

Agenda Report

TO: CITY COUNCIL

DATE: March 21, 2005

FROM: CITY MANAGER

SUBJECT: ADOPTION OF A RESOLUTION TO CONSIDER GRANTING NON-EXCLUSIVE SOLID WASTE FRANCHISES AND SETTING A PUBLIC HEARING

RECOMMENDATION

It is recommended that City Council:

1. Adopt a resolution declaring its intention to consider the granting of non-exclusive franchises for completed applications; and
2. Set a public hearing for April 25, 2005 at 8:00 p.m. to consider granting these franchises; and
3. Direct the City Clerk to publish the resolution at least once in a newspaper of general circulation in the City not less than ten days prior to the date set for the hearing.

BACKGROUND

On November 3, 1992, the City Council adopted the Solid Waste Collection Franchise System. The purpose of that ordinance was to provide standards and procedures for the granting of non-exclusive franchises for solid waste collection and to generate revenue for the preparation and implementation of an integrated waste management plan and for other municipal purposes.

The franchise is a non-exclusive franchise, permitting the hauler to collect, transport, dispose and/or recycle solid waste kept, accumulated, or produced in the City. The terms and conditions are the payment of a franchise fee based upon 14% of gross monthly receipts, conformance with generally accepted accounting principles for all accounts and revenue arising out of the operations, and specified reporting of collection, disposal, waste reduction, and recycling activities.

Since January 2004, five applications have been received by the City and all meet the application requirements as set forth in the non-exclusive Solid Waste Franchise section of City Ordinance, 8.61.080.

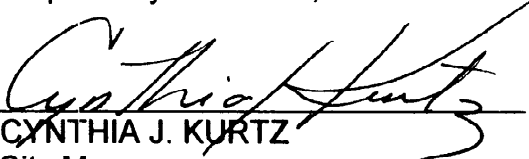
The term of this franchise shall be for one year beginning on the effective date of the ordinance approving each application, as specified by ordinance. There may be up to three additional renewal terms of one year each at the sole discretion of the City Manager, for a maximum potential franchise of four years. The franchisee has no vested or contract right in any such renewal term. There shall be no other renewal of a non-exclusive franchise, but any person, including any person whose franchise is not renewed, may submit a new application for a new non-exclusive franchise.

A public hearing shall be held at 8 p.m., on April 25, 2005, at Pasadena Senior Center Multi-Purpose Room, 85 East Holly Street, Pasadena, or as soon thereafter as each of the matters may be heard. At the hearing, all persons desiring will be provided the opportunity to speak in favor of, or in opposition to, the granting of a non-exclusive franchise to the applicant.

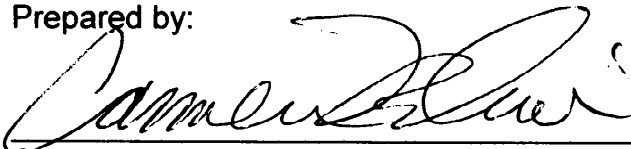
FISCAL IMPACT

The City will receive a fee of 14 % of gross customer receipts generated by each of the franchisees. The revenue generated per fiscal year by all five applicants is at this time unknown. Franchisees are required to submit monthly revenue and fee reports to the City. Franchisees are subject to, and the City performs, random audits annually to insure that the information provided to the City is accurate.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager


Prepared by:


Carmen Rubio, Program Coordinator
Street Maintenance & Integrated Waste Management

Reviewed by:


Andy Torres, Acting Administrator
Street Maintenance & Integrated Waste Management

Approved by:


Martin Pastucha, Director of Public Works

RESOLUTION NO. _____

**A RESOLUTION DECLARING THE CITY OF PASADENA'S INTENTION TO
CONSIDER THE GRANTING OF NON-EXCLUSIVE SOLID WASTE FRANCHISES
AND THE SETTING OF A PUBLIC HEARING THEREON**

WHEREAS, on November 3, 1992, the City Council approved an ordinance which established the Solid Waste Collection Franchise System; and

WHEREAS, Section 8.61.080 of the Pasadena Municipal Code as enacted by said ordinance, provides that the City Council shall adopt a resolution declaring its intention to consider the granting of non-exclusive franchises and setting a hearing thereon; and

WHEREAS, staff has reviewed the applications and found that they comply with the provisions as set forth in said application; and

WHEREAS, the applications have been presented to and reviewed by the City Council; and

WHEREAS, the City Council desires to hold such hearing;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF PASADENA THAT:

- I. The following applicants shall be considered for award of a non-exclusive franchise to collect refuse in the City of Pasadena. All have provided the information required by the Director of Public Works.

The potential franchisees are:

- 1) D'Angelus Disposal
- 2) Direct Disposal
- 3) Interior Removal Specialist, Inc.
- 4) Nu-Way Roll-off Service
- 5) Pinnacle Disposal & Environmental Services Inc.

Each approved franchise shall be subject to the terms and conditions specified in the City Charter, in the non-exclusive franchise system ordinance, in the ordinances and resolutions granting the franchise, and in all other applicable federal, state, and local laws and regulations. The term of this franchise shall be for one (1) year beginning on the effective date of the ordinance approving each application, as specified by ordinance. There may be up to three (3) additional renewal terms of one (1) year each in the sole discretion of the City Manager, for a maximum potential franchise of four (4)

years. The franchisee has no vested or contract right in any such renewal term. There shall be no other renewals of a non-exclusive franchise, but any person, including any person whose franchise is not renewed, may submit a new application for a new non-exclusive franchise.

- II. A public hearing will be held on April 25, 2005 at 8:00 p.m. or as soon thereafter as the matter may be heard at the Pasadena Senior Center Multi-Purpose Room, 85 East Holly Street, Pasadena in order that all persons wishing to be heard in favor of or in opposition to the granting of a non-exclusive franchise will have the opportunity to do so.

ADOPTED at the regular meeting of the Council of the City of Pasadena on this _____, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:

Jane Rodriguez, City Clerk

PUBLISH:

APPROVED AS TO FORM:

 3/10/05

Nicholas George Rodriguez
Assistant City Attorney