



OFFICE OF THE CITY MANAGER

July 22, 2002

**TO:** City Council

**FROM:** City Manager

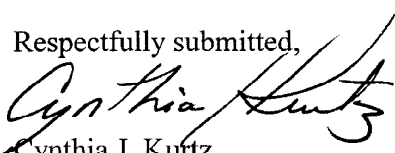
**RE:** INCREASED RECYCLING REQUIREMENTS FOR THE NON-EXCLUSIVE SOLID WASTE FRANCHISE SYSTEM FOR COLLECTION OF COMMERCIAL WASTE

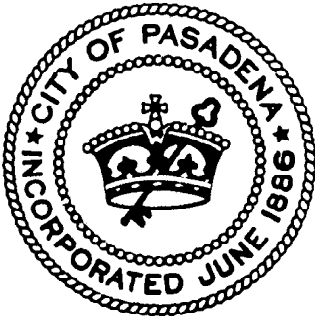
On May 13, 2002 the City Council opened the public hearing to consider the granting of non-exclusive solid waste franchises. At that time, Council requested that the public hearing be continued to July 22, 2002, to allow staff to evaluate the current ordinance and make recommendations to increase waste diversion (recycling) in the commercial and multi-family sector, including consequences if diversion goals are not met.

The issue was referred to the Municipal Services Committee who reviewed the attached report on June 25<sup>th</sup> and July 9<sup>th</sup>. The Committee recommended approval of the attached staff report recommending revision of Chapter 8.61 of the Pasadena Municipal Code to:

- Reduce the length of the term of the franchise agreement;
- Require that all franchisees demonstrate that they recycle a minimum 50% of all materials collected in Pasadena;
- Increase auditing requirements; and,
- More specifically define "non-exclusive solid waste franchisees" to be those that haul waste as their primary business, thus excluding those companies that produce and haul waste as a by-product of their primary business (such as roofers, landscaping companies, etc.).

Staff is recommending that the Council approve the attached recommendations and that all solid waste franchises be subject to the new regulations.

Respectfully submitted,  
  
Cynthia J. Kurtz  
City Manager



# Agenda Report

**TO:** CITY COUNCIL

July 22, 2002

**THROUGH:** MUNICIPAL SERVICES COMMITTEE (June 25, 2002)

**FROM:** CITY MANAGER

**SUBJECT:** INCREASED RECYCLING REQUIREMENTS FOR THE  
NON-EXCLUSIVE SOLID WASTE FRANCHISE SYSTEM  
FOR COLLECTION OF COMMERCIAL WASTE

## **RECOMMENDATION**

It is recommended that City Council direct the City Attorney to draft an ordinance amending Chapter 8.61 of the Pasadena Municipal Code to require non-exclusive franchise haulers to recycle 50% of all materials collected and make other modifications to the chapter as detailed in this report.

## **BACKGROUND**

Prior to 1992, the collecting, transporting, disposing, and/or recycling of commercial solid waste in the City of Pasadena was an unregulated industry. Beginning in October of 1991, staff held a series of public meetings at the City Yards with known waste haulers and recyclers to discuss the process of setting up a franchise system.

Staff returned to City Council with preliminary information, and at Council's direction, a task force of business owners, haulers, recyclers, and leaders from local institutions gathered to discuss the proposed franchise system in depth. Following extensive task force discussion and recommendations, the present non-exclusive solid waste franchise system was drafted and adopted by City Council in November of 1992. Chapter 8.61.010-210 specific to the non-exclusive solid waste franchise system was added to the Pasadena Municipal Code in order to formalize the various regulations and requirements expected from the franchise haulers. It included both regulatory elements (standards for franchise operation, standards for environmentally-friendly collection procedures, AB 939 compliance measures) and revenue generating elements (franchise fees to pay for the implementation of Pasadena's Integrated Waste Management Plan and to reimburse the General Fund for the repair and maintenance of City streets).

In January of 1993, City Council approved the first 15 non-exclusive solid waste franchisees. Pasadena historically has had from 45 to 72 non-exclusive solid waste franchisees authorized to haul waste and recycling in the City.

### **Recycling in the Commercial Sector**

Waste reduction and recycling in the commercial sector makes up more than half the waste stream generated in the City of Pasadena. Although the residential sector has risen to the task in terms of increased recycling with implementation of the Pay-As-You-Throw program, the burden of increased recycling in the commercial sector has not been fairly shouldered by all participants. The proposed ordinance changes would provide staff with stronger leverage to ensure the 50% recycling mandate is equally applied to all franchise haulers and to provide consequences for failure to comply with the increased terms and conditions expected as an industry standard in the new millennium.

Recycling has been and continues to be a challenge in the commercial waste stream serviced by franchise haulers and including refuse generated by multi-family residential units, businesses, and industrial facilities in the community. The non-exclusive solid waste franchise haulers must increase their level of recycling and diversion efforts in order for the City to successfully achieve its AB 939 diversion mandate.

Although the actual average recycling amongst franchisees increased from 12% in 1995 to 30% in 2001, these “best efforts” of individual haulers are hampering Pasadena’s ability to meet its Citywide diversion rate of 50% and puts Pasadena at risk of either a State compliance order or potential fines. The proposed modifications will make it incumbent on the franchisees to join the City in demonstrating not just “best efforts” but “best management practices as measured by specific performance measures” in order to retain their privilege to operate within Pasadena.

Staff recommends that City Council direct the City Attorney to modify Chapter 8.61 of the Pasadena Municipal Code to require that all non-exclusive solid waste haulers recycle 50% of the material they collect or be subject to revocation of their franchise agreements. This will result in stronger leverage for the City to use in obtaining hauler compliance with diversion requirements as a group as well as individual hauler accountability. The proposed modifications supporting this change are detailed in Attachment A.

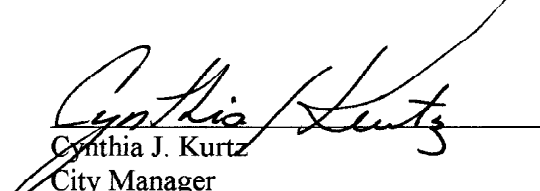
### **FISCAL IMPACT**

The City of Pasadena will continue to avoid potential fines up to \$10,000 per day levied by the State of California as a result of increasing its citywide diversion rate with increased recycling by the non-exclusive solid waste franchisees.

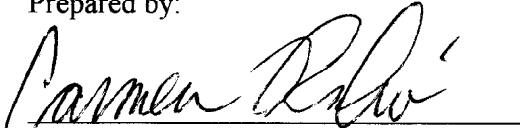
Limiting the number of franchise haulers operating in the City will not result in the loss of revenue if one or more franchise haulers were not awarded a license. Franchise haulers do not bring new business to the City of Pasadena; rather they compete with other haulers for

existing customers and accounts. If one or more haulers were to have their franchise agreement revoked as a result of failure to comply with the terms and conditions of their franchise agreement, then the remaining haulers would contract with and service those accounts.

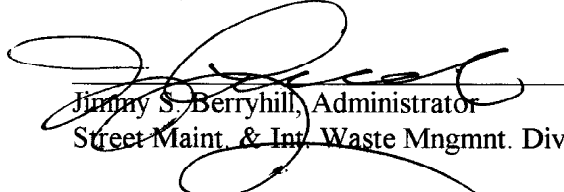
Respectfully submitted,

  
Cynthia J. Kurtz  
City Manager

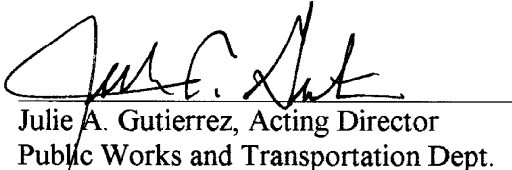
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