



**Millbrae City Council Meeting  
May 22, 2018**

**Resolution Approving a New  
Maximum Garbage Rate Schedule**



# Resolution Approving a New Maximum Garbage Rate Schedule

- ▶ In 2009, the City Council at that time approved a new Franchise Agreement with the South San Francisco Scavenger Company for an eight year term
- ▶ The Agreement was set to expire on November 1, 2017
- ▶ In June 2017, an eight-year extension of the Agreement was approved
- ▶ The Franchise Agreement requires that rates are reviewed and adjusted accordingly each year with the new rates becoming effective on July 1 of each year



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- ▶ The Franchise Agreement calls for a three year cycle of rate adjustments
- ▶ For the first two years, the maximum allowable garbage rates are based on 80% of any changes in the Consumer Price Index (CPI)
- ▶ Every third year any potential changes in rates are based on a rate survey of a pre-selected group of cities
- ▶ Last year's rates were adjusted according to the CPI and resulted in a 2.62% increase for all service categories
- ▶ This Fiscal Year, 2017-2018, is the third year in the rate setting cycle per the Agreement



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- ▶ The Scavenger Company conducted a survey of the pre-selected group of cities according to the Franchise Agreement based on specified levels of services
- ▶ Staff verified the submitted survey and worked with the Scavenger Company to make adjustments for discrepancies
- ▶ This year's survey resulted in increases to the residential and commercial garbage rates in the range of 2.92% - 5.69%
- ▶ Examples of Adjusted Rates:
  - ▶ Residential 32 Gallon Cart = \$34.93 - Monthly - \$1.88 increase; 5.69% increase
  - ▶ Commercial 32 Gallon Cart = \$33.18 - Monthly - \$0.94 increase; 2.92% increase
  - ▶ Commercial 2 Cubic Yards = \$317.22 - Monthly - \$12.62 increase; 4.14% increase
  - ▶ 14 Yard Temp. Debris Box = \$650.81 - 7 Days - \$21.94 increase; 3.49% increase
  - ▶ Compactor = \$65.57 - Per Yard - \$3.05 increase; 4.88% increase



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- ▶ Approval of the proposed rates will result in an increase to the Franchise Fees for the General Fund and Integrated Waste Management Enterprise Fund as included in the staff report
- ▶ Upon approval of the proposed rates, the South San Francisco Scavenger Company will include a rate increase notice on customer bills for the June billing



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## Recommendation

- ▶ Adopt a resolution approving a new Maximum Garbage Rate Schedule which would become effective July 1, 2018, in full accordance with the Franchise Agreement with the South San Francisco Scavenger Company