

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: JOEY HEJNOWICZ, ADMINISTRATIVE ANALYST, CITY
MANAGER'S OFFICE

SUBJECT: SECOND AMENDMENT TO SOLID WASTE COLLECTION
SERVICES AGREEMENT WITH RECOLOGY SONOMA MARIN,
DBA RECOLOGY SANTA ROSA

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the City Manager's Office that the Council, by resolution, approve the Second Amendment to the Solid Waste Collection Services Agreement between the City of Santa Rosa and Recology Sonoma Marin, dba Recology Santa Rosa, changing the refuse rate adjustment index series to Series ID cuurs49bsa0, San Francisco-Oakland-Hayward, and revising the time period used to determine service recipient rate adjustments.

EXECUTIVE SUMMARY

Recology Sonoma Marin is required to submit financial information for the preceding agreement year to the City annually, by October 1st, as part of its application for an adjustment in the maximum refuse rates. Some indices are out of date requiring updates for calendaring uniformity to reflect current Bureau of Labor Statistics data.

BACKGROUND

On August 29, 2017, the City Council approved the Solid Waste Collection Services Agreement between the City of Santa Rosa and Recology Sonoma Marin, dba Recology Santa Rosa, to provide the City's garbage, recyclable material and organic waste collection services by adopting Resolution No. RES-2017-172. On the same date, City Council expressed a desire for reduced rate program options for low-income customers to be funded utilizing collection services franchise fees.

On December 19, 2017 the City Council adopted Resolution No. RES-2017-250, approving the First Amendment to the Solid Waste Collection Services Agreement

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between the City of Santa Rosa and Recology, Inc., creating a low-income rate discount program. The Low-Income Discount Program provides qualified customers enrolled in the PG&E CARE Program with a fifteen percent (15%) reduction in their solid waste collection service recipient rates. The program is funded from City franchise fees.

PRIOR CITY COUNCIL REVIEW

See Background

ANALYSIS

According to the Solid Waste Collection Services Agreement (CSA), the Bureau of Labor Statistics Series ID for the cost category "All Other" is cuura422Sa0. This index represents the Urban Consumers for San Francisco-Oakland-San Jose. However, since the CSA was signed the geographical area for that index has been revised. The Index Series that is recommended as a replacement is the Series ID cuurs49bsa0, which represents Urban Consumers for San Francisco-Oakland-Hayward.

According to the CSA, the twelve-month period to use in calculating the annual percent change for each cost category Series ID is from September 1st through August 31st. This period works for all cost categories except for the "Labor" cost category (Series ID cis201s000000000i). This category is reported in quarters, not month to month. Therefore, the CSA mandated September-to-August period does not work as September is in the middle of the third quarter. It is recommended changing the twelve-month period to July 1st to June 30th for all adjustment indices.

Per Section 4.03.8, Recology is to submit the financial information for the preceding agreement year as part of its Refuse Rate Index (RRI) application. Service began on January 1, 2018, which means there is not going to be financial information available for the preceding agreement year for the first year's rate adjustment application. To resolve this, it is recommended that Recology submit financial information to the City for the specific services performed under the Agreement from January 1, 2018 through June 30, 2018 for the initial rate adjustment period. For all subsequent rate adjustment periods, Recology shall submit financial information to the City for the specific services performed under the Agreement from the preceding agreement year (January 1 through December 31).

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

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This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A – Second Amendment

CONTACT

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