



A Public Agency

COLLECTION AND RECYCLING PROGRAM SUPPORT AND COMPLIANCE

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: June 28, 2018 Board of Directors Meeting
Subject: 2018 Bay Area Rates and City Fees Survey

Recommendation:

This staff report is for discussion purposes only and no formal action is requested of the Board of Directors.

Summary

The regional survey for 2018 solid waste rates included a total of 31 jurisdictions from San Mateo and Santa Clara counties, which includes the SBWMA Member Agencies. As in the past, this survey includes a comparison of rates at a 50th and 75th percentile of those surveyed. This survey has proven to be a useful tool for Member Agencies to compare their residential commercial rates with those of other jurisdictions. This year's survey includes a new table that also identifies city fees that survey responders set to offset their solid waste and recycling program administrative costs and, when applicable, to offset associated program fees such as mandated landfill closure responsibilities, mandated household hazardous waste programs, rate stabilization funds, litter control fees, street sweeping services, etc. The completed survey is provided in **Attachment A**.

Analysis

Although residential and commercial rates are included in this survey, this staff report focused on residential rates as the factors associated with commercial rates are significantly more complicated due to a wide variety of factors including service levels subscribed to, frequencies of weekly collection offered, alternative collection services available, etc. As an example, the residential line of business has four basic service levels—20, 32, 64 and 96 gallon carts) and the standard collection frequency is one time per week

Residential Rates:

Six of the thirteen (1) SBWMA jurisdictions have 32-gallon cart rates below the 50th% percentile of the jurisdictions surveyed (Burlingame, Foster City, Menlo Park, North Fair Oaks (unincorporated County), Redwood City, San Mateo) and those six jurisdictions represent about 70% of the total residential accounts in the SBWMA service area. Several operational factors favorably contribute to these jurisdictions having lower rates compared to other SBWMA jurisdictions including:

- Large commercial account base
- Higher density housing
- Relatively flat topography/
- Multiple carts set out per single service address
- Closer proximity to the San Carlos-based Shoreway facility

Additionally, the majority of residential customers in most jurisdictions surveyed (including the SBWMA) historically subscribe to 32-gallon cart service (about 60%), then 20-gallon (about 20%), then 60-64-gallon (about 17%) and a very small percentage subscribe to 96-gallon garbage service (about 3%).

As shown in **Table 1**, when omitting the two SBWMA Member Agencies with the highest rates (Atherton and Hillsborough—due to unique service characteristics such as larger properties, more organic materials, less route productivity, lack of commercial accounts), the average of all other SBWMA jurisdictions is below the overall average of all jurisdictions surveyed in all residential rate categories.

Table 1 Residential Curbside Collection Rates					
	20-Gallon	30-35 Gallon	60-64 Gallon	90-96 Gallon	Rate variance from 20g to 96g
50 th Percentile	\$24.57	\$32.96	\$60.71	\$88.82	\$63.71
75 th Percentile	\$29.25	\$37.84	\$71.08	\$103.81	\$74.56
SBWMA Average w/Atherton & Hillsborough	\$24.63	\$34.26	\$58.12	\$86.30	\$61.67
SBWMA Average w/o Atherton & Hillsborough	\$23.23	\$31.56	\$53.55	\$80.07	\$56.84

The 30-35-gallon rate charged for the City of Los Altos Hills, the Town of Atherton, the Town of Hillsborough and the City of Palo Alto all are above the 75% percentile in the survey group. These communities share some common community characteristics that influence route efficiencies and cost such as topography, high levels of green waste generation, low route density, over-sized lots and, in some cases, hilly terrain. Each of these factors legitimately influences service costs. See Table 2 for a comparison of residential rates in these communities.

Table 2 Comparative Rates: Atherton, Hillsborough, Los Altos Hills, Palo Alto					
	20-Gallon	30-35-Gallon	60-64 Gallon	90-96 Gallon	Rate variance From 20g to 96g
Town of Los Altos	\$29.86	\$41.63	\$83.28	\$124.90	\$95.04
Town of Atherton	\$25.00	\$50.00	\$93.00	\$138.00	\$113.00
Town of Hillsborough	\$39.67	\$48.22	\$73.51	\$103.12	\$63.45
City of Palo Alto	\$27.81	\$50.07	\$100.15	\$150.22	\$122.41

Commercial Rates:

As in the past, the commercial rates for the SBWMA jurisdictions are above the 50th percentile in the four rate categories surveyed, even with Atherton and Hillsborough backed out (they each have less than a dozen commercial accounts). This rate structure may reflect a recent deliberate effort by all SBWMA jurisdictions to “right size” their commercial rates due to a recent court case that requires all lines of business to be 100% self-funded. The SBWMA average rates charged are below the all city average in two categories (1 yard bin service, 1x and 3x/week) and above the all city average in two categories (3 yard bin service, 1x and 3x/week). **See Table 3.**

Table 3
Comparative Rates: Commercial Collection Services

	1 yard bin 1x/week	1 yard bin 3x/week	3 yard bin 1x/week	3 yard bin 3x/week
50 th Percentile	\$162.07	\$469.66	\$416.30	\$1,204.90
75 th Percentile	\$206.60	\$558.96	\$474.87	\$1,353.97
All City Average	\$168.46	\$476.55	\$404.79	\$1,180.66
SBWMA Average w/o Atherton & Hillsborough	\$163.25	\$471.31	\$438.81	\$1,296.58

City Fees:

By law, each jurisdiction is entitled to collect mandated solid waste program administration costs and narrow range of directly related expenses through the use of program-related fees. Programs vary in scope by jurisdiction as is evidenced by the variety of fees identified in **Attachment A's** tab titled "Bay Area Survey of City Fees (June 13, 2018)". In this tab, the SBWMA Member Agency fees are in alignment with the other jurisdictions surveyed in the local market.

Background

Each year, staff commissions a survey of solid waste and recycling rates charged by other Bay Area communities in preparation for the annual adjustment to the contractor's compensation for collection services and Shoreway operations. This information is provided to the Member Agencies to provide a comparison of rates charged by a variety of local jurisdictions. This survey is typically conducted in the March-May timeframe in order to capture rate increases that are in effect for that given year.

Fiscal Impact

There is no fiscal impact associated with this report. The cost of conducting the survey was \$5k.

Attachments:

Attachment A: 2018 Bay Area Rate Review Survey Conducted by HFH Consultants (June 13, 2018).

Bay Area Rate Survey

June 13, 2018

Jurisdiction	County	Res. Single-Family				Commercial				Service Info		
		20 Gallon	30-35Gal.	60-64Gal.	90-96Gal.	1YD Bin 1x/week	1YD Bin 3x/week	3YD Bin 1x/week	3YD Bin 3x/week	Rec. Freq.	YW Freq.	Sort
City of Campbell* ¹	Santa Clara	\$ 21.43	\$ 28.04	\$ 56.08	\$ 84.12	\$ 140.04	\$ 424.17	\$ 280.09	\$ 848.35	Weekly	Weekly	Single
City of Cupertino ¹	Santa Clara	NA	\$ 25.49	\$ 50.99	\$ 76.49	\$ 156.56	\$ 469.72	\$ 250.51	\$ 751.52	Weekly	Weekly	Single
Daly City	San Mateo	NA	\$ 26.03	\$ 52.05	\$ 78.07	\$ 207.17	\$ 556.57	\$ 568.63	\$ 1,616.83	Weekly	Weekly	Single
City of Half Moon Bay	San Mateo	\$ 23.01	\$ 36.99	\$ 67.34	NA	\$ 174.56	\$ 523.83	\$ 523.81	\$ 2,245.33	Weekly	Weekly	Single
Town of Los Altos Hills	Santa Clara	\$ 29.86	\$ 41.63	\$ 83.28	\$ 124.90	\$ 104.82	\$ 220.76	\$ 164.03	\$ 383.57	Bi-weekly	Bi-weekly	Single
Town of Los Gatos* ¹	Santa Clara	\$ 21.85	\$ 28.69	\$ 57.38	\$ 86.08	\$ 166.14	\$ 503.35	\$ 332.28	\$ 1,006.71	Weekly	Weekly	Single
City of Millbrae	San Mateo	\$ 20.65	\$ 33.05	\$ 66.12	NA	\$ 247.96	\$ 758.82	\$ 456.90	\$ 1,398.30	Weekly	Weekly	Dual stream
City of Milpitas ²	Santa Clara	\$ 32.22	\$ 35.02	\$ 41.19	\$ 47.32	\$ 116.21	\$ 286.19	\$ 263.93	\$ 747.15	Weekly	Weekly	Dual stream
City of Mountain View	Santa Clara	\$ 22.10	\$ 32.25	\$ 64.50	\$ 96.75	\$ 103.80	\$ 352.60	\$ 310.90	\$ 947.55	Bi-weekly	Bi-weekly	Dual stream
City of Pacifica ³	San Mateo	\$ 23.03	\$ 36.07	\$ 72.13	\$ 108.21	\$ 306.49	\$ 796.12	\$ 427.98	\$ 1,140.09	Weekly	Bi-weekly	Single
City of Palo Alto	Santa Clara	\$ 27.81	\$ 50.07	\$ 100.15	\$ 150.22	\$ 219.49	\$ 590.31	\$ 504.40	\$ 1,455.48	Weekly	Weekly	Single
Town of Portola Valley	San Mateo	\$ 18.72	\$ 29.97	\$ 59.92	\$ 89.90	\$ 126.22	\$ 292.45	\$ 242.18	\$ 606.28	Weekly	Weekly	Single
City of San Bruno	San Mateo	\$ 22.78	\$ 29.37	\$ 58.74	\$ 88.11	\$ 156.66	\$ 469.97	\$ 436.42	\$ 1,309.26	Weekly	Weekly	Single
City of Santa Clara ⁴	Santa Clara	\$ 20.63	\$ 26.17	\$ 38.82	\$ 51.47	\$ 81.44	\$ 235.65	\$ 228.10	\$ 647.41	Weekly	Weekly	Single
City of Saratoga* ¹	Santa Clara	\$ 23.09	\$ 30.21	\$ 60.41	\$ 90.62	\$ 198.05	\$ 600.21	\$ 396.10	\$ 1,200.42	Weekly	Weekly	Single
City of South San Francisco*	San Mateo	\$ 25.16	\$ 31.82	\$ 70.02	\$ 109.79	\$ 198.01	\$ 594.03	\$ 445.42	\$ 1,336.26	Weekly	Weekly	Dual stream
City of Sunnyvale ⁵	Santa Clara	NA	\$ 40.83	\$ 45.96	\$ 52.90	\$ 173.80	\$ 485.00	\$ 416.21	\$ 1,209.37	Weekly	Weekly	Dual Stream
Town of Woodside	San Mateo	\$ 18.72	\$ 29.97	\$ 59.92	\$ 89.90	\$ 126.22	\$ 292.45	\$ 242.18	\$ 606.28	Weekly	Weekly	Single
Town of Atherton	San Mateo	\$ 25.00	\$ 50.00	\$ 93.00	\$ 138.00	\$ 210.00	\$ 630.00	\$ 580.00	\$ 1,740.00	Weekly	Weekly	Single
City of Belmont	San Mateo	\$ 22.38	\$ 35.38	\$ 69.66	\$ 104.49	\$ 197.08	\$ 608.90	\$ 597.88	\$ 1,811.60	Weekly	Weekly	Single
City of Burlingame	San Mateo	\$ 12.90	\$ 23.85	\$ 47.71	\$ 70.80	\$ 150.52	\$ 469.60	\$ 451.53	\$ 1,408.79	Weekly	Weekly	Single
City of East Palo Alto ⁵	San Mateo	\$ 45.81	\$ 45.81	\$ 45.81	\$ 45.81	\$ 224.90	\$ 523.67	\$ 475.16	\$ 1,211.58	Weekly	Weekly	Single
City of Foster City	San Mateo	\$ 14.22	\$ 22.77	\$ 45.54	\$ 68.31	\$ 109.22	\$ 332.86	\$ 327.67	\$ 998.55	Weekly	Weekly	Single
Town of Hillsborough ⁷	San Mateo	\$ 39.67	\$ 48.22	\$ 73.51	\$ 103.12	\$ 132.00	\$ 404.88	\$ 396.00	\$ 1,214.64	Weekly	Weekly	Single
City of Menlo Park	San Mateo	\$ 16.97	\$ 26.03	\$ 58.62	\$ 86.35	\$ 124.69	\$ 389.04	\$ 374.08	\$ 1,219.00	Weekly	Weekly	Single
No. Fair Oaks	San Mateo	\$ 29.45	\$ 29.45	\$ 29.45	\$ 84.14	\$ 161.11	\$ 483.32	\$ 483.32	\$ 1,449.96	Weekly	Weekly	Single
City of Redwood City	San Mateo	\$ 11.76	\$ 28.21	\$ 56.43	\$ 83.77	\$ 131.89	\$ 395.67	\$ 395.67	\$ 1,187.01	Weekly	Weekly	Single
City of San Carlos	San Mateo	\$ 22.67	\$ 33.47	\$ 55.07	\$ 71.84	\$ 121.43	\$ 378.85	\$ 378.73	\$ 1,136.56	Weekly	Weekly	Single
City of San Mateo ⁸	San Mateo	\$ 13.28	\$ 21.24	\$ 46.78	\$ 72.28	\$ 142.08	\$ 439.01	\$ 426.35	\$ 1,317.07	Weekly	Weekly	Single
Unincorporated County	San Mateo	\$ 31.12	\$ 36.98	\$ 61.95	\$ 88.00	\$ 226.22	\$ 526.73	\$ 477.99	\$ 1,218.73	Weekly	Weekly	Single
West Bay Sanitary District	San Mateo	\$ 35.00	\$ 44.00	\$ 72.00	\$ 105.00	\$ 206.60	\$ 616.80	\$ 434.51	\$ 1,303.53	Weekly	Weekly	Single
50th Percentile		\$ 24.57	\$ 32.96	\$ 60.71	\$ 88.82	\$ 162.07	\$ 469.66	\$ 416.30	\$ 1,204.90			
75th Percentile		\$ 29.25	\$ 37.84	\$ 71.08	\$ 103.81	\$ 206.60	\$ 558.96	\$ 474.87	\$ 1,353.97			
SBWMA Average		\$ 24.63	\$ 34.26	\$ 58.12	\$ 86.30	\$ 164.44	\$ 476.87	\$ 446.07	\$ 1,324.39			
All City Average		\$ 25.25	\$ 33.34	\$ 60.73	\$ 88.71	\$ 168.46	\$ 476.65	\$ 404.79	\$ 1,180.66			

Bay Area Rate Survey

June 13, 2018

* Rates effective 7/1/18 all other rates Current

¹ 1 cu yd containers not available. Rates reflected here are for 1.5 cu. yds

² Split 19/19-gal, 26/19-gal, 45/19-gal & 67/19-gal solid waste/food scrap cart

³ Largest commercial bin is 2 yards.

⁴ Rate for 2, & 3 32 gallon cans in lieu of 64 and 96 gallon cans.

⁵ Split 27/22-gal, 43/22-gal & 64/31-gal solid waste/food scrap cart

⁶ 96 Gallon Cart is only available option for Residential

⁷ Hillsborough includes the additional \$25.00 that is billed on the property tax role.

⁸ San Mateo includes the additional Landfill Closure fee and the Street Sweeping Fee.

Bay Area Survey of City Fees

June 13, 2018

Jurisdiction	County	% Calculated on Gross Revenue*	% Calculated on Net Revenue**	FF	Landfill/Trf St Closure	AB939	Solid Waste Trash Reduction Program	Collection Vehicle Fee	Litter Control Fee	Street Sweeping	Tree Trimming	Steam Cleaning	NPDES Litter Impact Fee	HHW	City/Contract Management/Admin	Rate Stabilization
City of Campbell	Santa Clara	√		19.00%				\$477,600		\$248,905				\$26,104	\$103,524	
City of Cupertino	Santa Clara	√		12.00%			17.00%									
City of Daly City	San Mateo	√		13.50%	\$1,542,901										\$362,929	
City of Half Moon Bay	San Mateo	√		14.00%											\$72,000	
Town of Los Altos Hills	Santa Clara	√		10.00%												
Town of Los Gatos	Santa Clara			19.00%				\$493,429		\$412,230				\$57,896	\$84,920	
City of Millbrae	San Mateo			10.00%			5.00%									
City of Milpitas	Santa Clara	√		14.17%												
City of Mountain View	Santa Clara			20.00%												
City of Pacifica	San Mateo			\$805,000	\$75,000	\$30,000										
City of Palo Alto	Santa Clara									X				X		
Town of Portola Valley	San Mateo			7.70%												
City of Saratoga	Santa Clara	√		19.00%				\$351,300		\$100,000				\$42,276	\$49,835	
City of South San Francisco	San Mateo	√		7.00%												
City of Sunnyvale	Santa Clara						X									
Town of Woodside	San Mateo	√		7.70%												
Town of Atherton	San Mateo		√	10.00%		\$14,000				\$24,000						
City of Belmont	San Mateo	√		10.00%		3.50%		2.50%	2.00%	6.00%			1.00%			1.00%
City of Burlingame	San Mateo		√	8.00%	5.00%	1.00%				\$300,000		\$162,800			\$58,000	
City of East Palo Alto	San Mateo		√	Resi 2.5% Com 15.5%				\$264,000								
City of Foster City	San Mateo		√	5.00%						\$100,500						
Town of Hillsborough	San Mateo		√	10.00%												
City of Menlo Park	San Mateo	√		5.80%	7.20%										\$300,000	
No. Fair Oaks	San Mateo		√	5.00%												
City of Redwood City	San Mateo	√		13.00%			0.40%								0.25%	
City of San Carlos	San Mateo		√	10.00%					2.00%	\$105,660		\$ 15,000			\$79,612	
City of San Mateo	San Mateo		√	4.00%	\$600,000		\$2,109,000									\$623,871
Unincorporated County	San Mateo		√	5.00%												
West Bay Sanitary District	San Mateo		√	5.00%												1.00%

* Gross Rate Revenue (including Attach Q)

** Revenue Net of Fees

X=Fees Vary by Agency