

REPORT TO CITY COUNCIL
SOLID WASTE COLLECTION AND RECYCLING
CITY OF WEST HOLLYWOOD
ANNUAL SERVICE CHARGE
FISCAL YEAR 2012/2013

APRIL 24, 2012

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 on and drag off" containers for construction sites and other large contributors of solid waste, 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 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 for Fiscal Year 2012/2013.

PRIOR AND CURRENT YEAR ANNUAL CHARGES

The City contracts with a private company for solid waste collection and recycling services. Under the contract, the solid waste collection and recycling rates paid by the City to the contractor are set at a fixed rate per unit per year for single family to four unit parcels for collection and recycling services and also at a fixed rate per unit per year for five or more unit parcels for recycling services. The City's Engineering Services and Other Divisions' responsibilities for solid waste and recycling are an additional cost.

The rates paid to the hauler under the hauler's contract include annual escalators. The escalators are a combination of 1) the change in the Consumer Price Index – All Urban Consumers (CPI-U), 2) a change in costs to provide additional services that result from local, State, or Federal legislation. The changes that occur under 1) are to be requested by the hauler annually. The calendar year 2011 increase in CPI-U was 2.9624%. This increase will apply to the levy for 2012/2013.

The charge per unit rates established by the City for solid waste and recycling may be increased annually by the annual calendar year increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers in the Los Angeles-Riverside-Orange County, CA Area (CPI-LA), including all items as published by the US Bureau of Labor Statistics as of March 1 of each year, not to exceed seven percent (7%) per year. There was a calendar year 2011 increase of 3.0384% in the index so that increase is applicable to the 2012/2013 charge per unit rates.

The solid waste collection and recycling 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' efforts in solid waste and

recycling. These indirect costs include staff, rent, utilities, and other costs. The City entered into a new 12 year contract for collection and recycling services beginning July 1, 2004 which reduced the direct rates to be paid to the hauler and therefore by users. The new hauler contract precipitated a 2004 review of the changed responsibilities of the Engineering and Other City Divisions' solid waste and recycling efforts and resulted in a change in the indirect cost allocations which have been incorporated in the charge.

The charges for the 2012/2013 Fiscal Year are based on the 2004 contract for hauler services and the current indirect cost allocation. In future years, the direct and indirect charges may be increased for inflation as described above.

The 2011/2012 actual and proposed 2012/2013 solid waste collection and recycling charges are shown in the following table.

<u>Current Year Charge Per Unit (2012/2013)</u>	<u>Collection & Recycling 1 to 4 Units</u>	<u>Recycling 5 or more Units</u>
Direct Charge	\$175.44	\$21.28
Indirect Charge	32.01	10.39
Annual Charge	207.45	31.67
Monthly Charge	17.29	2.64
<u>Prior Year Charge Per Unit (2011/2012)</u>		
Direct Charge	\$170.39	20.67
Indirect Charge	31.07	10.08
Annual Charge	201.46	30.75
Monthly Charge	16.79	2.56

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.

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. We also conclude that the formula for the allocation of the cost of the service as contained in this report satisfies the "proportional cost" language of Prop 218.

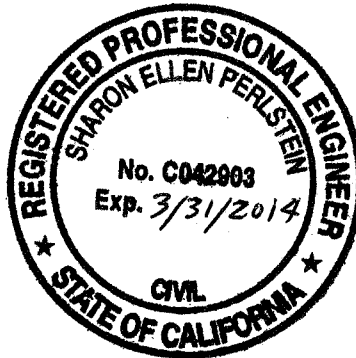
The undersigned submits this report and certifies that she is a Professional Engineer, registered in the State of California.

Sharon Perlstein

Sharon Perlstein, P.E., City Engineer, City of West Hollywood

Date: 4/24/2012

R.C.E. No. 42903 _____



City of West Hollywood
Solid Waste Assessments
Examples of Assessments by Land Use

April 2012

Code	Land Use Description	High Asmt	Low Asmt	Avg. Asmt	No. of Parcels	Dwelling Units	Total Asmt
0100	Single Family Residential	\$207.45	\$0.00	\$206.70	1,067	1,065	\$220,551.02
0101	Single Family Residence w/Pool	\$207.45	\$207.45	\$207.45	61	61	\$12,654.45
0104	Single Family Residence w/Therapy Pool	\$207.45	\$207.45	\$207.45	8	8	\$1,659.60
010C	Single Family Residence -- Condominium	\$207.45	\$0.00	\$40.77	2,117	2,117	\$86,317.85
010E	Single Family Residence -- Condo Conversion	\$207.45	\$31.67	\$32.42	3,287	3,287	\$106,560.21
010F	Single Family Residence -- Cooperative	\$31.67	\$31.67	\$31.67	21	21	\$665.07
010V	Vacant Land -- Residential	\$0.00	\$0.00	\$0.00	30	0	\$0.00
0200	Double, Duplex or Two Units -- Residential	\$414.90	\$414.90	\$414.90	508	1,016	\$210,769.20
020V	Vacant Land -- Double, Duplex or Two Units -- Residential	\$0.00	\$0.00	\$0.00	2	0	\$0.00
0300	Three Units (Any Combination) -- Residential	\$622.35	\$622.35	\$622.35	186	558	\$115,757.10
030V	Vacant Land -- Three Units	\$0.00	\$0.00	\$0.00	2	0	\$0.00
0400	Four Units (Any Combination) -- Residential	\$829.80	\$158.35	\$825.50	156	624	\$128,777.35
040V	Vacant Land - Four Units	\$0.00	\$0.00	\$0.00	49	11	\$0.00
0500	Five or More Apartments	\$5,162.21	\$0.00	\$432.28	1,158	15,814	\$500,576.02
050V	Vacant Land -- 5 Units or More	\$0.00	\$0.00	\$0.00	4	0	\$0.00
0800	Rooming Houses	\$0.00	\$0.00	\$0.00	1	14	\$0.00
1000	Commercial Open	\$0.00	\$0.00	\$0.00	4	0	\$0.00
100V	Vacant Land -- Commercial	\$0.00	\$0.00	\$0.00	19	0	\$0.00
1010	Miscellaneous Commercial	\$0.00	\$0.00	\$0.00	4	0	\$0.00
1100	Stores Commercial	\$0.00	\$0.00	\$0.00	199	0	\$0.00
1200	Store & Office Combination	\$0.00	\$0.00	\$0.00	70	0	\$0.00
1210	Store & Residential Combo -- Commercial	\$0.00	\$0.00	\$0.00	81	162	\$0.00
1330	Department Store: Home Furnishings (Barker Bros., Etc.)	\$0.00	\$0.00	\$0.00	1	0	\$0.00
1400	Supermarket (12000+ SF)	\$0.00	\$0.00	\$0.00	8	0	\$0.00
1500	Shopping Centers (Neighborhood, Community)	\$0.00	\$0.00	\$0.00	19	0	\$0.00
1600	Shopping Centers (Regional)	\$0.00	\$0.00	\$0.00	2	0	\$0.00
1700	Office Building	\$0.00	\$0.00	\$0.00	125	0	\$0.00
1800	Hotels (Under 50 Rooms)	\$0.00	\$0.00	\$0.00	5	0	\$0.00
1810	Hotels (50+ Rooms)	\$0.00	\$0.00	\$0.00	11	1,480	\$0.00
1820	Motels (Under 50 Units)	\$0.00	\$0.00	\$0.00	6	62	\$0.00
1850	Motels/Hotels and Apartment Combinations (50+ Units)	\$0.00	\$0.00	\$0.00	3	233	\$0.00
1900	Professional Buildings	\$0.00	\$0.00	\$0.00	15	0	\$0.00

April 2012

City of West Hollywood
Solid Waste Assessments
Examples of Assessments by Land Use

Code	Land Use Description	High Asmt	Low Asmt	Avg. Asmt	No. of Parcels	Dwelling Units	Total Asmt
1910	Professional Building Medical/Dental	\$0.00	\$0.00	\$0.00	1	0	\$0.00
1920	Veterinary Hospitals, Clinics	\$0.00	\$0.00	\$0.00	2	0	\$0.00
2100	Restaurants, Cocktail Lounges & Taverns	\$0.00	\$0.00	\$0.00	57	0	\$0.00
2200	Wholesale & Manufacturing Outlets	\$0.00	\$0.00	\$0.00	2	0	\$0.00
2300	Banks, Savings & Loans	\$0.00	\$0.00	\$0.00	10	0	\$0.00
2400	Service Shops, Radio/TV Repair, Paint Shops, Laundries, etc.	\$0.00	\$0.00	\$0.00	10	0	\$0.00
2500	Service Stations (Full Service)	\$0.00	\$0.00	\$0.00	9	0	\$0.00
2600	Auto Service Shop (Body & Fender Commercial Garage)	\$0.00	\$0.00	\$0.00	30	0	\$0.00
2700	Commercial Parking Lots (Patron or Employees)	\$0.00	\$0.00	\$0.00	133	0	\$0.00
2800	Animal Kennels	\$0.00	\$0.00	\$0.00	1	0	\$0.00
2900	Nurseries or Greenhouses	\$0.00	\$0.00	\$0.00	1	0	\$0.00
300V	Vacant Land -- Industrial	\$0.00	\$0.00	\$0.00	1	0	\$0.00
3020	Industrial -- Artist in Residence	\$0.00	\$0.00	\$0.00	1	1	\$0.00
3100	Light Mfg., Small Equip Mfg., Small Machine Shops, Printing	\$0.00	\$0.00	\$0.00	46	0	\$0.00
3200	Heavy Manufacturing	\$0.00	\$0.00	\$0.00	2	0	\$0.00
3300	Warehousing Distribution (<10,000 SF)	\$0.00	\$0.00	\$0.00	8	0	\$0.00
3600	Lumber Yards	\$0.00	\$0.00	\$0.00	1	0	\$0.00
3700	Mineral Processing	\$0.00	\$0.00	\$0.00	1	0	\$0.00
3800	Parking Lots (Industrial Use Properties)	\$0.00	\$0.00	\$0.00	1	0	\$0.00
6100	Theaters -- Movie -- Indoor	\$0.00	\$0.00	\$0.00	1	0	\$0.00
6400	Clubs, Lodge Halls, Fraternal Organizations	\$0.00	\$0.00	\$0.00	4	0	\$0.00
6530	Gymnasiums, Health Spas	\$0.00	\$0.00	\$0.00	2	0	\$0.00
7100	Churches	\$0.00	\$0.00	\$0.00	13	0	\$0.00
7200	Schools -- Private	\$0.00	\$0.00	\$0.00	11	1	\$0.00
7400	Hospitals	\$0.00	\$0.00	\$0.00	1	0	\$0.00
7500	Home for the Aged	\$0.00	\$0.00	\$0.00	2	77	\$0.00
7700	Cemeteries, Mausoleums	\$0.00	\$0.00	\$0.00	1	0	\$0.00
8100	Utility, Commercial & Mutual, Pumping Plants, State Assessed	\$0.00	\$0.00	\$0.00	4	0	\$0.00
810V	Vacant Land -- Utility	\$0.00	\$0.00	\$0.00	1	0	\$0.00
8800	Government Use	\$0.00	\$0.00	\$0.00	32	0	\$0.00
880V	Vacant Land -- Government	\$0.00	\$0.00	\$0.00	6	0	\$0.00
					9,624	26,612	\$1,384,287.87