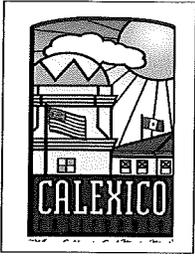


**AGENDA
ITEM**

17



AGENDA STAFF REPORT

DATE: June 20, 2018

TO: Mayor and Members of the City Council of the City of Calexico

PREPARED BY: David B. Dale, City Manager *DD*

SUBJECT: Adopt a Resolution Adopting Fees and Charges for Solid Waste, and Making Certain Findings and Taking Certain Actions Relating Thereto

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Recommendation:

It is recommended that the City Council authorize increasing the annual solid waste and recycling rate per the Consumer Price Index (CPI) rate for the next five years and adopt a Resolution Adopting Fees and Charges for Solid Waste, and Making Certain Findings and Taking Certain Actions Relating Thereto.

Background:

On December 2, 1997, the City of Calexico entered into an Agreement with the predecessor of Allied Waste Services, Inc. for waste collection and disposal services. The initial term of the Agreement was for a period of seven years. Since then, the term of the Agreement has been extended twice and the current term runs through December 31, 2019.

Discussion:

The terms of the Agreement between the City of Calexico and Allied Waste Services, Inc. provide for an annual CPI adjustment based upon the CPI for all Urban Consumers as published by the US Department of Labor, Bureau of Labor Statistics. For the current calendar year, a 2.7% CPI adjustment is proposed for all solid waste and recycling services. Since this rate increase is governed by Proposition 218, the City provided 45-days' notice before the Public Hearing date of June 20, 2018.

Future Automatic Rate Increases: Because the City anticipates future increases in the cost of providing solid waste services that Allied will charge pursuant to the Franchise Agreement, the City is also proposing to annually pass through to solid waste service customers any automatic CPI adjustments for inflation ("Annual Automatic Adjustments"). These adjustments will impact the solid



waste rates. If approved, beginning January 1, 2019, and each January 1 thereafter for a five-year period, through and including adjustments effective on or after January 1, 2022, the solid waste rates may be adjusted annually, without a further public hearing, by an amount not to exceed the annual percentage increase, if any, in the CPI, subject to a maximum increase of 5% annually.

In no event may an automatic increase exceed the City's cost of providing solid waste services.

Fiscal Impact:

For calendar year 2018, a 2.7% CPI adjustment would increase the rates charged to residential commercial customers by 2.7% (costs are to be recovered retroactive to January 1, 2018 per the agreement):

The current monthly single family residential rate is **\$18.60** and would increase to **\$19.35**;

The current monthly commercial rate for a 3.0 cubic yard bin serviced one time per week is \$96.54 and would increase to \$100.45.

Attachment:

1. Resolution Adopting Fees and Charges for Solid Waste, and Making Certain Findings and Taking Certain Actions Relating Thereto.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO,
CALIFORNIA, ADOPTING FEES AND CHARGES FOR SOLID WASTE, AND
MAKING CERTAIN FINDINGS AND TAKING CERTAIN ACTIONS RELATING
THERETO.**

WHEREAS, the City of Calexico (the "City") provides certain solid waste services through a vendor and charges rate-payers fees for such services; and

WHEREAS, the Solid Waste fees have not been updated to reflect increased costs of providing services for which they are charged; and

WHEREAS, the City entered into an agreement with Allied Waste Services "Service Provider" and the terms of the Agreement between the City of Calexico and the Service Provider require an annual CPI adjustment based upon the CPI for all Urban Consumers as published by the US Department of Labor, Bureau of Labor Statistics;

WHEREAS, the City wishes to abide by the terms of the agreement; and

WHEREAS, the proposed Solid Waste Fees do not exceed the City's reasonable costs of providing the respective services or products for which the Solid Waste Fees are imposed, and such Solid Waste Fees will only be imposed on persons who are provided such services or products; and

WHEREAS, in accordance with California Constitution article XIII D, section 6 (approved by the voters by Proposition 218), prior to imposing a new or increasing an existing property-related fee such as solid waste rates, the City is required to hold a public hearing and mail notice of the public hearing to the record owner of the property and any tenant who is directly liable for the payment of the proposed fees;

WHEREAS, the City mailed notices in English and Spanish on or before May 6th, 2018;

WHEREAS, the City Council conducted a public hearing on June 20, 2018; and

WHEREAS, at the public hearing, the City Council considered the proposed Solid Waste Connection Fees, heard and considered all oral testimony, written materials, and written protests or objections concerning the establishment and imposition of the new or increased Solid Waste Fees and it was determined that less than 50 percent of the weighted ballots objected to the proposed fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO DOES RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct statements, and are incorporated as an operative part of this Resolution and made findings and determinations of the City Council by this reference.

SECTION 2. Adoption. The City Council hereby adopts the Solid Waste Fees set forth in Exhibit "A" hereto. A bill for the Solid Waste Services shall be sent to the responsible parties directly.

SECTION 3. Findings. The City Council hereby finds and determines that the Solid Waste Fees adopted pursuant to this Resolution (1) are imposed for a specific government activity, service, or product, provided directly to the payor; (2) are no more than necessary to recover the estimated reasonable costs of the governmental activity, service, or product, for which the Solid Waste Fee is imposed; and (3) the manner in which those costs are allocated to the payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity, service, or product, for which the Solid Waste Fees are imposed. The Solid Waste Fees are not taxes within the meaning of California Constitution, article XIII C, §1(e).

SECTION 4. Rules and Regulations. The City Council may make rules or regulations and from time to time may amend, revoke, or add rules and regulations, not consistent with this Resolution, as they may deem necessary or expedient in respect to billing for the Solid Waste Fees adopted hereby; provided, however, that no such action shall result in any Solid Waste Fees being increased or exceeding the cost of providing the service or product for which it is imposed.

SECTION 5. Severability. If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provision to other persons or circumstances shall not be affected thereby. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

SECTION 6. Further Action. The City Council authorizes the City Manager, and other City staff members as designated by the City Manager or the Calexico Municipal Code, to take all actions necessary to effectuate the intent of this resolution and to implement the Solid Waste Fees adopted pursuant to this Resolution.

SECTION 7. Attestation. The Mayor shall sign this Resolution and the City Clerk shall attest thereto, and thereafter this Resolution shall take effect and be in force.

SECTION 8. Effective Date. The solid waste fees will into effect July 1, 2018.

PASSED, APPROVED AND ADOPTED, this 20th day of June, 2018.

Maritza Hurtado,
Mayor

ATTEST:

Gabriela Garcia
City Clerk

APPROVED AS TO FORM:

Carlos Campos
City Attorney

State of California)
County of Imperial) §
City of Calexico)

I, Gabriela T. Garcia, City Clerk of the City of Calexico do hereby certify the above Resolution No. 2018-__ was approved at a regular City Council meeting held on the 20th day of June, 2018, by the following vote to wit.

AYES:
NOES:
ABSTAIN:

Gabriela T. Garcia
City Clerk

EXHIBIT "A"