



CITY COUNCIL AGENDA REPORT

Meeting Date: May 2, 2024

From: Director of Public Works/City Engineer

Subject: Solid Waste Collection Rate Adjustment

Community Goal/Result: Ecological Sustainability

Purpose: To review rate adjustments submitted by one of the city's solid waste franchisees.

Recommendation: Receive Recology Brisbane's 2024 rate increase.

Background

The city has two Franchise Agreements dated November 20, 2014 for the provision of waste collection services, one with South San Francisco Scavenger Company in Solid Waste Collection Zones 1(A&B) and 2, and one with Recology Brisbane in Solid Waste Collection Zone 3. Both agreements have language specifying under what conditions a rate increase may occur.

Discussion

Recology Brisbane did submit a request for rate increase; their proposed rates were reviewed by staff and found to be in accordance with their franchise agreement. Pursuant to each agreement, ". . . not later than June 30th of the year of the Notice of Intention, the City Council shall act upon the new maximum rates as appropriate, with any new maximum rates to become effective on July 1st of the same year."

The rate increase for this year is 2.45%. Last year's rate increase was 4.64%.

With the company completing their calculation per the agreement, there is no discretionary action for the Council to take.

Fiscal Impact

The effective date of the new rates is July 1, 2024.

Measure of Success

Compliance with the previously agreed upon terms and conditions for rate adjustments.

Attachments

1. Recology Brisbane's letter of 3/29/24 and redacted rate adjustment language
2. Solid Waste Collection Zone Maps

R.L. Breault

Randy Breault, Public Works Director

Clay Holstine

Clay Holstine, City Manager



March 29, 2024

BY EMAIL

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, 2024 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 2.45% effective July 1, 2024 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	3.50%	2.10%
Variable/Processing Costs	0.25	CPI(U)	2.62%	0.66%
CNG Fuel	0.05	Fuel Index	-6.15%	-0.31%
RRI Adjustment Percentage:				2.45%

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 2023, these revenues amounted to \$111,404.21. The franchise fee is therefore \$15,596.59. 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 41% for the calendar year 2024.

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

Sincerely,

Anthony Crescenti
General Manager
Recology Sunset Scavenger
(415) 330-2911

cc: Randy Breault, Public Works Director, City Engineer
Terry Duong, Recology SF Region Controller

RATE BOOK

PROPOSED COMMERCIAL RATES EFF 7/1/24

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.

SUNSET SCAVENGER, INC
RATES AND CHARGES EFFECTIVE JULY 1, 2024
CITY OF BRISBANE, CALIFORNIA

	<u>Current Rates</u>	<i>Proposed increased %</i>	<u>Proposed Maximum Rates</u>
1. Commercial Key Charges			
These rates apply to Carts located outside.	1 Per Week = \$ 19.71	2.45%	\$ 20.19
Carts located inside:	2 Per Week = \$ 34.71	2.45%	\$ 35.56
- Less than 100 feet from the curb will be charged 10% more.	3 Per Week = \$ 49.37	2.45%	\$ 50.58
- More than 100 feet from the curb will be charged 25% more.	4 Per Week = \$ 63.51	2.45%	\$ 65.07
Carts located 4 feet or more above or below ground level will be charged 25% more.	5 Per Week = \$ 77.72	2.45%	\$ 79.62
Rates listed below are for carts up to 45 pounds.	6 Per Week = \$ 99.03	2.45%	\$ 101.46
Any weight exceeding 45 pounds will be charged an additional \$0.1143 per pound.	7 Per Week = \$ 121.95	2.45%	\$ 124.94
	Saturday = \$ 21.33	2.45%	\$ 21.85
	Sunday = \$ 22.92	2.45%	\$ 23.48

2. Proposed Commercial Rates

Rate is per month, one pick up per week.

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

For recycling carts, charge is 25% of the charge shown below

For composting carts, charge is 75% of the charge shown below

32 Gallon Carts	1 Per Week = \$ 72.17	2.45%	\$ 73.94
	Saturday = \$ 83.25	2.45%	\$ 85.29
	Sunday = \$ 94.42	2.45%	\$ 96.73
64 Gallon Carts	1 Per Week = \$ 147.86	2.45%	\$ 151.48
	Saturday = \$ 163.08	2.45%	\$ 167.08
	Sunday = \$ 192.29	2.45%	\$ 197.00
96 Gallon Carts	1 Per Week = \$ 197.36	2.45%	\$ 202.20
	Saturday = \$ 217.09	2.45%	\$ 222.41
	Sunday = \$ 256.42	2.45%	\$ 262.70

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CITY OF BRISBANE, CALIFORNIA

	<u>Current Rates</u>	<i>Proposed increased %</i>	<u>Proposed Maximum Rates</u>
3. Extra Pick-ups			
64 Gallon Carts Regular	\$ 46.09	2.45%	\$ 47.22
Saturday =	\$ 62.22	2.45%	\$ 63.74
Sunday =	\$ 83.00	2.45%	\$ 85.03
96 Gallon Carts Regular	\$ 61.53	2.45%	\$ 63.04
Saturday =	\$ 83.08	2.45%	\$ 85.12
Sunday =	\$ 110.74	2.45%	\$ 113.45

4. Container Rates

Rate is per month, one pick up per week.

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

For recycling carts, charge is 25% of the charge shown below

For composting carts, charge is 75% of the charge shown below

1 YD 1 Per Week =	\$ 433.57	2.45%	\$ 444.19
Saturday =	\$ 585.34	2.45%	\$ 599.68
Sunday =	\$ 779.88	2.45%	\$ 798.99
1.5 YDS 1 Per Week =	\$ 666.86	2.45%	\$ 683.20
Saturday =	\$ 900.21	2.45%	\$ 922.27
Sunday =	\$ 1,200.46	2.45%	\$ 1,229.87
2 YDS 1 Per Week =	\$ 771.98	2.45%	\$ 790.89
Saturday =	\$ 1,042.48	2.45%	\$ 1,068.02
Sunday =	\$ 1,389.38	2.45%	\$ 1,423.42
2.5 YDS 1 Per Week =	\$ 965.46	2.45%	\$ 989.11
Saturday =	\$ 1,299.96	2.45%	\$ 1,331.81
Sunday =	\$ 1,738.02	2.45%	\$ 1,780.60

SUNSET SCAVENGER, INC
RATES AND CHARGES EFFECTIVE JULY 1, 2024
CITY OF BRISBANE, CALIFORNIA

		<u>Current Rates</u>	<i>Proposed increased %</i>	<u>Proposed Maximum Rates</u>
3 YDS	1 Per Week =	\$ 1,076.76	2.45%	\$ 1,103.14
	Saturday =	\$ 1,452.94	2.45%	\$ 1,488.54
	Sunday =	\$ 1,937.67	2.45%	\$ 1,985.14
4 YDS	1 Per Week =	\$ 1,346.10	2.45%	\$ 1,379.08
	Saturday =	\$ 1,817.32	2.45%	\$ 1,861.84
	Sunday =	\$ 2,422.87	2.45%	\$ 2,482.23
6 YDS	1 Per Week =	\$ 1,911.75	2.45%	\$ 1,958.59
	Saturday =	\$ 2,322.75	2.45%	\$ 2,379.66
	Sunday =	\$ 3,440.62	2.45%	\$ 3,524.92
7 YDS	1 Per Week =	\$ 2,229.98	2.45%	\$ 2,284.61
	Saturday =	\$ 3,011.02	2.45%	\$ 3,084.79
	Sunday =	\$ 3,516.49	2.45%	\$ 3,602.64

5. Extra Pick-ups for Containers

<i>(per Yard)</i>	Regular	\$ 110.13	2.45%	\$ 112.83
	Saturday =	\$ 148.72	2.45%	\$ 152.36
	Sunday =	\$ 198.15	2.45%	\$ 203.00

6. Front Load Compactor Rates

Rate is per month, one pick up per week.

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

For recycling carts, charge is 25% of the charge shown below

For composting carts, charge is 75% of the charge shown below

0.5 YD	1 Per Week =	\$ 306.81	2.45%	\$ 314.33
	Saturday =	\$ 337.31	2.45%	\$ 345.57
	Sunday =	\$ 371.24	2.45%	\$ 380.34

SUNSET SCAVENGER, INC
RATES AND CHARGES EFFECTIVE JULY 1, 2024
CITY OF BRISBANE, CALIFORNIA

		Current Rates	<i>Proposed increased %</i>	Proposed Maximum Rates
.75 YD	1 Per Week =	\$ 460.22	2.45%	\$ 471.50
	Saturday =	\$ 505.96	2.45%	\$ 518.36
	Sunday =	\$ 556.86	2.45%	\$ 570.50
1 YD	1 Per Week =	\$ 613.62	2.45%	\$ 628.65
	Saturday =	\$ 674.60	2.45%	\$ 691.13
	Sunday =	\$ 742.48	2.45%	\$ 760.67
1.5 YDS	1 Per Week =	\$ 920.43	2.45%	\$ 942.98
	Saturday =	\$ 1,011.91	2.45%	\$ 1,036.70
	Sunday =	\$ 1,113.73	2.45%	\$ 1,141.02
2 YDS	1 Per Week =	\$ 1,227.24	2.45%	\$ 1,257.31
	Saturday =	\$ 1,349.22	2.45%	\$ 1,382.28
	Sunday =	\$ 1,484.96	2.45%	\$ 1,521.34
2.5 YDS	1 Per Week =	\$ 1,534.05	2.45%	\$ 1,571.63
	Saturday =	\$ 1,686.51	2.45%	\$ 1,727.83
	Sunday =	\$ 1,856.20	2.45%	\$ 1,901.68
3 YDS	1 Per Week =	\$ 1,840.87	2.45%	\$ 1,885.97
	Saturday =	\$ 2,023.82	2.45%	\$ 2,073.40
	Sunday =	\$ 2,227.44	2.45%	\$ 2,282.01
4 YDS	1 Per Week =	\$ 2,454.49	2.45%	\$ 2,514.63
	Saturday =	\$ 2,698.42	2.45%	\$ 2,764.53
	Sunday =	\$ 2,969.92	2.45%	\$ 3,042.68
4.5 YDS	1 Per Week =	\$ 2,761.29	2.45%	\$ 2,828.94
	Saturday =	\$ 3,035.73	2.45%	\$ 3,110.11
	Sunday =	\$ 3,341.17	2.45%	\$ 3,423.03
5 YDS	1 Per Week =	\$ 3,068.11	2.45%	\$ 3,143.28
	Saturday =	\$ 3,373.04	2.45%	\$ 3,455.68
	Sunday =	\$ 3,712.41	2.45%	\$ 3,803.36

SUNSET SCAVENGER, INC
 RATES AND CHARGES EFFECTIVE JULY 1, 2024
 CITY OF BRISBANE, CALIFORNIA

		<u>Current Rates</u>	<i>Proposed increased %</i>	<u>Proposed Maximum Rates</u>
6 YDS	1 Per Week =	\$ 3,681.73	2.45%	\$ 3,771.93
	Saturday =	\$ 4,047.64	2.45%	\$ 4,146.81
	Sunday =	\$ 4,454.88	2.45%	\$ 4,564.02

7. Extra Pick-ups for Front load Compactor

(per Yard)	Compacted	\$ 141.71	2.45%	\$ 145.18
	Saturday =	\$ 155.80	2.45%	\$ 159.62
	Sunday =	\$ 171.47	2.45%	\$ 175.67

ROLL-OFF COMPACTOR RATES

Transportation Charge
 \$718.95 per pull

Disposal Charge
 \$234.17 per ton

Container Rotation Charge
 \$402.79 per pull

Rate Calculation Formula:

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

* If applicable

7. Debris Box Rates

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.
 Rate is per month, one pick up per week.

SUNSET SCAVENGER, INC
RATES AND CHARGES EFFECTIVE JULY 1, 2024
CITY OF BRISBANE, CALIFORNIA

	Current Rates	<i>Proposed increased %</i>	Proposed Maximum Rates
6 YDS Monday-Friday	840.44	2.45%	\$ 861.03
Saturday	965.66	2.45%	\$ 989.32
Max. Weight	Clean fill only		Clean fill only
9 YDS Monday-Friday	896.25	2.45%	\$ 918.21
Saturday	1030.54	2.45%	\$ 1,055.79
Max. Weight	Clean fill only		Clean fill only
15 YDS Monday-Friday	840.44	2.45%	\$ 861.03
Saturday	965.66	2.45%	\$ 989.32
Max. Weight	4,000 lbs.		4,000 lbs.
20 YDS Monday-Friday	958.14	2.45%	\$ 981.61
Saturday	1101.46	2.45%	\$ 1,128.45
Max. Weight	6,000 lbs.		6,000 lbs.
30 YDS Monday-Friday	1179.93	2.45%	\$ 1,208.84
Saturday	1356.46	2.45%	\$ 1,389.69
Max. Weight	7,000 lbs.		7,000 lbs.
40 YDS Monday-Friday	1297.62	2.45%	\$ 1,329.41
Saturday	1493.77	2.45%	\$ 1,530.37
Max. Weight	8,000 lbs.		8,000 lbs.
14yd covered Monday-Friday	903.8	2.45%	\$ 925.94
Saturday	1041.11	2.45%	\$ 1,066.62
Max. Weight	4,000 lbs.		4,000 lbs.
20yd covered Monday-Friday	1038.1	2.45%	\$ 1,063.53
Saturday	1192.02	2.45%	\$ 1,221.22
Max. Weight	6,000 lbs.		6,000 lbs.

Recology Rate Modification

6.2 Modification Based on Refuse Rate Index.

- (a) The maximum rates specified under this Agreement shall be adjusted July 1st every year (beginning in 2016) by a percentage amount equal to the RRI Adjustment Percentage, which shall be calculated as follows:

Step 1: For each Source/Index listed in Table 1 below, calculate the annual percentage change in the Source/Index over the most recent 12-month period for which data are available at the time Recology submits the Notice of Intention described in Section 6.2(c) below.

Step 2: For each Cost Category listed in Table 1 below, multiply the Weighting for such Cost Category set forth in Table 1 below by the percentage change in the Source/Index for such Cost Category calculated in Step 1 above.

Step 3: Add the percentages calculated in Step 2 above. The result is the RRI Adjustment Percentage.

For example, if the annual percentage change is 3.0% for CPI(U), 9.0% for the Fuel Index, and 4.0% under the CBAs, then the RRI Adjustment Percentage equals 3.60% (= (.60 x 4.0%) + (.25 x 3.0%) + (.05 x 9.0%)).

Table 1. Refuse Rate Index

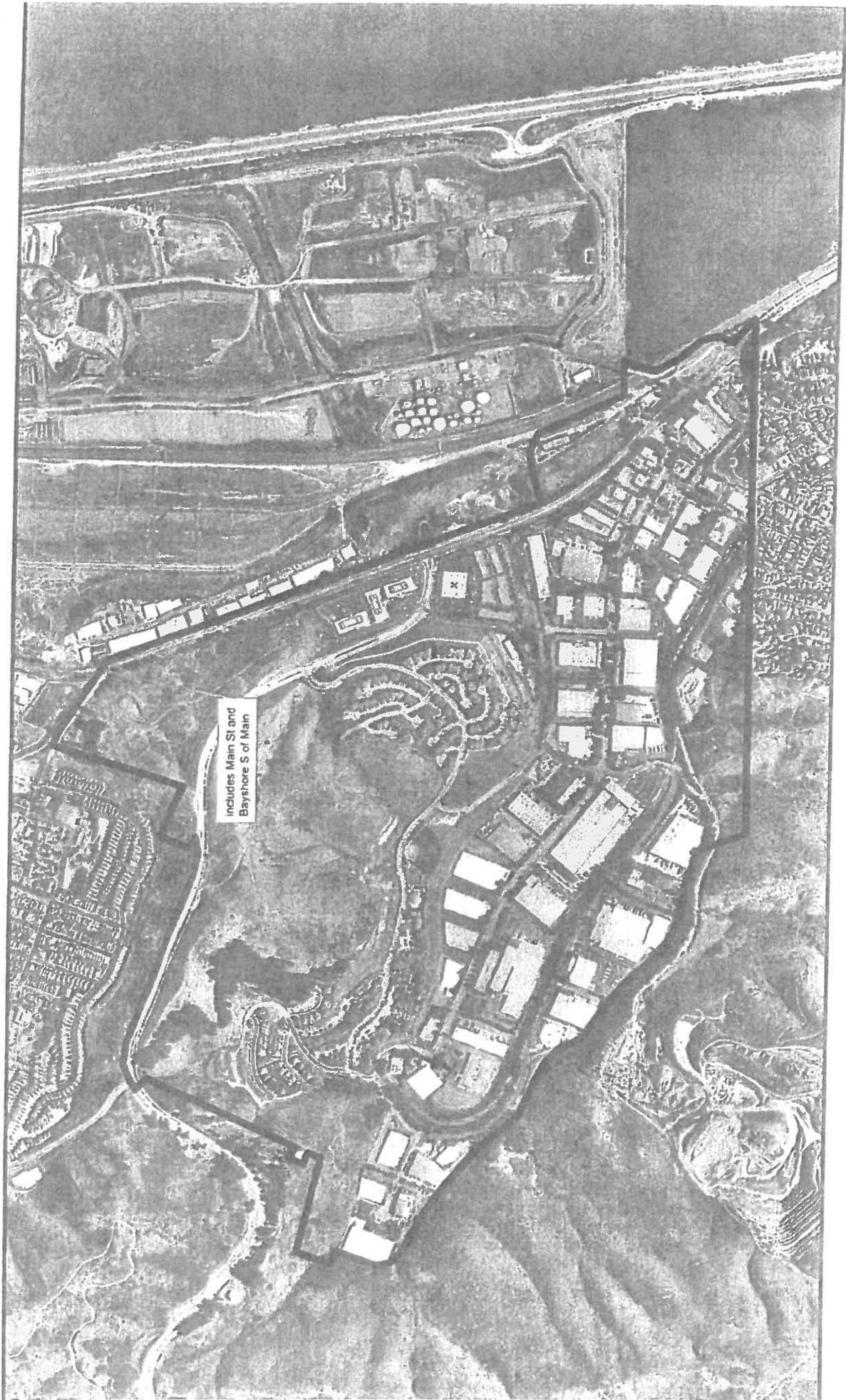
<u>Cost Category</u>	<u>Weighting</u>	<u>Source/Index</u>
Fixed Labor	0.60	As per CBAs
Variable/Processing Costs	0.25	CPI(U)
Biodiesel Fuel	0.05	Fuel Index
Total:	0.90	

- (b) For purposes of this Section 6.2:
- (i) “CBAs” means the collective bargaining agreement(s) in effect from time to time applicable to the employees performing collection services under this Agreement. In connection with any adjustment under this Section 6.2, the annual percentage change calculations shall be based on the changes in wage rates required by the CBAs, and Recology shall make available to the City Manager the portions of the CBAs necessary to confirm such changes.
- (ii) “CPI(U)” means the Consumer Price Index, All Urban Consumers, San Francisco-Oakland-San Jose, Not Seasonally Adjusted, Series ID:

Recology Rate Modification

CUURA422SA0, published by the U.S. Department of Labor, Bureau of Labor Statistics.

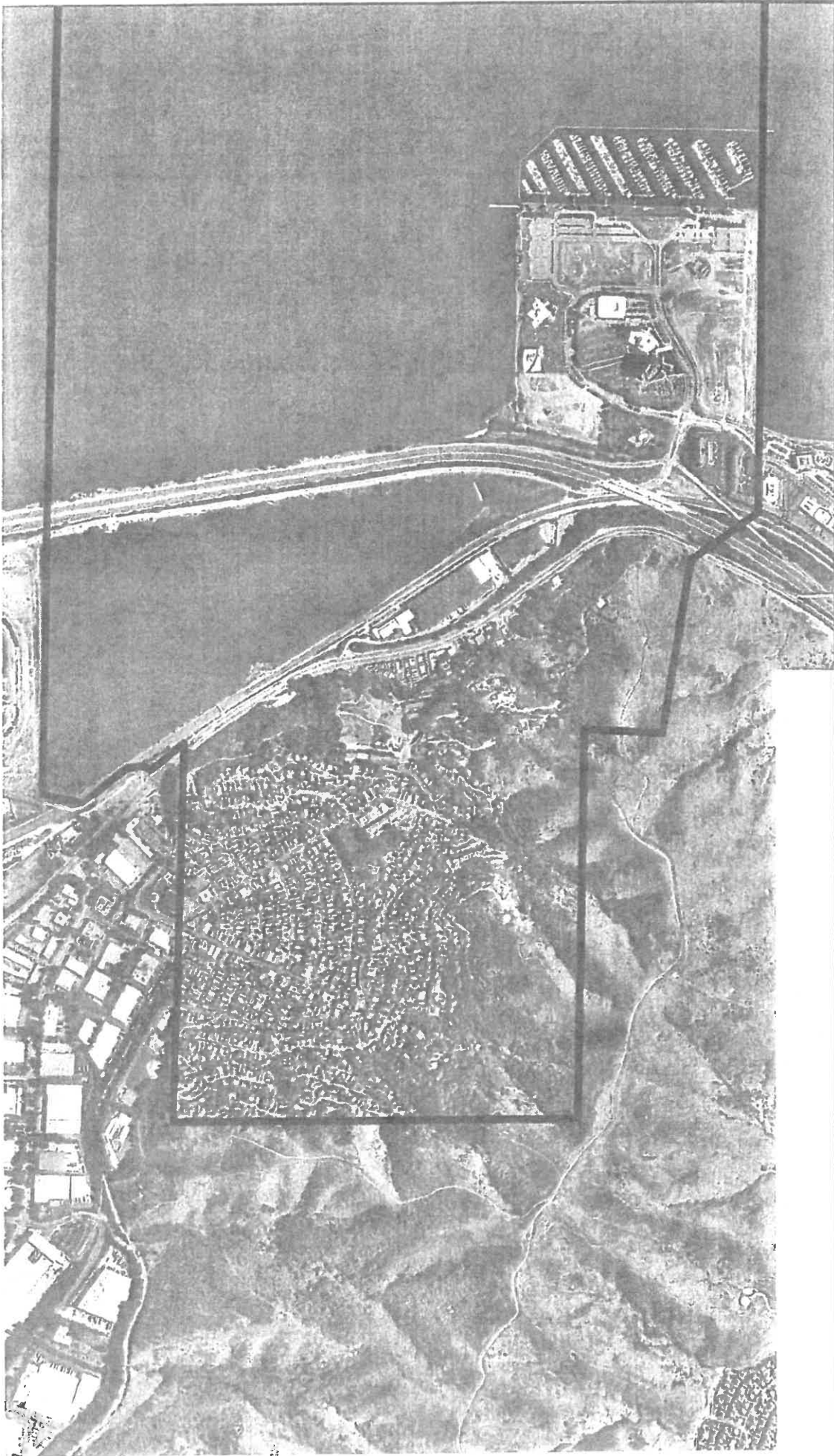
- (iii) "Fuel Index" means the Total G-NGV1 Charge set forth in Schedule G-NGV1, Natural Gas Service for Compression on Customers' Premises, published by Pacific Gas & Electric Company.



includes Main St and Bayshore S of Main

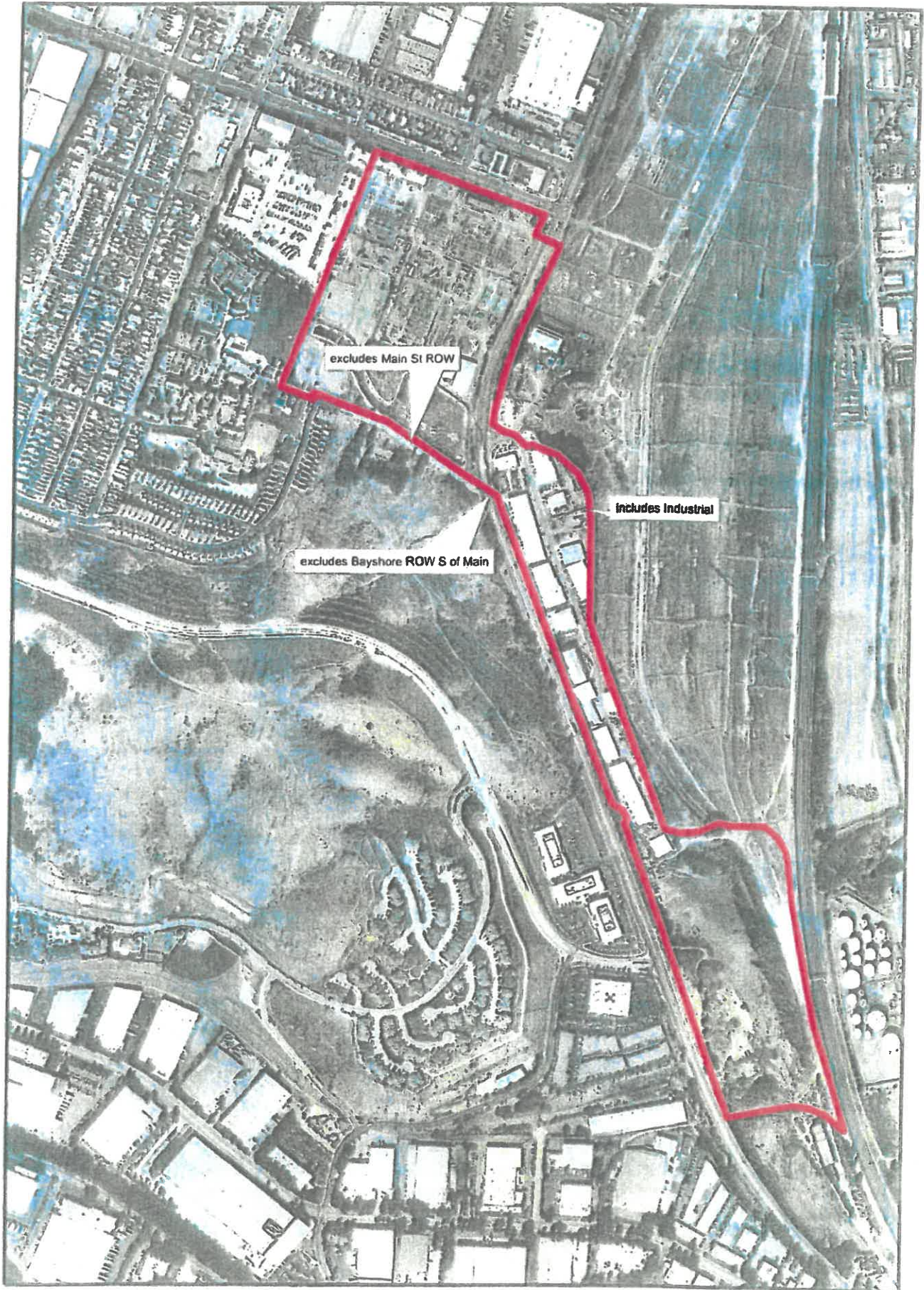
**City of Brisbane
Solid Waste Collection Zone
1 - A**



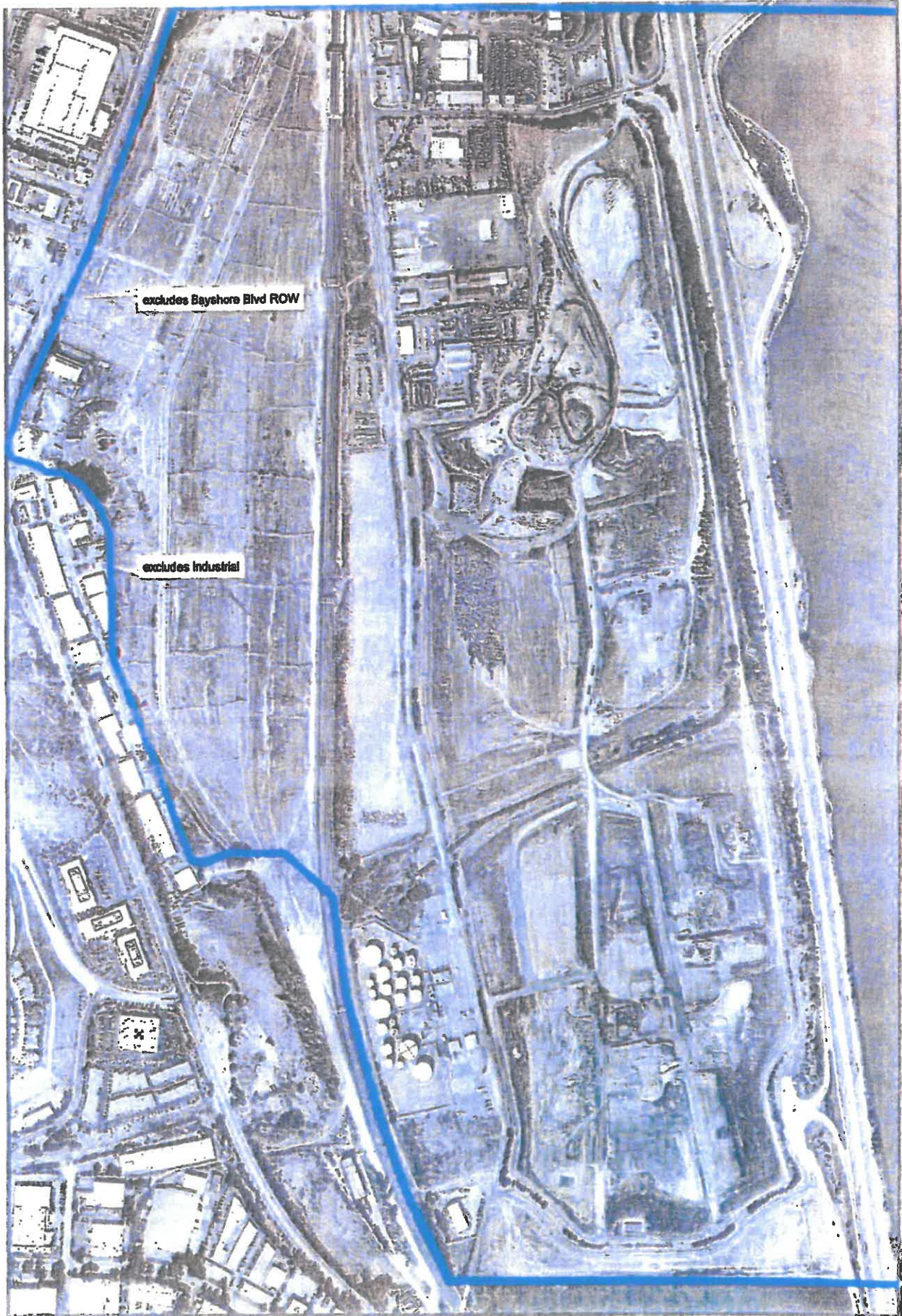


**City of Brisbane
Solid Waste Collection Zone
1 - B**





**City of Brisbane
Solid Waste Collection Zone
2**



excludes Bayshore Blvd ROW

excludes Industrial



City of Brisbane Solid Waste Collection Zone