

PROPOSED FIVE-YEAR RATES FOR SOLID WASTE SERVICES (GARBAGE, RECYCLING AND ORGANICS)

PUBLIC HEARING NOTICE

Esta información es sobre aumentos de tarifas de recolección de residuos sólidos (basura, reciclaje y productos orgánicos). Si tiene alguna pregunta, favor de llamar a 650-330-2595.

The City of Menlo Park is proposing to increase the maximum allowable solid waste rates for customers within the city boundaries of Menlo Park. Solid waste rates pay for the collection, processing and disposal of landfilled waste, recyclable and compostable materials. In addition, the City Council is providing 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 in this notice and on the city website at menlopark.org/garbagerates. If approved, these maximum rates will be effective January 1 of each listed year for 2021, 2022, 2023, 2024 and 2025.

RATE INCREASE PUBLIC HEARING

Tuesday, December 8, 2020

5 p.m.

Meeting via teleconference at menlopark.org/garbagerates



NOTICE
PUBLIC HEARING
SERVICE RATES
SOLID WASTE

City of Menlo Park
701 Laurel St.
Menlo Park CA 94025



WHY THE NEED TO CONSIDER A RATE INCREASE?

- Disposal costs do increase, including costs related to recycling and composting. Some of this is due to changes in cost of service and labor that are tightly managed through agreements, and typically result in increases between 5 to 10 percent per year. However, there are additional costs and impacts outside of the city's control, such as complying with new unfunded state mandates that no longer allow organics to be landfilled (SB 1383) and China's National Sword policy that dropped the value of recycling, along with associated revenues.
- The historically discounted and subsidized 20 and 32-gallon residential garbage carts that reward customers to reduce, recycle and compost, have been so successful that 75 percent of residential customers use it, making it difficult to recover the full costs of the community's disposal needs. Thus, smaller cart customers will see greater increases.
- New regulations, resulting from a 2015 court decision, limit the city's ability to continue subsidies and discounts to small cart customers and offer free or heavily subsidized recycling and composting services. The regulations require rates be based on actual and true costs of service for each cart/bin type (landfill-black, recycle-blue and compost-green). As a result, previous discounts for small carts must be removed to be in compliance, and a charge is required for recycling and organics, as specific costs exist to pick up and process these. The goal has been to gradually transition small cart customers to reach compliance in yearly increments, and this pattern will continue over the next five years when rate equity is expected to be reached. Thus, smaller cart customers will see greater increases and businesses will see increases in composting and recycling.

HOW TO PROTEST THE PROPOSED SOLID WASTE SERVICE RATES

If you wish to file a written protest, please send your protest letter, including:

1. The affected real property, identified by street address and the assessor's parcel number (APN)
2. Indicate opposition to the proposed rate increase
3. Include the property owner name (as listed on the property tax bill) and signature

All property owners may issue a protest. Only one written protest will be counted per parcel. The letter will be part of the public record once opened. The proposed rates cannot be adopted if written protests are received from a majority of affected parcels.

Mail written protests to:

City of Menlo Park

Attn: Solid Waste Services Rate Protest

701 Laurel St.

Menlo Park, CA 94025

All written protests must be received before 5 p.m., Tuesday, December 8, 2020, or it must be presented at the City Council meeting that evening, before the close of the public hearing on the matter.

For more information, review the report and presentation from the City Council's October 13, 2020, meeting, online at menlopark.org/citycouncilagenda or menlopark.org/garbargerates.

DID YOU KNOW?

Menlo Park's single-family residences recycle over 70 percent 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.



CITY COUNCIL TO CONSIDER POTENTIAL COVID-19 RELIEF POLICIES

The City Council recognizes the need to balance compliance with state rate structure laws, covering the cost of service for waste disposal and supporting customers during COVID-19 hardships.

As a result, the City Council will consider offering a discounted rate for low-income customers. For customers that do not qualify, but have experienced hardships as a result of COVID-19, the City Council will consider implementing a hardship program that could offer discounts similar to (or the same as) low-income customers during the pandemic.

The City Council has and will continue to consider using one-time reserves (akin to a savings account) to minimize rate increases in 2021, particularly for small cart customers. Reserves of \$500,000 are already included in this 2021 rate notice to reduce rate impacts. Without this, the 2021 rates would be higher than shown in this notice.

Additional use of one-time reserves could be considered at the City Council’s December 8 meeting, when a final rate decision will be made. Please note, using reserves is not sustainable over time and defers rate increases to later years; however, it can be appropriate at times. The City Council cannot adopt rates higher than what is posted in this notice without informing property owners. Future rates can be set lower than those adopted if there is a decrease in disposal costs, changes in state laws or recovery in recycling markets. Rate analysis is conducted annually to determine if waste rates need to be adjusted to the maximum level authorized by City Council.



SINGLE-FAMILY RESIDENTIAL

The table below shows the maximum monthly rates being considered for single-family residential customers for each year by cart size. The base monthly rates include the following solid waste services:

- Weekly pickup 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.

| PROPOSED SINGLE-FAMILY RESIDENTIAL MAXIMUM RATES 2021-2025 | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------|--------------|---------|---------|---------|---------|---------|
| Bundled service, which includes 64-gallon recycling and 96-gallon organics services plus variable garbage size, as listed below. | | | | | | |
| Description | Current rate | 2021 | 2022 | 2023 | 2024 | 2025 |
| 20-gallon | \$22.81 | \$31.59 | \$40.14 | \$44.62 | \$49.16 | \$53.69 |
| 32-gallon | \$31.14 | \$38.53 | \$45.92 | \$50.05 | \$54.42 | \$58.94 |
| 64-gallon | \$63.73 | \$63.97 | \$65.23 | \$67.22 | \$70.15 | \$73.93 |
| 96-gallon | \$91.46 | \$91.46 | \$91.46 | \$91.46 | \$91.46 | \$92.21 |

Noticed rate for 2021 includes a one-time use of \$500,000 in available reserves. Without the use of this one-time reserve, rates would be higher than proposed for 2021. On December 8, the City Council may consider using additional amounts of available reserves to further reduce the level of increases included in this notice. In addition, the City Council will also be considering a low-income discounted rate and a COVID-19 hardship discounted rate.

PROPOSED COMMERCIAL BUSINESSES AND MULTIFAMILY

Once-per-week service, maximum rates for 2020 and 2021

Visit menlopark.org/garbagerates for complete details

| Service | Garbage | | Recycling | | Organics | |
|--------------|--------------|------------|--------------|-----------|--------------|-----------|
| | Current rate | 2021 rate | Current rate | 2021 rate | Current rate | 2021 rate |
| 20-gallon | \$30.28 | \$45.37 | n/a | n/a | \$24.90 | \$52.52 |
| 32-gallon | \$38.29 | \$51.49 | \$5.11 | \$12.88 | \$29.18 | \$56.59 |
| 64-gallon | \$70.84 | \$75.29 | \$5.11 | \$12.88 | \$46.24 | \$71.24 |
| 96-gallon | \$102.77 | \$102.77 | \$5.11 | \$12.88 | \$60.70 | \$84.15 |
| 1 cubic yard | \$124.69 | \$124.69 | \$5.11 | \$12.88 | \$73.83 | \$103.42 |
| 2 cubic yard | \$249.39 | \$249.39 | \$5.11 | \$12.88 | \$131.16 | \$161.96 |
| 3 cubic yard | \$374.08 | \$374.08 | \$5.11 | \$12.88 | \$188.50 | \$220.51 |
| 4 cubic yard | \$498.78 | \$498.78 | \$5.11 | \$12.88 | \$249.39 | \$281.44 |
| 6 cubic yard | \$781.40 | \$781.40 | \$5.11 | \$12.88 | \$390.70 | \$416.37 |
| 8 cubic yard | \$1,041.88 | \$1,041.88 | n/a | n/a | n/a | n/a |

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Complete rate sheets and a detailed listing of the maximum proposed monthly base rates, including all rates for multifamily residential and commercial customers for each year and all supplemental services can be obtained on the city website at menlopark.org/garbagerates, or by contacting the City Manager’s Office at 650-330-2595 or via email at garbagerates@menlopark.org.

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.

The use of these supplemental services is discretionary and the resulting fee is the responsibility of the service recipient.

To view the exact fees, please visit the city website at menlopark.org/garbagerates.

COMMERCIAL AND MULTIFAMILY RESIDENTIAL

The table above shows the maximum monthly rates to be considered for commercial and multifamily residential customers for 2021 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 2021 through 2025, please visit the city website at menlopark.org/garbagerates.