



Item No. 14 Town of Atherton

CITY COUNCIL STAFF REPORT – PUBLIC HEARINGS

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: MAY 16, 2018

**SUBJECT: PUBLIC HEARING ON RECOMMENDED INCREASE TO GREEN
WASTE RATES IN THE TOWN OF ATHERTON**

RECOMMENDATION

- 1) Conduct the Public Hearing regarding the proposed increase in green waste rates; and
- 2) If appropriate, introduce the attached Ordinance for first reading, an Ordinance of the City Council of the Town of Atherton Setting Refuse Collection Rates.

BACKGROUND

As the Town of Atherton is part of the SBWMA, the City Council sets local collection rates based on the revenue requirements for contractor compensation set by the SBWMA Board of Directors. The SBWMA Refuse Subcommittee met to discuss the refuse rate setting process and the following items were recommended:

- Increase of Green Waste rates

The sub-committee's recommendation suggests that all rates with the exception of the green waste rates remain the same. The sub-committee recommends that the cost-model for green cart collection move closer to true cost-recovery for carts greater than the standard refuse service. The green rates estimated costs are \$23.41. *The Subcommittee recommends that residential garbage refuse rates be maintained at their current levels. At this time, the only recommended change is to the green waste rates above the standard refuse service.*

Pursuant to the requirements of Proposition 218, staff mailed Notices of the proposed green cart rate increases, to all refuse service billing addresses for all parcels in Atherton. The Notice described to the service customer the procedures on how to file a protest regarding the rates. Proposition 218 required that notice be issued 45 days prior to the public hearing. To satisfy this

requirement, notices were issued in early March and the public hearing was set for May 16. A copy of the Notice is attached.

Proposition 218 provides that if written protests are presented by a majority of the affected parcels, the rate increase shall not take effect. If there is no majority protest, then the rate increases can be imposed by an ordinance approved by 2/3-vote of the members of the City Council under Health & Safety Code § 5471. After adoption, the Town must also publish and post notice of the proceedings. As of the writing of this report the Town has received two protests.

ANALYSIS

The Refuse Subcommittee recommends adjusting the green waste cart rates to move closer to cost alignment for collection. The current town rate structure includes a fixed rate for each gallon of refuse, with no additional charge for recycled materials or green waste collection. *The Town's rate structure allows a resident to obtain additional green carts.* Currently a 3rd and 4th green cart rate is at \$18 each and for the 5th cart or above, the rate is \$22 each. Actual collection costs for each cart is approximately slightly above \$23. The Committee recommends that the cost model for the additional green carts be moved closer to a true-cost recovery model by raising the cost for carts as follows:

Green Carts

# of Carts	Current Rate	New Rate
Carts 3 and 4	\$18 each	\$20 each
Carts 5 and above	\$22 each	\$25 each

With the above rate structure the Town is seeking to increase the rate for Carts 3 and 4 by \$2. With carts 5 and above, the rate increase is \$3. The total number of additional Green carts 3 & 4 are 1,495 and for Green carts 5 and above are 369. If the number of Green carts at 3 and above maintains, the proposed increase is an additional \$4,097 per month in revenue per green cart collection service. Staff and Sub-Committee recommend as cost model fairness for green carts, that the Town of Atherton seek to get closer to full cost recovery.

Below is a summary of the refuse committee's current proposals:

1. The only residents that will be affected by Green Cart increases are those that have more than 2 Green Carts.

In accordance with Proposition 218 process we make the following findings:

- A. The revenues derived from the increased green waste collection rates, do not exceed the funds required to provide refuse services pursuant to the Solid Waste/Recycling Collection Agreement.
- B. The revenues derived from derived from the increased green waste collection rates, will not be used for any other purpose other than pursuant to Solid Waste/Recycling Collection Agreement.
- C. Review of cost model fairness to move closer to full cost recovery.

Public Hearing on Recommended Increase to Green Waste Rates in the Town of Atherton

May 16, 2018

Page 3 of 3

Attached is an Ordinance adjusting only the Green Carts collection rates above the standard refuse service.

POLICY FOCUS

The setting of refuse collection rates is a matter of policy discussion for the City Council. Establishing rates that reflect full cost recovery is consistent with Proposition 218.

FISCAL IMPACT

Assuming a static number of carts and the recommended fee change per green waste cart, total fiscal impact is an increase of \$4,097 per month. The total increase for organics is estimated at \$49,140 per year.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire Protection District, service providers (water, power, and sewer), and regional elected officials.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ___ has or ___X has not been before a Town Committee or Commission.

- ___ Audit/Finance Committee (meets every other month)
- ___ Bicycle/Pedestrian Committee (meets as needed)
- ___ Civic Center Advisory Committee (meets as needed)
- ___ Environmental Programs Committee (meets every other month)
- ___ Park and Recreation Committee (meets each month)
- ___ Planning Commission (meets each month)
- ___ Rail Committee (meets every other month)
- ___ Transportation Committee (meets every other month)
- ___ Tree Committee (meets each month)

ATTACHMENTS

Ordinance

Notice of Public Hearing

ORDINANCE XXX

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON AMENDING THE RATES SET FORTH IN ORDINANCE 621 TO INCREASE THE GREEN WASTE CART RATES

WHEREAS, the Town of Atherton ("Town") has provided a franchise to Recology San Mateo County ("Franchisee") allowing for and governing the collection of refuse, recyclable material and plant material within the Town of Atherton's limits; and

WHEREAS, pursuant to the Uniform Franchise Agreement for Collection Services ("Solid Waste/Recycling Collection Agreement") between Franchisee and the Town, the Town is required to adopt solid waste/recycling collection rates that produce revenues sufficient to provide payment to Franchisee in accordance with the amount due under the Solid Waste/Recycling Collection Agreement; and

WHEREAS, the Town has reviewed and approved rates on November 16, 2016 by Ordinance 621, that Franchisee may charge for these solid waste/recycling collection services; and

WHEREAS, the City Council directed staff to prepare an adjustment to green waste cart collection rates above the standard residential pick up service to reflect a cost model closer to full cost recovery; and

WHEREAS, the Town has posted a public hearing notice of the proposed rate decreases, including the date, time and location of a public hearing not less than 10 days before said public hearing; and

WHEREAS, the Town held the duly noticed public hearing and considered any and all comments;

NOW, THEREFORE, THE CITY COUNCIL OF THE TOWN OF ATHERTON DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. In accordance with Article XIII D, Section 6(b), of the California Constitution, the City Council makes the following findings:

A. The revenues derived from the increase in green waste collection rates do not exceed the funds required to provide refuse services pursuant to the Solid Waste/Recycling Collection Agreement.

B. The revenues derived from the increase in green waste collection rates will not be used for any other purpose other than pursuant to Solid Waste/Recycling Collection Agreement

C. Review of cost model fairness to move closer to full cost recovery.

D. The only adjustments are to green waste cart rates above the standard residential pick up service.

E. The solid waste/recycling collection services are presently available.

SECTION 2. Beginning on the effective date of this Ordinance, the green waste cart collection rates above the standard residential pick up service are amended as listed below.

Green Waste carts:

Unscheduled Service Category	Cost	Description of Cost
Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase (in addition to the two Organic Material carts and one Recyclable Materials cart)	A – \$20.00 each for 1 or 2 additional cans \$25.00 each for 3 or more additional cans B - \$3.00 C – \$63.00 D – \$69.00	A – monthly rental fee (any size Cart) for Organic Materials Carts B – monthly rental fee (any size Cart) for Targeted Recyclable Materials Carts C – Customer purchase of a 64 gallon Cart D – Customer purchase of a 96 gallon Cart

SECTION 3. The City Council hereby declares that it would have passed this Ordinance, sentence by sentence, paragraph by paragraph, and section by section, and does hereby declare that any provisions in this Ordinance are severable and, if for any reason any sentence, paragraph or section of this Ordinance shall be held invalid, such decision shall not affect the validity of the remaining parts of this Ordinance.

SECTION 4. This Ordinance was approved by a 2/3 vote of the City Council pursuant to Health & Safety Code section 5471.

SECTION 5. This Ordinance shall take effect thirty (30) days after adoption as provided by Government Code section 36937.

SECTION 6. This Ordinance shall be published once fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Government Code section 36933.

* * * * *

Introduced at a regular meeting of the City Council held on May 16, 2018, and passed and adopted by the City Council of the Town of Atherton on the 20th day of June, 2018 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:
 NOES: COUNCIL MEMBERS:

ABSENT:
ABSTAIN:

COUNCIL MEMBERS:
COUNCIL MEMBERS:

Cary Wiest, Mayor
Town of Atherton

ATTEST:

Theresa DellaSanta
City Clerk

APPROVED AS TO FORM:

William B. Conners
City Attorney

**NOTICE OF PUBLIC HEARING
REGARDING PROPOSED INCREASE IN GREEN WASTE RATES IN THE TOWN OF
ATHERTON**

Dear Property Owner/Tenant:

Pursuant to the requirements of Proposition 218 and Article XIID of the California Constitution, this notice provides information regarding proposed increases to the existing residential and commercial customer rates for the collection of green waste materials in the Town of Atherton.

**Notice of Public Hearing
Regarding Proposed Increase in Green Waste Rates**

A public hearing on proposed increases to green waste rates will be held by the City Council on:

Date: Wednesday, May 16 , 2018
Time: 7:00 p.m.
Place: City Council Chambers, 94 Ashfield Road, Atherton CA

This notice is being sent to the refuse service billing address for all parcels in Atherton. This notice also describes how to file a protest regarding the proposed rate increase. All property owners/tenants and other interested parties are invited to attend the public hearing and be heard on the proposed rate increase.

**1. Proposed New Rates for number of Green Carts greater than 2:
(Effective July 16, 2018)**

The proposed increase in rates is only affecting green waste rates for those that have 3 or more Green Carts. The rates for the first 2 green carts of the standard residential pick up service are NOT increasing. The only residents that will be affected by Green Cart increases are those that have more than 2 Green Carts. The proposed new rates for green carts are below.

Green Carts

# of Carts	Current Rate	New Rate
Carts 3 and 4	\$18 each	\$20 each
Carts 5 and above	\$22 each	\$25 each

Protest Procedures:

The City Council of the Town of Atherton will hold a public hearing on Wednesday, May 16 at 7:00 p.m. City Hall Council Chambers. At this hearing, the City Council will consider public comment as well as written protests by ratepayers and property owners against the proposed increase in green waste fees. Any person may appear at the public hearing and be heard on any matter related to the proposed increase in rates.

Any written protest must be signed by the property owner or the customer responsible for payment of the fee and it must include the service address or assessor's parcel number (APN). The Town

of Atherton must receive any written protest at Town Hall by 5:00 p.m. on May 16, 2018, or the written protest must be presented at the City Council meeting on May 16, 2018 prior to the close of the public hearing on the matter. If you wish to mail a written protest, please send it in a sealed envelope addressed to Green Waste Rates, City Clerk, Town of Atherton, 91 Ashfield Road, Atherton, CA 94027. Only one protest may be filed per parcel or service address.

If written protests are presented by a majority of affected property owners/customers prior to close of the public hearing, the City Council cannot adopt the proposed rates and another rate structure would have to be proposed.

If you have any questions or would like to make changes to your service with Recology, please visit their website at www.recology.com or call 650-802-3500.

If you would like additional information on the proposed rates, please call Robert Barron III at 650-752-0552.

For mailing distribution by March 9, 2018.