



## Item No. 17 Town of Atherton

### **CITY COUNCIL STAFF REPORT – PUBLIC HEARINGS**

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

**FROM: ROBERT BARRON III, FINANCE DIRECTOR**

**DATE: MARCH 19, 2014**

**SUBJECT: PUBLIC HEARING ON RECOMMENDED INCREASE TO GREEN  
WASTE RATES IN THE TOWN OF ATHERTON**

#### **RECOMMENDATION**

Conduct the Public Hearing regarding the proposed increase in green waste rates for the Town of Atherton; tabulate any protests received; and, if appropriate, adopt Ordinance 594, increasing the rates for solid waste/recycling collection services for green waste.

#### **BACKGROUND**

On January 15, 2014 the City Council revisited the Solid Waste Committee's October 16, 2013 analysis and discussions regarding Town refuse rates. After reviewing data submitted by the South Bay Waste Management Authority on contractor revenue requirements for 2014 and revenue projections, the Committee recommended that the Council address the cost-alignment for green cart collections.

The Committee's recommendation suggested that the cost-model for green cart collection move closer to true cost-recovery. Following the presentation in January, staff was directed to issue a Notice of Public Hearing pursuant to the requirements of Proposition 218 and Article XIII D of the California Constitution.

Pursuant to the requirements of Proposition 218, staff mailed Notices of the proposed green cart rate increases to all refuse service billing addresses for all parcels in Atherton. The Notice described to the service customer the procedures on how to file a protest regarding the rates. Proposition 218 required that notice be issued 45 days prior to the public hearing. To satisfy this requirement, notices were issued in January and the public hearing was set for March 19. A copy of the Notice is attached.

Proposition 218 provides that if written protests are presented by a majority of the affected parcels, the rate increase shall not take effect. If there is no majority protest, then the rate increases can be imposed by an ordinance approved by 2/3-vote of the members of the City Council under Health & Safety Code § 5471. After adoption, the Town must also publish and post notice of the proceedings. As of the writing of this report The Town has received only one written protest for the green cart rate increase. As the Town of Atherton is part of the SBWMA, the City Council sets local collection rates based on the revenue requirements for contractor compensation set by the SBWMA Board of Directors. A member of the City Council sits on the SBWMA Board of Directors and the City Manager sits on the SBWMA Technical Advisory Committee.

**ANALYSIS**

The current town rate structure includes a fixed rate for each gallon of refuse, with no additional charge for recycled materials or green waste collection. The Town’s rate structure allows a resident to purchase additional green carts. Staff and the Committee recommend that the Town get closer to a full cost-recovery model for green cart collection. The cost per green cart includes the hauling costs and estimated disposal cost per residential tonnage as well as the franchise fee. This is approximately \$19 per cart per month. This is well in excess of the actual cost per cart charged.

The current and proposed rate structures is as follows:

<b># of Carts</b>	<b>Current Rate</b>	<b>New Rate</b>
<b>Carts 3 and 4</b>	\$10 each	\$11 each
<b>Carts 5 and above</b>	\$15 each	\$18 each

In accordance with Proposition 218 process we make the following findings:

- A. The revenues derived from the increased green waste collection rates do not exceed the funds required to provide green waste collection services pursuant to the Solid Waste/Recycling Collection Agreement.
- B. The revenues derived from the increase in green waste collection rates will not be used for any other purpose other than green waste collection services pursuant to Solid Waste/Recycling Collection Agreement.
- C. Cost model fairness to move closer to full cost recovery in the need for additional green waste carts.

**FISCAL IMPACT**

Assuming a static number of carts, this is a revenue increase of \$2,725 per month.

**ATTACHMENTS**

- Ordinance 594
- Notice of Public Hearing

**NOTICE OF PUBLIC HEARING  
REGARDING PROPOSED INCREASE IN GREEN WASTE RATES IN THE TOWN OF  
ATHERTON**

Dear Property Owner/Tenant:

Pursuant to the requirements of Proposition 218 and Article XIID of the California Constitution, this notice provides information regarding proposed increases to the existing residential and commercial customer rates for the collection of green waste materials in the Town of Atherton.

**Notice of Public Hearing  
Regarding Proposed Increase in Green Waste Rates**

A public hearing on proposed increases to green waste rates will be held by the City Council on:

**Date: Wednesday, March 19, 2014**

**Time: 7:00 p.m.**

**Place: City Council Chambers, 94 Ashfield Road, Atherton CA**

This notice is being sent to the refuse service billing address for all parcels in Atherton. This notice also describes how to file a protest regarding the proposed rate increase. All property owners/tenants and other interested parties are invited to attend the public hearing and be heard on the proposed rate increase.

**Proposed New Rates (Effective May 19, 2014):**

# of Carts	Current Rate	New Rate
<b>Carts 3 and 4</b>	\$10 each	\$11 each
<b>Carts 5 and above</b>	\$15 each	\$18 each

**Protest Procedures:**

The City Council of the Town of Atherton will hold a public hearing on Wednesday, March 19 at 7:00 p.m. at Holbrook-Palmer Park. At this hearing, the City Council will consider public comment as well as written protests by ratepayers and property owners against the proposed increase in green waste fees. Any person may appear at the public hearing and be heard on any matter related to the proposed increase in rates.

Any written protest must be signed by the property owner or the customer responsible for payment of the fee and it must include the service address or assessor's parcel number (APN). The Town of Atherton must receive any written protest at Town Hall by 5:00 p.m. on March 19, 2014, or the written protest must be presented at the City Council meeting on March 19, 2014 prior to the close of the public hearing on the matter. If you wish to mail a written protest, please send it in a sealed envelope addressed to Green Waste Rates, City Clerk, Town of Atherton, 91 Ashfield Road, Atherton, CA 94027. Only one protest may be filed per parcel or service address.

If written protests are presented by a majority of affected property owners/customers prior to close of the public hearing, the City Council cannot adopt the proposed rates and another rate structure would have to be proposed.

If you have any questions or would like to make changes to your service with Recology, please visit their website at [www.recology.com](http://www.recology.com) or call 650-802-3500.

If you would like additional information on the proposed rates, please call Robert Barron III at 650-752-0552.

For mailing distribution by \_\_\_\_\_ 2014.

## ORDINANCE 602

### AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON RESCINDING THE RATES SET FORTH IN ORDINANCE 594 AND SETTING THE RATES FOR SOLID WASTE/RECYCLING COLLECTION SERVICES

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 the Town has approved rates, on July 15, 2011 by Ordinance 592, that Franchisee may charge for these solid waste/recycling collection services; 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, at the City Council meeting of October 16, 2013, the City Council directed staff to prepare an adjustment to green carts rates to reflect a cost model closer to full cost recovery; and

WHEREAS, the City Council has complied with the fee adjustment provisions of Proposition 218, including the mailing of notices regarding a public hearing to consider a proposed ordinance to adopt an increase in the green cart rates; and

WHEREAS, the Town has identified the parcels upon which the increased green cart collection rates will be imposed, calculated the amount of the rates, and mailed notice to the refuse service billing address for all parcels in the Town of Atherton, wherein the Town provided written notice of the proposed rates, the basis for the calculation, the reason for the rates and the date, time and location of a public hearing not less than 45 days after sending the notice; and

WHEREAS, the Town further provided published and posted notice of the foregoing; held the duly noticed public hearing and considered any and all protests; and

WHEREAS, written protests against the green cart collection rates were not presented by a majority of owners or tenants of the identified parcels within the 45 day period;

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 solid waste/recycling collection rates do not exceed the funds required to provide solid waste/recycling collection services pursuant to the Solid Waste/Recycling Collection Agreement.

B. The revenues derived from the increased solid waste/recycling collection rates will not be used for any purpose other than solid waste/recycling collection services pursuant to the Solid Waste/Recycling Collection Agreement.

C. The increased solid waste/recycling collection rates do not exceed the proportional cost of the service to each parcel.

D. The solid waste/recycling collection services are presently available.

**SECTION 2.** Beginning on the effective date of this Ordinance, the green cart collection rates will be established as listed below. The rate schedule includes a fixed rate for each container of refuse, with no additional charge for recycled materials or green waste collection.

**Residential Rates:**

<b>Black Garbage Container</b>	<b>Rates</b>
20 gallon	\$27.00
32 gallon	\$55.00
64 gallon	\$110.00
96 gallon	\$164.00

**Commercial Rates:**

	<b>Rates</b>
1-96 Gallon	\$185.00
1-1yd	\$200.00
1-2yd	\$400.00
1-3yd	\$550.00

**Organic Rates for Commercial:**

**96 Gallon = \$15.00 per cart**

## OTHER SERVICES COST SCHEDULE

<b>Backyard Collection Service Distance Costs for Single-Family Dwellings</b>				
	<b>One (1) Solid Waste Cart</b>	<b>Two (2) Solid Waste Carts</b>	<b>Three (3) Solid Waste Carts</b>	<b>Four (4) Solid Waste Carts</b>
<b>Distance from Curbside</b>	<b>Base monthly Solid Waste Rate plus</b>			
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

<b>Unscheduled Service Category</b>	<b>Cost</b>	<b>Description of Cost</b>
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
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

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 – <b>\$11.00</b> each for 1 or 2 additional cans <b>\$18.00</b> 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
Fee for Service On-Call Bulky Item Collection Service	\$81.55 per the 3 <sup>rd</sup> occurrence Residents receive first 2 for free	Per event (after the 2 <sup>nd</sup> 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 effect 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 March 19, 2014, and passed and adopted by the City Council of the Town of Atherton on the 18<sup>th</sup> day of April, 2014 by the following roll call vote, to wit:

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

\_\_\_\_\_  
Cary Wiest, Mayor  
Town of Atherton

ATTEST:

\_\_\_\_\_  
Theresa DellaSanta  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
William B. Conners  
City Attorney