

Agenda Report

TO: CITY COUNCIL

DATE: August 6, 2007

FROM: CITY MANAGER

SUBJECT: DIRECT THE CITY ATTORNEY TO PREPARE AMENDMENTS TO CHAPTER 8.61 OF THE PASADENA MUNICIPAL CODE ("SOLID WASTE COLLECTION FRANCHISE SYSTEM") TO CLOSE THE SOLID WASTE FRANCHISE SYSTEM TO NEW FRANCHISEES

RECOMMENDATION

It is recommended that City Council:

Direct the City Attorney to prepare an ordinance within 45 days to close the solid waste franchise system to new franchisees until further action of the Council.

BACKGROUND

On November 3, 1992, the City Council adopted the Solid Waste Collection Franchise System. The ordinance provides standards and procedures for the granting of non-exclusive franchises for solid waste collection and the generation of revenue for the preparation and implementation of an integrated waste management plan and the repair and maintenance of the City's infrastructure due to operation of heavy-duty collection vehicles.

The current system grants non-exclusive franchises that permit the haulers to collect, transport, dispose of, and/or recycle solid waste accumulated or produced by City businesses and multiple-family residential units containing four or more units. All multiple-family residential units containing four or fewer units are handled exclusively by the City. The terms and conditions on franchises include a franchise fee of 16 percent of gross monthly receipts in conformance with generally accepted accounting principles, and specified reporting of collection, disposal, waste reduction, and recycling activities.

On November 18, 2002, the City Council amended chapter 8.61 of the Pasadena Municipal Code "Solid Waste Collection Franchise System" adding recycling

requirements for the collection of solid waste and related amendments. Recently it has become apparent that this chapter needs to be revised in order to close the system to granting of new franchises until further action of Council in order to improve customer service, reduce environmental pollution and reduce the number of trash trucks on City streets. Staff is working on further amendments to the franchise ordinance which would increase the diversion rate required of the franchise holders, make haulers responsible for all refuse collection on site, and demonstrate an increased commitment to applicable elements of the Green City Action Plan. These proposed amendments will be brought forth at a later date after outreach to the haulers has been completed.

Currently, the City of Pasadena has 3,555 customers who are served by 34 haulers (see attachment A). Two of these haulers serve 2,892 regular customers or 81% of the customer base. Twenty haulers do not service any regular customers. The remaining 12 haulers report serving between one and 174 regular customers. These 34 haulers represent 160 trash trucks operating within the City which causes significant air pollution, road damage, noise pollution, and congestion. The City believes that over time this number will be reduced through attrition due to the normal evolution of business. As the number of haulers is reduced, the remaining haulers will consolidate their routes enabling the same number of customers to be serviced with fewer trucks, thus reducing wear and tear on the roads, noise pollution, and air pollution. At a minimum of every three years staff will review the number of haulers and the mix of services and provide a report to City Council on the findings. This will provide the City an avenue to look at the number of haulers and insure that we have a number of providers for all categories of services including refuse collection, recycling, and construction and demolition removal.

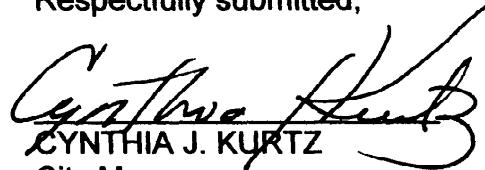
Attachment A provides detailed information on the existing franchise haulers in Pasadena.

Under the State Guidelines for the implementation of the California Environmental Quality Act (CEQA), the non-exclusive franchise system ordinance is categorically exempt. A Notice of Exemption was filed with the Los Angeles County Clerk in conjunction with the passage of the non-exclusive franchise system ordinance.

FISCAL IMPACT

Imposing a moratorium on new franchise applications will not result in the loss of revenue; rather it will allow staff to have more time to enforce franchise regulations and to more closely pursue illegal operations. With a reduction in illegal hauler operations, the customer base for the legal haulers will increase, thus resulting in an increase in revenue for the City.

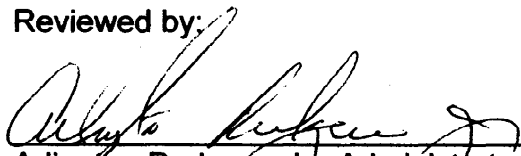
Respectfully submitted,


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Attachment A
Calendar Year 2006 Data

Trash and Construction and Demolition Service

	<u>Number of Vehicles</u>	<u>Number of Regular Customers</u>	<u>Total Tonnage</u>	<u>Diversion Percentage</u>
1. AAA Rubbish, Inc.	1	6	619	82%
2. Allied Waste Services/BFI	12	996	52,996	67%
3. American Reclamation	9	9	2,106	70%
4. Athens Services	14	1896	61,024	50%
5. Consolidated Disposal	5	170	7,444	56%
6. D'Angelus Disposal	1	0	100	29%
7. Direct Disposal	2	0	210	69%
8. Federal Disposal	1	0	0	0%
9. Frank's Disposal	1	0	136	100%
10. Haul Away Rubbish	1	9	1,389	53%
11. Heritage Disposal	4	1	4,476	60%
12. Interior Removal Specialist	35	0	1,577	73%
13. J&L Hauling	3	0	0	0%
14. Nu Way Roll-off	1	0	1,567	96%
15. Southland Disposal	1	41	1,087	52%
16. United Pacific Waste	1	23	772	76%
17. Universal Waste Systems	2	134	4,953	53%
18. Valley Vista Services	2	174	3,703	50%
19. Ware Disposal	2	0	0	0%
20. Waste and Recycling	3	82	10,132	63%

Construction and Demolition Service Only

21. Arrow Roll-off	2	0	556	75%
22. A Rent A Bin	1	0	244	76%
23. Commercial Waste	1	0	1,210	39%
24. Complete Service	2	0	0	0%
25. Crown Disposal	26	0	1,721	100%
26. Diversion Solutions	3	0	0	0%
27. G & G Roll-off	4	0	189	46%
28. Looney Bins	2	0	1,594	79%
29. Metropolis	4	0	956	84%
30. NASA Disposal	2	0	2,292	80%
31. Perez Transport	3	0	359	41%
32. Western Tear-off	4	0	421	66%

Recycling Service Only

33. Allan Company	4	4	572	100%
34. Full Circle Recycling	1	10	125	100%

Total-----160-----3555-----164,530-----