



City of La Quinta

CITY / SA / HA / FA MEETING DATE: July 15, 2014

AGENDA CATEGORY:

BUSINESS SESSION:

ITEM TITLE: ADOPT A RESOLUTION REQUESTING THE COUNTY OF RIVERSIDE TO PLACE COLLECTION COSTS FOR SOLID WASTE HANDLING SERVICES AT SINGLE-FAMILY DWELLINGS ON THE TAX ROLLS

CONSENT CALENDAR: 9

STUDY SESSION:

PUBLIC HEARING:

RECOMMENDED ACTION:

Adopt a resolution requesting the County of Riverside to place collection costs of solid waste handling services for single-family dwellings on the Tax Rolls.

EXECUTIVE SUMMARY

- The County Tax Assessor requires City Council to annually adopt a resolution, which requests that costs for solid waste collection services be placed on the residential Tax Rolls (commercial properties are direct-billed).
- Burrtec, the City's waste management company, requested a Consumer Price Index (CPI)-based fee increase for Fiscal Year 2014/2015 (Attachment 1), and the Riverside Waste Management Department has increased its tip fee rate at the Edom Hill Transfer Station (the tip fee is the charge for a given quantity of waste received at a waste processing facility).
- These two items result in a monthly increase of \$0.12 per single-family dwelling.

FISCAL IMPACT:

The residential rate increase represents a CPI increase of 1.04 percent to reflect ordinary changes in the cost of doing business, plus a \$0.42 per ton disposal (1.017 percent) tip fee increase. The combined items represent a \$0.12 per month increase to \$12.60 per month for FY 2014/2015.

BACKGROUND/ANALYSIS:

On May 15, 2007, the City adopted an agreement with Burrtec for solid waste

handling services for the period of July 1, 2007 through June 30, 2016. The agreement stipulates that the cost for single-family dwelling services will be collected on the Tax Rolls. The County Tax Assessor requires the City Council to annually adopt a Resolution requesting the placement of costs for solid waste collection services on the Tax Rolls.

To ensure costs for services associated with the agreement are not subject to Proposition 218, which ensures that all taxes and most charges on property owners are subject to voter approval, the City Council no longer sets rates, and instead establishes a rate ceiling for service pursuant to its regulatory authority. Each year an automatic adjustment to the maximum rate ceiling may occur. The application of this automatic adjustment procedure is described below. The agreement also provides for an automatic annual adjustment to the rate ceiling for disposal if changes occur in the cost of disposal at the local landfill.

The City received correspondence from Burrtec requesting a CPI-based charge increase for Fiscal Year 2014/2015. They are requesting a 1.04% increase, which is consistent with the CPI increase for the period of March 2013 to March 2014. This results in a monthly service component increase of \$0.09 per single-family dwelling.

In addition, on June 4, 2014, the Riverside County Board of Supervisors approved a tip fee rate increase at the Edom Hill Transfer Station to \$41.70 per ton, representing a \$0.42 per ton increase over the current rate of \$41.28 per ton. This results in a monthly increase of \$0.03 per single-family dwelling. The combination of the Burrtec (CPI) and Edom Hill disposal (tip fee) component increases represent a total monthly rate increase of \$0.12.

The following data provides a breakdown of costs to be placed on the Tax Rolls for collection purposes:

| Single-Family Dwelling | 2013 Rate (existing) | 2014 Rate (proposed) |
|--|--|--|
| Service Component of Maximum Rate | \$8.67/month | \$8.76/month |
| Disposal Component of Maximum Rate | \$3.20/month | \$3.23/month |
| AB 939 Fee | \$0.61/month | \$0.61/month |
| Total Rate | \$12.48/month \$149.76/year | \$12.60/month \$151.20/year |
| Additional Refuse Cart | \$6.61/month \$79.32/year | \$6.68/month \$80.16/year |
| Backyard Service <ul style="list-style-type: none"> • For first refuse and first recycling carts/containers • For each additional cart/container | \$6.24/month \$74.88/year \$6.24/month \$74.88/year | \$6.30/month \$75.60/year \$6.30/month \$75.60/year |
| Surcharge for HOA's Desiring Monday | 10% of Service Component | |

| | |
|---------|--|
| Service | |
|---------|--|

The agreement states that, notwithstanding any increase in the CPI, no annual increase to the maximum rates will exceed 103% of the lowest rate for "similar services" provided to residents at single-family dwellings anywhere in the Coachella Valley. Based upon information provided by Burrtec, the lowest rate provided for similar services in the Coachella Valley is in the City of Palm Desert. The proposed increase to the City's service component rate ceiling is within the 103% requirement.

Should the City Council not adopt the proposed Resolution, or should Property Tax Roll billing cease for any reason, the service component of the maximum monthly rate would will increase by \$0.10 to \$10.19 for a total monthly rate of \$14.03. This would represent a monthly rate increase of \$1.43 to cover costs associated with direct billing to residents.

City staff was also made aware of a charge to residents of PGA West Residential No. 2 Homeowners Association for an additional weekly collection. The 2013 rate for this additional collection is \$10.80 per month, increasing to \$10.91 per month in 2014. This rate is not included in the City rate schedule as it is direct billed to the Homeowners Association. City staff and Burrtec will meet and confer to review this rate and, if appropriate, will be included in future rate schedules.

ALTERNATIVES:

Council may deny the rate increase request or discuss and incorporate any adjustments deemed appropriate in order to approve the proposed request.

Report prepared by: Wally Nesbit, Principal Planner

Report approved for submission by: Les Johnson, Community Development Director

Attachment: 1. Burrtec correspondence

RESOLUTION NO. 2014 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA QUINTA, CALIFORNIA, REQUESTING THE COUNTY OF RIVERSIDE TO PLACE COLLECTION OF COSTS FOR SOLID WASTE HANDLING SERVICES AT SINGLE FAMILY DWELLINGS ON THE TAX ROLLS.

WHEREAS, the City Council of the City of La Quinta wishes to ensure the uniform collection of rates for solid waste handling services at single-family dwellings by placing collection thereof on the County of Riverside Tax Assessor's Tax Rolls; and

WHEREAS, the attached Exhibit A sets forth the maximum rates that may be collected for solid waste handling services at single-family dwellings in the City of La Quinta pursuant to a franchise agreement with an Effective Date of July 1, 2007, entitled "Agreement Between The City of La Quinta and Burrtec Waste and Recycling Services, LLC, for Solid Waste Handling Services"; and

WHEREAS, the City Council of the City of La Quinta City has determined that applicable provisions, if any, of Proposition 218 (Articles XIII C and XIII D of the California Constitution) have been satisfied in connection with the matters addressed by this Resolution; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of La Quinta, California as follows:

SECTION 1. The City Council hereby requests the Riverside County Tax Assessor to place collection of costs for solid waste handling services at single-family dwellings in the City on the County's tax rolls (Exhibit "A").

PASSED, APPROVED and ADOPTED at a regular meeting of the La Quinta City Council held on this 15th day of July, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DON ADOLPH, Mayor
City of La Quinta, California

ATTEST:

SUSAN MAYSELS, City Clerk
City of La Quinta, California

APPROVED AS TO FORM:

WILLIAM H. IHRKE, City Attorney
City of La Quinta, California

EXHIBIT A: RESOLUTION 2014-

**CITY OF LA QUINTA
 REFUSE COLLECTION RATE AND DISPOSAL CHARGE
 TAX BILLING FY 14/15 - RESIDENTIAL PROPERTY**

| Single-Family Dwelling | Maximum Monthly Rate | Maximum Yearly Rate |
|---|--------------------------|---------------------|
| Service Component of Maximum Rate | \$8.76 | |
| Disposal Component of Maximum Rate | \$3.23 | |
| AB 939 Fee | \$0.61 | |
| Total Rate | \$12.60 | \$151.20 |
| Additional Refuse Cart | \$6.68 | \$80.16 |
| Backyard Service | | |
| - For first refuse and first recycling carts/containers | \$6.30 | \$75.60 |
| - For each additional cart/container | \$6.30 | \$75.60 |
| Surcharge for HOA's Desiring Monday Service | 10% of Service Component | |



BURRTEC

WASTE & RECYCLING SERVICES

"We'll Take Care Of It"

ATTACHMENT 1

RECEIVED

May 2, 2014

MAY 02 2014

Mr. Wally Nesbit
Planning Director
City of La Quinta
78-495 Calle Tampico
La Quinta, CA 92253

CITY OF LA QUINTA
COMMUNITY DEVELOPMENT

RE: 2014 Rate Adjustment

Dear Mr. Nesbit

In accordance with Section 24 of the Franchise Agreement for Solid Waste, Burrtec respectfully request a rate adjustment. The increase in the Consumer Price Index (CPI) for the period March 2013 to March 2014 was 1.04%. (Index Sheet Attached)

The County of Riverside approved a 1.02% disposal increase . The rate will go from \$41.28 to \$41.70 a ton.

Please see attached rate sheets reflecting the CPI and Disposal increase.

Section 24.3 in the new Franchise Agreement states that The City Manager shall approve such a request unless he determines, based upon substantial evidence, that the requested adjustment to the maximum rate does not meet the requirements as set forth.

I am available at your convenience to discuss the increase.

Sincerely,

Mike Veto
Director of Municipal Services

cc: Les Johnson, Planning Director
cc: Debbie Morris, HF&H