



# AGENDA REPORT

## Economic Development

<b>DATE:</b>	December 6, 2022
<b>TO:</b>	Mayor Butt and Members of the City Council
<b>FROM:</b>	Shasa Curl, City Manager Samantha Carr, Environmental Manager
<b>Subject:</b>	Annual Solid Waste Rate Adjustment
<b>FINANCIAL IMPACT:</b>	There is no significant financial impact to the City's General Fund.
<b>PREVIOUS COUNCIL ACTION:</b>	December 7, 2021
<b>STATEMENT OF THE ISSUE:</b>	The Franchise Agreement between the City of Richmond and Republic Services provides for an annual adjustment based on the Consumer Price Index (CPI) and bulky item pick-up program participation.
<b>RECOMMENDED ACTION:</b>	ADOPT a resolution to update the 2023 solid waste collection rates - City Manager's Office, Economic Development (Shasa Curl/Samantha Carr 620-5407).

## DISCUSSION:

The City of Richmond's solid waste and recycling services are provided by two agreements with Republic Services: 1) a collection franchise agreement managed by the City of Richmond; and 2) a post-collection agreement managed by the [West Contra Costa Integrated Waste Management Authority](#) ("RecycleMore"). Pickup rates are set at the end of the year based on CPI adjustments.

Adjustments to the 2023 solid waste collection rate include: a) CPI adjustment and b) the bulky item program adjustment charges. Approximately 77 percent of Richmond residential customers subscribe to the 35-gallon trash cart service. The 2023 financial impact for solid waste collection services for the 35-gallon cart service will amount to: a) CPI increase of \$1.13 per month and b) bulky item adjustment of (\$0.16) for a total collection increase of \$0.97. In addition, the post-collection agreement results in an increase of \$12.60 per month for 35-gallon cart service. A summary of the residential and commercial collection and post-collection rates for the 2023 calendar year are also noted below in Tables 2 and 3 as well as in Attachments 1 and 2.

## **CPI Adjustment**

Pursuant to the collection Franchise Agreement between the City of Richmond and Republic Services, the City is obligated to adjust the solid waste collection rates on an annual basis according to the change in the CPI. The attached letter from Republic Services provides an official notice of the percentage increase (Attachment 2).

City Council adoption of the resolution updates and formalizes the 2023 solid waste collection rates (Attachment 1). The terms of the City's collection [Franchise Agreements](#) with Republic Services state the collection rates are to be adjusted by the CPI. The indicated October 2021 to October 2022 CPI change for the San Francisco-Oakland-Hayward Metropolitan Area is 6.0 percent.

Under terms of the 2014 Franchise Agreement Amendment, City staff members negotiated that CPI increases for residential customers for the years 2018 through 2025 shall be capped at a maximum of 3.25 percent annually with an overage of 2.75 percent. There is an additional .57 percent carryover from the previous rate setting year for a total carryover of 3.32 percent to 2024. The commercial customer rates will be adjusted by the CPI rate of 6.0 percent from the 2022 base rate.

## **Bulky Item Participation**

An enhanced bulky item collection service was included in the 2014 Franchise Agreement for residential customers. Residential customers may schedule a pick-up for bulky items (up to three items) at no additional cost once per year by calling Republic Services at (510) 262-7100. The program aims to reduce or prevent illegal dumping by providing a bulky item collection service to ratepayers and incorporating the costs into the monthly rates. Bi-lingual participation flyers are included as bill inserts twice per year to encourage participation (below right). Illegal dumping postcards are also posted around City Hall and City facilities (below left). For more information about the program visit, [www.richmondenvironment.org](http://www.richmondenvironment.org).

### Free Bulky Item Pick-Up

### Recogida Gratuita de Artículos Voluminosos



Please call (510) 262-7100 to schedule a collection  
Por favor llame al (510) 262-7100 para una recogida

### Attention Richmond Residents!

Each calendar year (January 1st - December 31st), Richmond residential customers can use one (1) of their two (2) included On-call Curbside Clean-ups for pick-up of bulky items.

- One bulky item clean-up per calendar year.
- Single-family residences and duplexes only.
- Up to three (3) household bulky items per clean-up.
- Up to five (5) electronic waste items can be substituted for one bulky item.
- Residential household items only; individual items of 200 pounds or less.
- No commercial-sized appliances, household hazardous waste, toxic, explosive, infectious, construction or demolition waste.

Please call 510.262.7100 for more information or to schedule a pick-up today.



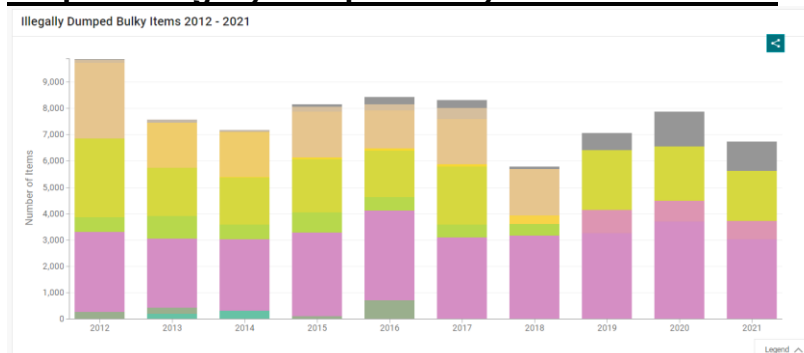
In 2022, the number of participant households slightly decreased from 11.3 percent to 10.5 percent of all Richmond households. The slight decrease in participation will result in a \$0.16 per month rebate of solid waste collection rates for the 2023 calendar year.



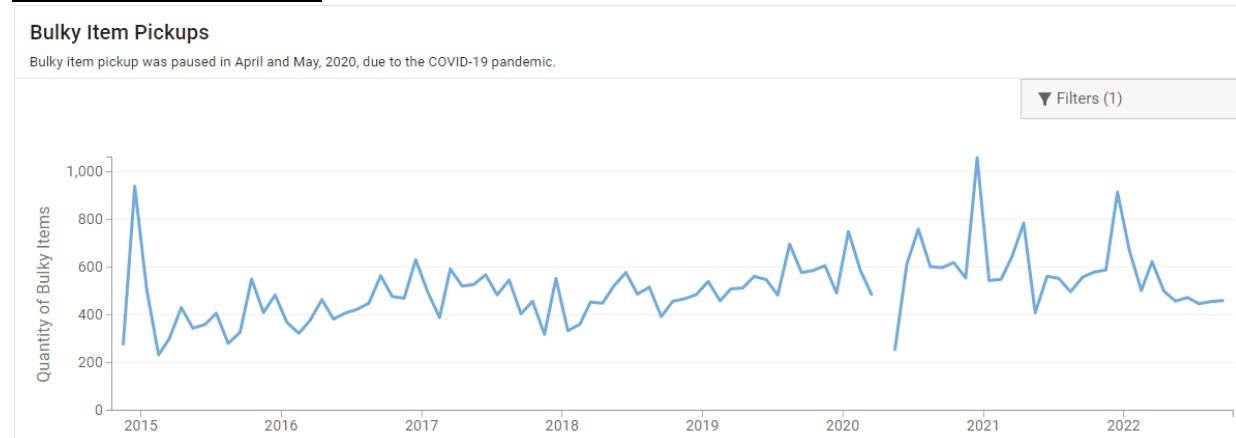
Republic Services and the City have collected data from 2012 to present on illegal dumping and bulky item pick-ups within the City. The data can be viewed on the city's [Transparent Richmond](#) website. Since 2012 there has been an overall decrease in the amount of illegally dumped bulky items abated by City crews (Graph 1) and with a corresponding overall increase in the number of bulky items collected by Republic Services (Graph 2). These graphs represent bulky items such as televisions, mattresses, furniture, tires, and similar household items.

The data source for all of the graphs was provided by Republic Services transfer station receipts and annual bulky item participation reports.

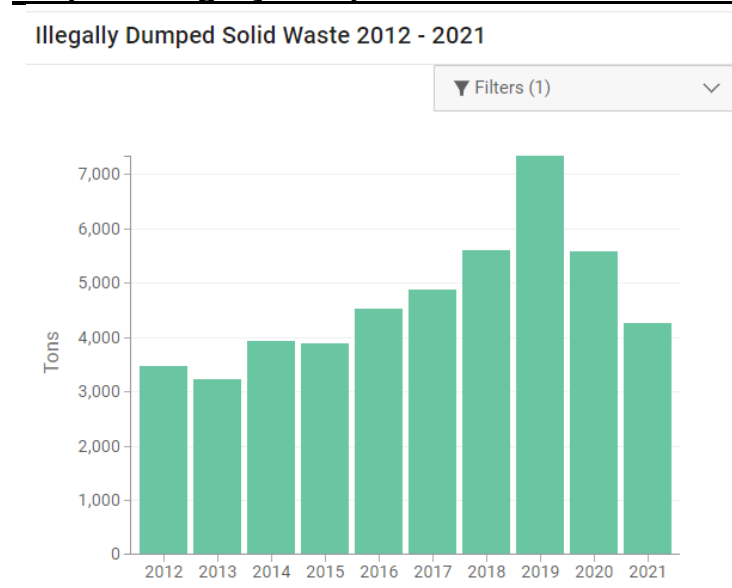
**Graph 1: Illegally Dumped Bulky Items 2012 – 2021**



## **Graph 2: Republic Services Bulky Item Pick-up Program Participation: Program Start in 2015 to 2022**



## **Graph 3: Illegally Dumped Solid Waste 2012 - 2021**



## **Post-Collection Rate Adjustment**

On [November 10, 2022](#), the Regional RecycleMore Board, comprised of three Richmond Board Members, approved post-collection rate adjustments as shown below in Table 1.

**Table 1: Post Collection Agreement Percent and Dollar 2023 Rate Increase**

	Percent Increase from 2022	Dollar Increase from 2022
<b>Residential Sector (35 Gallon Cart)</b>	2.6%	\$.32 Per Month
<b>Commercial Sector</b>	-8.1%	-\$1.00 Per Cubic Yard
<b>Industrial Sector</b>	8.5%	\$15.15 Per Ton

**Table 2: 2023 Residential Service Rates (Monthly)**

CITY OF RICHMOND RESIDENTIAL COLLECTION SERVICE RATES EFFECTIVE JANUARY 1, 2023							
	*Current Standard Collec Rate	Current Sr. Collec Rate	Bulky Item Adjustment	CPI 3.25% * Adj	2023 Collection Rate	2023 Post-Collection Charge	1/1/2023 Combined Monthly Total
20-gallon	29.92		-0.16	0.97	30.73	7.18	37.91
20-gallon Sr		28.29	-0.16	0.92	29.05	7.18	36.23
35-gallon	32.92		-0.16	1.07	33.83	12.60	46.43
35-gallon Sr.		31.18	-0.16	1.01	32.03	12.60	44.63
65-gallon	62.46		-0.16	2.03	64.33	23.42	87.75
95-gallon	92.33		-0.16	3.00	95.17	35.15	130.32

Richmond Residential Rates

\*CPI 6.00% - 3.25% maximum CPI allowed = 2.75%, 2.75% + 0.57% from 2021 ~~3.32%~~ will carryover to 2024

**Table 3: 2023 Commercial Rates (Monthly)**

CITY OF RICHMOND COMMERCIAL COLLECTION SERVICE RATES EFFECTIVE JANUARY 1, 2023							
CPI 6.00% Rate Adjustment							
2023 Commercial Service Rates*							
Bin Size	Times per Week						
	1	2	3	4	5	6	7
1 Yard	304.07	536.83	769.36	1,002.07	1,234.86		
2 Yard	502.97	923.59	1,344.48	1,765.20	2,186.08		
3 Yard	690.68	1,289.60	1,888.34	2,487.42	3,086.37		
4 Yard	873.04	1,645.48	2,418.17	3,190.65	3,963.10		
5 Yard	1,052.56	1,996.70	2,940.80	3,885.19	4,829.30		
6 Yard	1,230.45	2,345.67	3,460.92	4,575.97	5,691.42		
7 Yard	1,406.99	2,693.53	3,979.88	5,266.20	6,552.54	7,838.91	9,125.22

\*Includes \$49.40 per yard/per month/per pick-up per week (IRRF Surcharge)

**DOCUMENTS ATTACHED:**

Attachment 1 – Resolution Updating Solid Waste Service Rates

Attachment 2 – Republic Services CPI Adjustment Notice