



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 12

Section Name: {{section.name}}

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TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Public Works Department
MEETING DATE: August 16, 2021

SUBJECT:
Solid Waste – Update and Rate Notification

RECOMMENDATION:

Authorize staff to mail a notice to all property taxpayers proposing a not-to-exceed increase in solid waste, recycling, and compost collection rate for 2022.

BACKGROUND:

The City's Solid Waste Program (Program) includes waste diversion and trash reduction efforts, litter and illegal dumping abatement, and ensures compliance with all county, regional, state, and federal regulations. Solid waste, recycling, and compost services are available to all residents and commercial businesses in the City.

Council establishes the solid waste, recycling, and compost collection rates to sufficiently cover the cost of these services. The costs include collection services provided by Recology San Mateo County (Recology), disposal and processing fees by South Bay Recycling, LLC, and City staff time and materials needed to manage the Program. HF&H Consultants (HF&H) contracted with the City to assist in developing a rate structure that provides sufficient funds for the cost of services provided to both the residential and commercial sectors.

During the May 3, 2021 Council meeting, staff presented alternatives for adjusting solid waste rates to offset anticipated future increases in costs to implement the Program. Based on the presentation, Council's feedback was as follows:

- A not-to-exceed \$4.00 per month increase for 20- and 32-gallon residential and commercial cart rates;
- A \$2.00 increase for 64- and 96-gallon residential and commercial cart rates;
- A not-to-exceed two percent increase in commercial solid waste and organic bin rates; and
- A one-year rate for year 2022 and the consideration of a three-year rate structure for the future.

Table A below summarizes the current and proposed 2022 monthly rates for residential and the most common service level (one collection per week) rates for commercial collection services.

Table A - 2021/2022 Residential Garbage Collection and Actual Cost of Services

Size of Collection Cart/Bin	2021 Monthly Rate	Proposed 2022 Monthly Rate	Monthly Difference
Residential Rates			
20 Gallon Cart	\$15.59	\$19.59	\$4.00
32 Gallon Cart	\$24.93	\$28.93	\$4.00
64 Gallon Cart	\$54.93	\$56.93	\$2.00
96 Gallon Cart	\$85.08	\$87.08	\$2.00
Commercial Rates (1 collection per week)			
1 Yard	\$166.84	\$170.18	\$3.34
2 Yard	\$333.77	\$340.45	\$6.68
3 Yard	\$500.64	\$510.65	\$10.01
6 Yard	\$975.49	\$995.00	\$19.51

Rate Setting Procedures:

While the courts have not ruled that Proposition 218 applies to solid waste collection rates from a franchise hauler, in an abundance of caution, the City has historically followed the “majority protest” proceedings set forth in Proposition 218. Accordingly, with Council’s approval, a public notification (Attachment 1) of the proposed maximum increase in solid waste rates will be mailed to property owners no later than August 23, 2021. The notification will instruct property owners wishing to submit a written protest that they must state the purpose of the letter, along with their property’s Assessor’s Parcel Number (APN), and it has to be mailed to the Office of the City Clerk. Statements of protest that include the above criteria will be accepted through the time of the public hearing currently scheduled for the October 18, 2021 Council meeting.

At the end of the public hearing, the City Clerk will tally and report the qualifying written protests and the Council will certify whether the written protests in opposition to the increase meet or do not meet the 50 percent protest threshold. In accordance with Article XIID, Section 6, of the California Constitution, a "majority protest" exists if written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels. If a majority protest is not received, the Council may then approve adoption of the increased rates. If a majority protest is received, the City cannot increase the rates and the rates will remain unchanged.

BUDGET IMPACT:

The recommended rate increases and existing funds from the solid waste fund will cover the solid waste program's revenue requirements.

ENVIRONMENTAL DETERMINATION:

This action by the City in setting the maximum rates to be charged by Recology San Mateo County relates to funding an on-going solid waste collection service and is not a project subject to CEQA, because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Public Hearing Notification

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