

Agenda Report

TO: CITY COUNCIL

DATE: February 11, 2008

THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: PUBLIC HEARING: AMENDMENT TO THE GENERAL FEE SCHEDULE TO INCREASE THE RESIDENTIAL REFUSE COLLECTION FEES BY A TOTAL OF 3.34 PERCENT

RECOMMENDATIONS

It is recommended that the City Council following the public hearing:

1. Find this increase is not subject to CEQA pursuant to State CEQA Guidelines Section 15378 (b) (4) (definition of project excludes government fiscal activities which do not involve any commitment to any specific project); and
2. Approve a resolution amending the General Fee Schedule to increase the Residential Refuse Collection Fees by a total of 3.34 percent, as outlined in Table 1.

BACKGROUND

All property related fee increases are subject to the procedural and substantive requirements of Proposition 218. Proposition 218 requires a written notice be sent by mail to each parcel owner upon which the fee will be imposed, and a public hearing be conducted not less than 45 days after mailing the notice. If written protests against the proposed fee are presented by a majority of parcel owners, the City may not impose the fee increase. If written protests against the fee increase are not presented by a majority of owners, the City may impose the fee increase. Voter approval at an election is not required to impose an increase to the Residential Refuse Collection Fees.

A notice of public hearing was mailed on October 22, 2007, advising affected property owners and customers of a proposed Residential Refuse Collection Fees increase of 3.34 percent. The 3.34 percent increase consists of:

- An operational increase per the 2006 Integrated Waste Operation Plan of 1.5 percent; and

- A landfill pass through increase of 1.84 percent.

In May of 2005, the City Council adopted the 2006 Integrated Waste Operations Plan which outlined goals for the City's Integrated Waste Management section. The outlined goals included compliance with the South Coast Air Quality Management District's guideline to replace older diesel-powered refuse vehicles with alternative fuel vehicles. Such compliance increases equipment replacement requirements, personnel costs, maintenance costs, and fuel costs. In FY 2008, a 5 percent increase was recommended for refuse and recycling service programs. Proposition 218 allows the City Council to increase property related fees through the Consumer Price Index (CPI). In FY 2008, the Residential Refuse Collection Fee was increased by CPI of 3.5 percent. The additional 1.5 percent increase in the Residential Refuse Collection Fee will help offset costs associated with expenses incurred in providing refuse and recycling services as recommended in the 2006 Operational Plan.

In addition, the Sanitation Districts of Los Angeles County, which operate the Scholl Canyon Landfill where Pasadena's refuse is disposed, will increase their landfill dumping charges on January 1, 2008 by \$3.14 per ton. Since 1989, the Pasadena Municipal Code, section 8.60 has authorized landfill charge increases to be directly passed through to refuse customers. However, Proposition 218 now requires that property owners be notified of proposed increases and given the opportunity to protest the increase.

To more accurately cover these increased costs, the Residential Refuse Fees will increase a total of 3.34 percent. Table 1 below provides a list of proposed rate increases for residential refuse services.

TABLE 1: MONTHLY REFUSE BILL IMPACTS

Refuse Collection Fees	Current Rate	Proposed Rate	\$ Change
100 Gallon Mixed Waste	\$32.48	\$33.57	\$1.09
60 Gallon Mixed Waste	\$20.74	\$21.43	\$0.69
32 Gallon Mixed Waste	\$12.50	\$12.92	\$0.42
Admin/Refuse (Residential Construction)	\$10.07	\$10.41	\$0.34
100 Gallon Mixed Waste Additional	\$25.98	\$26.85	\$0.87
60 Gallon Mixed Waste Additional	\$16.60	\$17.15	\$0.55
32 Gallon Mixed Waste Additional	\$10.00	\$10.33	\$0.33
Truck Rollout w/ Manual Rollout*	\$10.45	\$10.61	\$0.16
Backyard-1 House on Lot	\$35.65	\$36.84	\$1.19
Special Curb Backyard-1 House on Lot	\$35.65	\$36.84	\$1.19
60 Mixed Waste-15 unit Monthly	\$345.37	\$356.86	\$11.49
Truck Rollout 2nd Mixed Waste*	\$6.52	\$6.62	\$0.10
Lifeline 60MW	\$24.07	\$24.44	\$0.37
Manual Rollout*	\$10.45	\$10.61	\$0.16
Truck Rollout Fixed Charge*	\$26.13	\$26.53	\$0.40
Truck Rollout w/ Manual Rollout Charge*	\$10.45	\$10.61	\$0.16
Manual Rollout Additional*	\$6.52	\$6.62	\$0.10
1 Bin -1 Pick up per Week	\$109.77	\$111.75	\$1.98
1 Bin-2 Pick ups per Week	\$176.50	\$179.68	\$3.18

*Additional service fees that are not subject to the landfill increase.

FISCAL IMPACT

If approved, the 3.34 percent increase in the Residential Refuse Collection Fees is estimated to generate \$260,000 per year.

Respectfully submitted,



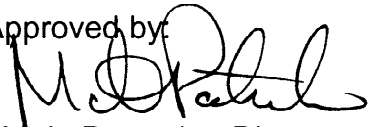
BERNARD K. MELEKIAN
City Manager

Prepared by:



Phyllis Hollowell, Management Analyst V
Finance and Management Services Division

Approved by:



Martin Pastucha, Director
Department of Public Works