City Council Agenda Item 7.a.

12/10/2020



Informational Report on the Rate Adjustment Process and Schedule for Solid Waste, Organic Waste and Recycling Collection Services and Storm Water Fee Surcharge for Fiscal Year 2020-21.

Annual Rate Setting Process



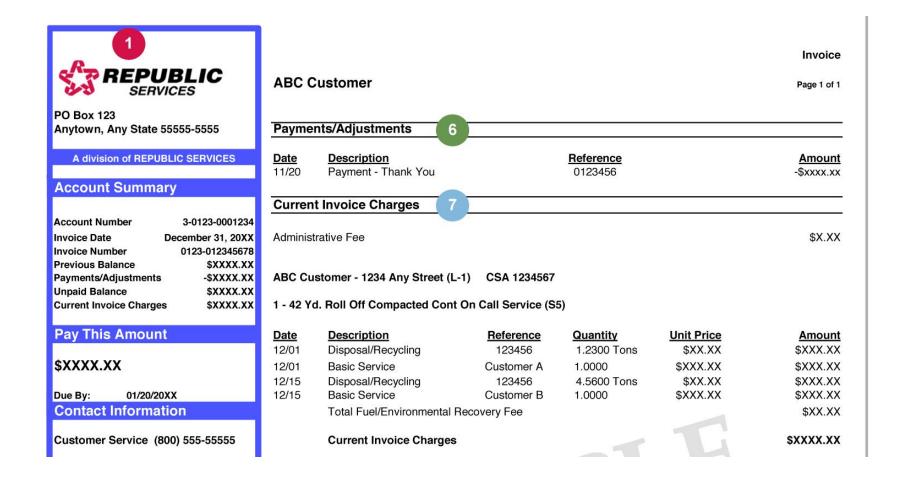


Franchise Agreements

- Eligible for an annual adjustment in compensation
- Solid waste, organics and recycling collection rates are set to generate sufficient revenue to compensate the two contractors
- FY2019-20 combined compensation: \$20.7 million w/City Fees



Ratepayers



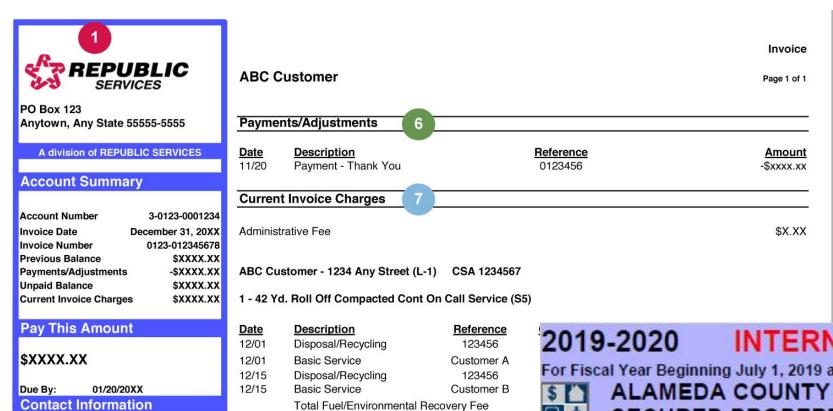
Commercial Customers

Billed directly for service by Republic Services



Ratepayers

Customer Service (800) 555-55555



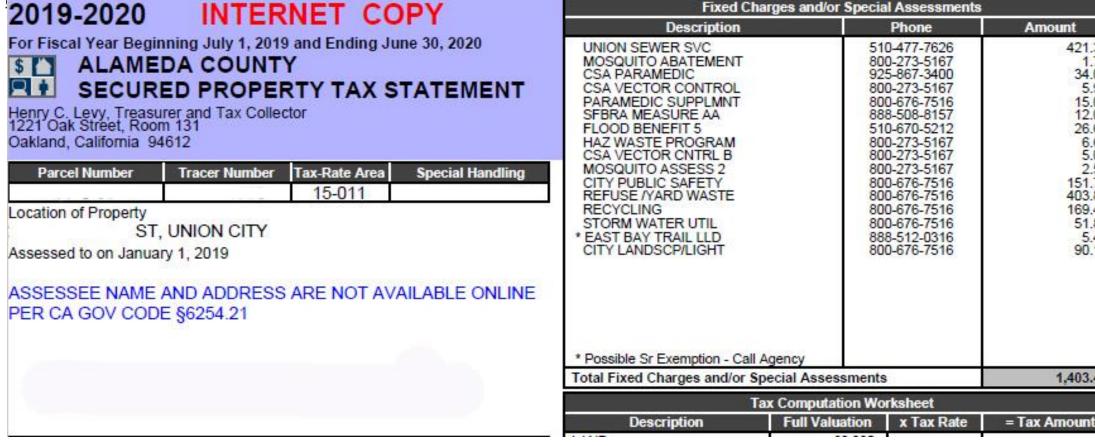
Commercial Customers

Billed directly for service by Republic Services

Residential Customers

Current Invoice Charges

Assessments on property tax statement





421.36

1.74 34.02 5.92 15.00 12.00 26.60 6.64 5.08

2.50

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169.44

1,403.44

51.88

Rate Adjustment Application

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	Rate Adjustment Applica						IEW PROGRAM COSTS		PROPOSED
							PROPOSED	Add CNG Straight line	I (Donid I
	C202			Adjustment	PROPOSE	PROPOSED	(Combined)	Depreciation	
			FINAL	Factor	1110		T		\$ 2,619,702
	FINAL F	INAL	(Combined)			40 \$ 596,363	\$ 2,619,702	2 \$ -	\$ 311,215
			17.005	102.83%	\$ 2,023,3	10 04	2 \$ 311,21	39 \$ -	\$ 399,839
Description	1 007 655 \$	579,950	\$ 2,547,605 \$ 317,146	100/	\$ 261,3	20 8 -	\$ 399,00	10 605	8 \$ 628,361
ost of Operations:	\$ 1,967,655 \$ \$ 266,354 \$	50,792		1 010/	\$ 399,8	705 \$ 80,50		30 1	\$ 2,168,997
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Fuel costs	100 705 \$	88,958	100 20	1 102.83%		18 4,2	- 005 7	22 \$ 46,60	08 \$ 6,132,330
Fuel costs Net Organic Materials Composting Costs	- 254 915 \$	254,489	4 21	5 100.00%	\$ 5,084	653 \$ 1,001,0	169 \$ 6,065,7		\$12 \$ 902,357
Direct Depreciation Allocated Costs (Labor, Vehicle & Other Costs) Allocated Costs (Depreciation)	\$ 1,854,815	4,215	7 242 93		\$ 5,00		349 \$ 894,	845 \$ 7,5	512 \$ 902,337
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Allocated Costs (Depreciation) Allocated Costs (Depreciation)	3 4,01.5		\$ 874,7	47	1300		_		\$ 2,827,065
Allocated Costs (Depression Total Annual Cost of Operations	\$ 801,103	\$ 73,64	43 4				- \$ 2,827	,065 \$	\$ 269,567
	_			100.00	\$ 2,85	27,065 \$	269	9.567	\$ 69,195
Profit*			\$ 2,743,	357 103.03 567 100.00	20/ 5 2	31,131 1	\$ 6	9,195 \$	\$ 3,165,827
The uph Costs:	\$ 2,743,857	\$ 38,4	136 \$ 269,	567 100.0	0% \$	69,195 \$	8,436 \$ 3,16	5,827 \$	
Pass-Through Costs:	\$ 231,131		\$ 69	100	\$ 3,	27,391 \$ 3			\$ (595,525
Disposal costs	\$ 69,195		,436 \$ 3,082	,619		- \$	- \$ (59	95,525) \$	54,120 \$ 9,604,990
Interest expense Rate Review Consulting Fees Rate Review Consulting Fees	\$ 3,044,183	13		- 525)	\$		14,854 \$ 9,5	50,870 \$ 5	
Total Pass-Through Costs		\$	- \$ (59)	5,525)	\$ 9	,031,540 \$ 1,1			
	\$ 245.92		0,483 \$ 9,31	0,700				110 411 \$	- \$ 119,41
Adjustment for 6% Cap Adjustment for 6% Cap Adjustment for 6% Cap	\$ 8,815,82	-				110 411 \$		119,411	- \$ 119,41
Adjustment for 6% Cap Contractor's Comp before City Fees			1	16,125 102	2.83% \$	119,411 \$ 119,411 \$	- \$	119,411 \$ 186,375 \$	- \$ 186,3
	(apue) \$ 116,12	25 \$		16 125 10	2.83% \$	186,375 \$,636,093 \$	9,271 \$ 1,645,3
City Fees: Administrative Fee (not included in gross revenue)	venuc/ 116.1	25 \$		81,246 10	2.83% \$	1,547,131 \$	100,0	2,796,741 \$	15,848 \$ 2,812,5
Administrative Fee (not includes a revenue)	\$ 116,1	46 1 5		594,965		2,644,668 \$	326,458 \$	2,790,1	25,119 \$ 4,883,
ABO39 Fee (not included in gross f	evenue/	77 \\$	1001	726,436	\$	2,01.11	517,436 \$	4.858,032 \$	25,119 \$ 4,883,
Vehicle Impact Fee (not aross reven	ues)	500 \$	319,322 \$ 2,			4,616,997 \$	517,436 \$	*,000	
Storm Water Fee (@ 11.7% of gross revenue) Franchise Fees (@ 20.0% of gross revenue)	es)		506,125 \$ 4	,734,897		-1,-			
Franchise Fees (@ 20.0.0	\$ 4,505	,173 \$	506,125	1					

Republic Services & Tri-CED forward applications to City

Submittal date:

January 1, 2020



Rate Adjustment Application

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			Adjustme	PROPOSED	PROPOSED PROPOSI	ed) Depreciation
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		FINAL			596,363 \$ 2,619,	702 \$ - \$ 311,215
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			0.547.605 102.83%	\$ 2,023,340	311	,215 \$ 399,839
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	1 \$ 1,901,000	\$ 579,930 \$ 50,792	217 146 90.10.	, 16 399,000	88,958 \$ 58	1,700 4
Cost of Operations:	\$ 266,354	\$ 50,792	298 915 102.81	402 795	5 1 \$ 00,000	8,997 \$ 4,215
Labor-related costs	1 200 015	\$	F91 753 100.00	1 007 30	6 6 201,00	1215 5
Fuel costs	102 705	\$ 00,50	102.83	% \$ 1,907,30	\$ 4,215 \$	46,608 \$ 6,132,330
Fuel costs Net Organic Materials Composting Costs	\$ 492,195	254.45	39 \$ 2,109,500	0/ 18	\$ 4,215 \$ 53 \$ 1,001,069 \$ 6,08	35,122
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			103	03% \$ 2,827,	131 \$ 38,436 \$	209,001
Profit*			\$ 2,745,001	231,	131 5	69,195 \$ 3,165,827
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Pass-Through Costs:		31 \$ 38	3,436 \$ 269,507 \$ 69,195 100	\$ 3,127	391 \$ 38,436 \$ 3	(FOE 525)
Disposal costs		05 \$	- 000 619	\$ 3,12.	,	(FOE 525) \$
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Total Pass-Through Costs		1-	\$ (595,525)	\$ 9,03	1,540 \$ 1,1	
Total Pass-Intous	\$	- \$	90.483 \$ 9,310,780			\$ 119,41
21.222	\$ 8,815	821 \$ 1,0	90,400			110 111 \$
Adjustment for 6% Cap Contractor's Comp before City Fees	₩ 0,0				19,411 \$ - \$	110 111 \$
Contractor's Comp before City			110 125	02.83% \$ 1	19,411 8 - \$	186,375 \$ - \$ 1,645,36
Contract		105 6	\$ 110,120	- 000/ 15 1	19,411 \$ - \$	
	venue) \$ 11	5,125 \$	1 \$ 110,120		186,375 \$	1,636,093
City Fees: Administrative Fee (not included in gross revenue)	\$ 11	6,125 \$	\$ 181,246	1 \$ 1.	541,10	\$ 2,796,741 \$ 15,848 \$ 2,796
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AB939 Fee (not more haded in gross	everrue/	10 177 \$	186,803 \$ 1,594,965	\$ 2,		25,119 \$ 4,883,5
AB939 Fee (not included in gross revenue) Vehicle Impact Fee (not included in gross revenue) Storm Water Fee (@ 11.7% of gross revenue)	nues) \$ 1,5	04.500 \$	319,322 \$ 2,726,436		517,436	\$ 4,858,032 \$ 25,119 \$ 4,000
Water Fee (@ 11.7% of gloss fee	ies) \$ 2,5	81,500 \$		\$ 4	1,616,997 \$ 517,436	
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Storm Water Fee (@ 11.7% of gross revening Franchise Fees (@ 20.0% of gr	\$ 4.5	\$05,173 \$	500,120			
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Republic Services & Tri-CED forward applications to City

Submittal date:

January 1, 2020

City Review

Check for accuracy, closely examine projected revenues, allowable expenses and proposed rates

January / February



WITH NEW PROGRAM COST



City Council Meeting March 24, 2020

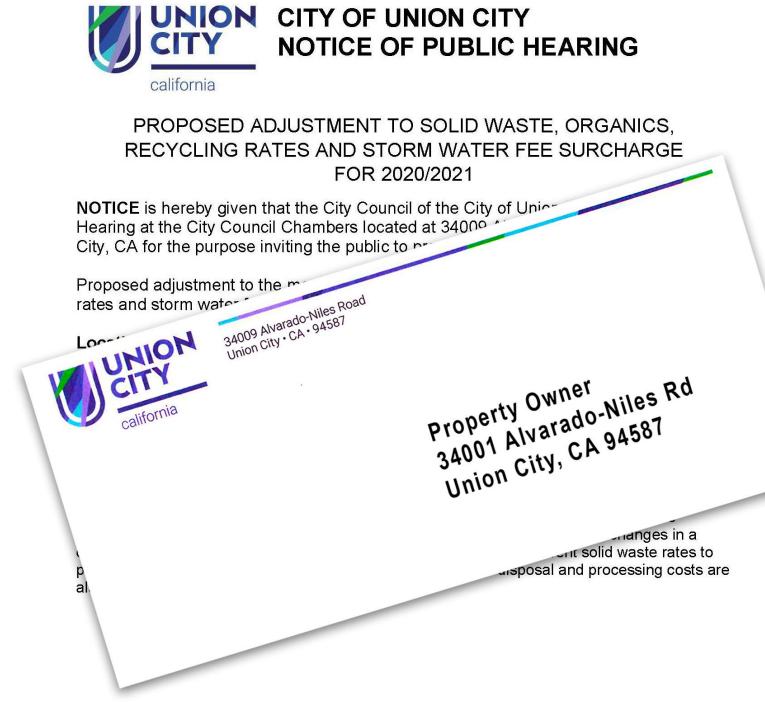
- Consideration and discussion of the proposed solid waste and recycling rates to become effective July 1, 2020
- Council authorizes initiation of a public notification process



April 15, 2020

Written notice mailed to all property owners of proposed solid waste rate increase for residential and commercial collection services.

- Amount of adjustment or new rates
- Basis upon which rates or charges were calculated
- The reason for the fees or charges
- Date, time and location of a public hearing on the proposed rate adjustment.
- Hearing at least 45 days after receipt of notice





Public Hearing on Solid Waste Rates

June 9, 2020 @ 7 pm

Council Chambers

Majority Protest Proceedings

- Council will hear and consider all testimony concerning the proposed increase to the solid waste rates and storm water fee surcharge
- A majority protest exists if written protests against the rate increase are presented by a majority of owners of identified parcels
- If majority protest is received, Council cannot increase the rates, and the rates will remain unchanged.



Public Hearing on Solid Waste Rates

June 9, 2020 @ 7 pm

Council Chambers

Council Approved Rates

- New residential and commercial rates effective July 1, 2020
- Begin monthly/quarterly payments to Tri-CED and Republic Services
- County mails annual tax statements to Union City property owners: Fall 2020



Union City Ratepayers: Making a Difference





- Curbside collection of residential solid waste, organics and recycling
- Increased diversion from landfill of commercial recycling & food scraps
- E-waste, holiday tree pickup, annual compost giveaway day, etc.
- Heightened public awareness about environmental sustainability



This is an informational item and no Council action is required at this time.





