

STAFF REPORT
City of Lancaster

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06/24/08
MVB

Date: June 24, 2008

To: Mayor Parris and City Council Members

From: James R. Williams, Director of Public Works

Subject: **Conduct a Public Hearing Setting the Service Rates for the Collection of Refuse and Recyclables**

Recommendation:

Conduct a public hearing to receive public comments and adopt **Resolution No. 08-54**, setting the service rates for the collection and disposal of solid waste and recyclable materials pursuant to Section 13.16.080 of the Lancaster Municipal Code.

Fiscal Impact:

Refuse and recycling collection service rates are a fee-for-service that is paid directly to the franchisee by the customer. The franchisee then pays the City 8.11% of total gross receipts. The proposed rates will increase the City franchise fees account number 101-3102-150 by approximately \$120,000 annually.

Background:

Waste Management Inc.'s (WMI) request for this year's refuse service rate adjustment was received by the City Manager's Office on May 1, 2008, per the terms of the Agreement. The Agreement contains specific provisions that entitle WMI to receive annual rate adjustments that are subject to staff review and the City Council's approval. The adjustments are calculated using a complex weighting factor methodology of five (5) operational categories (i.e., changes in labor, fuel, equipment, disposal, and CPI) to determine the impact of each category. The weighted formulas are distributed based upon the type of service levels. For Residential/Commercial Services, the rate adjustment methodology is as follows:

Residential/Commercial Services

Cost Category	Weight Factor	Index Change	Total Weighted Percent Change
Labor	22%	3.7%	0.8%
Fuel	8%	48.2%	3.9%
Equipment	14%	1.9%	0.3%
Disposal	37%	5.9%	2.2%
All Other	19%	3.1%	0.6%
Total	100%		7.8%

Roll-Off Services

Cost Category	Weight Factor	Index Change	Total Weighted Percent Change
Labor	44%	3.7%	1.6%
Fuel	8%	48.2%	3.9%
Equipment	10%	1.9%	0.2%
All Other	38%	3.1%	1.2%
Total	100%		6.9%

NOTE – For roll-off services, disposal costs are charged the posted gate rate at the landfill which is currently \$48.00/ton.

The impact of this adjustment on a typical single-family household with a standard 3-cart collection service will be an adjustment of 7.8 percent or \$1.62 a month, bringing the standard monthly service rate to \$22.41. Standard bin service rates (3-yard bin collected once a week) for multi-family residences will also be adjusted by 7.8 percent or \$8.62 a month, bringing the standard monthly service rate to \$119.11. A temporary roll-off container will be adjusted by 6.9 percent or \$17.83, for a total rental fee of \$276.27.

Staff has worked with WMI representatives and has thoroughly reviewed and verified all rate adjustment data and supporting documentation. Staff has found the information provided to be accurate and in compliance with the terms of the Agreement.

Attachments:

Resolution No. 08-54

RESOLUTION NO. 08-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, SETTING THE SERVICE RATES FOR THE COLLECTION OF REFUSE AND RECYCLABLES PURSUANT TO SECTION 13.16.080 OF THE LANCASTER MUNICIPAL CODE

WHEREAS, pursuant to the Lancaster Municipal Code Section 13.16.080, the Lancaster City Council is authorized to fix and determine the rates that may be charged for collecting or removing garbage, refuse or recyclables from any premises in the City; and

WHEREAS, all residential units in the City are required to participate in the City's refuse collection service; and

WHEREAS, the franchisee under that certain Residential Refuse and Recycling Agreement dated July 1, 2007, entered into by the City of Lancaster, may not charge or collect any fees or rates other than the fees and rates set forth in this Resolution or any other resolution adopted by the City Council, and the fees and rates established in this Resolution must remain in effect, unless changed by subsequent resolution of the City Council of the City of Lancaster.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The monthly rates for refuse and recycling collection service in the City of Lancaster shall be those set forth in Exhibit "A" attached hereto.

SECTION 2. All rates set forth in this Resolution shall be reflected on all refuse bills issued on and after July 1, 2008.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2008,
by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster,
California, do hereby certify that this is a true and correct copy of the original Resolution No. 08-
54, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____
day of _____, _____.

(seal)
