

REPORT TO CITY COUNCIL
SOLID WASTE COLLECTION AND RECYCLING
CITY OF WEST HOLLYWOOD
ANNUAL SERVICE CHARGE
FISCAL YEAR 2019/2020

May 20, 2019

INTRODUCTION

The Department of Public Works' solid waste and recycling program has three primary responsibilities: solid waste collection and recycling which is provided under an exclusive franchise agreement for the entire City, issuing permits to and regulating haulers who provide large containers described as "roll off" containers for construction and demolition waste generated at development sites, and educational programs that inform the public regarding the benefits of recycling and reducing the amount of waste produced.

The City levies an annual charge on the property tax bill for solid waste collection and recycling services on residential parcels within the City. The other responsibilities of the Department of Public Works are funded from other sources.

This report explains the solid waste collection and recycling charges proposed to be levied on residential and commercial parcels for Fiscal Year 2019/2020.

PRIOR AND CURRENT YEAR ANNUAL CHARGES

On November 3, 2014, the City entered into a new franchise Agreement with a private contract hauler, Athens Services, for citywide solid waste collection and recycling services. The City contracts with the contract hauler for household trash and curbside recycling services for single family residential parcels with one to four units, as well as recycling services for multi-unit residential parcels with five or more units. Commercial parcels and multi-unit residential parcels with five or more units contract directly with the contract hauler for trash collection services. Each customer is billed directly by the contract hauler based on the number of bins and frequency of collection services for the parcel. Under the franchise Agreement, the rates for all solid waste and recycling services are held at July 1, 2014 levels, with only annual CPI increases for the next five years.

The City collects the Solid Waste and Recycling Service Charge on the annual property tax bill for all residential parcels. The Solid Waste and Recycling Service Charge is made up of two components. The first component is the direct charge paid to the contract hauler. The second component is the indirect charge that is an allocation of the Department of Public Works and other City Departments' efforts to manage the solid waste and recycling program. These indirect costs include staff, rent, utilities, and other costs.

The rates paid to the contractor under the franchise Agreement include annual escalators. The escalators are a combination of 1) the change in the Consumer Price Index – All Urban Consumers (CPI-U); and 2) a change in costs to provide additional services that result from local, State, or Federal legislation. The changes that occur under 1) (which are the subject of this hearing) are to be requested by the contractor annually. The Solid Waste and Recycling fees also include the City's indirect costs, for example staff time, which are also adjusted annually for

CPI. The calendar year 2019 increase in CPI-U was 2.44 %. This increase will apply to the levy for Fiscal Year 2019/2020. This CPI escalator is capped at 6% per year and if inflation is negative, there will be no CPI increase for that year.

The 2018/2019 actual and proposed 2019/2020 Solid Waste Collection and Recycling Service Charges are shown in the following table.

Proposed Charge Per Unit (2019/2020)	Collection & Recycling	
	1 to 4 Units	Recycling 5 or more Units
Annual Charge	\$ 230.82	35.23
Monthly Charge	\$ 19.32	\$ 2.93
Prior Year Charge Per Unit (2018/2019)		
Annual Charge	\$ 225.32	\$ 34.39
Monthly Charge	\$ 18.78	\$ 2.87
Difference in Charge Per Unit for 2019/2020 Compared to the Charge Per Unit for 2018/2019		
Difference in Annual Charge	\$ 5.50	\$ 0.84
Difference in Monthly Charge	0.46	\$ 0.07

A summary of charges by land uses including the high, low, and average assessments for the land use class are attached. The complete roll showing all parcels and charges is on file in the City Clerk's office and incorporated herein by this reference.

ANNUAL INCREASES

Because the costs of providing solid waste and recycling services may increase over time due to inflation, beginning July 1, 2015, and each July 1, through July 1, 2019, the Solid Waste and Recycling Service Charge rates established in 2015/2016 shall be adjusted annually for inflation for a period of five years as described above.

PROPOSITION 218 CONSIDERATIONS

Proposition 218 which was approved by the voters of the State of California on November 6, 1996 contains requirements for the imposition of a fee or charge for property related services. Procedures for fees and charges are contained in Section 6 of Article XIII D.

Pursuant to Proposition 218, fee or charge must comply with the following five conditions:

- (1) Revenues shall not exceed the funds required to provide the service.
- (2) Revenues shall not be used for any other purpose.
- (3) The amount of the fee or charge imposed upon any parcel or person as an incident

of property ownership shall not exceed the proportional cost of the service attributable to the parcel

- (4) No fee or charge may be imposed unless the service is actually used by or immediately available to the property
- (5) No fee or charge shall be imposed for general governmental services, i.e., police, ambulance, library, where the service is available to the public at large in substantially the same manner as it is to the property owners

We conclude that the City of West Hollywood Solid Waste and Recycling Service Charge as described in this report is permitted under Prop 218 as it satisfies the five conditions as follows:

- 1) The base rates have been the same for many years and are not increasing under this proposal. The only change is for inflation, which by its very nature covers the increased costs of living and doing business as a result of normal economic conditions and thus the increase will not exceed the cost of providing service.
- 2) Revenues are held separate from other City funds and only used for the solid waste and recycling program.
- 3) Rates are based on the services attributed to each parcel. For residential parcels with 1 to 4 units, as well as for recycling services for multi-unit residential parcels, rates are based on the land use code and number of units for trash and recycling services. Rates are based on the number of bins and frequency of service for trash services for commercial parcels and multi-unit residential parcels.
- 4) Revenue collected from residential parcels on the property tax bill is based on the County Assessor's records. The City has a program in place for property owners to apply for reimbursement of any payments charged for vacant units. The contract hauler has procedures in place to review and resolve any discrepancies with the direct billings for trash services to commercial parcels and multi-unit residential parcels.
- 5) Funds for solid waste collection and recycling are specific services provided to each parcel. The City uses other funds for general services to the public at large.

Government Code Section 53756 allows the City to authorize automatic adjustments to property-related charges that are clearly defined by a formula for adjusting for inflation and are for a period not to exceed five years. On June 1, 2015, the City held a public hearing and established the automatic adjustment of these charges, commencing July 1, 2015 and each July 1 through July 1, 2019. We conclude that the City is permitted under Government Code Section 53756 to increase the annual charge as contained in this report with 30 days advanced mailed notice.

We conclude that the City of West Hollywood Solid Waste and Recycling Services Charge as described in this report satisfies the requirements outline above.

The undersigned submits this report and certifies that he is a Professional Engineer, registered in the State of California.



Hany Yanni Demitri, P.E., T.E.
City Engineer, City of West Hollywood

R.C.E. No. 63388



Date: May 20, 2019

City of West Hollywood
Solid Waste Assessments

April 2019

Examples of Assessments by Land Use

Fiscal Year: July 2019 - June 2020

Code	Land Use Description	High Asmt	Low Asmt	Avg. Asmt	No. of Parcels	Dwelling Units	Total Asmt
100	Single Family Residential	\$230.82	\$35.23	\$230.44	1,034	1,038	\$238,276.70
101	Single Family Residence w/Pool	\$230.82	\$230.82	\$230.82	53	53	\$12,233.46
104	Single Family Residence w/Therapy Pool	\$230.82	\$230.82	\$230.82	7	7	\$1,615.74
10C	Single Family Residence -- Condominium	\$230.82	\$0.00	\$45.42	2,397	2,397	\$108,859.83
10E	Single Family Residence -- Condo Conversion	\$230.82	\$0.00	\$35.93	3,285	3,285	\$118,042.40
10F	Single Family Residence -- Cooperative	\$35.23	\$35.23	\$35.23	21	21	\$739.83
10V	Vacant Land -- Residential	\$0.00	\$0.00	\$0.00	36	14	\$0.00
200	Double, Duplex or Two Units -- Residential	\$461.64	\$461.64	\$461.64	482	962	\$222,510.48
20V	Vacant Land -- Double, Duplex or Two Units -- Residential	\$0.00	\$0.00	\$0.00	3	4	\$0.00
300	Three Units (Any Combination) -- Residential	\$692.46	\$692.46	\$692.46	181	542	\$125,335.26
30V	Vacant Land -- Three Units	\$0.00	\$0.00	\$0.00	2	0	\$0.00
400	Four Units (Any Combination) -- Residential	\$923.28	\$176.15	\$919.03	176	705	\$161,750.15
40V	Vacant Land - Four Units	\$0.00	\$0.00	\$0.00	12	0	\$0.00
500	Five or More Apartments	\$10,357.62	\$0.00	\$496.27	1,167	16,447	\$579,145.97
50V	Vacant Land -- 5 Units or More	\$0.00	\$0.00	\$0.00	5	7	\$0.00
600	Rooming Houses	\$0.00	\$0.00	\$0.00	1	14	\$0.00
700	Commercial Open	\$0.00	\$0.00	\$0.00	3	0	\$0.00
70V	Vacant Land -- Commercial	\$0.00	\$0.00	\$0.00	15	0	\$0.00
810	Miscellaneous Commercial	\$0.00	\$0.00	\$0.00	2	0	\$0.00
800	Stores Commercial	\$0.00	\$0.00	\$0.00	223	0	\$0.00
900	Store & Office Combination	\$0.00	\$0.00	\$0.00	75	0	\$0.00
910	Store & Residential Combo -- Commercial	\$0.00	\$0.00	\$0.00	97	338	\$0.00
930	Department Store: Home Furnishings (Barker Bros., Etc.)	\$0.00	\$0.00	\$0.00	1	0	\$0.00
900	Supermarket (12000+ SF)	\$0.00	\$0.00	\$0.00	8	0	\$0.00
900	Shopping Centers (Neighborhood, Community)	\$0.00	\$0.00	\$0.00	16	0	\$0.00
900	Shopping Centers (Regional)	\$0.00	\$0.00	\$0.00	1	0	\$0.00
900	Office Building	\$0.00	\$0.00	\$0.00	108	0	\$0.00
900	Hotels (Under 50 Rooms)	\$0.00	\$0.00	\$0.00	7	1	\$0.00
910	Hotels (50+ Rooms)	\$0.00	\$0.00	\$0.00	20	2,002	\$0.00
920	Motels (Under 50 Units)	\$0.00	\$0.00	\$0.00	4	62	\$0.00
950	Motels/Hotels and Apartment Combinations (50+ Units)	\$0.00	\$0.00	\$0.00	3	245	\$0.00
900	Professional Buildings	\$0.00	\$0.00	\$0.00	7	0	\$0.00

City of West Hollywood
Solid Waste Assessments

April 2019

Examples of Assessments by Land Use

Fiscal Year: July 2019 - June 2020

Code	Land Use Description	High Asmt	Low Asmt	Avg. Asmt	No. of Parcels	Dwelling Units	Total Asmt
910	Professional Building Medical/Dental	\$0.00	\$0.00	\$0.00	5	0	\$0.00
920	Veterinary Hospitals, Clinics	\$0.00	\$0.00	\$0.00	3	0	\$0.00
100	Restaurants, Cocktail Lounges & Taverns	\$0.00	\$0.00	\$0.00	71	0	\$0.00
200	Wholesale & Manufacturing Outlets	\$0.00	\$0.00	\$0.00	2	0	\$0.00
300	Banks, Savings & Loans	\$0.00	\$0.00	\$0.00	9	0	\$0.00
400	Service Shops, Radio/TV Repair, Paint Shops, Laundries, etc.	\$0.00	\$0.00	\$0.00	7	0	\$0.00
500	Service Stations (Full Service)	\$0.00	\$0.00	\$0.00	6	0	\$0.00
600	Auto Service Shop (Body & Fender Commercial Garage)	\$0.00	\$0.00	\$0.00	26	0	\$0.00
700	Commercial Parking Lots (Patron or Employees)	\$0.00	\$0.00	\$0.00	122	2	\$0.00
900	Nurseries or Greenhouses	\$0.00	\$0.00	\$0.00	1	0	\$0.00
020	Industrial -- Artist In Residence	\$0.00	\$0.00	\$0.00	1	1	\$0.00
100	Light Mfg., Small Equip Mfg., Small Machine Shops, Printing	\$0.00	\$0.00	\$0.00	26	0	\$0.00
200	Heavy Manufacturing	\$0.00	\$0.00	\$0.00	2	0	\$0.00
300	Warehousing Distribution (<10,000 SF)	\$0.00	\$0.00	\$0.00	5	0	\$0.00
600	Lumber Yards	\$0.00	\$0.00	\$0.00	1	0	\$0.00
700	Mineral Processing	\$0.00	\$0.00	\$0.00	1	0	\$0.00
800	Parking Lots (Industrial Use Properties)	\$0.00	\$0.00	\$0.00	1	0	\$0.00
100	Theaters -- Movie -- Indoor	\$0.00	\$0.00	\$0.00	1	0	\$0.00
400	Clubs, Lodge Halls, Fraternal Organizations	\$0.00	\$0.00	\$0.00	2	0	\$0.00
530	Gymnasiums, Health Spas	\$0.00	\$0.00	\$0.00	3	0	\$0.00
100	Churches	\$0.00	\$0.00	\$0.00	11	0	\$0.00
200	Schools -- Private	\$0.00	\$0.00	\$0.00	12	0	\$0.00
400	Hospitals	\$0.00	\$0.00	\$0.00	1	0	\$0.00
500	Home for the Aged	\$0.00	\$0.00	\$0.00	6	82	\$0.00
100	Utility, Commercial & Mutual, Pumping Plants, State Assessed	\$0.00	\$0.00	\$0.00	3	0	\$0.00
10V	Vacant Land -- Utility	\$0.00	\$0.00	\$0.00	2	0	\$0.00
800	Government Use	\$0.00	\$0.00	\$0.00	32	8	\$0.00
80V	Vacant Land -- Government	\$0.00	\$0.00	\$0.00	8	0	\$0.00
					9,822	28,235	\$1,568,509.82