

Council Meeting of  
March 23, 2010

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

Members of the Council:

**SUBJECT: Finance & Public Works – RESOLUTION to approve increase of Refuse Rates**

### **RECOMMENDATION**

Recommendation of the Finance and Public Works directors that City Council adopt a **RESOLUTION** to approve an increase to monthly refuse rates by \$3.42 for the 1<sup>st</sup> year which includes an implementation loan for the General Fund that phases out completely after the 2<sup>nd</sup> year. The refuse rate would be increased by the May to May Consumer Price Index (five years) and there is no change to the current low income rate for senior and disabled residents.

### **BACKGROUND/ANALYSIS**

On January 12, 2010 the City Council conducted and closed the fee hearing to increase refuse rates by \$5.86 a month that would increase with the Consumer Price Index (CPI May-to-May) at the beginning of each fiscal year (for five years), which follows the guidelines as prescribed by Proposition 218. Staff's recommendation was to implement an increase to the refuse fee by \$5.86 a month from \$22.29 to \$28.15 and increase the low income exemption for seniors or disabled residents by \$1.48 from \$8.24 to \$9.72.

Staff is proposing to add weekly green waste collection in the City following two years of testing through a pilot program. The current residential recycling rate for areas without green waste is approximately 22%, which is well below the 50% requirement by the State under AB 939. Green waste represents about 30% of the waste stream in all of the test areas of the City and will allow residential collection to meet the State standard.

Throughout the trial period, the put-out rate for green waste containers has been approximately 65%, on average. Green waste is somewhat seasonal in our region but is fairly consistent throughout the year. The volume of green waste is also affected by weather, as we experienced this past January when the volume was 40% less than the volume in February. Staff analyzed the green waste volumes and put-out rate to determine the required number of routes for the program.

As presented during the rate hearing, Proposition 218 governs enterprise type rate increases. Proposition 218 for City operated refuse operations requires the fee not

to exceed proportional costs of the service attributable to the parcel. This clause is now being interpreted to apply to any discounts provided, including low income, seniors, disabled, etc. This means that the rate structure cannot favor any service receiver. Proposition 218 does not disallow discounts or exemptions but requires an offset from another source such as the General Fund. Many cities that operate their own refuse operations are discontinuing low income and discount programs. Proportional cost requirements do not affect those refuse operations not operated by a local government and it remains unclear whether it affects those operations awarded under a franchise agreement.

The City currently provides a discounted fee for those residents who are seniors or disabled with household incomes less than \$27,075. The rate is indexed to 2.5 times the Federal poverty level for a single family household (\$10,830). There are currently 466 residents that participate in this program at a cost of roughly \$79,000 annually. If this discount was increased to offset the proposed increase, the low income exemption program cost would increase to approximately \$103,000 a year.

In addition, the City provides free large item pick up service to the community. The same crew that provides this service also picks up refuse and recycling at City owned buildings. The entire cost of the large item pick up is about \$250,000 annually, of which \$50,000 is for City collection. The cost for large item pick up is allowable under Proposition 218 but the City portion of \$50,000 would be transferred to the City's General Fund. Based on the above modifications, the proposed rate change would be reduced by \$0.44. Staff recommends the funding of this by reducing 1.0 Engineering Technician III (vacant) and materials from the Public Works budget – General Fund.

Phasing the rate increase over two years - \$2.00 yr 1, \$1.00 yr 2

Staff is recommending phasing the rate increase over two years by borrowing from the General Fund's "Alternate Fuel Vehicle" Reserve. Staff has provided a two or a three year phase in option:

**Buying down the rate (per month)**

| <b><u>1st Yr.</u></b> | <b><u>2nd Yr.</u></b> | <b><u>3rd Yr.</u></b> | <b><u>Cost</u></b>        |
|-----------------------|-----------------------|-----------------------|---------------------------|
| \$(2.00)              | \$(1.00)              |                       | \$1,050,000 (Recommended) |
| \$(2.00)              | \$(1.33)              | \$(0.67)              | \$1,400,000               |

The line of credit would only be drawn on when needed to maintain a positive cash balance in the fund and would be repaid from year end operational savings when available. The rate of the interest charged would be the City's average portfolio yield plus 2% (4.5% based on current rates).

These recommendations would bring the rate increase from \$5.86 as originally proposed to \$3.42. As the General Fund loan is phased out the rate will increase by \$2.00 in the 3<sup>rd</sup> year.

Staff considered the following options to further mitigate the rate increase but at this time is not recommending these options:

Option 1 - Large Item Pickup Charge (\$0.21-\$0.58 per month)

Currently the City provides the community with large item pick up once a year (up to 20 items) at no charge. The City currently does not provide additional pick ups. If the City charged for this service, the refuse rate could be offset by the additional revenue generated:

| Charge for 1st Large Item Pickup | Revenue Generated | Effect on Proposed Monthly Rate |
|----------------------------------|-------------------|---------------------------------|
| \$25.00                          | \$ 72,500         | \$ (0.21)                       |
| 50.00                            | \$145,000         | (0.42)                          |
| 70.00                            | \$203,000         | (0.58)                          |

\*Subsequent pickups (per calendar) year would be - \$75.00

Option 2 - Reduce Residential Street Sweeping (\$1.00 per month)

The City currently provides weekly residential street sweeping that is paid for under the refuse rate. This service can be reduced to monthly sweeping, which is the minimum requirement under the County MS4 permit. Reducing street sweeping to this level will reduce the cost of refuse collection by \$1.00 per month. Proper street cleaning is needed to prevent materials from entering the storm drain system. The weekly street sweeping program collects about 40 tons of material per week in the residential areas. Some of the sweeping would be picked up by residents but other areas will go unswept until the next street sweeping. This reduced service level would increase the amount of materials entering the storm drain system and most likely require additional catch basin and storm drain maintenance caused by the additional debris.

Option 3 - Reduce Recycling Collection (\$1.23 per month)

Green waste is considered to be putrescible waste and must be collected weekly. Putrescible waste is "Solid waste that contains organic matter capable of being decomposed by microorganisms and of such a character and proportion as to cause obnoxious odors and to be capable of attracting or providing food for birds or animals." The Los Angeles County Health Code, Chapter 11, Section 11.16.030 states that "...such garbage or putrescible material, whether mixed with rubbish or other material or not, shall not be kept for more than seven days." Therefore, alternate week green waste collection is not an option to reduce the cost of the program.

However, the City could provide alternate week collection of recyclables. This option would result in a rate reduction of approximately \$1.23 per month. The option may be detrimental to the City meeting the required diversion goal because residents

may use the regular black containers for excess recyclables when their carts are full. Potential problems include storage issues for additional containers, the need for regulation of the waste stream, and lower recycling participation.

Per Council request the following information is being provided:

### Low Income Rate Adjustments

At the close of the hearing staff was also directed to return with information on providing a 50% increase exemption for those households at the medium income (approximately \$35K) and not to increase the rate for those households 75 years and older at the medium income.

Staff has looked at several different indexes to calculate "medium" income and recommends using one of the two following indexes: 1) Continue using the Federal poverty level but increase the income qualification to 3.0 times the Federal poverty level which would increase the level to \$32,490; or 2) Use the Section 8 Housing income qualifier for a two (2) party household at \$31,700 or a three (3) party household at \$35,700. The number of households that would qualify for either the increased household income and for the 75 years or older households is difficult to determine. The City does not have access to household income or age information which includes single family households. The only data the City has available would be the 2000 Census that reports household income, size of household, age of household by unit size, etc. Unfortunately, it does not provide a direct correlation for our purposes in projecting the above exemption nor is the report current.

If the City's exemption program included income level up to \$32,000 to \$35,000 for qualification to offset 50% of the proposed increase of \$5.42, staff would estimate no more than an additional 800 participants. The cost of the program would increase by an additional \$26,000. If those households 75 years and over were exempted, staff would estimate an additional 800 participants at a cost of \$52,000. At this time, staff would not recommend enhancing the low income exemption program.

### RECOMMENDATION

Staff recommends fully implementing a weekly green waste program to meet the waste reduction requirements and environmental goals of the City. The proposed increase to monthly refuse rates is \$3.42 for the 1st year which includes an implementation loan for the General Fund that phases out completely after the 2nd year. The refuse rate would be increased by the May to May Consumer Price Index (five years) and there is no change to the current low income rate for senior and

disabled residents. Continue providing a subsidy to the current low income program for senior and disabled residents at the current level (no increase) paid by the General Fund.

Respectfully submitted,



Eric. E. Tsao  
Finance Director



Robert J. Beste  
Public Works Director

CONCUR:



LeRoy J. Jackson  
City Manager

- Attachments: A. Resolution  
B. Los Angeles County Code and Definition  
C. Council Item of January 12, 2010



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF TORRANCE REPEALING RESOLUTION  
NO. 90-83, RESOLUTION NO. 92-92 AND  
RESOLUTION NO. 2002-87 IN THEIR ENTIRETY  
AND REPEALING SECTIONS 1 AND 2 OF  
RESOLUTION NO. 93-92 AND ESTABLISHING THE  
RATES FOR THE SANITATION SERVICES FEE**

**WHEREAS,** State law permits cities to recover the costs of providing services in the form of fees; and

**WHEREAS,** the fees for collection of residential refuse and recyclable materials within the City are based on the cost of providing such services; and

**WHEREAS,** the costs of providing these services has increased due to the need to fully implement the green waste recycling program and comply with new environmental regulations; and

**WHEREAS,** the City Council, as part of Torrance's Green City initiative, would like to provide enhanced environmental programs for its citizens;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Torrance that:

**SECTION 1**

Resolution No. 90-83 is repealed in its entirety.

**SECTION 2**

Resolution No. 92-92 is repealed in its entirety.

**SECTION 3**

Resolution No. 2002-87 is repealed in its entirety.

**SECTION 4**

Sections 1 and 2 of Resolution No. 93-92 are repealed.

**SECTION 5**

The rates for the Sanitation Services Fee will be as follows:

|  |  |
|--|--|
| Single Family Residence  | \$27.71 per month (base fee)                   |
| Each additional residential unit                                 | \$27.71 per month (equal to base fee)          |
| Qualifying low income seniors                                    | \$8.24 per month                               |
| Qualifying low income disabled                                   | \$8.24 per month                               |
| Additional refuse containers                                     | \$20.78 per month (75% of base fee)            |
| Additional refuse containers delivery                            | \$10.00 one time fee per delivery              |
| Start of service fee   | \$4.00 one time fee                            |
| Additional large item pickup<br>(first pickup each year is free) | \$75.00 per additional requested<br>collection |

These new rates shall be in full force and effect April 1, 2010.

Opening and closing bills and bills for irregular periods shall be prorated on the basis of a thirty (30) day month.

Each July 1, beginning on July 1, 2011, the base fee and fees for qualifying low income seniors and low income disabled persons will increase by the Consumer Price Index – Los Angeles, Anaheim, Riverside for all urban wage earners and clerical workers (CPI-W).

**INTRODUCED, APPROVED AND ADOPTED** this 23<sup>rd</sup> day of March, 2010.

\_\_\_\_\_  
Mayor Frank Scotto

APPROVED AS TO FORM:  
JOHN L. FELLOWS III, City Attorney

ATTEST:

By: \_\_\_\_\_  
Patrick Q. Sullivan, Assistant City Attorney

\_\_\_\_\_  
Sue Herbers,  
City Clerk

**Los Angeles, California County Code****11.16.030 Garbage--Storage restrictions.**

Garbage and putrescible matter, whether mixed with rubbish or other matter or not, shall be kept in watertight receptacles with close-fitting lids and with handles or bails. Such receptacles shall be thoroughly cleaned each time their contents are removed. Such garbage or putrescible material, whether mixed with rubbish or other material or not, shall not be kept for more than seven days. (Ord. 7583 Part 3 Ch. 7 § 601, 1959.)

Dear Ms. Sherman,

Greenwaste, like garbage, needs to be collected at least every seven days.

Los Angeles County Code, Section 11.16.030 states that:

*"Garbage and putrescible matter, whether mixed with rubbish or other matter or not, shall be kept in watertight receptacles with close-fitting lids and with handles or bails. Such receptacles shall be thoroughly cleaned each time their contents are removed. Such garbage or putrescible material, whether mixed with rubbish or other material or not, shall not be kept for more than seven days."* [Italics added]

Putrefaction is defined as the decomposition of organic matter by bacteria, fungi, and oxidation.

Greenwastes, food wastes, and wood wastes, are all compostable items.  
Composting is the controlled decomposition of organic matter.

Greenwastes are putrescible materials.

Even under controlled conditions, compost sites can spontaneously catch fire and produce foul odors. Greenwaste, when it begins to rot, attracts flies and other insects. The insects, in turn, attract other animals.

The seven day limit is based on the fly life cycle. Leaving anything that can rot out for more than seven days will result in a fly breeding problem.

If you have any questions, please feel free to contact me at (626) 430-5540 (HQ-Baldwin Park) or (213) 471-6188 County cell.

Christine Urbach, MPH REHS  
Environmental Health Specialist III  
Solid Waste Management Program/LEA

Council Meeting of  
January 12, 2010

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

Members of the Council:

**SUBJECT: Public Works - Public Hearing and RESOLUTION for sanitation fee increase**

**RECOMMENDATION**

Recommendation of the Public Works Director that City Council:

1. Hold a Public Hearing on the proposed increase to the residential sanitation services fee of \$5.86 a month to allow for full implementation of the curbside green waste recycling program and to cover increased costs for environmentally efficient vehicles; and
2. Adopt the RESOLUTION for the proposed fee increase.

**Funding**

Not applicable.

**BACKGROUND**

On October 27, 2009, the City Council approved a request to hold a public hearing on the proposed sanitation services fee increase, as required by the 2006 Supreme Court Ruling "Bighorn-Desert View Water Agency v. Verjil Kelley". The fee increase will enable the Public Works Department to fully implement the green waste recycling program and cover the additional costs for vehicles to comply with climate change regulations. During the week of November 16, 2009 the public notice was mailed with the modifications requested by Council (see Attachments).

As per the required procedure, the public was given more than 45 days notice of the date of the hearing and the mailing was sent to property owners and tenants, if they are the billed party. The notice included the reason for the rate increase and an explanation of the protest letter process. A sample protest letter was also enclosed. This information was posted to the City's website. As of this writing, 1,612 responses have been received. To meet the required amount of protest letters needed to prohibit the increase from occurring, 50% +1 of the affected homes must submit a protest letter before the end of the public hearing. In this case the number of letters needed would be

approximately 14,500. We also published the notice as required for public hearings in the Daily Breeze on January 1<sup>st</sup> and 6<sup>th</sup> (see Attachments).

## **ANALYSIS**

The Sanitation Division of Public Works is requesting this fee increase so that the existing curbside green waste recycling pilot program can be offered to all residents receiving City service. Currently, 8,000 homes in 4 different areas of the city are participating, at no additional charge to the residents. All operating costs were absorbed by the Division through a number of efficiencies, such as changes in collection routes. To offer the program to all homes with City service, additional labor, vehicles and containers are necessary. The pilot program has been very successful, reducing residential refuse volume by 28% on average.

All cities are required by the California Integrated Waste Management Act of 1989 (AB 939) to reduce the amount of waste taken to landfills by 50% or face potential fines. Given this mandate, the City of Torrance needs additional programs, such as fully implemented residential green waste recycling, to reach and maintain that 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 and adding additional cart capacity for each residence. This program will collect about 15,000 tons of green waste annually, which represents approximately 6% of the total waste stream for the entire City. After implementation, the City's overall diversion rate is expected to exceed 50% and meet the State mandate.

The recently enacted AB 32, regarding reduction in carbon emissions, and new Air Quality Management District regulations require cities to purchase alternative fuel vehicles. Full green waste implementation requires the purchase of 5 new vehicles. The entire program requires 7 routes, and 2 were already covered through efficiencies. Finally, the green waste program and use of more environmentally effective vehicles are in alignment with Torrance's Cool Cities initiative and Strategic Plan goals.

The last request for a fee increase for sanitation services was in 2002, which added \$2.75 per month that year, another \$2.00 per month in July 2003 and an annual CPI increase, also starting in July 2003. As this rate was set by Resolution 2002-87, any changes to that rate will require we amend the Resolution to reflect the new fee structure. The amended Resolution is attached.

### **Fee Increase Proposal Detail:**

In analyzing the difference between expenditures and revenues, the Sanitation Services fee would need to be increased by \$5.86 per month, per home to allow for the full implementation of the curbside green waste recycling programs and to cover the increased costs for environmentally efficient vehicles. This would bring the residential monthly bill for sanitation services to \$28.15, with the qualifying senior/disabled monthly rate at \$9.72, which is an increase of \$1.48. Please see the attached financial spreadsheet.

Staff has surveyed service fees in cities with comparable service levels to Torrance. Even with the fee increase, Torrance's rates would be in line with the rates found elsewhere for similar services. Also, of the 88 cities in Los Angeles County, 82 already have some type of residential green waste recycling program.

If this fee increase is approved, it would begin on February 1, 2010. This fee increase would be part of the monthly sanitation services fee, and will therefore be subject to an annual CPI adjustment, which is applied every July 1<sup>st</sup>, beginning on July 1, 2011.

Staff is also proposing to offer additional large item pickups for \$75. Every residence is now allowed one large item pickup per year of 20 items free of charge and this program will continue. The cost of the additional pickups will be covered by the new charge and is not part of the proposed fee increase.

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

Attachments: A. Notice  
B. Proof of Published Notice in Daily Breeze  
C. Resolution  
D. Financial spreadsheet

# PUBLIC NOTICE

of a Public Hearing on a proposed City Sanitation Services  
fee increase of \$5.86 per month.

**Torrance City Council Meeting**  
**7:00 p.m., Tuesday, January 12, 2010**  
**Torrance City Hall, Council Chamber**  
**3031 Torrance Boulevard**  
**Torrance, CA 90503**

The City of Torrance Public Works Department is proposing an increase to the City Sanitation Services Fee to maintain and enhance its programs including refuse, recycling, green waste recycling and large item collection for Torrance residents receiving such service. In maintaining and enhancing these programs, the Torrance community greatly reduces materials going into our landfills, saves resources, and protects our environment. These programs also assist the City in its efforts to comply with AB939, the State recycling mandate that requires a 50% reduction in waste taken to landfills.

The City Sanitation Services Fee for the curbside collection program will be increased by \$5.86 each month to cover the costs of these programs. The fee increase will cover costs for additional labor, trucks, containers, maintenance, replacement expenses, increased tipping fees and other services as needed. Qualifying low-income Senior/Disabled rates will increase by \$1.48.

Objections to the increase must be submitted in writing prior to or before the completion of the Public Hearing. We have included a sample protest letter you can use. 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 visit [www.TorranceCA.Gov/PublicWorks](http://www.TorranceCA.Gov/PublicWorks).

*City Council*

Frank Scotto  
Mayor

Gene Barnett  
Tom Brewer  
Pat Furey

Cliff Numark  
Susan M. Rhilinger  
Bill Sutherland



Public Works Department  
20500 Madrona Ave  
Torrance, CA 90503

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*City of Torrance*

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## **NOTICE OF PUBLIC HEARING**

### **Proposed Sanitation Services Fee Increase**

During the regularly scheduled meeting of the Torrance City Council on **January 12, 2010**, at **7:00 p.m.**, the City Council will hold a Public Hearing in the City Council Chamber located at 3031 Torrance Boulevard to discuss the proposed City sanitation services fee increase. This Public Hearing has been scheduled at the direction and with the approval of the Torrance City Council at its October 27<sup>th</sup> City Council meeting.

*The City Council is considering an increase to the City sanitation services fee. This is your opportunity to file a protest to this potential action. If protests, by 50% plus one of property owners, are received by the City Clerk by the end of the Public Hearing (approximately 14,750 protests) the fee increase cannot be adopted.*

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

For additional information, please visit [www.TorranceCA.Gov/PublicWorks](http://www.TorranceCA.Gov/PublicWorks).

#### **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 XIII D, Section 6 of the California Constitution, the following shall apply:

#### **Submission of Protests**

1. Any property owner 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. 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. Email protests cannot be accepted. 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 fees.
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 shall constitute disclosable public records from and after the time they are received.

### **Tabulation of Protests**

1. The City Clerk, or her designee, shall determine the validity of all protests. She shall not accept as valid any protest if she 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 shall 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.

### **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.

For your convenience, a sample letter of protest has been included for your use, or, you may submit a protest letter of your own following the instructions above.

**SAMPLE PROTEST LETTER OPPOSING  
SANITATION FEE INCREASE**

**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**

**CHECK ONE:**

- Protest sanitation fee increase
- Withdraw previously submitted protest

\_\_\_\_\_  
Original signature of property owner or tenant responsible for sanitation fee

\_\_\_\_\_  
Print name

You can use this form as your protest letter, or you can submit a letter of your own, including the required information listed under the guidelines. Only protest letters **against** the fee increase need to be submitted. Otherwise, no action is needed.

Story #214322 System LANGZ by TC32

Time 17:46:51 Date 12/30/09

Ad # Filmed 12/30/09 at 17:46:50 by TC32 Page 1

**DB 1-14**  
**NOTICE OF A PUBLIC HEARING**  
 Proposed City Sanitation Services fee increase of \$5.86 per month.

**Torrance City Council Meeting**  
 7:00 p.m., Tuesday, January 12, 2010  
 Torrance City Hall, Council Chamber  
 3031 Torrance Boulevard  
 Torrance, CA 90503

The City of Torrance Public Works Department is proposing an increase to the City Sanitation Services Fee to maintain and enhance its programs including refuse, recycling, green waste recycling and large item collection for Torrance residents receiving such service. In maintaining and enhancing these programs, the Torrance community greatly reduces materials going into our landfills, saves resources, and protects our environment. These programs also assist the City in its efforts to comply with AB939, the State recycling mandate that requires a 50% reduction in waste taken to landfills.

The City Sanitation Services Fee for the curbside collection program will be increased by \$5.86 each month to cover the costs of these programs. The fee increase will cover costs for additional labor, trucks, containers, maintenance, replacement expenses, increased tipping fees and other services as needed. Qualifying low-income Senior/Disabled rates will increase by \$1.48.

Objections to the increase must be submitted in writing to the City Clerk's office prior to the completion of the Public Hearing at the City Council meeting in the City Council Chambers. 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 visit [www.TorranceCA.Gov/PublicWorks](http://www.TorranceCA.Gov/PublicWorks).  
 Sue Herbers  
 City Clerk

Pub: January 01, 06, 2010

RECEIVED

2010 JAN -4 AM 8:40

OFFICE OF THE CITY CLERK  
 CITY OF TORRANCE  
 3031 TORRANCE BOULEVARD  
 TORRANCE, CA 90503  
 (310) 781-6900

## RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF TORRANCE REPEALING RESOLUTION  
NO. 90-83, RESOLUTION NO. 92-92 AND  
RESOLUTION NO. 2002-87 IN THEIR ENTIRETY  
AND REPEALING SECTIONS 1 AND 2 OF  
RESOLUTION NO. 93-92 AND ESTABLISHING THE  
RATES FOR THE SANITATION SERVICES FEE**

**WHEREAS,** State law permits cities to recover the costs of providing services in the form of fees; and

**WHEREAS,** the fees for collection of residential refuse and recyclable materials within the City are based on the cost of providing such services; and

**WHEREAS,** the costs of providing these services has increased due to the need to fully implement the green waste recycling program and comply with new environmental regulations; and

**WHEREAS,** the City Council, as part of Torrance's Cool Cities initiative, would like to provide enhanced environmental programs for its citizens;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Torrance that:

SECTION 1

Resolution No. 90-83 is repealed in its entirety.

SECTION 2

Resolution No. 92-92 is repealed in its entirety.

SECTION 3

Resolution No. 2002-87 is repealed in its entirety.

SECTION 4

Sections 1 and 2 of Resolution No. 93-92 are repealed.

SECTION 5

The rates for the Sanitation Services Fee will be as follows:

|  |  |
|--|--|
| Single Family Residence  | \$28.15 per month (base fee)                   |
| Each additional residential unit                                 | \$28.15 per month (equal to base fee)          |
| Qualifying low income seniors                                    | \$9.72 per month                               |
| Qualifying low income disabled                                   | \$9.72 per month                               |
| Additional refuse containers                                     | \$21.11 per month (75% of base fee)            |
| Additional refuse containers delivery                            | \$10.00 one time fee per delivery              |
| Start of service fee   | \$4.00 one time fee                            |
| Additional large item pickup<br>(first pickup each year is free) | \$75.00 per additional requested<br>collection |

These new rates shall be in full force and effect February 1, 2010.

Opening and closing bills and bills for irregular periods shall be prorated on the basis of a thirty (30) day month.

Each July 1, beginning on July 1, 2011, the base fee and fees for qualifying low income seniors and low income disabled persons will increase by the Consumer Price Index – Los Angeles, Anaheim, Riverside for all urban wage earners and clerical workers (CPI-W).

**INTRODUCED, APPROVED AND ADOPTED** this 12<sup>th</sup> day of January, 2010.

\_\_\_\_\_  
Mayor Frank Scotto

APPROVED AS TO FORM:  
JOHN L. FELLOWS III, City Attorney

ATTEST:

By: \_\_\_\_\_  
Patrick Q. Sullivan, Assistant City Attorney

\_\_\_\_\_  
Sue Herbers,  
City Clerk

**5 YEAR PROJECTION OF REVENUES AND EXPENSES INCLUSIVE OF PROPOSED RATE INCREASE  
SANITATION ENTERPRISE FUND**

|  | 2009-10<br>Adopted | 2009-10<br>Proposed | 2010-11<br>Projected | 2011-12<br>Projected | 2012-13<br>Projected | 2013-14<br>Projected |
|--|--------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Operating Revenues</b>                    |                    |                     |                      |                      |                      |                      |
| Refuse fees                                  | \$ 7,513,000       | \$ 7,513,000        | \$ 7,663,000         | \$ 7,893,000         | \$ 8,130,000         | \$ 8,374,000         |
| Sewer fees                                   | 1,302,000          | 1,302,000           | 1,328,000            | 1,368,000            | 1,409,000            | 1,451,000            |
| Recycling fees                               | 1,450,000          | 1,450,000           | 1,450,000            | 1,450,000            | 1,450,000            | 1,450,000            |
| AB 939 Waste Management                      | 795,000            | 795,000             | 795,000              | 795,000              | 795,000              | 795,000              |
| <b>Total operating revenues</b>              | <b>11,060,000</b>  | <b>11,060,000</b>   | <b>11,236,000</b>    | <b>11,506,000</b>    | <b>11,784,000</b>    | <b>12,070,000</b>    |
| <b>Operating Expenses</b>                    |                    |                     |                      |                      |                      |                      |
| Salaries and benefits*                       | 4,793,000          | 4,813,000           | 5,407,000            | 5,594,000            | 5,812,000            | 6,042,000            |
| Materials and supplies**                     | 3,028,000          | 3,660,000           | 4,070,000            | 4,141,000            | 4,211,000            | 4,282,000            |
| Professional/contract services               | 2,606,000          | 2,313,000           | 2,371,000            | 2,412,000            | 2,455,000            | 2,498,000            |
| Interdepartmental charges                    | 983,000            | 1,069,000           | 1,097,000            | 1,132,000            | 1,172,000            | 1,214,000            |
| Insurance and claims                         | 222,000            | 222,000             | 228,000              | 232,000              | 236,000              | 240,000              |
| Others                                       | 30,000             | 32,000              | 33,000               | 34,000               | 36,000               | 38,000               |
| <b>Total operating expenses</b>              | <b>11,662,000</b>  | <b>12,109,000</b>   | <b>13,206,000</b>    | <b>13,545,000</b>    | <b>13,922,000</b>    | <b>14,314,000</b>    |
| <b>Operating income (loss)</b>               | <b>(602,000)</b>   | <b>(1,049,000)</b>  | <b>(1,970,000)</b>   | <b>(2,039,000)</b>   | <b>(2,138,000)</b>   | <b>(2,244,000)</b>   |
| <b>Non Operating revenue:</b>                |                    |                     |                      |                      |                      |                      |
| Interest Income/Grants                       | 120,000            | 12,000              | 12,000               | 12,000               | 12,000               | 12,000               |
| <b>Income (loss) before transfers</b>        | <b>(482,000)</b>   | <b>(1,037,000)</b>  | <b>(1,958,000)</b>   | <b>(2,027,000)</b>   | <b>(2,126,000)</b>   | <b>(2,232,000)</b>   |
| <b>Operating Transfers Out</b>               | <b>(670,000)</b>   | <b>(2,000)</b>      | <b>(2,000)</b>       | <b>(2,000)</b>       | <b>(2,000)</b>       | <b>(2,000)</b>       |
| <b>Operating Transfers In</b>                | <b>75,000</b>      | <b>75,000</b>       | <b>75,000</b>        | <b>75,000</b>        | <b>75,000</b>        | <b>75,000</b>        |
| <b>Transfers from Fund Balance</b>           | <b>1,102,510</b>   | <b>0</b>            | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             |
| <b>Proposed Sanitation Fee Revenue****</b>   | <b>0</b>           | <b>850,000</b>      | <b>1,861,000</b>     | <b>1,898,000</b>     | <b>1,955,000</b>     | <b>2,014,000</b>     |
| <b>Net income (loss) Net of Depreciation</b> | <b>\$ 25,510</b>   | <b>\$ (114,000)</b> | <b>\$ (24,000)</b>   | <b>\$ (56,000)</b>   | <b>\$ (98,000)</b>   | <b>\$ (145,000)</b>  |

\* Revised proposed and projected salaries include 5 additional Sanitation Equipment Operators for the green waste program. (estimated hire date July, 2010).

\*\* Materials and supplies includes compressed natural gas (CNG) vehicle maintenance and replacement costs (vehicles in use by May, 2010).

\*\*\* Proposed Sanitation Fee revenue increase of \$5.86/mo. expected to begin in January, 2010. Includes 50% reduction of 2nd container fee revenue.