



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 06-02-11

Approved

Date

6/3/11

COUNCIL DISTRICT: City-Wide

SUBJECT: PUBLIC HEARING AND ADOPTION OF RESOLUTION TO INCREASE RECYCLE PLUS RATES EFFECTIVE JULY 1, 2011 FOR MULTI-FAMILY SERVICE AND AUGUST 1, 2011 FOR SINGLE-FAMILY SERVICE, AND CAP SUBSCRIPTIONS TO THE SINGLE-FAMILY LOW INCOME RATE ASSISTANCE PROGRAM

RECOMMENDATION

1. Conduct a public hearing on proposed 2011-2012 Recycle Plus rates and proposed maximums for rate increases in 2012-2013 and 2013-2014; and direct staff to return during the 2012-2013 budget cycle with recommendations regarding rate increases in 2012-2013 consistent with staff recommended maximum rate increases noticed for that year;
2. Adopt a resolution to amend the current Recycle Plus rate resolution, as follows:
 - a) Increase rates for multi-family households by 9%, effective July 1, 2011;
 - b) Increase rates for single-family households by 9%, effective August 1, 2011;
 - c) Effective August 1, 2011, cap enrollments in the single-family Low Income Rate Assistance program to ensure funding is available to cover costs of current program participants.

OUTCOME

Rate increases of 9% for Single-Family Dwelling (SFD) and Multi-Family Dwelling (MFD) households would enable the Recycle Plus Program to pay for the cost of service and maintain a prudent fund balance in the Integrated Waste Management (IWM) Fund. Approval of the recommendation would increase the ratepayer cost of SFD solid waste services by \$2.45 per

month based on the rate for a standard 32-gallon garbage cart. Capping program enrollments in the City's Low Income Rate Assistance (LIRA) Program will ensure there are sufficient funds to cover the costs of the subsidization.

BACKGROUND

To ensure the financial integrity of the IWM Fund (Fund 423) and cover the cost of service delivery obligations, Recycle Plus rates must cover the expenses of providing residential solid waste services. Staff reviews IWM Fund revenue and expenditure forecasts on a regular basis to determine the revenue necessary to implement City Council approved programs and activities. The recommendations contained in this memorandum are based on the results of this analysis. Recycle Plus rates were last increased in 2009-2010.

On June 22, 2010, City Council authorized new solid waste service agreements with the current Recycle Plus contractors through June 30, 2021. The new agreements provide for various financial, programmatic, and administrative benefits. Significant financial benefits are expected due to amortization of assets over the newly extended term, but these benefits will not be realized until 2013-2014. These financial benefits can be used for various purposes, including mitigating Recycle Plus rate increases and implementing program enhancements over the term of the new agreements.

Proposition 218 notices were mailed to property owners in April 2011, limiting rate increases to a maximum of 9% for 2011-2012 (and up to 9% in each of 2012-2013 and 2013-2014). Under Proposition 218, official protests from 50% of San José property owners, or 110,143 protests, must be received during the 45-day protest period in order to reject the proposed rate increase. As of May 13, fourteen days into the protest period, 296 official protests had been received, representing less than 1% of San José property owners. A table summarizing the protests received is available in the Public Outreach section of this memorandum.

The Council authority to provide a LIRA program to single-family service recipients is provided through the Recycle Plus rate resolution. Increasing the Recycle Plus rates proportionally increases the late fee subsidy to the customer. This is problematic for the IWM Fund, as the program is funded by a limited allocation of Recycle Plus late fee revenue.

ANALYSIS

A rate increase is recommended due to increasing costs and the deferral of a rate increase in 2010-2011, as indicated in Table 1.

TABLE 1 – Estimated Recycle Plus Contractual Expenditures

<u>Expenditure Description</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>\$ Change</u> <u>09-10 to 11-12</u>	<u>% Change</u> <u>09-10 to 11-12</u>
Single-Family Contracts	45,808,000	46,523,000	48,418,000	2,610,000	5.7%
Multi-Family Contract	14,556,000	16,054,000	16,828,000	2,272,000	15.6%
Yard Trimmings and Street Sweeping Contracts*	22,178,000	22,299,000	23,351,000	1,173,000	5.3%
Disposal Contract	8,226,000	7,900,000	8,077,000	(149,000)	-1.8%
Contracts Total	90,768,000	92,776,000	96,674,000	6,036,000	6.5%

*Includes expenses funded by the Storm Sewer Operating Fund (446)

Contracted costs for the collection and disposal agreements, which comprise about 90% of total Recycle Plus expenditures, are expected to increase by approximately \$6,000,000, or 6.5%, in 2011-2012. Non-contractual expenditures for overhead, program management, billing and customer service comprise 10% of Recycle Plus costs.

The primary drivers for the 2011-2012 rate increase are the increased contract costs associated with vehicle maintenance and replacement, labor, and the cost of diesel fuel, the latter of which has increased by more than 50% in the last two years. The City's agreements with the residential garbage contractors require that the City adjust contractor compensation annually to cover increases or decreases in these costs per an annual Consumer Price Index methodology.

Rate Strategy and Recommended Increases

A fund balance equal to approximately one month's operating expenditures has historically been maintained for the Recycle Plus and disposal contracts. This prudent balance serves as an operating contingency reserve in the event of service disruptions or other emergencies. In 2010-2011, approximately \$1,500,000 of late fees that had accumulated in fund balance were used to realign services that were funded by the General Fund to the IWM Fund. In addition, the annual contractor compensation adjustment averaged 2.56% among all contractors in 2010-2011, and without a rate increase to match the expenses, some of the reserves were used to cover the costs.

It is recommended that Recycle Plus rates for single-family service be increased by approximately 9% effective August 1, 2011, and multi-family service by 9%, effective July 1, 2011. It is estimated that these increases will generate an additional \$8,900,000 in revenue for 2011-2012 to cover the costs to provide service and restore the IWM Fund balance to prudent levels.

An SFD increase of 9% would amount to a \$2.45 per month increase in rates for the standard 32-gallon garbage cart, increasing the monthly rate to \$29.95. Although 2011-2012 service rates for other jurisdictions are expected to increase, they are not yet available for comparison. However, the proposed multi-family rate of \$201.54 for a 3-cubic yard bin serviced once per week remains far lower than last year's countywide average rate of \$276.91.

Although staff is proposing general rate increases for base service levels, some rates will not be increased. Rates for large item collections, cart exchanges, and extra garbage stickers will not change. These programs encourage proper waste disposal and help reduce incidences of illegal dumping and recycling contamination and are priced to encourage resident participation. Attachments A and B include complete listings of proposed single- and multi-family rates. Specific information on other jurisdictions is presented in Attachment C, Rate Comparisons.

Low-Income Rate Assistance Program (LIRA)

San José is one of the few cities in California to offer a LIRA program to single-family garbage customers. Due to the restrictions of California Proposition 218, Recycle Plus ratepayer revenue cannot be used to fund a subsidy for low income customers.

When the City established LIRA in the 1990's, the cost to provide this service was offset by the General Fund. As General Fund resources diminished, the City began using Recycle Plus late fee revenue, an unrestricted funding source, to offset the cost of this program. Late fee revenue available to offset LIRA costs for 2011-2012 is limited to \$395,000 and is maximized at current participation levels. LIRA program cost estimates for 2011-2012 are detailed in Table 2. The 9% single-family rate increase is reflected in the costs below; however, future single-family rate increases would proportionately increase the cost of providing the LIRA program.

Table 2 - 2011-2012 LIRA Program Participation and Cost Estimates

Program Components	Annual Program Cost	Monthly Cost per Participant	Monthly Benefit per Participant
Administration (1.15 FTE)	\$132,000		
Late Fee Subsidy	<u>\$263,000</u>		
	\$395,000	\$16.71	\$8.98
Program Participation	# Participants	% SFD Households	
Property Owners	1,200	0.57%	
Renters	<u>712</u>	<u>0.34%</u>	
	1,970	0.91%	

As shown in Table 2, the administrative costs outweigh the relatively limited benefit received by a small segment (less than 1%) of single-family households. Staff recommends that the LIRA program be capped at a total annual rate subsidization of \$263,000 to ensure that sufficient late fee revenues will cover the subsidization. To address customers who apply for LIRA after the annual funding has been allocated to eligible participants, a waiting list will be established and new LIRA participants accepted in the program as current participants leave the program due to moving, a change in income, or failure to comply with program guidelines. Staff proposes to evaluate the effectiveness of this program in the near future to determine if it is meeting the City's needs and benefiting the intended subsistence level residents.

EVALUATION AND FOLLOW-UP

Once approved, the Recycle Plus rates will be billed to rate payers effective July 1, 2011 for multi-family customers and August 1, 2011 for single-family customers. Staff will return to Council in 2012 to provide an update on the cost and performance of the LIRA program and recommend modifications as appropriate.

POLICY ALTERNATIVES

Alternative # 1: Increase Recycle Plus rates by amounts different from those recommended. Rate increases cannot exceed the 9% maximum contained in the notices sent to property owners in April 2011 because of Proposition 218 requirements.

Pros: Less financial impact to rate payers.

Cons: Lower rate increases than those recommended for 2011-2012 may result in inadequate reserves or a need for General Fund support. These reserves are necessary to safeguard the City against service disruptions or other emergencies.

Reason for not recommending: Results in risk for the IWM Fund and service disruptions. May cause a need to deplete the IWM Fund balance to pay contractors in the event of an emergency and potentially result in a significant impact to the General Fund.

PUBLIC OUTREACH/INTEREST

As of May 13, two weeks into the 45 day Proposition 218 protest process, the City Clerk’s Office had received 296 official protests and an additional 70 comments or inquiries by email and telephone. The Call Center is tracking these inquiries and responding to residents’ concerns. Acceptance of protests by email is new for the Recycle Plus Proposition 218 process and has been the method used by most protestors.

A breakdown of the official protests by category is shown in Table 3. Proposition 218 requires that a rate increase be denied upon receipt of written protests from at least 50% of affected property owners. As of May 13, less than 1% of San José property owners had formally protested the proposed increases.

TABLE 3 – Proposition 218 Protest Letters Received as of May 13, 2011

# Protest Letters Received	%	Protest Category
251	85%	General Protest – No specific reason given for protest
36	13%	Cite economic downturn/hardship as reason for protest
9	2%	Cite poor service as reason for protest
296	0.13%	% San José Property Owners Protesting Rate Increase

These actions do not meet any of the criteria below.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office, the City Attorney's Office, and the Information Technology Department - Customer Contact Center.

COST SUMMARY/IMPLICATIONS

The 9% single-family and multi-family increases along with increases in the customer base are estimated to generate \$8,900,000 in additional revenue to the IWM Fund in FY 2011-2012. This new revenue will offset the increased costs to these services described in this memorandum. Staff's recommendation is consistent with Council Policy that programs be self-supporting whenever possible.

CEQA

Negative Declaration for 2010 Solid Waste Service Agreements, File No. PP-10-055, adopted June 18, 2010.

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For questions please contact Jo Zientek, Deputy Director, Integrated Waste Management Division, Environmental Services, at (408) 535-8557.

Attachments:

- (A) Single-Family Rate Charts
- (B) Multi-Family Rate Charts
- (C) Rate Comparisons

ATTACHMENT A
RECYCLE PLUS SINGLE-FAMILY MONTHLY SERVICE RATES
Effective August 1, 2011

Service Level	20-Gallon Garbage Cart	32-Gallon Garbage Cart	64-Gallon Garbage Cart	96-Gallon Garbage Cart	128-Gallon Garbage Cart (96+32)	160-Gallon Garbage Cart (96+64)	192-Gallon Garbage Cart (96+96)	224-Gallon Garbage Cart (96+96+32)	One 96-Gal. Shared Garbage Cart	Two 96-Gal. Shared Garbage Carts
Standard Service										
Current Rate	\$ 25.90	\$ 27.50	\$ 55.00	\$ 82.50	\$ 110.00	\$ 137.50	\$ 165.00	\$ 192.50	\$ 70.86	\$ 105.77
Increase	\$ 2.33	\$ 2.45	\$ 4.90	\$ 7.35	\$ 9.80	\$ 12.25	\$ 14.70	\$ 17.15	N/A	N/A
New Rate	\$ 28.23	\$ 29.95	\$ 59.90	\$ 89.85	\$ 119.80	\$ 149.75	\$ 179.70	\$ 209.65	\$ 77.23	\$ 115.28
On-Premises Collection										
Current Rate	\$ 82.00	\$ 83.59	\$ 111.08	\$ 138.57	\$ 166.06	\$ 193.55	\$ 221.03	\$ 248.52	\$ 126.96	\$ 217.97
Increase	\$ 7.23	\$ 7.36	\$ 9.82	\$ 12.28	\$ 14.74	\$ 17.20	\$ 19.67	\$ 22.13	N/A	N/A
New Rate	\$ 89.23	\$ 90.95	\$ 120.90	\$ 150.85	\$ 180.80	\$ 210.75	\$ 240.70	\$ 270.65	\$ 138.23	\$ 237.28
On-Premises Disabled (Equivalent to CR Rate)										
Current Rate	\$ 25.90	\$ 27.50	\$ 55.00	\$ 82.50	\$ 110.00	\$ 137.50	\$ 165.00	\$ 192.50	N/A	N/A
Increase	\$ 2.33	\$ 2.45	\$ 4.90	\$ 7.35	\$ 9.80	\$ 12.25	\$ 14.70	\$ 17.15	N/A	N/A
New Rate	\$ 28.23	\$ 29.95	\$ 59.90	\$ 89.85	\$ 119.80	\$ 149.75	\$ 179.70	\$ 209.65	N/A	N/A
LIRA (70%/50% of CR Rate)										
Current Rate	\$ 18.13	\$ 19.25	\$ 27.50	\$ 41.25	\$ 55.00	\$ 68.75	\$ 82.50	\$ 96.25	N/A	N/A
Increase	\$ 1.63	\$ 1.72	\$ 2.45	\$ 3.68	\$ 4.90	\$ 6.13	\$ 7.35	\$ 8.58	N/A	N/A
New Rate	\$ 19.76	\$ 20.97	\$ 29.95	\$ 44.93	\$ 59.90	\$ 74.88	\$ 89.85	\$ 104.83	N/A	N/A
LIRA - Large Family (75% of Curbside Rate)										
Current Rate	N/A	N/A	\$ 41.25	\$ 61.88	\$ 82.50	\$ 103.13	\$ 123.75	\$ 144.38	N/A	N/A
Increase	N/A	N/A	\$ 3.68	\$ 5.51	\$ 7.35	\$ 9.18	\$ 11.03	\$ 12.86	N/A	N/A
New Rate	N/A	N/A	\$ 44.93	\$ 67.39	\$ 89.85	\$ 112.31	\$ 134.78	\$ 157.24	N/A	N/A
Special Medical (CR Rate Minus 1 Svc Level)										
Current Rate	N/A	N/A	\$ 27.50	\$ 55.00	\$ 82.50	\$ 110.00	\$ 137.50	\$ 165.00	N/A	N/A
Increase	N/A	N/A	\$ 2.45	\$ 4.90	\$ 7.35	\$ 9.80	\$ 12.25	\$ 14.70	N/A	N/A
New Rate	N/A	N/A	\$ 29.95	\$ 59.90	\$ 89.85	\$ 119.80	\$ 149.75	\$ 179.70	N/A	N/A
Hardship - No Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A
Small Business										
Current Rate	N/A	\$ 34.16	\$ 61.69	\$ 89.19	\$ 116.72	\$ 144.23	\$ 171.75	\$ 199.29	N/A	N/A
Increase	N/A	\$ 3.07	\$ 5.55	\$ 8.02	\$ 10.50	\$ 12.98	\$ 15.45	\$ 17.93	N/A	N/A
New Rate	N/A	\$ 37.23	\$ 67.24	\$ 97.21	\$ 127.22	\$ 157.21	\$ 187.20	\$ 217.22	N/A	N/A
On-Premise Small Business										
Current Rate	N/A	\$ 90.26	\$ 117.79	\$ 145.29	\$ 172.82	\$ 200.33	\$ 227.85	\$ 255.39	N/A	N/A
Increase	N/A	\$ 7.97	\$ 10.45	\$ 12.92	\$ 15.40	\$ 17.88	\$ 20.35	\$ 22.83	N/A	N/A
New Rate	N/A	\$ 98.23	\$ 128.24	\$ 158.21	\$ 188.22	\$ 218.21	\$ 248.20	\$ 278.22	N/A	N/A

**ATTACHMENT A
ADDITIONAL SFD SERVICE RATES**

Effective August 1, 2011

Service	Current Rate	New Rate
Cart Exchanges	\$15.00 for each exchange in excess of once per fiscal year	No Change
Container charge for repeated cart requests or abuse of cart	\$60.00 plus the actual container replacement cost, including delivery costs	No Change
Yard Trimmings Cart	\$ 4.00 per month	\$ 4.35 /month
Extra Garbage Stickers	\$ 6.25 per sticker	No Change
Large Item Collection	\$25.00 for each 3 items	No Change
Missing/Stolen Carts	Free	No Change
Contaminated Recycling Cart	\$ 15.00 per incident per cart	No Change

ATTACHMENT B
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
 Effective July 1, 2011

Garbage Bin Size (cu yd)	Standard Recycling Bin Size (cu yd)	Rates	Number of Collections Per Week (Recycling Collection Once Per Week)					Extra PickUp
			1	2	3	4	5	
1	1	Current Rate	\$ 91.01	\$ 164.82	\$ 238.66	\$ 312.50	\$ 386.34	\$ 39.16
		Increase	\$ 8.19	\$ 14.83	\$ 21.47	\$ 28.12	\$ 34.77	\$ 3.52
		New Rate	\$99.20	\$179.65	\$260.13	\$340.62	\$421.11	\$42.68
1.5	1.5	Current Rate	\$114.31	\$209.71	\$305.12	\$400.54	\$495.93	\$44.56
		Increase	\$10.28	\$18.87	\$27.46	\$36.04	\$44.63	\$4.01
		New Rate	\$124.59	\$228.58	\$332.58	\$436.58	\$540.56	\$48.57
2	2	Current Rate	\$138.21	\$255.21	\$372.21	\$489.18	\$606.16	\$49.99
		Increase	\$12.43	\$22.96	\$33.49	\$44.02	\$54.55	\$4.49
		New Rate	\$150.64	\$278.17	\$405.70	\$533.20	\$660.71	\$54.48
3	3	Current Rate	\$184.90	\$345.06	\$505.20	\$665.34	\$825.47	\$60.84
		Increase	\$16.64	\$31.05	\$45.46	\$59.88	\$74.29	\$5.47
		New Rate	\$201.54	\$376.11	\$550.66	\$725.22	\$899.76	\$66.31
4	4	Current Rate	\$231.62	\$434.92	\$638.20	\$841.51	\$1,044.82	\$71.71
		Increase	\$20.84	\$39.14	\$57.43	\$75.73	\$94.03	\$6.45
		New Rate	\$252.46	\$474.06	\$695.63	\$917.24	\$1,138.85	\$78.16
5	5	Current Rate	\$278.31	\$524.75	\$771.22	\$1,017.70	\$1,264.15	\$81.97
		Increase	\$25.04	\$47.22	\$69.40	\$91.59	\$113.77	\$7.37
		New Rate	\$303.35	\$571.97	\$840.62	\$1,109.29	\$1,377.92	\$89.34
6	6	Current Rate	\$325.01	\$614.64	\$904.23	\$1,193.85	\$1,483.48	\$93.38
		Increase	\$29.25	\$55.31	\$81.38	\$107.44	\$133.51	\$8.40
		New Rate	\$354.26	\$669.95	\$985.61	\$1,301.29	\$1,616.99	\$101.78
8	8	Current Rate	\$418.40	\$794.34	\$1,170.24	\$1,546.18	\$1,922.11	\$115.08
		Increase	\$37.65	\$71.49	\$105.32	\$139.15	\$172.98	\$10.35
		New Rate	\$456.05	\$865.83	\$1,275.56	\$1,685.33	\$2,095.09	\$125.43

- (1) For bins without wheels sizes 1-cu. yd. to 5-cu. yd., the monthly service rates above are reduced by \$4.00 multiplied by the number of collections per week. The monthly service rates for 6- and 8-cu. Yd. bins already include the \$4.00 deduction.
- (2) Additional recycling capacity and/or collection frequency to be considered by the Director of Environmental Services upon request.

ATTACHMENT B
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
Effective July 1, 2011

Customer Owned Bin Deduction or Bin Rental Fee

Rate	Bin Size (cubic yards)							
	1	1.5	2	3	4	5	6	8
Current Rate	\$ (11.33)	\$ (12.46)	\$ (14.01)	\$ (16.34)	\$ (18.67)	\$ (21.00)	\$ (23.34)	\$ (28.01)
No Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Compactor Service

Rate	Per Collection, Per Cubic Yard
Current Rate	\$ 43.52
Increase	\$ 3.91
New Rate	\$ 47.43

(1) Package rate includes service for recycling compactor of equal size to garbage bin.

ATTACHMENT B
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
 Effective July 1, 2011

Bin Push Service

Rates include push of equal distance for recycling bin.

Distance (in feet)	Rates	Number of Pushes Per Week					Extra Pick-Up
		1	2	3	4	5	
Up to 25	Current Rate	\$ 20.39	\$ 40.78	\$ 61.17	\$ 81.56	\$ 101.95	\$ 12.64
	Increase	\$ 1.83	\$ 3.66	\$ 5.49	\$ 7.32	\$ 9.15	\$ 1.13
	New Rate	\$22.22	\$44.44	\$66.66	\$88.88	\$111.10	\$13.77
50	Current Rate	\$40.78	\$81.56	\$122.34	\$163.12	\$203.90	\$25.28
	Increase	\$3.66	\$7.32	\$10.98	\$14.64	\$18.30	\$2.26
	New Rate	\$44.44	\$88.88	\$133.32	\$177.76	\$222.20	\$27.54
75	Current Rate	\$61.17	\$122.34	\$183.51	\$244.68	\$305.85	\$37.92
	Increase	\$5.49	\$10.98	\$16.47	\$21.96	\$27.45	\$3.39
	New Rate	\$66.66	\$133.32	\$199.98	\$266.64	\$333.30	\$41.31
100	Current Rate	\$81.56	\$163.12	\$244.68	\$326.24	\$407.80	\$50.56
	Increase	\$7.32	\$14.64	\$21.96	\$29.28	\$36.60	\$4.52
	New Rate	\$88.88	\$177.76	\$266.64	\$355.52	\$444.40	\$55.08
125	Current Rate	\$101.95	\$203.90	\$305.85	\$407.80	\$509.75	\$63.20
	Increase	\$9.15	\$18.30	\$27.45	\$36.60	\$45.75	\$5.65
	New Rate	\$111.10	\$222.20	\$333.30	\$444.40	\$555.50	\$68.85
150	Current Rate	\$122.34	\$244.68	\$367.02	\$489.36	\$611.70	\$75.84
	Increase	\$10.98	\$21.96	\$32.94	\$43.92	\$54.90	\$6.78
	New Rate	\$133.32	\$266.64	\$399.96	\$533.28	\$666.60	\$82.62
175	Current Rate	\$142.73	\$285.46	\$428.19	\$570.92	\$713.65	\$88.48
	Increase	\$12.81	\$25.62	\$38.43	\$51.24	\$64.05	\$7.91
	New Rate	\$155.54	\$311.08	\$466.62	\$622.16	\$777.70	\$96.39
200	Current Rate	\$163.12	\$326.24	\$489.36	\$652.48	\$815.60	\$101.12
	Increase	\$14.64	\$29.28	\$43.92	\$58.56	\$73.20	\$9.04
	New Rate	\$177.76	\$355.52	\$533.28	\$711.04	\$888.80	\$110.16

- (1) For regular pushes greater than 200 feet, the monthly charge is \$22.22 multiplied by the number of 25 foot increments multiplied by the number of collections per week. Example: For pushes of 276-300 feet, the number of 25-foot increments is 12; the monthly charge for pushes of 276-300 feet for collections performed 3 times per week is $\$22.22 \times 12 \times 3 = \799.92 .
- (2) For extra pick-ups with pushes greater than 200 feet, the push charge is 0.62 times \$22.22 multiplied by the number of 25 foot increments.

ATTACHMENT B
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
 Effective July 1, 2011

Cart Push Service

Distance (in feet)	Rates	Regular Push	Extra Push
up to 25	Current Rate	\$ -	\$ -
	Increase	\$ -	\$ -
	New Rate	\$ -	\$ -
26-50	Current Rate	\$ 20.39	\$ 12.64
	Increase	\$ 1.83	\$ 1.13
	New Rate	\$22.22	\$13.77
51-75	Current Rate	\$40.78	\$25.28
	Increase	\$3.66	\$2.26
	New Rate	\$44.44	\$27.54
76-100	Current Rate	\$61.17	\$37.92
	Increase	\$5.49	\$3.39
	New Rate	\$66.66	\$41.31
101-125	Current Rate	\$81.56	\$50.56
	Increase	\$7.32	\$4.52
	New Rate	\$88.88	\$55.08
126-150	Current Rate	\$101.95	\$63.20
	Increase	\$9.15	\$5.65
	New Rate	\$111.10	\$68.85
151-175	Current Rate	\$122.34	\$75.84
	Increase	\$10.98	\$6.78
	New Rate	\$133.32	\$82.62
176-200	Current Rate	\$142.73	\$88.48
	Increase	\$12.81	\$7.91
	New Rate	\$155.54	\$96.39

- (1) Push rates apply to either 1 cart or to a set of 2 carts
- (2) For regular pushes greater than 200 feet, the monthly charge is \$22.22 multiplied by the number of 25 foot increments minus 1.
- (3) For extra pushes greater than 200 feet, the charge is 0.62 times \$22.22 multiplied by the number of 25 foot increments minus 1.

ATTACHMENT B
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
 Effective July 1, 2011

Contaminated Recycling Collection

Bins		
Bin Size (cu. yd.)	Rates	Pick-Up Charge
1	Current Rate	\$ 39.16
	Increase	\$ 3.52
	New Rate	\$42.68
1.5	Current Rate	\$44.58
	Increase	\$4.01
	New Rate	\$48.59
2	Current Rate	\$49.99
	Increase	\$4.49
	New Rate	\$54.48
3	Current Rate	\$60.85
	Increase	\$5.47
	New Rate	\$66.32
4	Current Rate	\$71.71
	Increase	\$6.45
	New Rate	\$78.16
5	Current Rate	\$81.96
	Increase	\$7.37
	New Rate	\$89.33
6	Current Rate	\$92.25
	Increase	\$8.30
	New Rate	\$100.55
8	Current Rate	\$115.08
	Increase	\$10.35
	New Rate	\$125.43

Carts		
Number of Carts	Rates	Pick-Up Charge
1	Current Rate	\$ 39.34
	Increase	\$ 3.54
	New Rate	\$42.88
2	Current Rate	\$49.17
	Increase	\$4.42
	New Rate	\$53.59
3	Current Rate	\$88.51
	Increase	\$7.96
	New Rate	\$96.47
4	Current Rate	\$98.33
	Increase	\$8.84
	New Rate	\$107.17
5	Current Rate	\$137.69
	Increase	\$12.39
	New Rate	\$150.08
6	Current Rate	\$147.53
	Increase	\$13.27
	New Rate	\$160.80
7	Current Rate	\$186.90
	Increase	\$16.82
	New Rate	\$203.72
8	Current Rate	\$196.74
	Increase	\$17.70
	New Rate	\$214.44
9+	Current Rate	\$ 24.59
	Increase	\$ 2.21/cart
	New Rate	\$26.80/cart

(1) Extra Pick-Up rates apply to the collection of recycling bins or carts which are contaminated with garbage

ATTACHMENT B
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
 Effective July 1, 2011

Service	Current Rate		New Rate	
<u>Large Item Collection</u>				
Per-Item Charge (1-3):	\$	55.50	No Change	
Each additional item:	\$	18.50	No Change	
<u>Garbage Overflow</u>				
Delivery and Pick-Up of Bin	\$	40.18	\$	43.79
Rental Rate	Regular monthly charge for bin service prorated to the number of weeks the overflow bin is requested			
<u>Lock Services</u>				
		<u>Bins</u>	<u>Carts</u>	
Lock Installed, Plus Key	\$	180.45	\$	109.18
Lock 3 Carts Together		NA	\$	109.18 /three
Repaired, Including Lock	\$	116.76	\$	83.41
Repaired, Excluding Lock	\$	98.57	\$	66.71
Removed (damaged by customer)	\$	133.43	\$	109.18
Removed (requested by customer)	\$	66.71	\$	66.71
Special Services, Welding or Retrofit	\$	66.10	\$	66.10 /hour
			\$	72.04
			\$	72.04
<u>Other Services</u>				
Service Level Changes (bin or 2 carts) (in excess of once per year)	\$	25.00	\$	25.00
Container Cleaning (bin or 2 carts) (in excess of once per year)	\$	25.00	\$	25.00
Yard Trimmings Cart		NA	\$	10.02
Hardship Rate (for uninhabitable properties)		\$0.00	No Change	

**ATTACHMENT C
RATE COMPARISONS**

The tables below compare the typical single-family dwelling garbage and recycling rates of Santa Clara County cities and agencies. This survey of other cities was conducted in April 2011. **It is important to note that services included with these rates vary widely from city to city, and that San José's services generally are more robust (more frequent collections, with additional services included such as street sweeping, etc.). In addition, some solid waste programs may have funding sources other than rate-payer revenue.** Most cities increase garbage rates annually; however information regarding anticipated increases for 2011-2012 is not available at this time. It is important to keep in mind that most rates will likely increase in a similar manner as San Jose's proposed increase.

**Single-Family Dwelling Garbage and Recycling Program
32 Gallon Rate Comparisons**

Santa Clara County Cities	Current Monthly Rate
Palo Alto	\$32.86
Milpitas	\$30.28
San José (Proposed)	\$29.95
Sunnyvale	\$28.70
Los Altos	\$28.11
Los Altos Hills	\$28.03
San José (Current)	\$27.50
Gilroy	\$26.63
Countywide Weighted Average	\$26.29
Unincorporated County Districts	\$20.78-\$33.90
Monte Sereno	\$25.29
Morgan Hill	\$25.15
Saratoga	\$22.44
Cupertino	\$21.33
Campbell	\$21.08
Santa Clara	\$20.65
Los Gatos	\$20.62
Mountain View	\$18.95

Other Northern California Cities	Current Monthly Rate
San José (Proposed)	\$29.95
Sacramento	\$29.40
Oakland	\$27.68
San Francisco	\$27.55
San José (Current)	\$27.50
Fremont	\$25.71

**Multi-Family Dwelling Garbage and Recycling Program
3-Cubic Yard Bin Rate Comparison**

Santa Clara County	Current Monthly Rate
Countywide Average	\$276.91
San José (Proposed)	\$201.54
San José (Current)	\$184.90

The proposed rate for a 3-cubic yard bin serviced once per week (one of the most common multi-family service levels) is \$201.54– far lower than the current countywide average of \$276.91 per month. San Jose’s multi-family rates also include unlimited recycling and yard trimmings collection. These services are not always provided in other jurisdictions when multi-family services are provided by commercial collection companies.