



STAFF REPORT
7/22/2020

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Adopt Resolution No. 2020-42, authorizing the collection of Residential Solid Waste Rates for Fiscal Year 2020/2021 through the County of Riverside Tax Roll, at the same time and manner as General Taxes, and approve Fiscal Year 2020/2021 Solid Waste Rates.

STAFF RECOMMENDATION:

Adopt Resolution 2020-42 to set a July 22, 2020 public hearing for Municipal Solid Waste Rates for fiscal year 2020/2021.

BACKGROUND:

The City of Coachella entered into a franchise agreement with Burrtec Waste and Recycling Services (Burrtec) in May 2006. Since 2006, Burrtec has been the provider for all solid waste collection disposal services for Coachella residents and businesses. A first amendment to this agreement was approved by Council on May 27, 2009, which established the solid waste charges for residential customers would be collected through the county tax roll; commercial customers continue to be billed directly by Burrtec. A second amendment was approved by Council on June 19, 2013 extending the term of the agreement through May 30, 2023 and third amendment was approved by Council on January 17, 2018.

DISCUSSION/ANALYSIS:

The agreement allows for rate increases based on two components of the rate 1) service component and 2) disposal component. The proposed residential rate increase overall is a 6.5% increase based on the following increases to the above noted components:

- 1) a 2.96% increase to the service component (based on increased published Consumer Price Index)
- 2) a 9.1% increase to the disposal component for refuse; a 11.2% increase to the green waste disposal (increased disposal costs are set by the County of Riverside Waste Management Department).

The current residential rate is \$23.09. The proposed increase to the 2020/2021 monthly residential rate totals \$1.50; the new proposed residential rate is \$24.59. As approved by voters on June 8, 2010 this rate is subject to a 5% Utilities Users Tax, which will bring the monthly charged rate to \$25.82.

The most common commercial service is a three-yard cubic bin, with one pick up per week. Currently, the commercial rate for this service is \$137.16. Based on the same factors noted above, the increase for fiscal year 2020/2021 totals \$4.22; the new proposed rate for fiscal year 2020/2021 is \$141.38. As noted above a 5% Utility Users Tax will be applied to this service, which will bring the rate for a standard three cubic yard bin, with one pickup per week, to \$148.45.

Staff is recommending approval of the attached resolution adopting the Municipal Solid Waste Rates proposed for fiscal year 2020/2021.

FISCAL IMPACT:

The recommended action will have a positive impact to the general fund; estimated correspondent franchise fee for FY 2020/2021 is \$385,000 and correspondent utility users tax of \$200,000.

Attachment:

Resolution 2020-42

Exhibit A