

## *City of Brisbane Staff Report*

To: City Council via City Manager

From: Maria Saguisag-Sid  
Principal Analyst

Subject: Solid Waste Annual Rate Increase with Recology

Date: Meeting of May 17, 2018

**Purpose:** To ensure solid waste is disposed of in a proper and environmentally effective fashion.

**Recommendation:** Review and approve the proposed increases to be effective July 1, 2018.

**Background:** The City of Brisbane currently holds a franchise agreement for solid waste removal services with Recology in Zone 3. This agreement became effective November 2014. Services under this agreement include commercial solid waste removal services, assistance in implementing new mandates such as the AB341 mandatory commercial recycling law and AB1826 mandatory commercial organics recycling, as well as other recycling and diversion services.

Per State Assembly Bill 939, the City is required to have a diversion rate of 50%, meaning that discarded material needs to be sorted so that reusable and/or recycling material can be diverted from the waste stream. Recology reports that their estimate of the diversion rate for Zone 3 customers was approximately 63% for calendar year 2017.

**Discussion:** Each year, the franchise agreement provides for annual adjustments of rates for customers in Brisbane. The following is the formulas that pertain to this year's proposed adjustments:

- Section 6.2 of the Agreement provides for an adjustment based on a percentage amount equal to the Refuse Rate Index (RRI) calculated based on the following table:

Table 1. Refuse Rate Index

<u>Cost Category</u>	<u>Weighting</u>	<u>Source/Index</u>	<u>Annual % Change in Index</u>	<u>Weighted % Change</u>
Fixed Labor	0.60	As per CBAs	4.50%	2.70%
Variable/Processing Costs	0.25	CPI(U)	2.94%	.74%
Biodiesel Fuel	0.05	Fuel Index	-.33%	-.02%
RRI Adjustment Percentage:				3.42%

The agreement provide that rate increase requests be submitted by March 31st and the City act on the requests by June 30th of each year. Recology submitted their request in a timely manner. Based on the provisions noted above, the proposed increases under Section 6.2 is 3.42%.

Attached is the notice of intent from Recology, dated March 27, 2018 along with the updated rate book. Staff has reviewed the proposed rates and they appear to be in line with what is permitted by the franchise agreements. The agreement provides that the City act on the rate increase notice of intent by June 30.

The Infrastructure, Utilities and Franchise Subcommittee reviewed the rate increase at their April 10, 2018 meeting and recommends Council approve the rate increase.

**Fiscal Impact:**

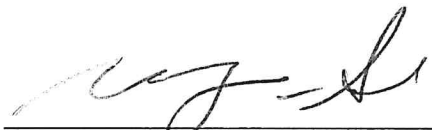
Based on these rates and using a commercial 2-yard bin as an example, the increase would be \$21.71 per month, or \$260.52 per year for Recology customers. For 2017, the City received franchise fees in the amount of \$12,050.72.

**Measure of Success:**

Is solid waste removal able to continue efficiently for the community?

**Attachments:**

- Resolution 2018-35
- Notice of Intent letter from Recology, dated March 27, 2018



\_\_\_\_\_  
Maria Saguisag-Sid  
Principal Analyst



\_\_\_\_\_  
Clay Holstine  
City Manager

**RESOLUTION 2018-35**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE  
AMENDING THE FRANCHISE AGREEMENT  
BETWEEN THE CITY OF BRISBANE AND RECOLOGY  
EFFECTIVE JULY 1, 2018**

**WHEREAS**, Recology Brisbane collects recyclable materials, organic materials and solid waste in franchise zone 3 of the City of Brisbane, and

**WHEREAS**, the City of Brisbane has received and reviewed the Notice of Intent from Recology to adjust current rates in Brisbane, and

**WHEREAS**, Recology has requested a 3.42% increase to the current rates and charges, and

**WHEREAS**, the proposed rate increase is in line with section 6.2: Modification Based Refuse Rate Index of the current franchise agreement.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Brisbane approves the rate increase requested as set forth in Appendix A, which is attached hereto and incorporate as though set forth in full, to be effective July 1, 2018.

---

W. CLARKE CONWAY  
Mayor

I hereby certify that the foregoing Resolution No. 2018-35 was duly and regularly adopted at a regular meeting of the Brisbane City Council on May 17, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:

---

INGRID PADILLA  
City Clerk

# RATE BOOK

## COMMERCIAL RATES

Commercial rates include the following components:

- Volumetric charges shown are for trash service.
- Recycling services are charged at 25% of the volumetric rate for trash. \*
- Composting services are charged at 75% of the volumetric rate for trash. \*
- There are separate charges for premium services, such as key, distance and elevation.

\* Except for roll-off compactors, which are charged at 25% (recycling) or 75% (composting) of the calculated rate.

# COMMERCIAL RATES

## 32 GALLON CARTS

**NOTE:**

These rates apply to Carts located outside.

Carts located inside:

- Less than 100 feet from the curb will be charged 10% more.
  - More than 100 feet from the curb will be charged 25% more.
- Carts located 4 feet or more above or below ground level will be charged 25% more.

Rates listed below are for carts up to 45 pounds. Any weight exceeding 45 pounds will be charged an additional \$0.0972 per pound.

**Key Charges:**

1 Per Week =	\$16.76
2 Per Week =	\$29.52
3 Per Week =	\$41.98
4 Per Week =	\$54.02
5 Per Week =	\$66.10
6 Per Week =	\$84.23
7 Per Week =	\$103.71
Saturday =	\$18.13
Sunday =	\$19.49

PICKUPS	1 CART
1 Per Week =	\$61.38
2 Per Week =	\$122.76
3 Per Week =	\$184.10
4 Per Week =	\$245.49
5 Per Week =	\$306.87
6 Per Week =	\$377.67
7 Per Week =	\$457.97
Saturday =	\$70.81
Sunday =	\$80.30

**FOR ADDITIONAL CANS: MULTIPLY TIMES PER WEEK BY THE NUMBER OF CARTS.**

For recycling carts, charge is 25% of the charge shown above  
 For composting carts, charge is 75% of the charge shown above

# COMMERCIAL RATES

## 64 GALLON CARTS

**NOTE:**

These rates apply to Carts located outside.

Carts located inside:

- Less than 100 feet from the curb will be charged 10% more.
  - More than 100 feet from the curb will be charged 25% more.
- Carts located 4 feet or more above or below ground level will be charged 25% more.

Rates listed below are for carts up to 90 pounds. Any weight exceeding 90 pounds will be charged an additional \$0.0972 per pound.

**Key Charges:**

- 1 Per Week = \$16.76
- 2 Per Week = \$29.52
- 3 Per Week = \$41.98
- 4 Per Week = \$54.02
- 5 Per Week = \$66.10
- 6 Per Week = \$84.23
- 7 Per Week = \$103.71
- Saturday = \$18.13
- Sunday = \$19.49

**EXTRA PICK-UPS:**

Regular = \$39.21      Saturday = \$52.92      Sunday = \$70.59

	<b>ADD'L CARTS</b>						
<b>PICKUPS</b>	<b>1 CART</b>	<b>2 CARTS</b>	<b>3 CARTS</b>	<b>4 CARTS</b>	<b>5 CARTS</b>	<b>6 CARTS</b>	<b>(EACH)</b>
1 Per Week =	\$125.75	\$232.89	\$340.06	\$446.67	\$554.27	\$661.36	\$107.12
2 Per Week =	\$239.13	\$453.36	\$667.60	\$881.37	\$1,095.65	\$1,309.35	\$214.24
3 Per Week =	\$352.48	\$673.37	\$994.68	\$1,316.05	\$1,636.97	\$1,958.28	\$321.34
4 Per Week =	\$465.77	\$894.29	\$1,322.27	\$1,750.28	\$2,178.78	\$2,606.76	\$428.43
5 Per Week =	\$579.14	\$1,114.26	\$1,649.40	\$2,184.96	\$2,719.68	\$3,255.27	\$535.53
6 Per Week =	\$717.85	\$1,370.55	\$2,036.71	\$2,676.99	\$3,328.93	\$3,982.15	\$653.14
7 Per Week =	\$881.39	\$1,673.31	\$2,478.62	\$3,258.04	\$4,049.16	\$4,841.45	\$792.24
Saturday =	\$138.71	\$256.30	\$387.32	\$492.04	\$609.26	\$726.87	\$117.61
Sunday =	\$163.54	\$302.75	\$441.89	\$581.04	\$720.23	\$859.33	\$139.08

For recycling carts, charge is 25% of the charge shown above  
 For composting carts, charge is 75% of the charge shown above

# COMMERCIAL RATES

## 96 GALLON CARTS

**NOTE:**

These rates apply to Carts located outside.  
Carts located inside:

- Less than 100 feet from the curb will be charged 10% more.
  - More than 100 feet from the curb will be charged 25% more.
- Carts located 4 feet or more above or below ground level will be charged 25% more.

Rates listed below are for carts up to 135 pounds. Any weight exceeding 135 pounds will be charged an additional \$0.0972 per pound.

**EXTRA PICK-UPS:**

Regular = \$52.33      Saturday = \$70.66      Sunday = \$94.19

**Key Charges:**

- 1 Per Week = \$16.76
- 2 Per Week = \$29.52
- 3 Per Week = \$41.98
- 4 Per Week = \$54.02
- 5 Per Week = \$66.10
- 6 Per Week = \$84.23
- 7 Per Week = \$103.71
- Saturday = \$18.13
- Sunday = \$19.49

**ADD'L CARTS**

PICKUPS	1 CART	2 CARTS	3 CARTS	4 CARTS	5 CARTS	6 CARTS	ADD'L CARTS (EACH)
1 Per Week =	\$167.85	\$309.91	\$453.36	\$595.83	\$738.84	\$881.37	\$142.47
2 Per Week =	\$318.96	\$604.51	\$889.94	\$1,175.01	\$1,460.54	\$1,745.99	\$285.00
3 Per Week =	\$470.06	\$898.11	\$1,326.08	\$1,754.64	\$2,182.61	\$2,610.63	\$427.51
4 Per Week =	\$621.15	\$1,191.78	\$1,762.70	\$2,333.74	\$2,904.72	\$3,475.73	\$570.00
5 Per Week =	\$772.36	\$1,485.87	\$2,199.37	\$2,912.88	\$3,626.37	\$4,340.38	\$712.48
6 Per Week =	\$956.99	\$1,827.27	\$2,698.20	\$3,568.48	\$4,438.87	\$5,310.19	\$869.82
7 Per Week =	\$1,175.06	\$2,230.92	\$3,287.37	\$4,343.25	\$5,399.17	\$6,456.03	\$1,055.34
Saturday =	\$184.63	\$341.40	\$498.83	\$655.59	\$812.50	\$969.81	\$157.35
Sunday =	\$218.09	\$403.66	\$589.18	\$774.77	\$960.30	\$1,145.84	\$185.51

For recycling carts, charge is 25% of the charge shown above  
For composting carts, charge is 75% of the charge shown above

# COMMERCIAL RATES

## CONTAINER RATES

**NOTE:** These rates apply to containers located outside.  
 Containers located inside:  
 - Less than 100 feet from the curb will be charged 10% more.  
 - More than 100 feet from the curb will be charged 25% more.  
 Containers located 4 feet or more above or below ground level will be charged 25% more.

**EXTRA PICK-UPS (per yard):**  
 Regular = \$93.67      Saturday = \$126.49      Sunday = \$168.52

**Key Charges:**  
 1 Per Week = \$16.76  
 2 Per Week = \$29.52  
 3 Per Week = \$41.98  
 4 Per Week = \$54.02  
 5 Per Week = \$66.10  
 6 Per Week = \$84.23  
 7 Per Week = \$103.71  
 Saturday = \$18.13  
 Sunday = \$19.49

Uncompacted weight: 300 pounds per yard, plus \$9.72 per 100 pounds (\$0.0972 per pound) over 300 pounds.

PICKUPS	1 YD	1.5 YDS	2 YDS	2.5 YDS	3 YDS	4 YDS	6 YDS	7 YDS
1 Per Week =	\$368.76	\$567.17	\$656.58	\$821.13	\$915.79	\$1,144.88	\$1,625.96	\$1,896.62
2 Per Week =	\$656.58	\$1,002.83	\$1,236.68	\$1,546.55	\$1,763.20	\$2,259.59	\$3,205.53	\$3,740.15
3 Per Week =	\$984.68	\$1,503.96	\$1,855.02	\$2,319.37	\$2,610.16	\$3,343.23	\$4,740.14	\$5,529.72
4 Per Week =	\$1,312.73	\$2,005.18	\$2,473.35	\$3,092.66	\$3,434.60	\$4,396.32	\$6,228.39	\$7,266.61
5 Per Week =	\$1,641.27	\$2,506.35	\$3,091.70	\$3,865.97	\$4,236.63	\$5,419.24	\$7,671.25	\$8,949.45
6 Per Week =	\$2,139.11	\$3,271.97	\$3,978.34	\$4,971.61	\$5,472.37	\$6,964.89	\$9,646.76	\$11,510.33
7 Per Week =	\$2,802.42	\$4,292.98	\$5,160.01	\$6,449.81	\$7,120.36	\$9,025.57	\$12,573.03	\$14,501.15
Saturday =	\$497.84	\$765.63	\$886.63	\$1,105.63	\$1,235.74	\$1,545.66	\$1,975.52	\$2,560.90
Sunday =	\$663.30	\$1,021.01	\$1,181.68	\$1,478.20	\$1,648.01	\$2,060.68	\$2,926.27	\$2,990.81

For recycling containers, charge is 25% of the charge shown above  
 For composting containers, charge is 75% of the charge shown above



# COMPACTOR RATES

## FRONT LOAD COMPACTOR RATES

PER YARD

Compacted = \$120.52    Saturday = \$132.51    Sunday = \$145.84

Compacted weight: 450 lbs. per yard, plus \$9.72 per each 100 lbs. over 450lbs.

Rate Calculation Formula: Compacted Yards x Rate x 4.33

Yards	Regular	Saturday	Sunday
0.5	\$260.93	\$286.88	\$315.74
0.75	\$391.39	\$430.33	\$473.62
1	\$521.85	\$573.77	\$631.49
1.5	\$782.78	\$860.65	\$947.23
2	\$1,043.70	\$1,147.54	\$1,262.97
2.5	\$1,304.63	\$1,434.42	\$1,578.72
3	\$1,565.55	\$1,721.30	\$1,894.46
4	\$2,087.41	\$2,295.07	\$2,525.95
4.5	\$2,348.33	\$2,581.96	\$2,841.69
5	\$2,609.26	\$2,868.84	\$3,157.44
6	\$3,131.11	\$3,442.61	\$3,788.92

## ROLL-OFF COMPACTOR RATES

### Transportation Charge

\$596.86 per pull

### Disposal Charge

\$194.39 per ton

\$194.39 per ton Overweight Charge

### Container Rotation Charge

\$334.39 per pull

Rate Calculation Formula:

Transportation Chg. + Disposal Chg. + 10% + Rotation Chg.\* = Per Pull Compactor Rate

\* If applicable

For recycling compactors charge is 25% of the charge shown above

For composting compactors charge is 75% of the charge shown above

# **DEBRIS BOX RATES**

Debris Box Size	Monday-Friday	Saturday	Max. Weight
	Price	Price	
6yd	\$714.80	\$821.31	Clean fill only
9yd	\$762.28	\$876.49	Clean fill only
15yd	\$714.80	\$821.31	4,000 lbs.
20yd	\$814.90	\$936.81	6,000 lbs.
30yd	\$1,003.54	\$1,153.68	7,000 lbs.
40yd	\$1,103.64	\$1,270.46	8,000 lbs.
14yd covered	\$768.69	\$885.47	4,000 lbs.
20yd covered	\$882.92	\$1,013.81	6,000 lbs.

Overweight charged at \$194.39 per/ton in excess of allowed weight.

6 & 9yd dirt/concrete boxes must be clean fill only-no bricks, wood, metal or trash.

NO serpentine rock, metal, organic debris, or trash. Such loads must be dumped as general debris.



March 27, 2018

BY EMAIL & OVERNIGHT COURIER

Clay Holstine  
 City Manager  
 City of Brisbane  
 50 Park Lane  
 Brisbane, CA 94005

RE: Notice of Intention to Increase Rates & Related Matters

Dear Mr. Holstine:

The purpose of this letter is to notify the City of Brisbane of Recology's intention to increase rates effective July 1, 2018 pursuant to the refuse rate index methodology set forth in the Franchise Agreement between the City and Recology.

RRI Rate Adjustment

Section 6.2 of the Franchise Agreement provides that maximum rates shall be adjusted each July 1 using a refuse rate index consisting of the weighted average of certain index items as specified below. The annual percentage change in each index item and the calculation of the RRI Adjustment Percentage are also set forth below. Accordingly, maximum rates shall be increased by 3.42% effective July 1, 2018 under Section 6.2.

<u>Cost Category</u>	<u>Weighting</u>	<u>Source/Index</u>	<u>Annual % Change in Source/Index</u>	<u>Weighted % Change</u>
Fixed Labor	0.60	As per CBAs	4.50%	2.70%
Variable/Processing Costs	0.25	CPI(U)	2.94%	.74%
Biodiesel Fuel	0.05	Fuel Index	-33%	-.02%
<b>RRI Adjustment Percentage:</b>				3.42%

Franchise Fee Payment

Under Section 4.1 of the Franchise Agreement Recology must make an annual franchise fee payment to the City on or before April 30 of each year. The franchise fee is 14% of Recology's gross revenues during the proceeding calendar year from the collection and disposal of solid waste within Zone 3. For calendar year 2017, these revenues amounted to \$86,076.54. The franchise fee is therefore \$12,050.72. We will remit payment before April 30.

Diversion Rate

Section 8.4 of the Franchise Agreement requires Recology to provide the City with an annual written report setting forth Recology's best estimate of the diversion rate for its Zone 3 customers.

We estimate based on volume and type of service, that the diversion rate for our Zone 3 customers was approximately 63% for the calendar year 2017.

Thank you for your consideration. We would be happy to meet with City staff to discuss these matters at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "John Porter". The signature is written in a cursive style with a large initial "J".

John Porter  
Vice President and Group Manager  
San Francisco Region  
(415) 715-6241

cc: Randy Breault, Public Works Director, City Engineer  
Nick Roberts, Recology SF Region Controller

**CPI-All Urban Consumers (Current Series)  
Original Data Value**

Series Id: CUURS49BSA0, CUUSS49BSA0

Not Seasonally Adjusted

Series Title: All items in San Francisco-Oakland-Hayward, CA,

Area: San Francisco-Oakland-Hayward, CA

Item: All items

Base Period: 1982-84=100

Years: 2008 to 2018

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2008	219.612	222.166	226.145	229.981	233.646	239.806	241.170	246.072	254.503	261.019	260.289	269.483	274.924	273.306	276.542
2009	222.166	226.145	229.981	233.646	239.806	241.170	246.072	254.503	261.019	260.289	269.483	274.924	273.306	276.542	283.422
2010	226.145	229.981	233.646	239.806	241.170	246.072	254.503	261.019	260.289	269.483	274.924	273.306	276.542	283.422	290.306
2011	229.981	233.646	239.806	241.170	246.072	254.503	261.019	260.289	269.483	274.924	273.306	276.542	283.422	290.306	297.211
2012	233.646	239.806	241.170	246.072	254.503	261.019	260.289	269.483	274.924	273.306	276.542	283.422	290.306	297.211	304.116
2013	239.806	241.170	246.072	254.503	261.019	260.289	269.483	274.924	273.306	276.542	283.422	290.306	297.211	304.116	310.921
2014	241.170	246.072	254.503	261.019	260.289	269.483	274.924	273.306	276.542	283.422	290.306	297.211	304.116	310.921	317.726
2015	246.072	254.503	261.019	260.289	269.483	274.924	273.306	276.542	283.422	290.306	297.211	304.116	310.921	317.726	324.531
2016	254.503	261.019	260.289	269.483	274.924	273.306	276.542	283.422	290.306	297.211	304.116	310.921	317.726	324.531	331.336
2017	261.019	260.289	269.483	274.924	273.306	276.542	283.422	290.306	297.211	304.116	310.921	317.726	324.531	331.336	338.141
2018	260.289	269.483	274.924	273.306	276.542	283.422	290.306	297.211	304.116	310.921	317.726	324.531	331.336	338.141	344.946

Dec 2016 vs Dec 2017 Change in CPI	7.931
Dec 2015 6 vs Dec 2017 % change in CPI	2.94%