



Solid Waste Cost of Service and Rate Study

City Council Hearing - August 23, 2022

Cost of Service Study - Background

Long Beach Refuse Rates

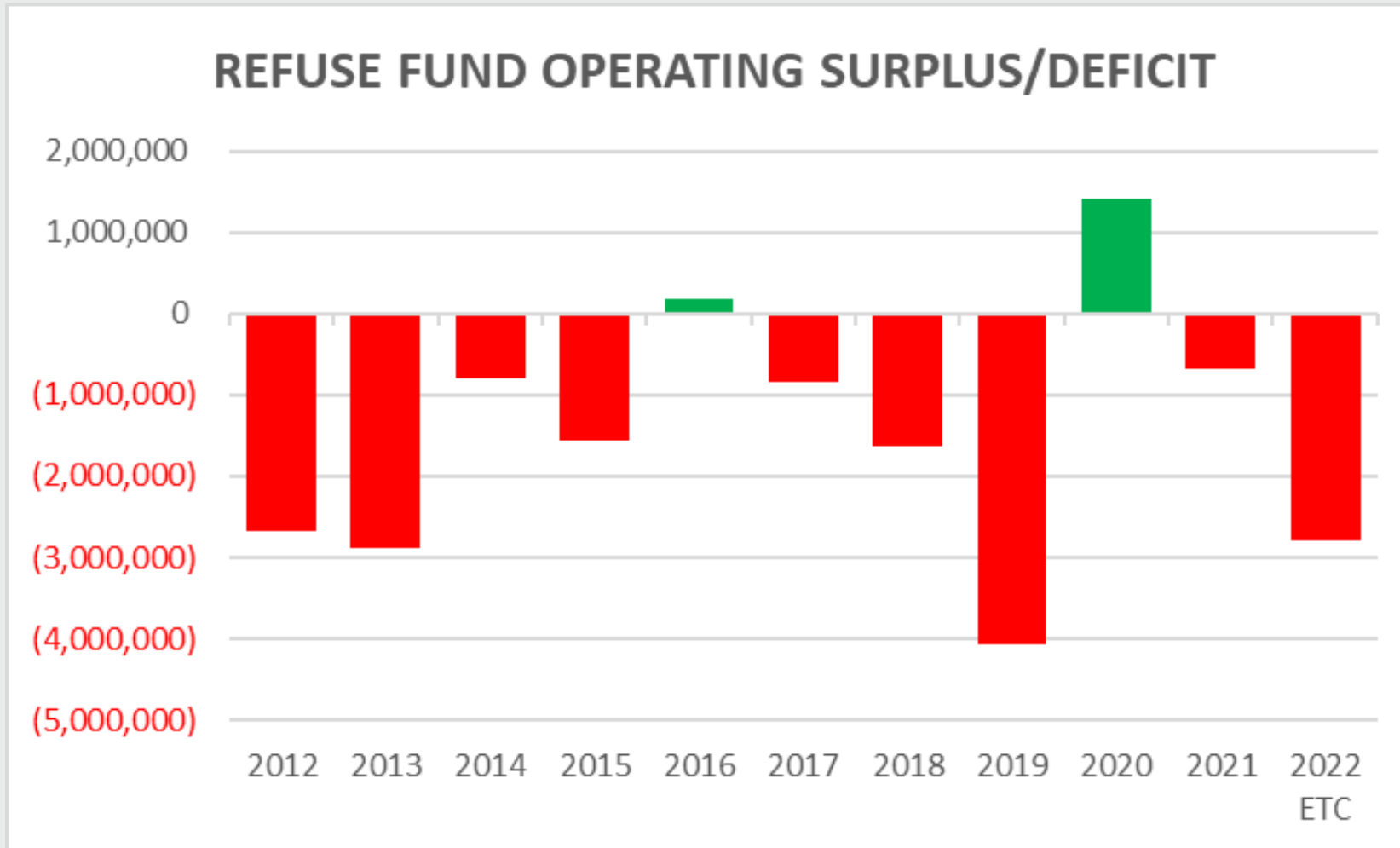
- 2016 – 2019: No Refuse Rate Increase
- March 1, 2019 Increase
 - Single Family – 9%
 - Commercial – 10%
- October 1, 2019 Increase
 - Single Family – 9%
 - Commercial – 10%
- No rate increase since October 1, 2019

Cost of Service Study – Findings

- Solid waste collection costs have increased
- Current rates do not generate sufficient revenue to cover cost of service
- State-mandated diversion programs require additional funding for implementation (Senate Bill [SB]1383 – Organics Diversion)

	Current Rate	Current Cost of Service
Refuse & Recycling Rates		
Single Family 64 gallon	\$ 24.47	\$ 27.36
Single Family 96 gallon	\$ 28.99	\$ 36.03
2-yard	\$ 110.82	\$ 150.23
3-yard	\$ 142.09	\$ 205.12
4-yard	\$ 222.65	\$ 269.93

Refuse Fund – Operating Surplus/Deficit

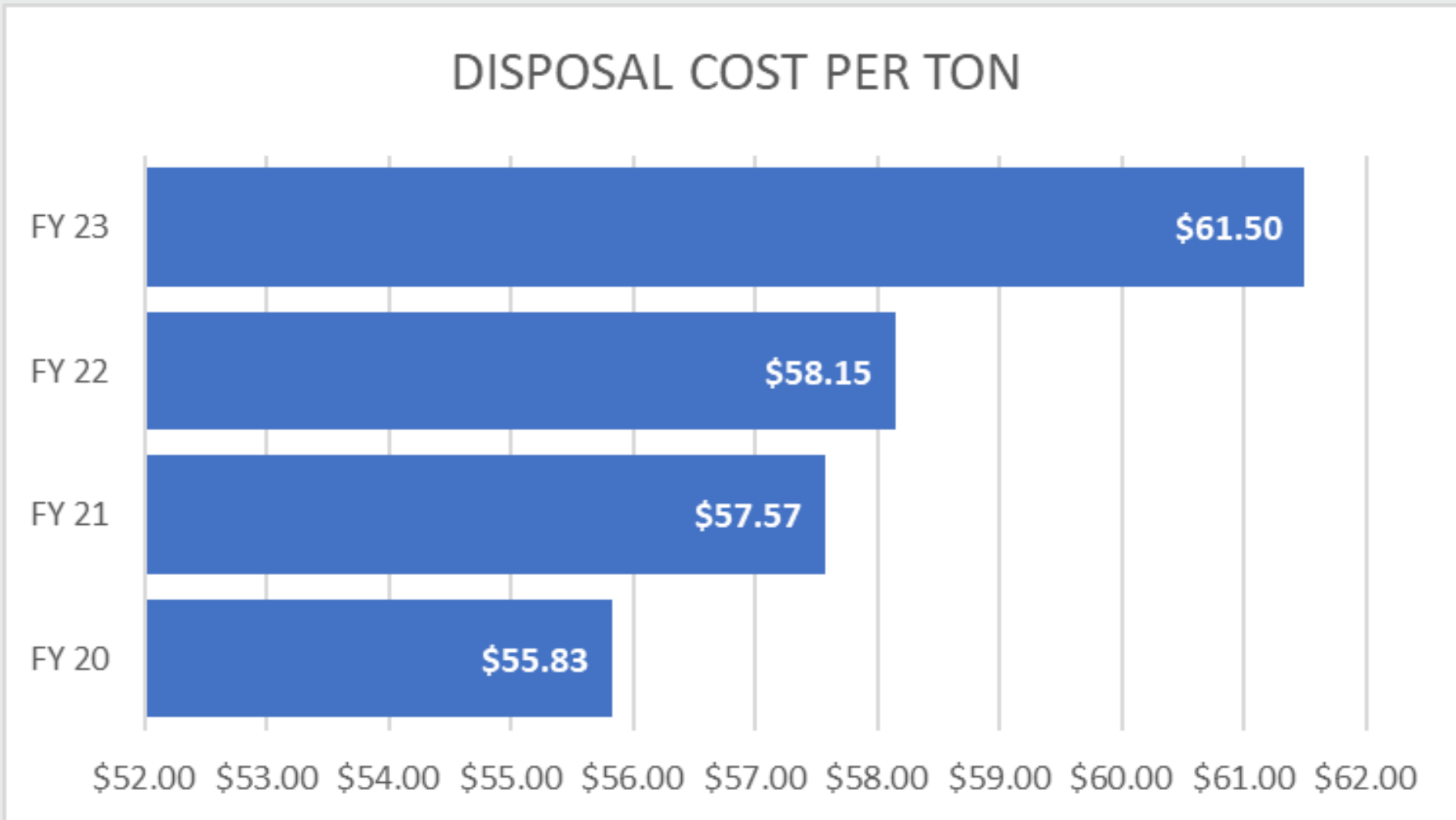


Increased cost examples

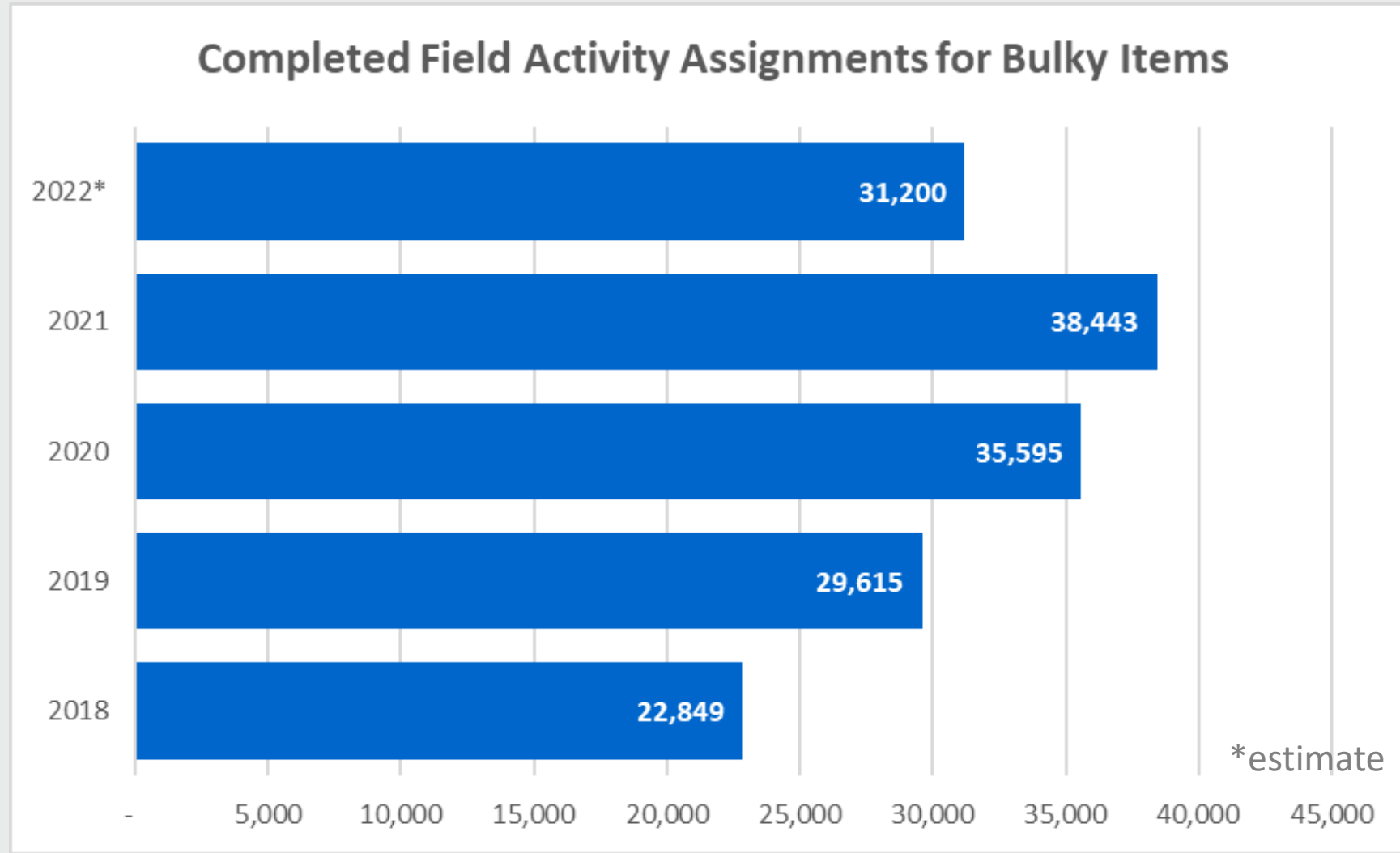
Increases since October 1, 2019

- Liability Insurance has increased 113%
 - \$1,433,176 increase
- Fleet costs have increased 60%
 - \$4,135,216 increase
- Technology and Innovation costs have increased 48%
 - \$893,228 increase
- Bad Debt has increased 147%
 - Pre-Covid average was \$142,000 annually
 - FY 22 projected at \$1,600,000

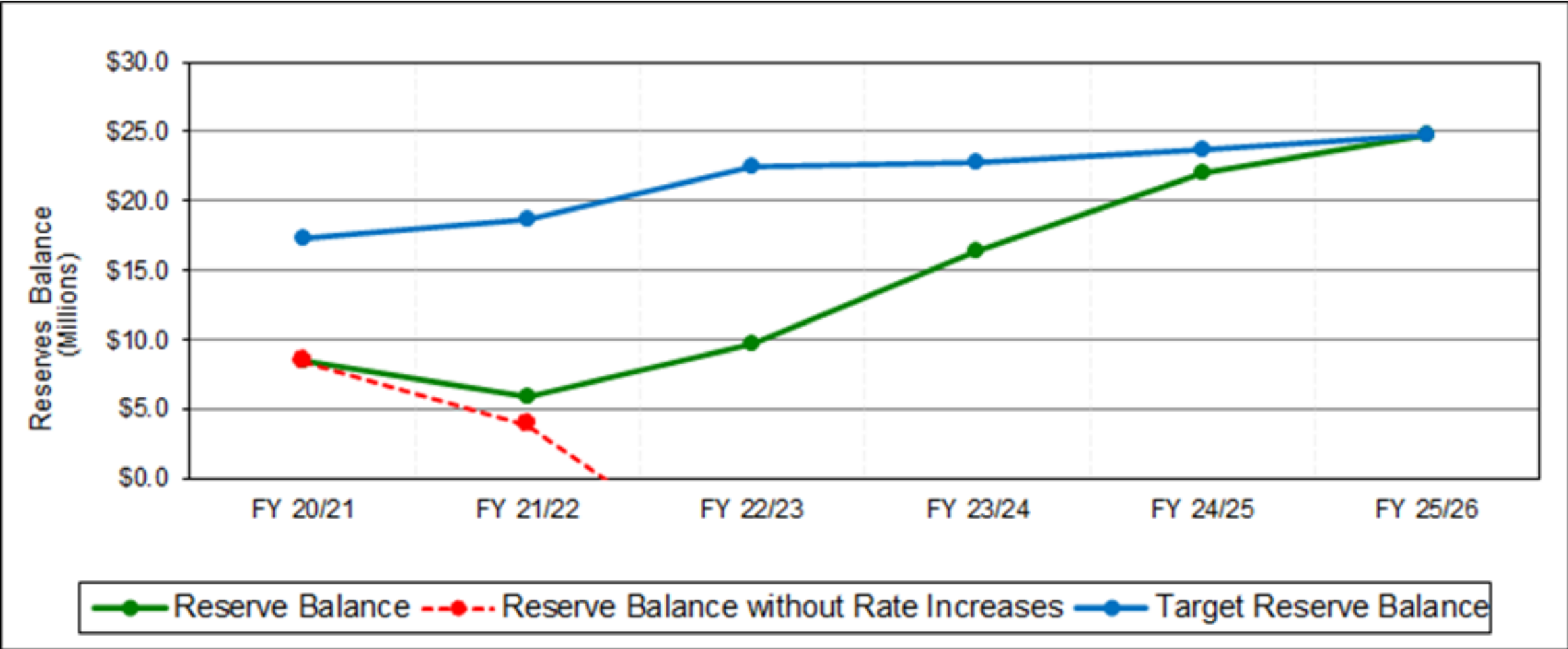
Disposal Costs



Increased Demand

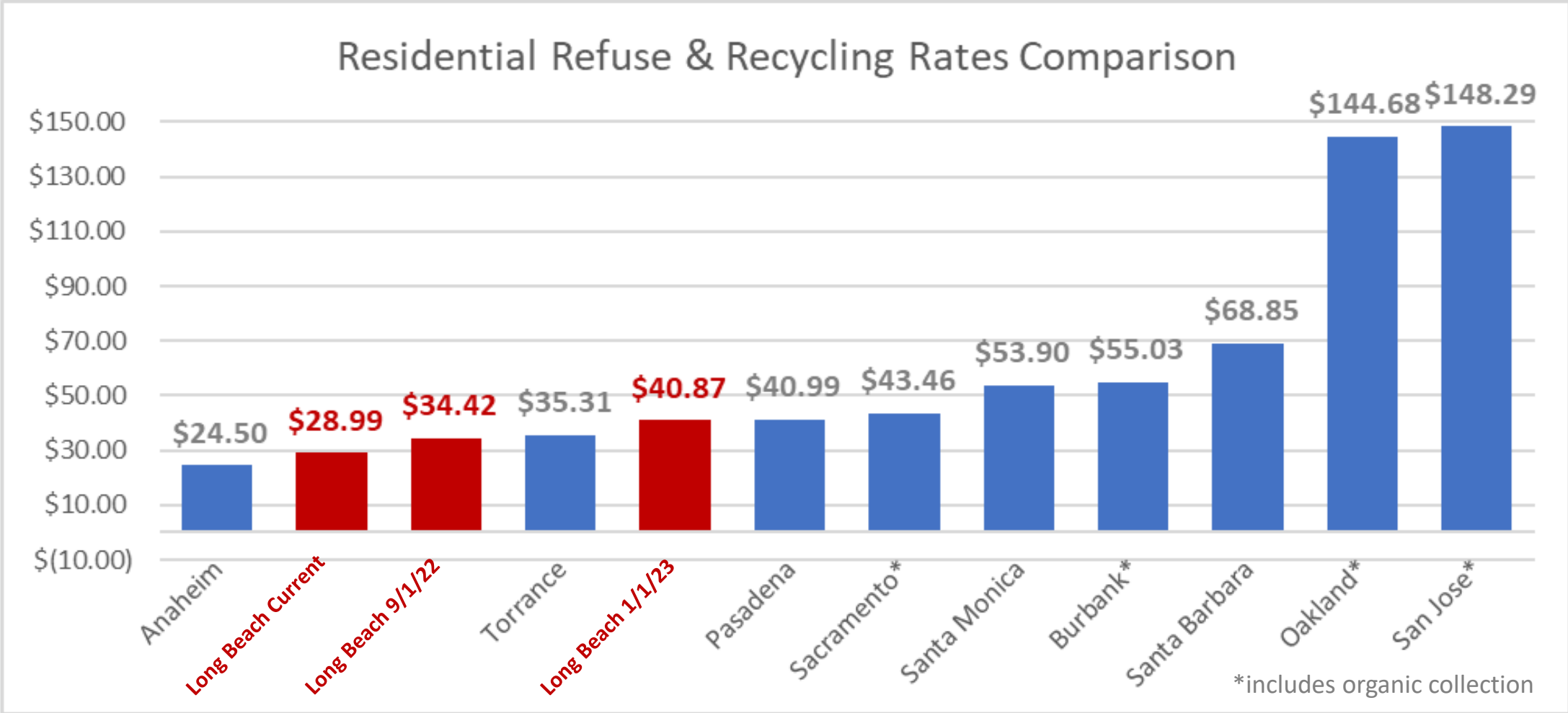


Projected Operating Reserve Fund Balance



*Green line indicates reserve balance with proposed rate increases

Proposed Rates – Single Family (96-gallon container)



*Chart shows updated amounts for Oakland, San Jose, Santa Barbara and Burbank since Prop 218 letters were mailed

Proposed Rates – Commercial Accounts

Jurisdiction/ City	Commercial Solid Waste Bins		
	2 YD Bin 1X/wk	3 YD Bin 1X/wk	4 YD Bin 1X/wk
City of Long Beach - Current	\$ 110.82	\$ 142.09	\$ 222.64
City of Anaheim**	\$ 155.86	\$ 181.81	\$ 213.89
City of Long Beach - Proposed 9/1/2022	\$ 142.84	\$ 183.26	\$ 287.37
City of Pasadena	N/A	\$ 196.06	N/A
City of Santa Monica	\$ 157.20	\$ 212.82	\$ 314.41
City of Long Beach - Proposed 1/1/2023	\$ 199.18	\$ 255.82	\$ 401.73
City of Los Angeles**	\$ 261.14	\$ 281.65	\$ 302.17
City of San Jose	\$ 222.60	\$ 297.80	\$ 373.05
City of Burbank	\$ 269.59	\$ 316.25	\$ 363.25
City of Santa Barbara	\$ 256.38	\$ 384.57	\$ 512.76
City of Oakland	\$ 442.27	\$ 634.21	\$ 817.69
City of Torrance	City does not offer Commercial Services		
City of Sacramento	City does not offer Commercial Services		

**Does not include organics

Current and Future Services

Current Services Provided

- Solid Waste and Recycling collection to approximately 118,000 accounts on a minimum weekly basis
- Twelve Special (Bulky) Collections
- Hazardous Household Waste drop-off
- E-Waste Collection
- Waste Diversion Programs
- Public Education

Fiscal Year (FY) 23 Services Proposed

- Organics (food and green) waste collection for Commercial accounts
- Administrative, Enforcement and Education staffing to ensure compliance with State laws (SB 1383)
- Food Recovery program – enforcement, education and capacity planning edible food generators and food recovery agencies

FY 23 Proposed Support

FY 23 Proposed Positions are required to meet State Laws SB 1383 (Short-Lived Climate Pollutant: Organic Waste Methane Emission Reductions), AB 1826 (Mandatory Commercial Recycling) and AB 341 (Mandatory Organics Recycling)

All Accounts

- Increase to recycling contract
- 8 positions
 - Administrative support
 - Enforcement programs
 - Educational components

Commercial Accounts

- Staffing and Operational requirements for collection of commercial organics waste:
 - Refuse Operators – 8 FTE
 - Refuse Supervisor - 1 FTE
 - Operating Costs

Cost of Service – What is NOT included

- Residential Collection - Single Family and Multi-Family
 - Phased implementation
 - Operational Costs (Positions, Vehicles, Carts, Disposal, etc.)
- Finalizing routing Request For Proposal (RFP) to:
 - Develop organic collection routes
 - Optimize current solid waste routes
- Cost of reloading and transportation of organic material to meet state diversion requirements
- Property to house additional staff and vehicles

SB1383 - Implementation Impacts (Operational)

- Shortage of Candidates
 - Class B Drivers license
- Compensation
- Supply chain issues
 - Refuse Trucks
 - Carts
- Lack of local infrastructure for disposal of organic material

Recommendation

Receive the supporting documentation into the record; receive public comment pursuant to Proposition 218; direct the City Clerk to tabulate the written protests and report the results of the tabulation to the Mayor and City Council during the August 23, 2022 hearing; and, if a “majority protest” is not established, conclude the public hearing and adopt a Resolution establishing the Solid Waste Service Rates under a two-step rate adjustment. (Citywide)



Thank you

Dikran Melkonian

Manager, Environmental Services Bureau

Deputy Director, Public Works Department