



Staff Report

City Council

Item No. 3.C

Meeting Date: May 8, 2024

From: John A. Corella - Director of Public Works

Title: Annual Rate Increase Request for Solid Waste and Recycling Collection for Residential, Commercial and Roll Off Services.

RECOMMENDATION:

The annual rate increase request for the solid waste and recycling collection for residential, commercial and roll-off services is presented to the City Council for discussion, comments and direction in anticipation of being presented for public hearing and City Council approval at the May 22, 2024, City Council meeting.

BACKGROUND:

In March 2024, Burrtec Waste and Recycling LLC. (Burrtec) requested an annual rate increase for residential, commercial, and roll-off services, in accordance with Article 6 of the Municipal Franchise Agreement (FA). Pursuant to the FA, Burrtec is eligible to request a rate increase each year based on applicable increases in the Consumer Price Index (CPI) for the Riverside- San Bernardino – Ontario Area. The change in the CPI from January 2023 to January 2024 was 5.55%. The rate sheets reflect a 5% CPI increase as 5% is the maximum allowed for collection services increases.

The Riverside County disposal fee at the Edom Hill Transfer Station will also increase from \$59.70 to \$64.48 per ton, effective July 1, 2024, in accordance with The Edom Hill Master Lease Agreement between Riverside County and Burrtec.

Burrtec is requesting a rate increase incorporating the following elements:

- The CPI increase in accordance with the Franchise Agreement.
- The County of Riverside's increase in cost per ton of disposal at County landfills.
- The annual net recycling adjustment based on several components associated with recycling, such as processing, transportation, and recycling commodity prices.

DISCUSSION:

The following narrative identifies how the commercial, residential, roll-off and multifamily customers would be impacted.

Residential Customer:

The current residential rate for calendar year, January – December 2024, is \$28.31 a month for the weekly curbside service of one (1) each 96-gallon trash, recycle and organic containers.

If approved, the residential tax roll rate for calendar year, January – December 2025, will increase \$2.49 per month or \$29.88 annually. The 2025 monthly rate will increase to \$30.80. The rate increase will be effective for the assessment on the 2024/2025 tax rolls.

Commercial Customers:

The total monthly commercial fee is composed of several elements with varying increases depending on the size of containers and the level of service. A three-yard container serviced once a week is the average service level for most Cathedral City commercial customers.

If approved, the commercial rate increase for a 3-yard container serviced one (1) time per week (most common service bin option) will be \$12.21 per month effective July 1, 2024. Commercial customers receive direct bills from Burrtec for the services provided.

Summary of programs offered by city and/or Burrtec for city's residential, multi-family and commercial customers:

There are no additional charges to the customer for any of the programs listed below:

Curbside Collection:

- Weekly collection of 1-96-gallon trash, recycling and organics cart.
- Additional (1) recycling and organics cart.
- SB 1383 residential programs which includes kitchen pails, liners for pails and educational programs.

Bulky Large Item Collection Program:

- Residential - 4 large items weekly – unlimited.
- Commercial - 4 large items weekly – unlimited.
- Multifamily (apartments, condos etc.) - 4 large items weekly, unlimited.

Curbside Collection Program:

- Motor oil and oil filter weekly residential curbside program.

Weekly Collection Programs:

- Electronic, batteries and tire disposal program.
- Residential household hazardous waste disposal program.
- Medication and sharps (needles) disposal program.

Document Shredding Events:

- City-wide events October through May (first Saturday of each month).
- 55+ communities and senior center monthly service.
- All city facilities monthly service.

Cathedral City Environmental Education Program:

- S.C.R.A.P. Gallery programs.
 - Garden and composting programs for 55+ communities, local schools and the Boys and Girls Club.
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- Bicycle education program.

Multi-Family Recycling Program:

- Containers for the collection of recyclables and organics.
- Educational brochures and signage.
- Free waste audits.

Community Outreach:

- City-wide residential mailer distributed to 24,500 households twice annually.
- Direct mail pieces for target areas needing reminders regarding programs.

Additional Programs:

- Commercial and multi-family SB 1383 programs which include on-site waste and recycling audits at no charge.
- City sponsored events - free trash, recycling, and portable toilets for up to 5 events annually.
- Holiday Christmas tree recycling program.
- Reusable tote bags.
- Monthly residential street sweeping service.
- Backyard composting program.
- Community assistance clean-up programs.
- Special services provided for disabled persons.
- Illegal dumping collection program.
- WaterSmart Landscapes grant program for residential and multi-family communities (\$1000 rebate program for front lawn elimination of green waste).

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FISCAL IMPACT:

For this proposed FA rate increase, there is no impact to the city's expenditure budget for these solid waste services provided by Burrtec.

FIVE-YEAR STRATEGIC PLAN:

Goal D: Innovation

Objective: Cathedral City continually focuses on improving service delivery and customer experiences by successfully leveraging technology and creative initiatives to improve public services, public safety, and stimulate economic growth.

ATTACHMENTS:

1. Cathedral City 2024 rate request