

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works – Set hearing date for proposed fee increase to provide green waste recycling program citywide.

RECOMMENDATION

Recommendation of the Public Works Director that City Council set a date of January 24, 2012 for a public hearing and to begin the required 45-day public notice on a proposed fee increase to provide the curbside green waste recycling program to all residents with City sanitation services.

Funding

Not applicable.

BACKGROUND/ANALYSIS

The Sanitation Division of the Public Works Department provides the residential collection of refuse and recycling for all single family homes, duplexes and many 3 and 4 unit homes in the city. The City also has a green waste recycling pilot program that currently services 9,500 single family homes.

All cities are required by the California Integrated Waste Management Act of 1989 (AB939) to reduce the amount of waste taken to landfills by 50% or face potential fines. Recently, AB341 was passed, increasing that reduction amount to 75%. Given these mandates, the City of Torrance needs additional programs, such as a fully implemented residential green waste recycling, to reach and maintain this new diversion rate.

The curbside green waste recycling program will enhance the level of service provided to the community by reducing the amount of refuse taken to landfills, lowering the City's disposal costs, and adding additional cart capacity for each residence. It is estimated this program will collect an additional 15,000 tons of green waste, which represents approximately 28% of the residential waste stream.

The County of Los Angeles is closing the area's main landfill, Puente Hills, in 2013. This closure is anticipated to bring a countywide solid waste disposal rate increase as the County changes to the waste-to-rail system. Disposal costs at transfer facilities currently range from \$42-\$50 per ton for solid waste but are expected to increase with the closure of Puente Hills. Reducing the amount of material sent to the landfill will help reduce the impact of these cost increases.

In addition, operational costs and program design are affected by the need to comply with environmental mandates and regulations. Legislation such as AB939, AB341 and AB32, regarding reduction in carbon emissions, require cities to provide certain environmental programs. AB32 and Air Quality Management District regulations require cities to purchase alternative fuel vehicles that are more expensive.

In January 2010, the Council held a public hearing on a proposal to increase sanitation fees by \$5.86 a month. As a result of the required 45 day public notification process the City received 1,621 protest letters which represents 5.5% of the voters, well below the required 50% +1 which is needed to stop the process; however the City Council chose not to proceed with the increase at that time.

Staff has now revised the proposal to an increase of \$1.50 to \$2.50 per month. Several factors have allowed us to lower the cost for expansion of this program. Under the new recycling services contract, the City's recycling revenue has increased by 26% annually. Staff has also been able to reduce the number of collection routes required due to route improvements.

In light of increasing public requests for the service, the new diversion mandates and a reduced fee increase, staff is requesting a new public hearing process on a fee increase to fund the full implementation of the green waste curbside recycling program.

Proposed Rate Increase Detail:

A new service standard will be created:

<u>Current Standard</u>	<u>Proposed Standard</u>	<u>Optional Service</u>
Refuse – 96 gallon	Refuse - 64 gallon	Refuse – 96 gallon
Recycling – 96 gallon	Recycling - 96 gallon	Recycling – 96 gallon
Green Waste – None	Green Waste - 96 gallon	Green Waste – 96 gallon

The new Standard level of service will have a \$1.50 per month increase. The Optional service level will have a \$2.50 per month increase. All service levels will now include a green waste container. Implementation of the new service will be within one year. Residents will be required to request the change to the 64 gallon refuse container.

If approved at the public hearing by Council, the rate increase will go into effect February 1, 2012. A Consumer Price Index (CPI) adjustment will be applied to the rate annually each July 1 for five years.

The low-income senior/disabled rate will remain at \$8.72 a month and will be required to accept the Standard service level. To qualify for this rate, applicant must be at least 62 years of age or permanently disabled, with a total household income of less than \$27,225 for the prior calendar year.

Procedure for Public Hearing:

While the voter approval requirement of Proposition 218 does not cover water, sewer or refuse fees, the 2006 Supreme Court Ruling, "Bighorn-Desert View Water Agency v. Verjil Kelley" does require that property related fees and charges for these services follow public notice, hearing and majority protest procedures. These procedures include the following:

Kelley” does require that property related fees and charges for these services follow public notice, hearing and majority protest procedures. These procedures include the following:

- Provide written notice by mail to the owner of record of each parcel and the billed party (if different from parcel owner) upon which the fee will be imposed. The notice must include the amount of the fee and the date, time and location of the public hearing on the proposed fee.
- Conduct a public hearing not less than 45 days after the mailing of the notice.
- At the hearing, consider all protests against the fee.
- If written protests against the proposed fee are presented by a majority of the owners of the parcels, the City may not impose the fee. If written protests by a majority of the owners of the parcels are not presented, the City may impose the fee.

Staff has attached a copy of the public hearing notice, which includes a protest form. If approved this evening, the notice for a January 24, 2012 public hearing will be mailed next week to all property owners and residents receiving City services, to comply with the 45-day minimum notification period, as well as avoid the holidays. The amount of the increase must be included in the notice. This fee increase will be part of the monthly sanitation services fee, and will therefore be subject to an annual CPI increase, which is applied every July 1.

During the 45-day notice period, residents will be able to submit protest forms. One protest form per parcel, completed by an owner or tenant, will be counted. If by the end of the public hearing the number of protest forms received is clearly below the 50% requirement, the City Clerk may declare that verification is not needed and Council may vote on the proposal that evening. If verification is needed, staff will return to Council with direction based on the responses received.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By: Matthew Knapp
Sanitation Services Manager

CONCUR:



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

Attachment: A. Notice



Notice of Public Hearing Regarding the Proposed Sanitation Services Fee Increase and Service Changes

On January 24, 2012, 7:00 p.m. at a regularly scheduled meeting of the Torrance City Council, a Public Hearing will be held in the City Council Chambers located at 3031 Torrance Blvd., Torrance, to discuss the proposed sanitation services fee increase which will change service levels to include a residential green waste recycling program.

The City Council will consider an increase to the sanitation services fee. If desired, this is your opportunity to file a protest to the potential action. If 50% plus one of property owners protest are received by the City Clerk by the end of the Public Hearing (approximately 14,750 protests), the fee increase cannot be adopted. Scheduling of this public hearing and providing notice to residents was approved at the November 22, 2011 City Council meeting.

The refuse standard is recommended to be modified:

CURRENT STANDARD	PROPOSED STANDARD	OPTIONAL SERVICE
Refuse – 96 gallon	Refuse - 64 gallon	Refuse - 96 gallon
Recycling – 96 gallon	Recycling – 96 gallon	Recycling – 96 gallon
Green Waste – None	Green Waste – 96 gallon	Green Waste – 96 gallon

The new Standard level of service will have a \$1.50 per month increase. The Optional service level will have a \$2.50 per month increase. All service levels will now include a green waste container. Implementation of the new service will be within one year. Residents will be required to request the change to the 64 gallon refuse container.

The low-income senior/disabled rate will remain at \$8.72 a month but will be required to take the Standard service. To qualify for this rate, applicant must be at least 62 years of age or permanently disabled, with a total household income of less than \$27,225.00 for the prior calendar year.

If approved at the public hearing by Council, the rate increase will go into effect February 1, 2012. A Consumer Price Index (CPI) adjustment will be applied to the rate annually each July 1 for five years.

Questions or comments may be directed to the Public Works Department at (310) 781-6900 or PublicWorkInfo@TorranceCA.Gov.

Please visit www.TorranceCA.Gov/PublicWorks for additional information.

CITY OF TORRANCE
GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS

Where notice of a public hearing with respect to a utility rate increase has been given by the City pursuant to Article XIID, Section 6 of the California Constitution, the following shall apply:

Submission of Protests

1. Any property owner provided sanitation services by the City of Torrance may submit a written protest to the City Clerk, either by delivery to the City Clerk's office at 3031 Torrance Blvd., Torrance, CA 90503, or by submitting the protest at the public hearing. Protests must be received by the end of the public hearing. No postmarks will be accepted; therefore, any protest not actually received by the close of the hearing, whether or not mailed prior to the hearing, will not be counted. Emailed, faxed and photocopied protests will not be counted.

For purposes of these Guidelines the term "property owner" shall mean any owner of record on the County of Los Angeles Assessor's rolls and any tenant directly liable to pay the assessment, fee or charge.

2. Each protest must identify the affected property (by assessor's parcel number or street address) and include the original signature of the property owner. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing on the proposed fee increase.
3. If a parcel served by the City is owned/rented by more than a single property owner, each property owner may submit a protest, but only one protest will be counted per parcel and any one protest submitted in accordance with these rules will be sufficient to count as a protest for that property.
4. In order to be valid, a protest must bear the original signature of the property owner with respect to the property identified on the protest. Protests not bearing the original signature of a property owner shall not be counted.
5. Any person who submits a protest may withdraw it by submitting to the City Clerk a written request that the protest be withdrawn. The withdrawal of a protest shall contain sufficient information to identify the affected parcel and the name of the property owner who submitted both the protest and the request that it be withdrawn.
6. A fee protest proceeding is not an election.
7. To ensure transparency and accountability in the fee protest tabulation, protests will constitute disclosable public records from and after the time they are opened during tabulation.

Tabulation of Protests

1. The City Clerk, or the Clerk's designee, will determine the validity of all protests. The Clerk will not accept as valid any protest if the Clerk determines that any of the following conditions exist:
 - a. The protest does not identify a property served by the City.

- b. The protest does not bear an original signature of a property owner of the parcel identified on the protest.
 - c. The protest does not state its opposition to the proposed fees.
 - d. The protest was not received by the City Clerk before the close of the public hearing on the proposed fees.
 - e. A request to withdraw the protest is received prior to the close of the public hearing on the proposed fees.
2. The City Clerk's decision that a protest is not valid shall constitute a final action of the City and shall not be subject to any internal appeal.
 3. A majority protest exists if written protests are timely submitted and not withdrawn by the property owners of a majority (50% plus one) of the properties subject to the proposed fee.

At the conclusion of the public hearing, the City Clerk will complete the tabulation of all protests received, including those received during the public hearing and shall report the results of the tabulation to the City Council upon completion. If review of the protests received demonstrates that the number received is manifestly less than one-half of the parcels served by the City with respect to the fee which is the subject of the protest, then the City Clerk may advise the City Council of the absence of a majority protest without determining the validity of all protests.

4. If at the conclusion of the public hearing, the City Clerk determines that additional time will be required to tabulate the protests, the Clerk will so advise the City Council, which may adjourn the meeting to allow the tabulation to be completed on another day or days. If so, the City Council will declare the time and place of tabulation, which will be conducted in a place where interested members of the public may observe the tabulation, and the Council will declare the time at which the meeting will be resumed to receive and act on the tabulation report of the City Clerk.

To Property Owners

For your written protest to be valid you need to ensure that the following information is included:

- ✓ The protest must include the Street Address or Assessor Parcel Number.
- ✓ The protest must have the original signature of the property owner.
- ✓ The protest must state its opposition to the proposed fee increase.
- ✓ The protest must be received by the City Clerk before the close of the Public Hearing on the proposed fee.

The protest form is enclosed should you wish to file a protest against the proposed rate increase.

PUBLIC NOTICE

Notice of Public Hearing Regarding the Proposed Sanitation Services Fee Increase and Service Changes

**Torrance City Council Meeting
7:00 pm, Tuesday, January 24, 2012
Torrance City Hall, Council Chambers
3031 Torrance Boulevard, Torrance, CA 90503**

The City of Torrance Public Works Department is proposing an increase to the sanitation services fee to provide a change in service that will include citywide curbside residential green waste recycling for Torrance residents receiving service. **The increase will be either \$1.50 or \$2.50 per month** (depending on choice of service level/refuse container size).

Through recycling, we greatly reduce materials going into our landfills, save resources and protect our environment. The current green waste pilot program reduces waste on an average of 30% per household. Adding a fully implemented residential green waste recycling program will assist the City in its efforts to comply with the current 50% diversion requirement.

The sanitation fee will be increased by \$1.50 each month for residents accepting newly established standard service level (a 64-gal refuse, 96-gal recycling, 96-gal green waste), or \$2.50 each month for residents who choose to exceed that level (96-gal refuse, 96-gal recycling, 96-gal green waste). Residents must notify Public Works if they wish a different refuse container size than what they have now to go to the standard service level.

If approved at the public hearing by Council, the rate increase will go into effect February 1, 2012. A Consumer Price Index (CPI) adjustment will be applied to the rate annually each July 1 for five years. The new service will be fully implemented within one year.

Objections to the increase must be submitted in writing prior to or before the completion of the Public Hearing. For information on the protest process, contact the City Clerk's Office at 310-618-2870.

For other questions, please contact the Public Works Department at 310-781-6900 or PublicWorkInfo@TorranceCA.Gov. Please visit www.TorranceCA.Gov/PublicWorks for additional information.

City Council
Frank Scotto
Mayor

Gene Barnett
Tom Brewer
Pat Furey

Cliff Numark
Susan M. Rhilinger
Bill Sutherland



City of Torrance
Public Works Department

PROTEST FORM

(Note all protests must be received by the January 24, 2012 deadline.
Postmarks, faxes, e-mails or photocopied protests will not be accepted)

Deliver to the City Clerk

City of Torrance
3031 Torrance, Blvd.
Torrance, CA 90503

Date _____

Street Address **OR** Assessor Parcel Number

**RE: Proposed Sanitation Fee Increase for Green Waste Recycling
Program**

CHECK ONE:

- Protest Sanitation Fee increase
- Withdraw previously submitted protest

Property Owner Original Signature

Print Name