



Staff Report June 11, 2024

TO: Honorable Mayor and Town Council
FROM: Merrill Buck, Town Engineer
RE: Public Hearing – Recology Request for a Rate Increase

Recommendation

Hold a public hearing on a proposed garbage collection service rate increase requested by Recology Auburn Placer. Consider all protests, including any written protests submitted prior to the close of the public hearing, tabulate ballots, and if no majority protest exists, approve a resolution establishing new Town of Loomis customer rates for garbage collection service, effective July 1, 2024.

Issue Statement

The Town of Loomis has had a long-standing contractual relationship with Recology Auburn Placer (Recology) going back nearly 50 years. The current contract was executed back in 2001, and amended in 2007, to include a green waste collection service. The contract is set to expire on September 30, 2024. As a separate item, Town staff will be returning to Council in the next couple months to propose a short-duration time extension to the contract while either a new contract is negotiated, or services are sought through a request for proposals solicitation.

The franchise agreement with Recology includes the ability to make annual requests for rate adjustments to reflect the cost of doing business. Recology has requested such a rate adjustment (Attachment B) to cover both a cost-of-living adjustment of 3.48% and a landfill adjustment of 2.65% to cover the increased tipping fee charged by the Western Placer Waste Management Authority for the disposal of municipal waste.

Recology provided written notice of the proposed rate increase to its customers (Attachment C) which included the date and time of the public hearing to consider the proposed rate increase. In compliance with California Constitution Article XIII D (Proposition 218), the notice was mailed at least 45 days prior to the public hearing.

The public hearing to consider a garbage collection service rate increase, as proposed by Recology, will be held by the Town Council of the Town of Loomis at its regularly scheduled meeting on Tuesday, June 11, 2024, beginning at 6:30 p.m. at the Town Council Chambers located at the Loomis Depot, 5775 Horseshoe Bar Road in Loomis.

Owners of property and customers served by Recology may protest the proposed increase in fees by addressing the Town Council at the public hearing or by filing a written protest with the Town Clerk at P.O. Box 1330, Loomis, CA 95650.

The written protest must identify the parcel served by address or APN (assessor’s parcel number) and be received (not postmarked) by the Town Clerk before or during the public hearing. Only one protest per parcel shall be counted for purposes of establishing a majority protest to the proposed fee increase.

Absent a majority protest, staff recommends proceeding with the requested garbage collection rate increases to ensure adequate operating revenue.

If approved, the proposed rate increase will go into effect on July 1, 2024.

Discussion

The proposed rate increase reflects an increase in the average residential customer’s monthly garbage bill of between 2.78% and 3.55%, depending upon the type of service.

The cost of a 96-gallon toter, the most common residential service, is proposed to increase from the current rate of \$34.89 to \$36.46 per month (4.50% increase). A typical five cubic yard bin used by commercial customers, serviced one time per week, is proposed to increase from the current rate of \$493.14 to \$509.76 per month (3.37% increase).

As shown in the table below, the percentage increase proposed by Recology is significantly lower than past rate adjustments.

	Residential Single Toter	Percentage Increase from Prior	Commercial 5 yards 1x per week	Percentage Increase from Prior
2023 (July)	\$34.89	9.30%	\$493.14	8.60%
2024 (July)	\$36.46	4.50%	\$509.76	3.37%

The rate increase consists of two components. A 3.48% Cost of Living Adjustment on Recology’s under contract labor costs. And a 2.65% increase in the tipping fee imposed by the Western Placer Waste Management Authority (WPWMA). WPWMA is the regional agency responsible for the processing and disposal of solid waste. Their facilities include an active landfill in Roseville and a Material Recovery Facility in Lincoln which includes trash sorting, composting, household hazardous waste collection, and a recycling buyback facility.

In 2023, the Town saw a 17.9% increase in the tipping rate at WPWMA to cover added costs for facility renovations to meet new regulation standards. The 2.65% tipping fee increase reflected in this rate adjustment is significantly lower and more in line with the rate of inflation.

CEQA Requirements

Under CEQA Guidelines Section 15273 there are no CEQA implications associated with the proposed rate increase as they do not increase or expand service.

Financial and/or Policy Implications

The approval of the proposed rate increase will result in rate increases for residents of between 2.78% and 3.55% depending on the type and level of service. Collection fees for garbage service are paid directly to Recology by their customers. As a result, the proposed rate increase has no direct impact on the Town’s General Fund.

Attachments

- A. Resolution
- B. Recology Rate Adjustment Request
- C. Proposed Rate Adjustment Public Hearing Notice

On File with the Town Clerk:

- A. Recology Franchise Agreement – July 1, 2001
- B. First Amendment to Agreement – June 12, 2007

TOWN OF LOOMIS

RESOLUTION 24-____

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS APPROVING A RATE INCREASE TO THE SOLID WASTE REFUSE COLLECTION AND HAULING CONTRACT WITH RECOLOGY AUBURN PLACER

WHEREAS, the Town of Loomis has a long-standing contractual relationship with Recology Auburn Placer (Recology) to provide solid waste collection services for the Town; and

WHEREAS, the franchise agreement with Recology includes the ability to make requests for rate adjustments on an annual basis, to reflect the cost of doing business; and

WHEREAS, pursuant to the franchise agreement, Recology Auburn Placer has requested a rate adjustment to the collection service rates charged to its Town of Loomis customers to cover both an increased tipping fee charged by the Western Placer Waste Management Authority and a cost-of-living adjustment; and

WHEREAS, Recology Auburn Placer provided written notice of the proposed rate increase to its customers along with the date and time of the public hearing to consider the proposed rate increase, not less than 45 days prior to the public hearing, in compliance with California Constitution Article XIII D (Proposition 218); and

WHEREAS, the duly noticed public hearing for the proposed solid waste collection service rate increases were held before the Town Council on June 11, 2024; and

WHEREAS, at the conclusion of the public hearing, the Town Clerk tabulated the number of written protests received and reported that there was not a majority protest of the proposed collection service rates by owners or authorized representative of the identified and affected properties; and

WHEREAS, the Town Council has reviewed the information submitted by Recology Auburn Placer proposing to raise rates within the parameters of the contract, and after considering public testimony, the Town Council has determined that the proposed collection service rates are appropriate, lawful, and should be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Loomis, that the rate increases requested by Recology Auburn Placer, as stated in the public notice, are approved; and be it

FURTHER RESOLVED that the collection service rate increases will be effective as of July 1, 2024.

PASSED AND ADOPTED this 11th day of June 2024 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Mayor

ATTEST:

Deputy Town Clerk



April 12, 2024

Mr. Wes Heathcock
Town Manager
Town of Loomis
3665 Taylor Rd.
Auburn, CA 95650

Re: Refuse Collection Rate Adjustment

Dear Mr. Heathcock,

Recology Auburn Placer requests a rate adjustment effective July 1, 2024. Per the contract, Section 26 allows for an annual adjustment in fees charged, pursuant to “Exhibit A, utilizing the Consumer Price Index: ALL Urban Consumers.” This includes a Cost-of-Living Adjustment (COLA) of 3.48% and Landfill adjustment of 2.65%. The latter increase is due to the WPWMA disposal increase that will take place on July 1, 2024.

If you have any questions, you may contact me directly at (279) 227-9440, or via email at tperez@recology.com.

Regards,

Tony Perez
General Manager
Recology Auburn Placer

Cc: Scott Pardini - Vice President & Regional Manager
Wayne Moeller – Regional Controller
Carrie Baxter – R3



Town of Loomis
 3665 Taylor Road
 Loomis, CA 95650
 916.652.1840
 www.loomis.ca.gov

NOTICE OF PUBLIC HEARING ON PROPOSED GARBAGE COLLECTION SERVICE RATE INCREASE

SOLID WASTE RATE INCREASE

On Tuesday, **June 11, 2024**, beginning at 6:30 p.m., the Town Council of the Town of Loomis will hold a public hearing at its regularly scheduled meeting, at the Town Council Chambers located at the Loomis Depot, 5775 Horseshoe Bar Road in Loomis, to consider a garbage collection service rate increase as proposed by Recology Auburn Placer, the Town's franchised solid waste hauler.

The proposed rate increase reflects an increase to the average residential customer's monthly garbage bill of between 2.78 and 3.77 percent, depending upon the type of service. The cost increase is necessary to cover a Cost-of-Living Adjustment (COLA) which was capped at 4.0% and the change in cost to process and dispose of collected waste at the Western Placer Material Recovery Facility. If adopted, the proposed rate increase will go into effect on July 1, 2024.

Owners of property and customers served by Recology Auburn Placer may protest the proposed increase in fees by addressing the Town Council at the public hearing or by filing a written protest with the Town Clerk at P.O. Box 1330, Loomis, CA 95650. The written protest must identify the parcel served by address or APN (assessor's parcel number) and be actually received (not postmarked) by the Town Clerk before or during the public hearing. Only one protest per parcel shall be counted for purposes of establishing a majority protest to the proposed fee increase.

A monthly service rate comparison between the current and proposed rates for the various service categories is summarized below. For further information, contact the Office of the Town Clerk at (916) 652-1840 or Recology Auburn Placer at (530) 885-3735 during regular business hours.

SUPPORTING RATE TABLES

RESIDENTIAL SERVICE

	Current Rate	Proposed Rate	Difference (Dollars)	Difference (Percentage)
1 32-Gallon Can	\$ 17.91	\$ 18.46	\$ 0.55	3.1%
Unlimited Cans	\$ 34.29	\$ 35.28	\$ 0.99	2.9%
Toter Only	\$ 35.39	\$ 36.46	\$ 1.07	3.0%
Unlimited Toters	\$ 45.53	\$ 46.92	\$ 1.39	3.1%
Senior Citizen				
1 Can	\$ 12.77	\$ 13.13	\$ 0.36	2.8%
Unlimited Cans	\$ 28.09	\$ 28.87	\$ 0.78	2.8%
Toter Only	\$ 29.18	\$ 30.02	\$ 0.84	2.9%
Unlimited Toters	\$ 34.34	\$ 35.34	\$ 1.00	2.9%
Mobile Home (Per Space)	\$ 16.81	\$ 17.32	\$ 0.51	3.0%
Gate Change	\$ 7.28	\$ 7.53	\$ 0.25	3.4%
Distance Charge	\$ 5.43	\$ 5.63	\$ 0.20	3.7%
Disabled Charge	\$ 2.39	\$ 2.48	\$ 0.09	3.8%

COMMERCIAL CAN SERVICE

	Current Rate	Proposed Rate	Difference (Dollars)	Difference (Percentage)		Current Rate	Proposed Rate	Difference (Dollars)	Difference (Percentage)
1 Can					4 Cans				
1x Per Week	\$ 22.30	\$ 23.00	\$ 0.70	3.1%	1x Per Week	\$ 52.67	\$ 54.22	\$ 1.55	2.9%
2x per Week	\$ 44.07	\$ 45.47	\$ 1.40	3.2%	2x per Week	\$ 104.83	\$ 107.97	\$ 3.14	3.0%
3x per Week	\$ 65.81	\$ 67.90	\$ 2.09	3.2%	3x per Week	\$ 157.00	\$ 161.70	\$ 4.70	3.0%
2 Cans					5 Cans				
1x Per Week	\$ 32.54	\$ 33.53	\$ 0.99	3.0%	1x Per Week	\$ 62.89	\$ 64.74	\$ 1.85	2.9%
2x per Week	\$ 64.57	\$ 66.54	\$ 1.97	3.1%	2x per Week	\$ 125.23	\$ 128.96	\$ 3.73	3.0%
3x per Week	\$ 96.61	\$ 99.59	\$ 2.98	3.1%	3x per Week	\$ 187.78	\$ 193.12	\$ 5.34	2.8%
3 Cans									
1x Per Week	\$ 42.63	\$ 43.92	\$ 1.29	3.0%					
2x per Week	\$ 84.76	\$ 87.32	\$ 2.56	3.0%					
3x per Week	\$ 126.88	\$ 130.72	\$ 3.84	3.0%					

COMMERCIAL TOTER SERVICE

	Current Rate	Proposed Rate	Difference (Dollars)	Difference (Percentage)		Current Rate	Proposed Rate	Difference (Dollars)	Difference (Percentage)
1 Toter					4 Toters				
1x Per Week	\$ 49.84	\$ 51.41	\$ 1.57	3.2%	1x Per Week	\$ 200.69	\$ 207.03	\$ 6.34	3.2%
2x per Week	\$ 89.56	\$ 92.34	\$ 2.78	3.1%	2x per Week	\$ 331.47	\$ 341.73	\$ 10.26	3.1%
3x per Week	\$ 129.02	\$ 133.03	\$ 4.01	3.1%	3x per Week	\$ 485.50	\$ 500.02	\$ 14.52	3.0%
2 Toters					5 Toters				
1x Per Week	\$ 91.89	\$ 94.76	\$ 2.87	3.1%	1x Per Week	\$ 218.19	\$ 224.98	\$ 6.79	3.1%
2x per Week	\$ 170.26	\$ 175.54	\$ 5.28	3.1%	2x per Week	\$ 412.01	\$ 424.78	\$ 12.77	3.1%
3x per Week	\$ 248.07	\$ 255.74	\$ 7.67	3.1%	3x per Week	\$ 604.46	\$ 623.14	\$ 18.68	3.1%
3 Toters									
1x Per Week	\$ 153.14	\$ 157.99	\$ 4.85	3.2%					
2x per Week	\$ 250.73	\$ 258.51	\$ 7.78	3.1%					
3x per Week	\$ 366.69	\$ 378.04	\$ 11.35	3.1%					

COMMERCIAL DUMPSTER SERVICE

	Current Rate	Proposed Rate	Difference (Dollars)	Difference (Percentage)		Current Rate	Proposed Rate	Difference (Dollars)	Difference (Percentage)
1 Yard					5 Yard				
1x Per Week	\$ 121.32	\$ 125.22	\$ 3.90	3.21%	1x Per Week	\$ 494.14	\$ 509.76	\$ 15.62	3.2%
2x per Week	\$ 214.41	\$ 221.24	\$ 6.83	3.19%	2x per Week	\$ 893.94	\$ 921.88	\$ 27.94	3.1%
3x per Week	\$ 307.24	\$ 316.98	\$ 9.74	3.17%	3x per Week	\$ 1293.58	\$ 1333.83	\$ 40.25	3.1%
4x per Week	\$ 400.73	\$ 413.40	\$ 12.67	3.16%	4x per Week	\$ 1693.10	\$ 1745.66	\$ 52.56	3.1%
5x per Week	\$ 494.14	\$ 509.76	\$ 15.62	3.16%	5x per Week	\$ 2093.08	\$ 2157.97	\$ 64.89	3.1%
2 Yard					6 Yard				
1x Per Week	\$ 214.26	\$ 221.08	\$ 6.82	3.18%	1x Per Week	\$ 573.39	\$ 591.44	\$ 18.05	3.1%
2x per Week	\$ 401.06	\$ 413.73	\$ 12.67	3.16%	2x per Week	\$ 1044.70	\$ 1077.23	\$ 32.53	3.1%
3x per Week	\$ 587.48	\$ 606.02	\$ 18.54	3.16%	3x per Week	\$ 1573.47	\$ 1622.51	\$ 49.04	3.1%
4x per Week	\$ 774.39	\$ 798.80	\$ 24.41	3.15%	4x per Week	\$ 1986.86	\$ 2048.38	\$ 61.52	3.1%
5x per Week	\$ 960.81	\$ 991.08	\$ 30.27	3.15%	5x per Week	\$ 2513.22	\$ 2591.16	\$ 77.94	3.1%
3 Yard					7 Yard				
1x Per Week	\$ 307.42	\$ 317.17	\$ 9.75	3.17%	1x Per Week	\$ 652.61	\$ 673.10	\$ 20.49	3.1%
2x per Week	\$ 587.38	\$ 605.92	\$ 18.54	3.16%	2x per Week	\$ 1195.44	\$ 1232.61	\$ 37.17	3.1%
3x per Week	\$ 867.42	\$ 894.74	\$ 27.32	3.15%	3x per Week	\$ 1853.27	\$ 1911.09	\$ 57.82	3.1%
4x per Week	\$ 1147.19	\$ 1183.29	\$ 36.10	3.15%	4x per Week	\$ 2280.64	\$ 2351.11	\$ 70.47	3.1%
5x per Week	\$ 1427.07	\$ 1471.97	\$ 44.90	3.15%	5x per Week	\$ 2933.26	\$ 3024.31	\$ 91.05	3.1%
4 Yard									
1x Per Week	\$ 400.73	\$ 413.40	\$ 12.67	3.16%					
2x per Week	\$ 773.98	\$ 798.37	\$ 24.39	3.15%					
3x per Week	\$ 1147.09	\$ 1183.19	\$ 36.10	3.15%					
4x per Week	\$ 1519.98	\$ 1567.79	\$ 47.81	3.15%					
5x per Week	\$ 1893.24	\$ 1952.77	\$ 59.53	3.14%					