City of Sonora
"Queen of the Southern Mines"
94 North Washington Street
Sonora, California 95370

Area Code 209
Administrator..... 532-6115
Administration..... 532-4541
Finance..... 532-4541
Building/Planning .. 532-3508
Police 532-8143
Fire 532-7432
Public Works..... 532-2922
Cemetery 532-4492
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MEMORANDUM

DATE: August 05, 2019

TO: Honorable Mayor, City Council members

FROM: Timothy A. Miller, City Administrator

SUBJECT: CPI Increase – Waste Management/Cal Sierra Disposal

RECOMMENDATION: That the City Council, by motion, adopt Resolution No. 08-05-2019-A, approving a 3.51% CPI increase and adding a recycle contamination charge to the refuse collection rates for Waste Management.

DISCUSSION: Attached is a letter from Joe Cadelago, Public Sector Services Manager, Waste Management, requesting an increase in the refuse collection rates based on the Consumer Price Index (CPI) as provided for in the City's franchise agreement (see attached letter). The preceding three year mean average percentage change is 3.51% (see attached CPI calculations). Last year's CPI increase was 3.34%. The tables attached to the resolution compare the existing residential, commercial and miscellaneous rates (Current Rate column) with the proposed rates (New Rate column). The additional cost related to the CPI increase is identified in the middle column (CPI Adjustment). For a typical residential subscriber (one 35-gallon cart), the current rate will increase by $0.92, from $26.17 per month to $27.09 per month.

Cal Sierra Disposal
14959 Carnage Avenue
Sonora, CA 95370

May 30, 2019

Mr. Timothy Miller
City Manager
City of Sonora
94 North Washington Street
Sonora, CA 95370

SUBJECT: REQUEST TO ADJUST SOLID WASTE COLLECTION BASE RATES

Dear Mr. Miller,

Cal Sierra Disposal, a Waste Management Company, respectfully requests this modified rate adjustment to all solid waste collection rates effective September 1, 2019 pursuant to the terms of the existing Franchise Agreement. The total rate adjustment requested for 2019-2020 is 3.51%

The Franchise Agreement per Section II., 3. COMPENSATION TO CONTRACTOR, a) and b), requires that our request be the mean average of the preceding three years. The preceding three years percentage rate of change has been: 2017: 3.44%, 2018: 3.56%, and 2019: 3.53%. The mean average of the preceding three years equals 3.51%.

The 2019-20 rate calculation and CPI table are provided as an attachment. If you have any questions, please feel free to contact me at 209-200-1747.

Sincerely,

Joe Cadelago
Public Sector Manager

Cc: Julie Cabral, District Manager

Enclosures:

2018-19 Proposed rate calculations with CPI table

CITY OF SONORA
CPI RATE ADJUSTMENT FACTOR CALCULATION

Index Point Change		2019	2018	2017
Current Year CPI	Feb	291.227	281.308	271.626
Minus Prior Year CPI	Feb	281.308	271.626	262.600
Equals Index Point Change		9.919	9.682	9.026
Percent Change				
Index Point Change		9.919	9.682	9.026
Divided by Prior Year CPI				
CPI Rate Adjustment Factor		3.53%	3.56%	3.44%
MEAN AVERAGE	**3.51%**			

Series Id: CUURS49BSA0 (Old name: CUURA422SA0)
Not Seasonally Adjusted
Area: San Francisco-Oakland-San Jose, CA
Item: All items
Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2012		236.880		238.985		239.806		241.170		242.834		239.533	238.099	241.201
2013		242.677		244.675		245.935		246.072		246.617		245.711	243.894	246.152
2014		248.615		251.495		253.317		253.354		254.503		252.273	250.507	253.463
2015		254.910		257.622		259.117		259.917		261.019		260.289	256.723	260.421
2016		262.6		264.565		266.041		267.853		270.306		269.483	263.911	268.777
2017		271.626		274.589		275.304		275.893		277.57		277.414	273.306	276.542
2018		281.308		283.422		286.062		287.664		289.673		289.896	282.666	288.435
2019		291.227		294.801										

H) CONTRACTOR's operational records shall be open for inspection by CITY at all times, but shall remain confidential with respect to third parties, subject to provisions of the Public Records Act.

3. COMPENSATION TO CONTRACTOR:

A) Compensation Rate - For the period from the Effective Date to August 31, 2011, the compensation rate to CONTRACTOR shall be as follows:

A base rate shall be established based on the amount for each services set forth in Exhibit "A", a copy of which is attached and incorporated herein by this reference. The base rates reflected in Exhibit "A" are the compilation of component rates for each component of service provided pursuant to this Franchise Agreement,

Said base rates shall be adjusted, each year, commencing September 1, 2011, by adjusting the previous year's base rate. The adjustment to the base rate will be by the mean average percent change in the "Consumer Price Index, All Items San Francisco Oakland-San Jose," as maintained and published by the Bureau of Labor Statistics, United States Department of Labor (the "CPI"), for the preceding three years ending in February of the year under consideration. In the event that said index is no longer maintained or is substantially modified, the parties shall agree on a different index or adjustment. CONTRACTOR shall submit its calculations of the CPI adjustment (the "Compensation Proposal") no less than 90-days prior to the effective date of the adjustment.

B) Adjustments of Compensation to Contractor after August 31, 2011. When adjustment is due, the compensation rate paid by subscribers to CONTRACTOR shall be set by

RESOLUTION NO. 08-05-2019-A

A RESOLUTION OF THE SONORA CITY COUNCIL APPROVING A REFUSE COLLECTION RATE INCREASE

WHEREAS, all City of Sonora refuse collection rate increases are to be approved by the City Council, by resolution, in accordance with the City's Amended and Restated Franchise Agreement dated October 1st, 2010, with the term of said Agreement expiring August 31, 2020; and

WHEREAS, Waste Management, the City Franchise Operator, is requesting the City Council to approve refuse collection rate increases in accordance with the Franchise Agreement, due to increased costs associated with solid waste collection; and

WHEREAS, Waste Management, is requesting a Consumer Price Index (CPI) increase using the mean average percent change for the proceeding three years, equating to a 3.51% increase in accordance with the aforementioned Franchise Agreement.

NOW THEREFORE BE IT RESOLVED, the Sonora City Council, effective September 1st, 2019, approves the rate increases, as shown in Exhibit A, which is hereby made a part hereto of this aforementioned Resolution.

Passed and adopted as a Resolution of the City of Sonora, California, at a regular meeting of said City Council, held on August 5, 2019, by the following votes:

AYES:

NOES:

ABSTAIN:

ABSENT:

Signed and approved:

ATTEST:

James M. Garaventa, Mayor

Colette Such, City Clerk Pro Tem

City of Sonora
Annual Rate Increase
Effective September 1, 2019
Residential

Current CPI
3.51%

Cart Service (Within 10 feet from curb or roadside)				
Description	Quantity	Current Rate	CPI Adjustment	New Rate
1 - 35 Gallon Cart	1	$26.17	$0.92	$27.09
2 - 35 Gallon Cart	2	$52.32	$1.84	$54.16
3 - 35 Gallon Cart	3	$78.49	$2.75	$81.24
1 - 64 Gallon Cart	1	$40.57	$1.42	$41.99
2 - 64 Gallon Cart	2	$81.15	$2.85	$84.00
3 - 64 Gallon Cart	3	$121.72	$4.27	$125.99
1 - 96 Gallon Cart	1	$53.44	$1.88	$55.32
2 - 96 Gallon Cart	2	$106.86	$3.75	$110.61
3 - 96 Gallon Cart	3	$160.30	$5.63	$165.93

Sideyard Cart Service (More than 10 feet from curb or roadside)				
Description	Quantity	Current Rate	CPI Adjustment	New Rate
1 - 35 Gallon Cart	1	$34.84	$1.22	$36.06
2 - 35 Gallon Cart	2	$69.65	$2.44	$72.09
3 - 35 Gallon Cart	3	$104.50	$3.67	$108.17
1 - 64 Gallon Cart	1	$49.27	$1.73	$51.00
2 - 64 Gallon Cart	2	$98.53	$3.46	$101.99
3 - 64 Gallon Cart	3	$147.81	$5.19	$153.00
1 - 96 Gallon Cart	1	$62.14	$2.18	$64.32
2 - 96 Gallon Cart	2	$124.28	$4.36	$128.64
3 - 96 Gallon Cart	3	$186.40	$6.54	$192.94

Recycle Service				
Description	Quantity	Current Rate	CPI Adjustment	New Rate
64 Gallon Recycle Cart	1	$0.00	$0.00	$0.00
Each Additional Recycling Cart	1+	$5.51	$0.19	$5.70

Extra Pickup Fees			
Description	Current Rate	CPI Adjustment	New Rate
Extra Pick Up Charge - Same Day Per Bag	$4.97	$0.17	$5.14
Extra Pick Up - Non Service Day *	$12.94	$0.45	$13.39

** Trip Charge for Non Service Day + Charge Per Bag*

Misc Fees			
Description	Current Rate	CPI Adjustment	New Rate
Side Yard Service - Qualified Frail/Disabled	$0.00	$0.00	$0.00
New Service Activation - Residential	$19.74	$0.69	$20.43
Service Restart w/o Delivery	$15.38	$0.54	$15.92
Service Restart w Delivery	$46.04	$1.62	$47.66
Equipment: Lost or Stolen	$98.17	$3.45	$101.62
Contamination (after 2nd notice)	$20.00		$20.00

Administration Charges			
Description	Current Rate	CPI Adjustment	New Rate
Bad or Returned Check	$30.74	$1.08	$31.82
Late Fee	1.5% or $3.00 Min	N/A	1.5% or $3.00 Min

City of Sonora
Annual Rate Increase
Effective September 1, 2019
Commercial

Current CPI
3.51%

1 Yard Commercial Service			
Description	**Current Rate**	**CPI Adjustment**	**New Rate**
1 Yard - 1x Week	$126.45	$4.44	$130.89
1 Yard - 2x Week	$230.90	$8.10	$239.00
1 Yard - 3x Week	$335.25	$11.77	$347.02
1 Yard - 4x Week	$439.74	$15.43	$455.17
1 Yard - 5x Week	$544.13	$19.10	$563.23
1 Yard - 6x Week	$648.50	$22.76	$671.26

1.5 Yard Commercial Service			
Description	**Current Rate**	**CPI Adjustment**	**New Rate**
1.5 Yard - 1x Week	$178.70	$6.27	$184.97
1.5 Yard - 2x Week	$335.25	$11.77	$347.02
1.5 Yard - 3x Week	$491.90	$17.27	$509.17
1.5 Yard - 4x Week	$648.50	$22.76	$671.26
1.5 Yard - 5x Week	$805.33	$28.27	$833.60
1.5 Yard - 6x Week	$961.82	$33.76	$995.58

2 Yard Commercial Service			
Description	**Current Rate**	**CPI Adjustment**	**New Rate**
2 Yard - 1x Week	$230.90	$8.10	$239.00
2 Yard - 2x Week	$439.74	$15.43	$455.17
2 Yard - 3x Week	$648.59	$22.77	$671.36
2 Yard - 4x Week	$857.31	$30.09	$887.40
2 Yard - 5x Week	$1,066.12	$37.42	$1,103.54
2 Yard - 6x Week	$1,274.97	$44.75	$1,319.72

1 or 2 Yard Commingle Service			
Description	**Current Rate**	**CPI Adjustment**	**New Rate**
1x Week	$29.84	$1.05	$30.89
2x Week	$59.68	$2.10	$61.78
3x Week	$89.52	$3.15	$92.67

City of Sonora
Annual Rate Increase
Effective September 1, 2019
Commercial

Commercial Curbside Cart Service			
Description	**Current Rate**	**CPI Adjustment**	**New Rate**
1 - 35 Gallon Cart	$37.44	$1.31	$38.75
2 - 35 Gallon Carts	$74.88	$2.63	$77.51
3 - 35 Gallon Carts	$112.32	$3.94	$116.26
1 - 64 Gallon Cart	$49.92	$1.75	$51.67
2 - 64 Gallon Carts	$99.83	$3.50	$103.33
3 - 64 Gallon Carts	$149.75	$5.26	$155.01
1 - 96 Gallon Cart	$58.83	$2.06	$60.89
2 - 96 Gallon Carts	$117.66	$4.13	$121.79
3 - 96 Gallon Carts	$176.48	$6.19	$182.67

Extra Pick Up Charges			
Description	**Current Rate**	**CPI Adjustment**	**New Rate**
1 Yard	$24.30	$0.85	$25.15
1.5 Yard	$36.32	$1.27	$37.59
2 Yard	$48.49	$1.70	$50.19

Misc Charges			
Description	**Current Rate**	**CPI Adjustment**	**New Rate**
First Recycling Cart (Per Month Charge)	$3.98	$0.14	$4.12
Second and Each Add'l Recycling Cart	$5.49	$0.19	$5.68
Extra PU Cart Charge - Same Day	$4.96	$0.17	$5.13
Extra PU Cart Charge - Non Service Day	$12.91	$0.45	$13.36
New Service Activation - Commercial	$32.83	$1.15	$33.98
Service Restart w/o Delivery	$15.36	$0.54	$15.90
Service Restart with Delivery	$45.92	$1.61	$47.53
Walk In Service - 10 to 50 Feet	$11.95	$0.42	$12.37
Overage Charge	$25.84		$25.84
Contamination (after 2nd notice)	$50.00		$50.00

Administration Charges			
Description	**Current Rate**	**CPI Adjustment**	**New Rate**
Bad or Returned Check	$30.74	$1.08	$31.82
Late Fee	1.5% or $3.00 Min	N/A	1.5% or $3.00 Min

WASTE MANAGEMENT

City of Sonora
Annual Rate Increase
Effective September 1, 2019
Roll Off

Current CPI
3.51%

Garbage and Refuse					
Size	**Weight Limit**	**Description**	**Current Rate**	**CPI Adjustment**	**New Rate**
10 Yard	1.4 tons*	Weekly Rate	$376.63	$13.22	$389.85
		Monthly Rate	N/A	N/A	N/A
		Empty and Return Rate**	$163.11	$5.73	$168.84
		Additional Day ***	$7.13	$0.25	$7.38
		Tonnage rate (charged over 1.4 tons)*	$104.90	N/A	$104.90
20 Yard	2.8 tons*	Weekly Rate	$566.41	$19.88	$586.29
		Monthly Rate	$666.23	$23.38	$689.61
		Empty and Return Rate**	$163.11	$5.73	$168.84
		Additional Day ***	$7.13	$0.25	$7.38
		Tonnage rate (charged over 2.8 tons)*	$104.90	N/A	$104.90
30 Yard	4.2 tons*	Weekly Rate	$773.47	$27.15	$800.62
		Monthly Rate	$912.97	$32.05	$945.02
		Empty and Return Rate**	$163.11	$5.73	$168.84
		Additional Day ***	$9.96	$0.35	$10.31
		Tonnage rate (charged over 4.2 tons)*	$104.90	N/A	$104.90
40 Yard	5.6 tons*	Weekly Rate	$964.20	$33.84	$998.04
		Monthly Rate	$1,103.98	$38.75	$1,142.73
		Empty and Return Rate**	$163.11	$5.73	$168.84
		Additional Day ***	$9.96	$0.35	$10.31
		Tonnage rate (charged over 5.6 tons)*	$104.90	N/A	$104.90

*Weights over allowable maximum tons will be charged at the current transfer station rates
**Empty and Return loads will also be charged current transfer station disposal rates per ton
***Additional Days: For Weekly Service, Per day charge if customer has box more than 7 days
***Additional Days: For Monthly Service, Per day charge if customer has box more than 30 days

C&D					
Size	**Weight Limit**	**Description**	**Current Rate**	**CPI Adjustment**	**New Rate**
10 Yard	2.5 tons*	Weekly Rate	$484.05	$16.99	$501.04
		Monthly Rate	N/A	N/A	N/A
		Empty and Return Rate**	$163.11	$5.73	$168.84
		Additional Day ***	$7.09	$0.25	$7.34
		Tonnage rate (charged over 2.5 tons)*	$104.90	N/A	$104.90
20 Yard	5 tons*	Weekly Rate	$780.60	$27.40	$808.00
		Monthly Rate	$918.35	$32.23	$950.58
		Empty and Return Rate**	$163.11	$5.73	$168.84
		Additional Day ***	$7.09	$0.25	$7.34
		Tonnage rate (charged over 5 tons)*	$104.90	N/A	$104.90
30 Yard	6.3 tons*	Weekly Rate	$960.90	$33.73	$994.63
		Monthly Rate	$1,099.62	$38.60	$1,138.22
		Empty and Return Rate**	$163.11	$5.73	$168.84
		Additional Day ***	$9.92	$0.35	$10.27
		Tonnage rate (charged over 6.3 tons)*	$104.90	N/A	$104.90
40 Yard	10 tons*	Weekly Rate	$1,393.53	$48.91	$1,442.44
		Monthly Rate	$1,523.77	$53.48	$1,577.25
		Empty and Return Rate**	$163.11	$5.73	$168.84
		Additional Day ***	$9.92	$0.35	$10.27
		Tonnage rate (charged over 5.6 tons)*	$104.90	N/A	$104.90

*Weights over allowable maximum tons will be charged at the current transfer station rates
**Empty and Return loads will also be charged current transfer station disposal rates per ton
***Additional Days: For Weekly Service, Per day charge if customer has box more than 7 days
***Additional Days: For Monthly Service, Per day charge if customer has box more than 30 days

City of Sonora
Annual Rate Increase
Effective September 1, 2019
Roll Off

Brush*					
Size	Weight Limit	Description	Current Rate	CPI Adjustment	New Rate
10 Yard	N/A	Weekly Rate	$187.52	$6.58	$194.10
		Extra Empty & Return	$187.52	$6.58	$194.10
		Additional Day	$7.09	$0.25	$7.34
		**Disposal per Yard	$7.00	N/A	$7.00
20 Yard	N/A	Weekly Rate	$216.04	$7.58	$223.62
		Extra Empty & Return	$216.04	$7.58	$223.62
		Additional Day	$7.09	$0.25	$7.34
		**Disposal per Yard	$7.00	N/A	$7.00
30 Yard	N/A	Weekly Rate	$243.43	$8.54	$251.97
		Extra Empty & Return	$243.43	$8.54	$251.97
		Additional Day	$9.98	$0.35	$10.33
		**Disposal per Yard	$7.00	N/A	$7.00
40 Yard	N/A	Weekly Rate	$268.12	$9.41	$277.53
		Extra Empty & Return	$268.12	$9.41	$277.53
		Additional Day	$9.92	$0.35	$10.27
		**Disposal per Yard	$7.00	N/A	$7.00

*Brush, Branches, tree limbs, and pine needles only
**Disposal charges are in addition to the haul rate

Cardboard Recycle - Roll Off					
Size	Weight Limit	Description	Current Rate	CPI Adjustment	New Rate
20 Yard	N/A	Monthly Rate	$110.14	$3.87	$114.01
		Extra Empty & Return	$110.14	$3.87	$114.01

Waste Management and Customer Owned Compactors - Roll Off					
Size	Weight Limit	Description	Current Rate	CPI Adjustment	New Rate
N/A	N/A	Rate per empty	$163.58	$5.74	$169.32
		Disposal Per ton	$104.90	N/A	$104.90

Misc Fees - Roll Off					
Size	Weight Limit	Description	Current Rate	CPI Adjustment	New Rate
N/A	N/A	Avoidable Delays - Trip Fee - per hour	$78.00	$2.74	$80.74