



# AGENDA REPORT

Economic Development

<b>DATE:</b>	December 19, 2023
<b>TO:</b>	Mayor Martinez and Members of the City Council
<b>FROM:</b>	Nannette Beacham, Director of Economic Development 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, December 6, 2022
<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 2024 Solid Waste Collection Rates – Economic Development (Nannette Beacham/Samantha Carr 510-620-5407).

## 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 Consumer Price Index (CPI) adjustments.

Adjustments to the 2024 solid waste collection rate include: a) CPI adjustment and b) the bulky item program adjustment charges. Approximately 77 percent of Richmond customers subscribe to the 35-gallon trash cart service.

The 2024 financial impact for solid waste collection services for the 35-gallon residential cart service will amount to: a) CPI increase of \$1.10 per month; and b) bulky item adjustment decrease of \$0.20, for a total collection increase of \$0.90. In addition, the post-collection agreement results in an increase of \$0.33 per month for 35-gallon trash cart service. The overall grand total rate increase of the solid waste collection and post collection services is a total of \$1.23. A summary of the residential and commercial collection and post-collection rates for the 2024 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 2024 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 2022 to October 2023 CPI change for the San Francisco-Oakland-Hayward Metropolitan Area is 2.76 percent.

Under terms of the 2014 Franchise Agreement Amendment which concludes in June 2025, City staff members negotiated that CPI increases for residential customers is currently capped at a maximum of 3.25 percent annually with overages carried over to the next year. There is a total CPI carryover of 3.32 percent from the previous rate setting year. There will be 0.49 percent added to the 2024 rate for a total residential CPI of 3.25 percent. The remaining balance of 2.83 percent will be carried over to 2025. The commercial customer rates will be adjusted by the 2024 CPI rate of 2.76 percent.

Additionally, the Senior 35-gallon rate will be increased by \$0.86 so it is exactly \$1.00 less than the regular 35-gallon rate per the Franchise agreement.

### **Post-Collection Rate Adjustment**

On [November 16, 2023](#), the Regional RecycleMore Board approved post-collection rate adjustments as shown below in Table 1. The approved RecycleMore resolution is included as Attachment 3.

**Table 1: Post Collection Agreement Percent and Dollar 2024 Rate Increase**

	Percent Increase from 2023	Dollar Increase from 2023
<b>Residential Sector (35 Gallon Cart)</b>	2.6%	\$ .33 Per Month
<b>Commercial Sector</b>	3.2%	\$0.37 Per Cubic Yard
<b>Industrial Sector</b>	6.6%	\$12.83 Per Ton

**Table 2: 2024 Residential Service Rates (Monthly)**

CITY OF RICHMOND 2024 RESIDENTIAL SERVICE RATES							
	2023 Collection Rate	2024 CPI 3.25% * Adjust	2024 Bulky Item Charge	2024 Senior Rate Increase Adjustment	2024 Collection Charge	2024 Post Collection (IRRF) Surcharge	2024 Total Combined Monthly Rate
35-gallon	\$33.83	\$1.10	-\$0.20		\$34.73	\$12.93	\$47.66
65-gallon	64.33	2.09	-0.20		66.22	24.03	\$90.25
95-gallon	95.17	3.09	-0.20		98.06	36.07	\$134.13
20-gallon	30.73	1.00	-0.20		31.53	7.37	\$38.90
Senior20- gallon	29.05	0.94	-0.20		29.79	7.37	\$37.16
Senior 35- gallon	32.03	1.04	-0.20	\$0.86	33.73	12.93	\$46.66

Richmond Residential Rates

\*CPI 2.76% + 0.49% CPI carryover from 2023 = 3.25%, 3.32%-0.49% from 2022 = 2.83% will carryover to 2025.

**Table 3: 2024 Commercial Rates (Monthly)**

CPI 2.76% Rate Adjustment

2024 Commercial Service Rates *							
Bin Size	Times per Week						
	1	2	3	4	5	6	7
1 Yard	312.70	552.12	791.30	1,030.67	1,270.12		
2 Yard	517.33	950.03	1,383.01	1,815.81	2,248.78		
3 Yard	710.45	1,326.61	1,942.59	2,558.91	3,175.10		
4 Yard	898.08	1,692.79	2,487.75	3,282.50	4,077.21	4,871.93	
5 Yard	1,082.79	2,054.17	3,025.51	3,997.15	4,968.50		
6 Yard	1,265.83	2,413.25	3,560.70	4,707.94	5,855.60		
7 Yard	1,447.48	2,771.18	4,094.69	5,418.17	6,741.67	8,065.20	9,388.67

\*Includes \$51.00 per yard/per month/per pick-up per week (IRRF Surcharge)

**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 Articulos Voluminosos**

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

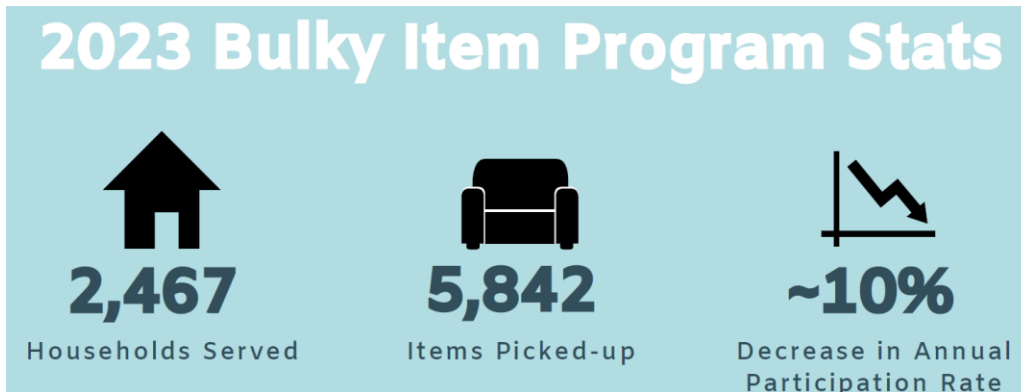
**Attention Richmond Residents!**

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.

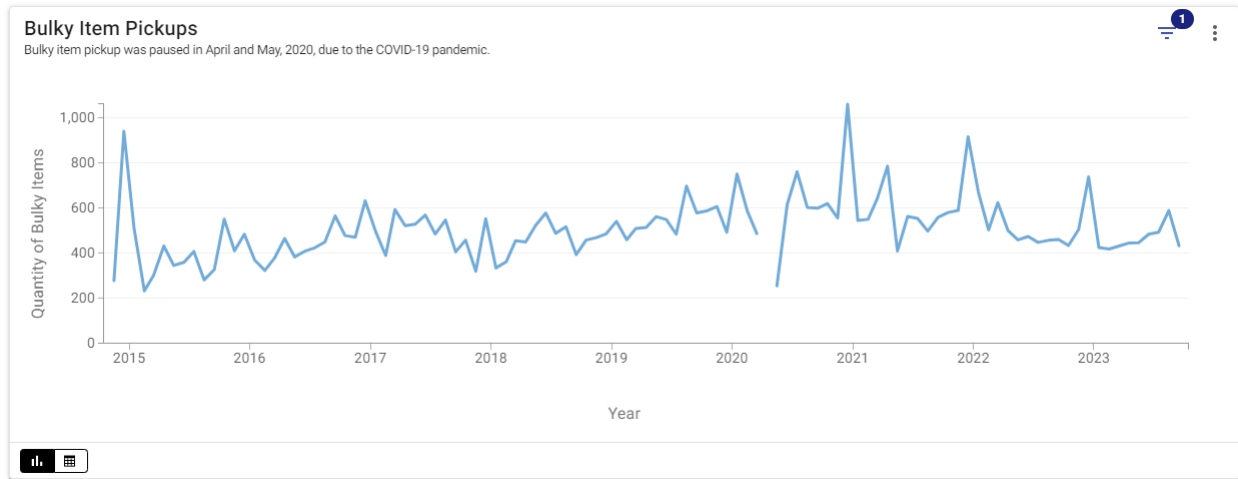
- One bulky item clean-up per calendar year.
- Single-family residences and duplexes only.
- Up to three (3) household bulky items per clean-up.
- Up to five (5) electronic waste items can be substituted for one bulky item.
- Residential household items only; individual items of 200 pounds or less.
- 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 2023, the number of participant households slightly decreased from 10.5 percent to 9.4 percent which is equivalent to a decrease of 286 households served. The slight decrease in participation will result in a \$0.20 per month rebate of solid waste collection rates for the 2024 calendar year. The data can be viewed on the city's [Transparent Richmond](http://www.richmond.org/transparent-richmond) website.



## **Graph 1: Republic Services Bulky Item Pick-up Program Participation: Program Start in 2015 to 2023**



### **DOCUMENTS ATTACHED:**

Attachment 1 – Resolution Updating Solid Waste Service Rates

Attachment 2 – Republic Services CPI Adjustment Notice

Attachment 3 – RecycleMore Resolution 23-06 Approving 2024 Post-Collection Rate Adjustment