



NOTICE OF INTENT to Increase Maximum Allowable Charges for Solid Waste Services for 2018, 2019 and 2020 in the City of Menlo Park

The City Council of the City of Menlo Park hereby gives public notice of its intent to increase the maximum allowable rates for customers within the City of Menlo Park for the collection, processing, and disposal of landfilled waste, recyclable, and compostable materials. Also, the Council hereby gives public notice of its intent to increase the existing fees for supplemental services not covered in the monthly base rates, such as backyard service distance charges. See specific rate information below and at www.menlopark.org/garbagerates. If approved, these rate increases will be effective on **January 1** of each listed year for 2018, 2019 and 2020.

The City Council will consider these increases at a public hearing on **November 14, 2017 at 7:00 p.m.** in the City of Menlo Park Council Chambers Building at 701 Laurel Street - Civic Center. Any interested person may present verbal or written input to the City Council on the proposed maximums. See the bottom panel on the reverse side for details on how to submit a formal response. If written protests are presented by a majority of property owners (and/or solid waste customers) prior to the close of the public hearing, the City Council will not increase the rates as a matter of law.

Why the Need to Consider Rate Increases?

- The rates have not been increased since 2012, but the cost of waste collection, processing and disposal services has been increasing two to three percent per year. This has resulted in annual shortfalls. The City has been covering these shortfalls with the rate stabilization fund. However, the fund balance is now too low to continue covering shortfalls.
- The heavily discounted and subsidized 20 and 32 gallon residential garbage carts that rewards customers to reduce, recycle, and compost has been so successful that over 70% of residential customers now use these carts. However, this price structure does not recover the true cost of service, making it increasingly difficult to recover costs for the community's waste collection and disposal needs.
- A recent court decision (*Capistrano Taxpayers Association, Inc. v City of San Juan Capistrano*) requires that rates be justified based on actual cost for service and customer type, and move towards rate equity. The City needs to manage the risk of litigation by restructuring the rates accordingly.

- The City's agreement with Recology will be expiring in 2020, and there will be some onetime cost adjustments to continue the agreement or even to find a new service provider. The City needs to prepare for the financial impact of this transition.
- The proposed rates below would meet current and future revenue needs over the next three years.

How Do We Compare with Other Communities?

- At proposed 2020 rates, 80% of Menlo Park residential customers will still be *below the current* regional average, and the regional average is also expected to increase.
- If Menlo Park had adjusted rates annually according to the consumer price index for Urban Customers in San Francisco/Oakland/San Jose Areas, the rate for a 20-gallon cart in June 2017 would have been \$16.48, which is close to the proposed rate for Menlo Park in 2018 (see below). A 32- gallon cart would have been \$27.57 in 2017.

For additional background information and rationale, you can view the City Council report and presentation at www.menlopark.org/garbagerates.

PROPOSED SOLID WASTE COLLECTION, PROCESSING AND DISPOSAL MONTHLY SERVICE RATES

Single Family Residential Maximum Rates 2018-2020				
Bundled service which includes 64-gallon recycling and 96-gallon organics service, plus variable garbage size as listed below				
Description	Current	2018	2019	2020
20-gallon	\$13.99	\$16.97	\$19.90	\$22.81
32-gallon	\$23.40	\$26.03	\$28.60	\$31.14
64-gallon	\$55.99	\$58.62	\$61.19	\$63.73
Add'l 64-gallon	N/A	\$55.99	\$55.99	\$55.99
96-gallon	\$83.72	\$86.35	\$88.92	\$91.46
Add'l 96-gallon	N/A	\$83.72	\$83.72	\$83.72

Commercial Businesses & Multi-Family, Once-Per-Week Service Maximum Rates 2020						
See www.menlopark.org/garbagerates for complete rate details						
Description	Garbage		Recycling		Organics	
	Current	2020	Current	2020	Current	2020
20-gallon	\$19.32	\$30.28	N/A	N/A	\$9.67	\$24.90
32-gallon	\$29.00	\$38.29	N/A	\$5.11	\$14.49	\$29.18
64-gallon	\$69.24	\$70.84	N/A	\$5.11	\$34.62	\$46.24
96-gallon	\$102.77	\$102.77	N/A	\$5.11	\$51.39	\$60.70
1 Cubic Yd.(CY)	\$124.69	\$124.69	N/A	\$5.11	\$62.35	\$73.83
2 CY	\$249.39	\$249.39	N/A	\$5.11	\$124.69	\$131.16
3 CY	\$374.08	\$374.08	N/A	\$5.11	\$187.05	\$188.50
4 CY	\$498.78	\$498.78	N/A	\$5.11	\$249.39	\$249.39
6 CY	\$781.40	\$781.40	N/A	\$5.11	\$390.70	\$390.70
8 CY	\$1,041.88	\$1,041.88	N/A	N/A	N/A	N/A

Did you know? Menlo Park's single-family residents recycle over 70% of their solid waste! Your single-family residential monthly solid waste rates cover the cost of collection AND recycling, composting, and disposing of your recyclables, organics, and garbage.

Complete rate sheets and a detailed listing of the maximum proposed monthly base rates, including all rates for multi-family residential and commercial customers for each year and all supplemental services can be obtained online at www.menlopark.org/garbagerates, or from the City Manager's Office located on the second floor at City Hall, 701 Laurel Street.

Rate Setting Process

The City sets solid waste rates that are charged to residents and businesses in order to meet the compensation requirement due to Recology San Mateo County (Recology) under the Franchise Agreement. The revenue requirement includes Recology's compensation as well as solid waste processing and disposal fees, the cost of diversion programs, and applicable City fees. Also, the Franchise Agreement with Recology which began January 1, 2011 requires fees for supplemental services available but not included in the base monthly rates, and describes the yearly escalation mechanism required for the fees.

Single-Family Residential

The table above on the left shows the *maximum* monthly rates to be considered for single-family residential customers for each year by cart size. The base monthly rates include the following solid waste services:

- Weekly pick-up of garbage, recycling, and organic material.

- Single stream recycling using a blue cart to recycle glass, metal cans, aluminum, cartons, non-food soiled paper and cardboard, small scrap metal, and plastics numbered 1 – 7.
- Residential food scrap composting program using the green yard waste cart for items such as meat, cheese, fruits and vegetables, and food soiled paper products such as pizza boxes, paper drink cups, paper plates, and paper napkins.

Commercial and Multi-Family Residential

The table on the reverse (right) shows the *maximum* monthly rates to be considered for commercial and multi-family residential customers for 2020 by container size for once weekly collection of landfilled, recyclable, and compostable materials. The base rates for these services are determined not only by the type of service but also the service frequency. Consequently, there are over 250 base rates available that cannot be provided in this notice. For complete rate details for 2018 through 2020, see www.menlopark.org/garbagerates.

Supplemental Services

The City Council will also consider increasing the fees for supplemental services provided by Recology that are not covered in the monthly base rates, and include backyard service, additional carts, extra on-call pickups of bulky items beyond the annual two free pickups, key service for commercial customers, and other similar services. To view the exact fees, go to www.menlopark.org/garbagerates. The use of these supplemental services is discretionary and the resulting fee is the responsibility of the service recipient. The increase in supplemental services fees is according to the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average. The one-year change is calculated as the average index change between this index for May of prior year and April of current year (i.e., twelve (12) months), and will be applied to all supplemental services retroactively for each year that rates were not adjusted, resulting in an 10.09% increase for the rates proposed for 2018.



City of Menlo Park
 701 Laurel St.
 Menlo Park, CA 94025
www.menlopark.org

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Protest Instructions

If you wish to file a written protest, please send a letter addressed to the City Manager’s Office, Sustainability Manager, 701 Laurel Street, Menlo Park, CA 94025. All property owners and/or solid waste rate payers may issue a protest (with only one protest registered per property or solid waste service location).

Your letter must identify the real property you own (or the service local for your solid waste services) by street address and the assessor’s parcel number. Your letter must be legibly signed by any one of the current property owners or the bill payer for your solid waste services. Your name should be set forth as it appears on your tax bill. Your letter will be on the public record once opened. The City of Menlo Park must receive your letter at City Hall by 5:00 p.m. on November 14, 2017, or it must be presented at the City Council meeting on November 14, 2017, prior to the close of the public hearing on the matter.

Any person interested, including all solid waste / recycling collection customers of the City of Menlo Park, may appear at the public hearing and be heard on any matter related to the proposed increase in rates.

For questions or more information, please email garbagerates@menlopark.org or call (650) 330-2595.