



## Refuse Cost of Service— Long Beach City Council

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February 5, 2019

# Introduction

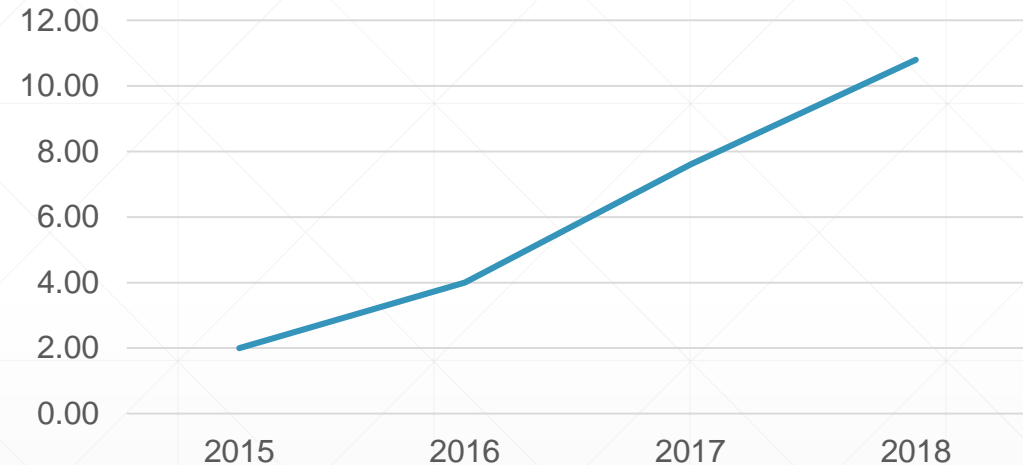
- **Public Hearing**
- **Proposition 218**
  - **Proposed Rate Increase**
  - **Rates tied to cost of service**
  - **117,099 notices mailed**
  - **Majority protest required**



# Background

- **Last cost of service related rate increase was in 2002**
- **Only Consumer Price Index increase when appropriate**
- **No CPI increase since 2015**

**Los Angeles, Long Beach, Anaheim CPI**



- **Total increase of 10.8%, December to December CPI**
  - Source: Bureau of Labor Statistics

# Background

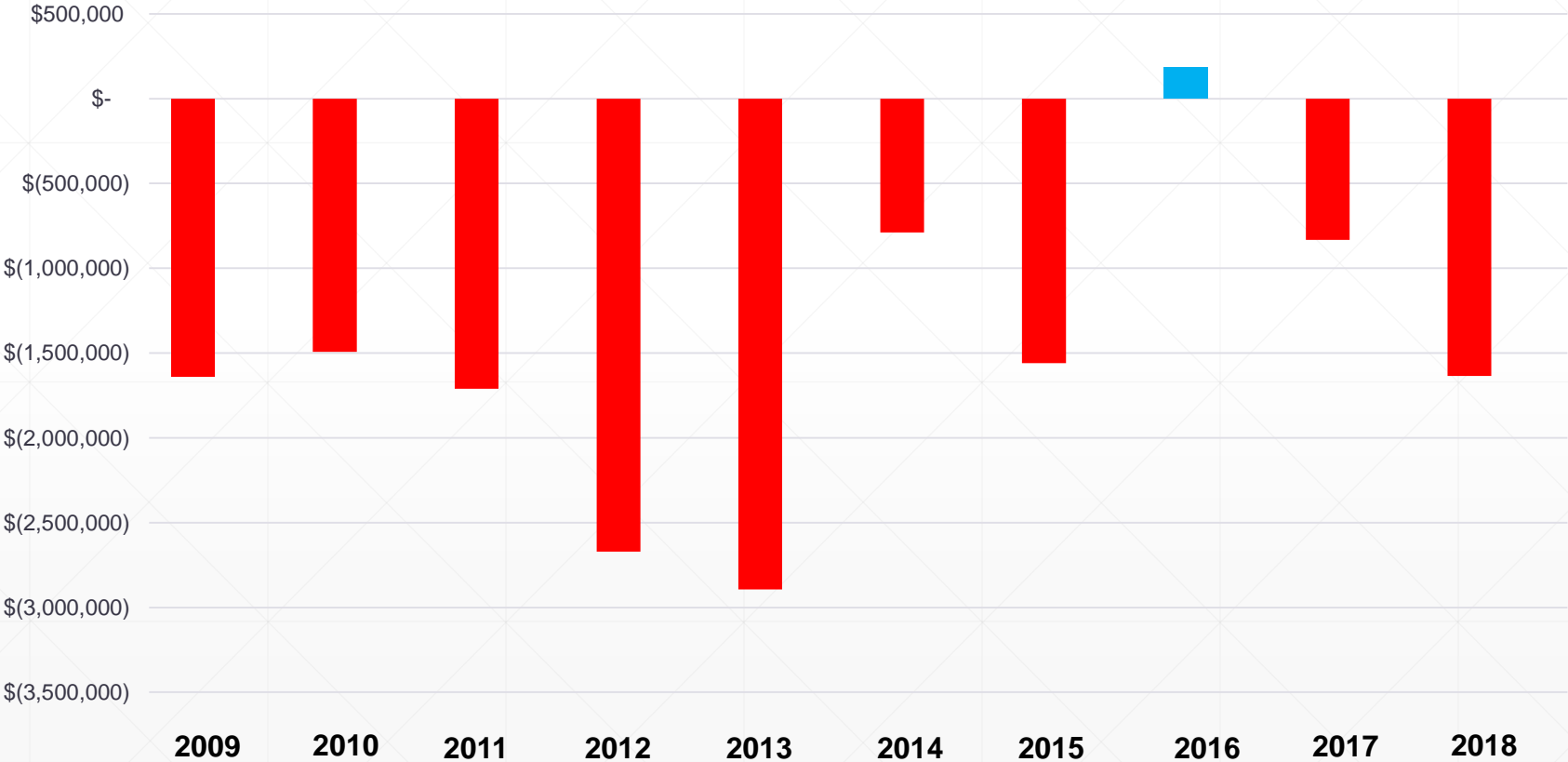
- **May 2018 HF&H Consultants**
- **Cost of Service Study**
  - **Updated Rate Structure**
  - **Proportionate cost sharing (i.e. residential vs. commercial)**
  - **Ensure Compliance with State Law**

# Findings

- 1. City's rates have not generated sufficient revenue to cover cost of service**
- 2. Solid waste collection costs have increased**
- 3. State mandated diversion programs require additional funding**

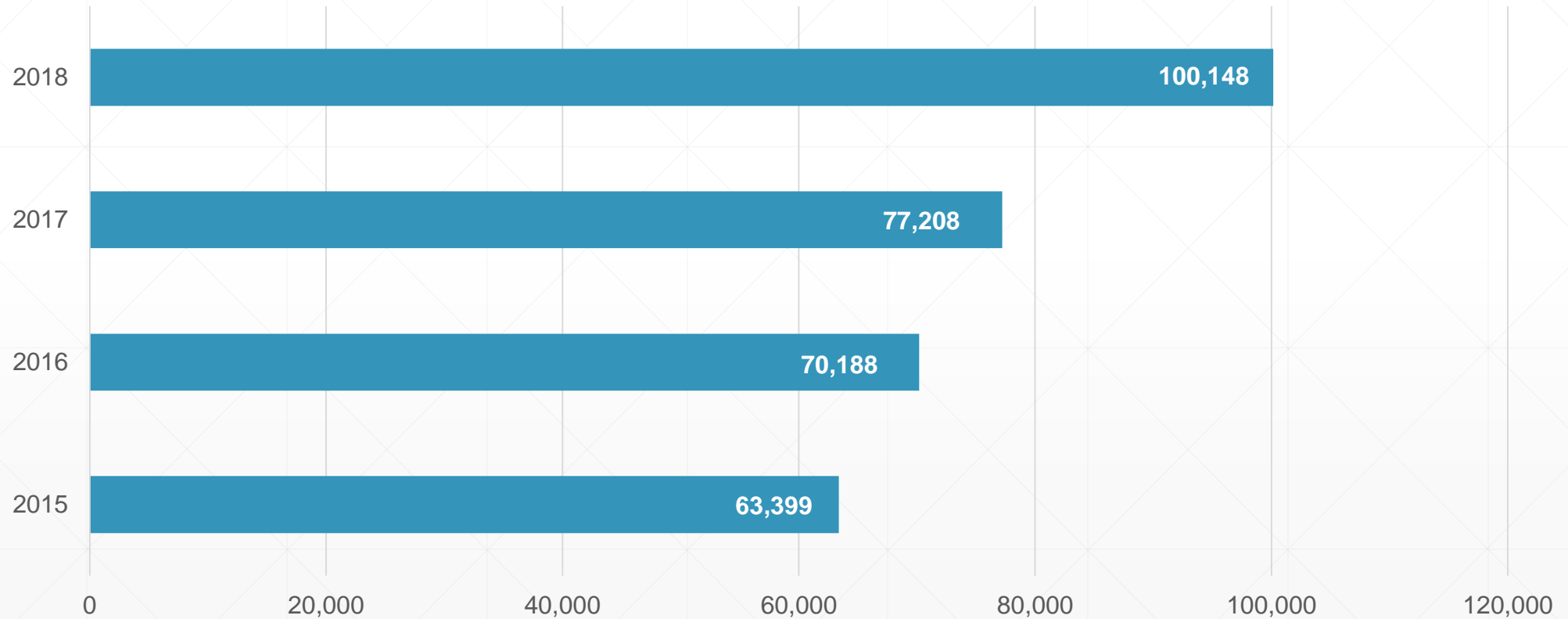
# Operating Surplus/Deficit

## Refuse Fund Operating Deficit/Surplus



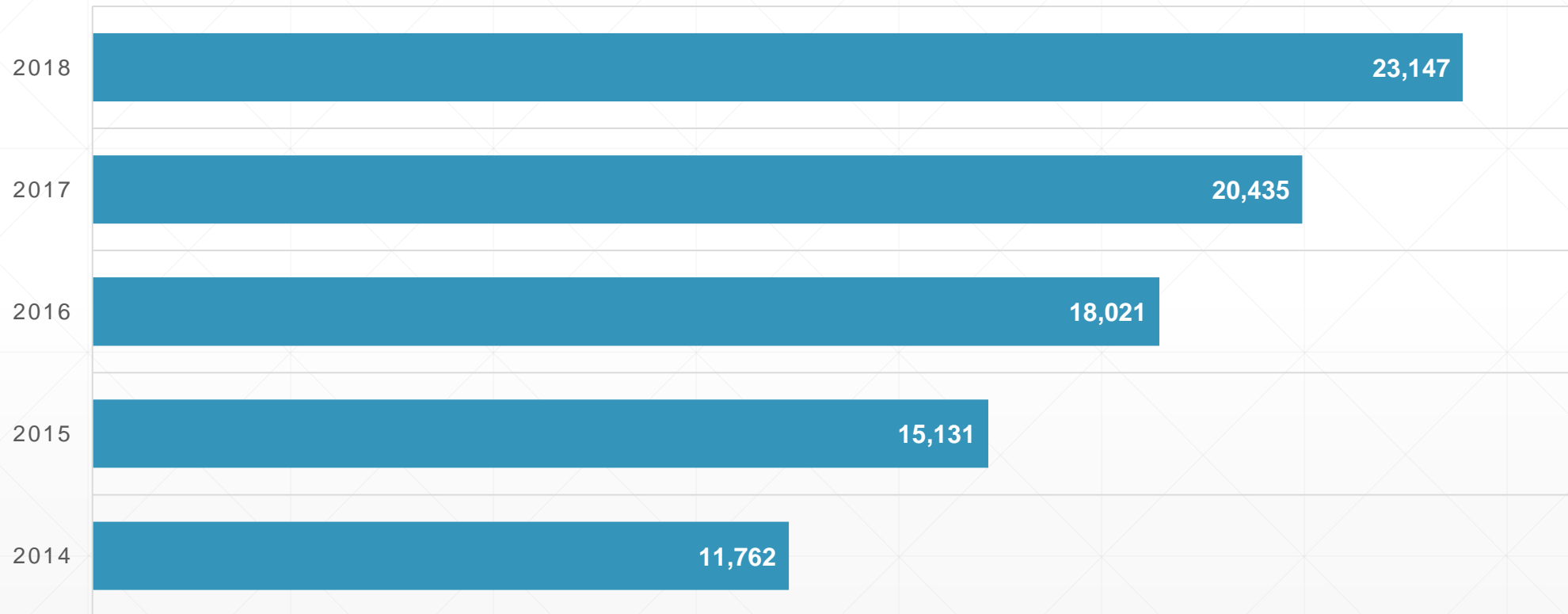
# Increased demand

## CALLS RECEIVED



# Increased demand

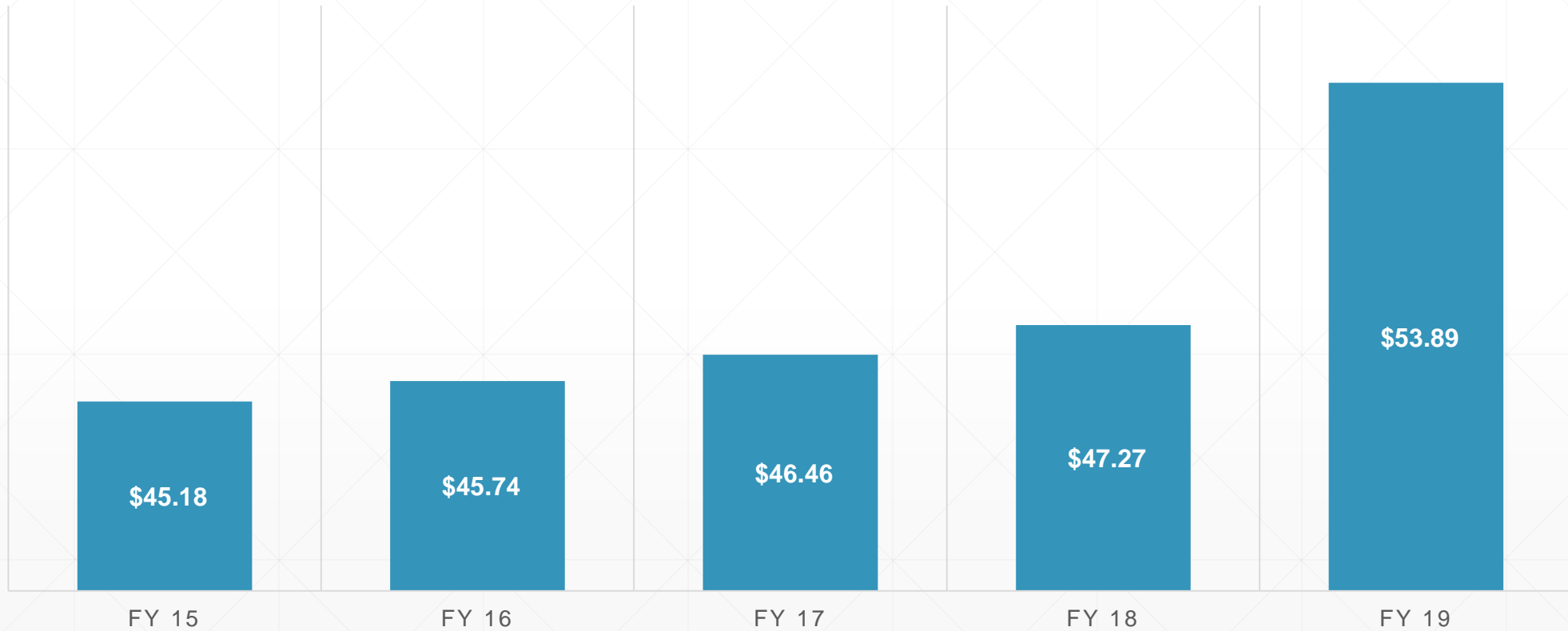
## BULKY ITEM COLLECTION REQUESTS





# Collection Costs

## DISPOSAL COSTS/TON

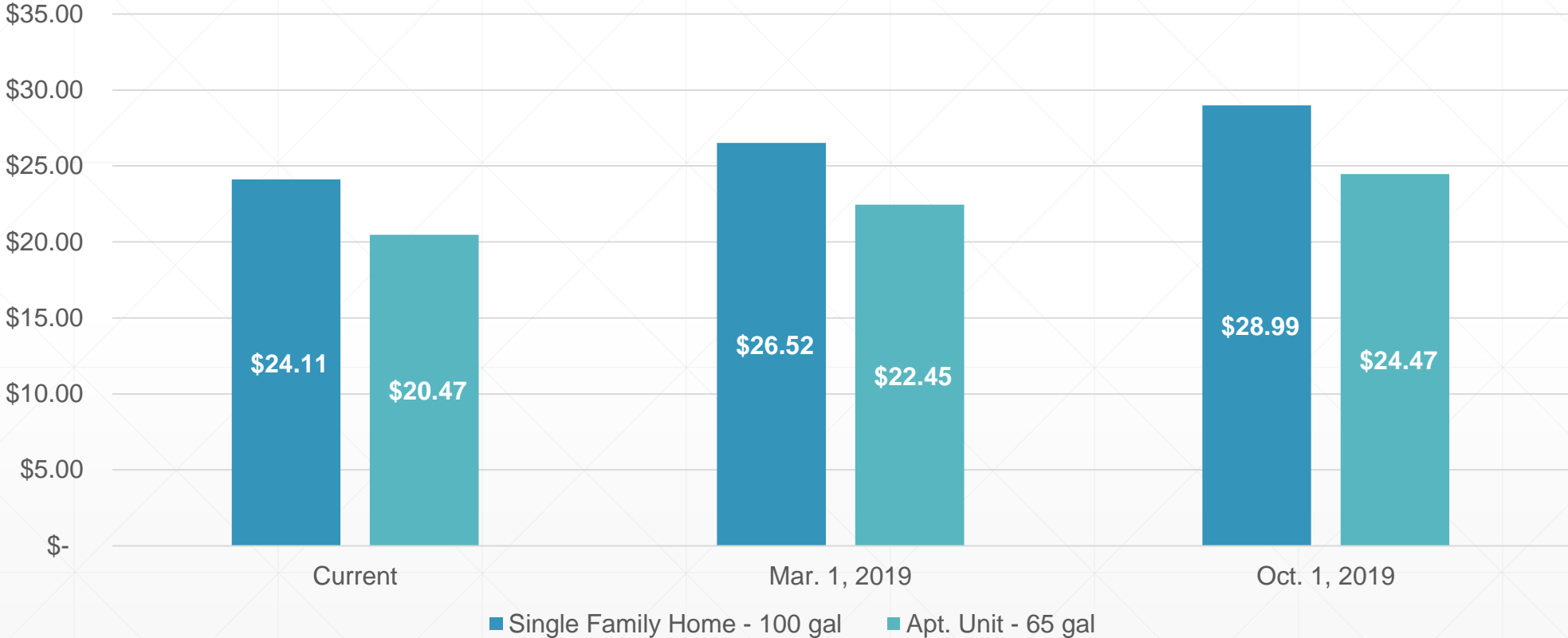


# State Mandated Programs

- **AB 939 – Integrated Waste Management Act**
- **AB 341 – 75% statewide diversion target**
- **AB 1826 – Commercial organics recycling**
- **AB 1383 – Short lived climate pollutants (organics)**

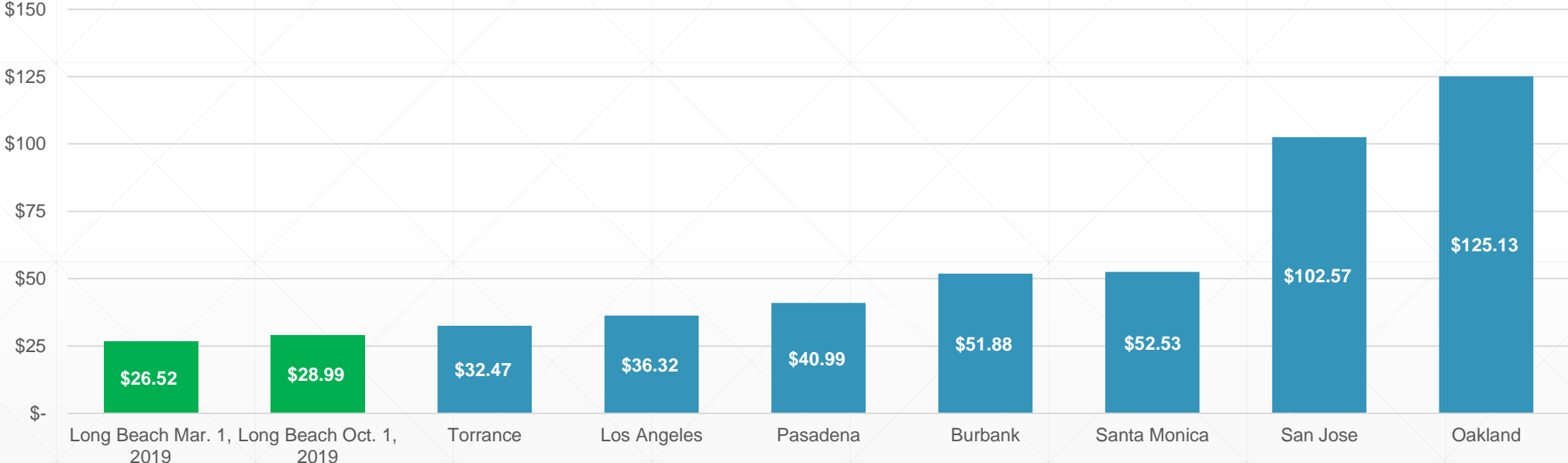
# Current and Proposed Rates

## Single Family Home and Apartment Unit



# Rate Comparison

## RESIDENTIAL REFUSE AND RECYCLING RATE COMPARISON



**Questions?**

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