.53	\$36.77	\$53.01	\$69.25	\$85.49	\$101.73
	2	\$35.34	\$66.42	\$97.49	\$128.57	\$159.65	\$190.73
	3	\$49.82	\$95.31	\$140.81	\$186.31	\$231.80	\$277.30
	4	\$63.56	\$122.83	\$182.09	\$241.36	\$300.62	\$359.89
	6	\$91.03	\$163.16	\$235.29	\$307.42	\$379.55	\$451.68

III. A recommendation will be made to establish rates for garbage bin cleaning services, effective July 1, 2010, pursuant to the following:

Rate for Cleaning Large Bins (For Permanent and Temporary Customers):

Type	Rate Per Cleaning
Garbage Bins (Front Loader)	\$25.00
Detachable Drop-Off Containers (Roll-Off Bins)	\$50.00

For further information, call the City of Ceres, (209) 538-5792.

Cindy Heidorn, CMC
City Clerk

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