



City of Carson Report to Mayor and City Council

July 19, 2011
Special Orders of the Day

SUBJECT: PUBLIC HEARING TO CONSIDER RESIDENTIAL WASTE SERVICES RATE ADJUSTMENT

Submitted by M. Victor Rollinger
Development Services General Manager

Approved by Clifford W. Graves
Interim City Manager

I. SUMMARY

Waste Management, Inc., the city's residential waste provider, has submitted a rate adjustment for residential waste services.

According to Article 6, "Company Compensation and Rates," of the Residential Franchise Agreement, Waste Management, Inc., is entitled to submit data in April for a rate adjustment in July of every year (Exhibit No. 1). Waste Management, Inc., has submitted a rate adjustment request of 1.20% for FY 2011/12 for Integrated Residential Waste Management Services (Exhibit No. 2).

II. RECOMMENDATION

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.
2. APPROVE an increase of 1.20% (\$0.22 per month, \$2.63 per year) for FY 2011/12 for Integrated Residential Waste Management Services.

III. ALTERNATIVES

TAKE any other action that the City Council deems necessary.

IV. BACKGROUND

Waste Management, Inc., the city's residential waste provider, has submitted a rate adjustment for residential waste services that includes single family, multi-family, mobilehome parks and senior citizen housing complexes.

The Residential Franchise Agreement states in Article 6.3 that future adjustments shall be adjusted according to changes in the Consumer Price Index (CPI), for "All Urban Consumers, for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics." The annual CPI for 2009 was 223.219 and the annual CPI for 2010 was 225.894 with an index change of 2.675 that result in a 1.20% index change (Exhibit No. 3).

The new proposed monthly rate for residential services will increase by \$0.11 and will now be \$18.51 per month or \$222.11 per year (\$111.06 for senior citizens).

With this proposed residential rate adjustment, the city of Carson will be a city with one of the lowest rates for automated residential services in the South Bay. Our rate will be below Long Beach, Lomita, Hawthorne, Manhattan Beach, Torrance, Rancho Palos Verdes, Palos Verdes Estates, Rolling Hills Estates, and Los Angeles.

In accordance with the guidelines of Proposition 218, the city is required to hold a public hearing to consider a possible residential refuse rate increase. The Notice of Public Hearing was posted May 5, 2011 (Exhibit No. 4).

V. **FISCAL IMPACT**

None. All residential billing is impounded on the Tax Roll and billed to the residents through their property tax. The tax collected is then paid directly to Waste Management, Inc., with no franchise fees collected by the city.

VI. **EXHIBITS**

1. Article 6, Residential Franchise Agreement. (pgs. 4-5)
2. Waste Management Residential rate adjustment letter, April 2, 2009. (pgs. 6-7)
3. Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics. (pg. 8)
4. Notice of Public Hearing dated May 05, 2011. (pgs. 9-11)

Prepared by: Uli Fe'esago, Public Works Superintendent.

TO:Rev122210

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development Services	Public Services

Action taken by City Council

Date _____

Action _____

ARTICLE 6

COMPANY COMPENSATION AND RATES

6.1 General

- A. The compensation provided for in this Article 6 shall be the full compensation due to the Company under this Agreement for all labor, equipment, materials, supplies, taxes, insurance, bonds, overhead, disposal, transfer, profit and all other things necessary to perform all services required by this Agreement.
- B. The Company shall perform the duties described in this Agreement in consideration of the right to receive compensation for such services rendered at maximum rates fixed from time-to-time by the City.

6.2 Compensation to the Company

The compensation paid to the Company for services rendered from the Effective Date through June 30, 2005, shall not exceed that set forth in Exhibit 1, unless otherwise provided for in a written amendment to this Agreement. Unless and until the maximum rates set forth on Exhibit 1 are adjusted, the Company shall provide the services required by this Agreement, charging no more than the maximum rates authorized by Exhibit 1, except as provided herein and in Section 6.4.

6.3 Future Adjustments

Effective July 1, 2005, and on each July 1 thereafter, the compensation paid to the Company shall be adjusted annually to maximum rates that are based upon changes in the Consumer Price Index ("CPI"), All Urban Consumers, for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics. The Company shall submit to the City, each April, beginning in April 2005, information in support of an annual adjustment. This information will include changes in the CPI that have occurred during the preceding calendar year. The City Manager or his designee shall review the information submitted by Company and approve the rate adjustment if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

EXHIBIT NO. - 1



6.4 Extraordinary Adjustments

The Company or the City may request an adjustment to the compensation paid to the Company at times other than those specified in Section 6.3, based upon unusual changes in the cost of providing service under this Agreement. The Company may request only one such adjustment during any rate year. "Unusual changes" may include changes in components of the disposal rate, changes in the disposal site requested by the City, changes in state or local government solid waste fees and charges, and changes in the law. These changes do not include inaccurate estimates by the Company of its proposed cost of operations. For each request, the Company must prepare a schedule documenting the extraordinary costs. The request shall be prepared in a form acceptable to the City with support for all assumptions made by the Company in preparing the estimate. The City shall review the Company's request and, in the City's reasonable judgment, make the final determination on the appropriate amount of the adjustment, if any. A requested adjustment may not be denied in the case of changed or additional services requested by the City, additional reporting required by the City, the City's designation of a transfer station, MRF, transformation facility, or disposal site, (except for the City's initial designation under Section 4.6(C)), any change in the Municipal Code affecting the Company's operations, or changes in state or local government solid waste fees and charges.

6.5 Supporting Information

If the Company requests a rate adjustment on the basis of unusual changes or extraordinary increases in the cost of doing business, the Company shall provide the City with any and all documentation supporting its request.





March 20, 2011

Ms. Doris Reed
Acting Program Administrator
City of Carson
2390 E. Dominguez Street
Carson, CA 90749

RE: Company Compensation and Rates 2011-12: Integrated Residential Waste Management Services Franchise Agreement

Dear Ms. Reed:

Pursuant to Article 6, Section 6.3, of the Integrated Residential Waste Management Services Franchise Agreement with the City of Carson, Waste Management is eligible for a maximum CPI adjustment to residential rates and may also request extraordinary increase for disposal.

The annual average CPI adjustment increased 1.20% from last year. The disposal component of the rate adjustment did not change.

Attachment A includes our formula to determine the disposal and CPI adjustments. We respectfully ask that the City approve our request for an 1.20% increase to residential rates.

Thank you for your consideration in this matter, and please contact me if you have any questions about this request.

Sincerely,

A handwritten signature in black ink that reads 'Vickie Wippel'. The signature is written in a cursive, flowing style.

Vickie Wippel
Community Relations Manager

CC: Doug Corcoran
Mike Grim
Darrell Kato

Attachment A



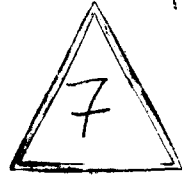
ATTACHMENT A
Formula to Determine Residential Disposal and CPI Price Adjustment

	Effective Date				
	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2010
Current Base					
Per Contract Agreement Section 6.6	\$ 26.06				
Puente Hills					
California Integrated Solid Waste Fee:	\$ 20.88	\$ 29.42	\$ 33.86	\$ 38.26	\$ 38.26
Los Angeles County Solid Waste Fee:	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40
Los Angeles County Department of Health Services Regulatory Fee:	\$ 0.86	\$ 0.86	\$ 1.50	\$ 1.50	\$ 1.50
	\$ 0.16	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21
Total	\$ 18.46	\$ 26.95	\$ 30.75	\$ 35.15	\$ 35.15
Downey Area Recycling & Transfer Facility (D.A.R.T)					
California Integrated Solid Waste Fee:	\$ 36.75	\$ 45.31	\$ 49.75	\$ 54.15	\$ 54.15
Los Angeles County Solid Waste Fee:	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40
Los Angeles County Department of Health Services Regulatory Fee:	\$ 0.86	\$ 0.86	\$ 1.50	\$ 1.50	\$ 1.50
	\$ 0.16	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21
Total	\$ 34.33	\$ 42.84	\$ 46.64	\$ 51.04	\$ 51.04
New Base					
Formula Per Contract Agreement Section 6.6	\$ 26.40	\$ 34.90	\$ 38.70	\$ 43.10	\$ 43.10
Disposal Increase / (Decrease)	\$ 0.34	\$ 3.20	\$ 3.80	\$ 4.40	\$ -
Percentage Change	1.30%	10.10%	10.90%	11.4%	0.0%

Formula to Determine Commercial CPI Price Adjustment Section 6.3
 U.S. Department of Labor Bureau of Labor Statistics

Annual Previous	182.2	201.8	210.4	217.338	225.008	223.219
Annual Current	187	210.4	210.4	217.338	223.219	225.894
Index Change	4.8	8.6	8.6	6.938	-1.789	2.675
Divided By Previous Index Multiply By 100 for Percent Change	2.63%	4.26%	4.26%	3.3%	-0.8%	1.2%
Calculated Rate Increase Requested				14.44%	10.6%	1.2%
				9.44%	10.60%	1.20%

-1.2%



Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From: 2001 To: 2011

Include graphs

[More Formatting Options](#)

Data extracted on: June 2, 2011 (1:55:47 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUURA421SA0
 Not Seasonally Adjusted
 Area: Los Angeles-Riverside-Orange County, CA
 Item: All items
 Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	174.2	175.4	176.2	176.6	177.5	178.9	178.3	178.4	178.8	178.3	178.1	177.1	177.3	176.5	178.2
2002	178.9	180.1	181.1	182.2	182.6	181.9	182.2	183.0	183.4	183.7	184.0	183.7	182.2	181.1	183.3
2003	185.2	186.5	188.2	187.6	186.4	186.3	186.3	186.9	188.2	187.8	187.1	187.0	187.0	186.7	187.2
2004	188.5	190.1	191.5	191.9	193.3	193.7	193.4	193.1	194.5	196.3	196.9	195.2	193.2	191.5	194.9
2005	195.4	197.4	199.2	201.1	201.5	200.7	201.4	203.1	205.8	206.9	205.6	203.9	201.8	199.2	204.5
2006	206.0	207.5	208.5	210.5	212.4	211.1	211.4	211.9	212.9	211.4	211.1	210.6	210.4	209.3	211.6
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373	217.338	216.260	218.416
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	225.008	224.377	225.638
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219	221.943	224.495
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319											

12-Month Percent Change

Series Id: CUURA421SA0
 Not Seasonally Adjusted
 Area: Los Angeles-Riverside-Orange County, CA
 Item: All items
 Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	3.8	3.6	3.2	3.5	3.7	4.6	3.8	3.6	3.2	2.6	2.7	2.1	3.3	3.8	3.0
2002	2.7	2.7	2.8	3.2	2.9	1.7	2.2	2.6	2.6	3.0	3.3	3.7	2.8	2.6	2.9
2003	3.5	3.6	3.9	3.0	2.1	2.4	2.3	2.1	2.6	2.2	1.7	1.8	2.6	3.1	2.1
2004	1.8	1.9	1.8	2.3	3.7	4.0	3.8	3.3	3.3	4.5	5.2	4.4	3.3	2.6	4.1
2005	3.7	3.8	4.0	4.8	4.2	3.6	4.1	5.2	5.8	5.4	4.4	4.5	4.5	4.0	4.9
2006	5.4	5.1	4.7	4.7	5.4	5.2	5.0	4.3	3.4	2.2	2.7	3.3	4.3	5.1	3.5
2007	3.2	3.5	3.8	3.5	2.9	2.9	2.9	2.6	2.3	3.5	4.2	4.2	3.3	3.3	3.2
2008	3.9	3.1	3.3	3.1	3.7	5.4	5.7	5.1	4.5	3.4	1.0	0.1	3.5	3.8	3.3
2009	-0.1	0.0	-1.0	-1.3	-1.8	-2.2	-2.6	-1.7	-1.0	-0.4	0.9	1.8	-0.8	-1.1	-0.5
2010	1.8	1.4	1.9	1.9	1.8	0.9	0.9	0.8	0.4	0.7	0.7	1.3	1.2	1.6	0.8
2011	1.8	2.3	3.0	3.3											

TOOLS
 Areas at a Glance
 Industries at a Glance

CALCULATORS
 Inflation
 Location Quotient

HELP
 Help & Tutorials
 FAQs

INFO
 What's New
 Careers @ BLS



CERTIFICATE OF POSTING

NOTICE OF
PUBLIC HEARING

RECEIVED
CITY CLERK

11 MAY -5 PM 1:55

CITY OF CARSON

The undersigned hereby certifies:

That all times herein mentioned, he/she was and now is the duly qualified and acting City Clerk/Deputy City Clerk of the City of Carson, California;

That on the **5th** day of **May, 2011**, he/she caused to be posted in three conspicuous places, as required by law, **regarding the city's refuse collection charges and increases to such city refuse charges**, a copy of which is attached hereto, in the following public places in this City (CMC Sec. 2800 et seq.):

Los Angeles County Regional Library at Carson
151 East Carson Street
Carson, California 90745 - (310) 830-0901

Dominguez Park
21330 Santa Fe Avenue
Long Beach, California 90810 - (310) 549-3962

Los Angeles County Library
Victoria Park Branch
17906 South Avalon Boulevard
Carson, California 90746 - (310) 327-4830

City Offices (2)
701 East Carson Street
Carson, California 90745 - (310) 830-7600

Los Angeles County Sheriff's Department
Carson Station
21356 South Avalon Boulevard (at Desford Street)
Carson, California 90745 - (310) 830-1123

Courtesy Posting:

Congresswoman Juanita Millender-McDonald Community Center (2)
3 Civic Plaza Drive
Carson, California 90745 - (310) 835-0212

I certify under penalty of perjury that the foregoing is true and correct. Executed at Carson, California, this 5th day of May, 20 11.

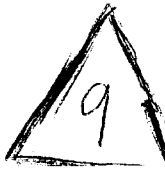
Meeting Date: **07/19/2011**
Time: **6:00 PM**

Helen S. Kawagoe, CMC/MMC
City Clerk

By: *Jamison Lopez*
Deputy City Clerk, City of Carson

ORIGINAL - CITY CLERK

COPY - Public Works - Davis Reed
K. McKay - Pub. Safety
P. Nguyen - Accounting



**NOTICE OF PUBLIC HEARING
BY THE CITY COUNCIL OF THE CITY OF CARSON
REGARDING THE CITY'S REFUSE COLLECTION CHARGES AND INCREASES
TO SUCH CITY REFUSE CHARGES**

NOTICE IS HEREBY GIVEN that the City Council (the "City Council") of the City of Carson (the "City") will hold a public hearing to consider a rate increase to its refuse collection and disposal fees and its resulting new fees charged to property owners and/or residents for solid waste disposal services within the City. Said public hearing will be held at a regular meeting of the Carson City Council as follows:

DATE: Tuesday, July 19, 2011

TIME: 6:00 p.m.

PLACE: Council Chambers, City Hall
701 East Carson Street
Carson, California 90745

The solid waste disposal services in the City are performed by Waste Management and the charges are billed on the County tax roll to property owners within the City as the "City Refuse Fee".

The solid waste disposal fees charged on your tax bill will increase as shown below on a yearly basis (the monthly basis divided by 12):

Type of Service	<u>Current Monthly Rate</u> (Effective July 1, 2010)	<u>Proposed Monthly Rate</u> (Effective July 1, 2011)	<u>Proposed Yearly Rate</u> (from July 1, 2011) (Billed in two installments on Tax Bill)	Approximate Percentage Increase in Rate
Regular Residential	\$18.29	\$18.51	\$222.11	1.20%
Senior Residential (Over 62 years and subject to certain qualifications)	\$9.15	\$9.26	\$111.06	1.20%



These fees (half the new yearly fee) will be billed every six months on your tax bill. These increases will go into effect on July 1, 2011, and be billed initially on the tax bill due December 2011. These increases are due to increases in the annual U.S. Department of Labor, Bureau of Labor and Statistics, Consumer Price Index, All Urban Consumers, Los Angeles-Anaheim-Riverside, reflecting among other things, increases in the costs of labor, electricity, supplies, equipment and gasoline. These increases also reflect increases in the cost of disposal fees (due to operational cost increases and regulatory requirements) by virtue of a prorated disposal fee increase (per parcel) based on an average disposal rate at two publicly owned disposal sites over the prior year. Waste Management disposes of the refuse at its own disposal site but is limited by the fees charged at the public sites. The fees charged for waste services include the household collection fee (reflecting such items as trucks, fuel, labor, equipment, and operational necessities) and the disposal fee (which includes such items as tipping, diversion, recycling and other regulatory requirement costs or operational items related to disposal). Adoption of the increases will validate all prior increases and the amount charged for the new fees.

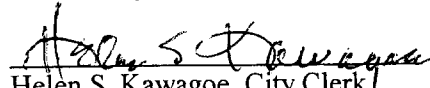
Owners of real property subject to the fee increases (and renters of such property who actually pay the fee) in the City of Carson, who wish to protest the increases or the new fees can send in a written protest to the City Clerk at address below or attend the public hearing on the increases to register their written protest at the hearing. Only one written protest per residential parcel in the city's service area (i.e. address/assessor parcel number) will be counted. Written protests must be received by the City Clerk prior to or during the public hearing on July 19, 2011. Any written protests received following the close of the public hearing will not be counted. All written protests must (at a minimum) include the following information to be counted: (a) address or assessor parcel numbers of property subject to the fee increase, (b) name and signature of protester and whether the protester is a property owner or renter and (c) a clear statement protesting the fee pursuant to this notice. Written protests by electronic mail will not be accepted. This protest hearing is being conducted in accordance with Article XIID of the Constitution. The City Council will not implement the rate increases and new fees should a majority written protest against the proposed increased fees be received on all residential parcels in the City's service area.

Persons wishing to protest must submit such protests to the City Clerk at 701 East Street, Carson, California, 90745 before the public hearing or appear at the public hearing and submit their written protests at the hearing.

Any additional information on the increase may be obtained from the City's Public Works department at:
2390 E. Dominguez St, Carson CA, 90810. 310-847-3520.

If you challenge this proposal in court, you may be limited to raising only those issues you, or someone else raised at the public hearing described in this Public Hearing Notice, or in written correspondence delivered to the City Clerk at, or prior to the Public Hearing.

DATED: This 5th day of May, 2011


Helen S. Kawagoe, City Clerk

