



# CITY OF LONG BEACH

## DEPARTMENT OF PUBLIC WORKS

# R-22

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August 11, 2009

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### RECOMMENDATION:

1. Direct the City Attorney to draft Amendments to the Municipal Code Chapter 8.60 regarding operating rules and regulations for private refuse haulers.
2. Authorize the City Manager to develop and execute seven-year agreements, with three one-year renewal options, with all private refuse haulers currently operating in compliance with their Refuse Transportation Permit.
3. Authorize the Director of Public Works to:
  - a. Develop and implement rules and regulations as required for the successful execution, implementation and administration of the Agreements and to ensure compliance with federal, State and local regulations;
  - b. Limit the number of permits to be issued to the 16 existing permitted haulers only;
  - c. Collect any and all fees as authorized by the City Council including the currently authorized AB 939 fee and the proposed Refuse Hauler Business Fee;
  - d. Require private haulers to utilize alternative fuel vehicles when operating in the City after September 30, 2012;
  - e. Continue to require private haulers to provide recycling services to all multi-family and commercial accounts as determined by the Director of Public Works.

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## DISCUSSION

The City currently regulates its commercial solid waste collection program through permits issued to private haulers, who are required to comply with the Municipal Code and Administrative Regulations. The Municipal Code currently limits the number of permitted haulers and regulates their activities. Although the permit program has effectively assisted the City in meeting its waste reduction mandates, staff recommends an administratively more flexible means of enforcing all permit, Municipal Code and environmental program requirements.

Staff recommends that the City Council authorize the City Manager, as a condition of permit approval, to enter into seven-year agreements (Agreements) with each of the 16 currently permitted private haulers. The proposed Agreements would incorporate the current requirements of Chapter 8.60 of the Municipal Code, enhance waste reduction and recycling requirements, mandate the use of alternative fuel vehicles by 2012 and provide contractual remedies for illegal or unapproved activities.

Agreements will provide the City with clear legal authority to enforce City Council or City Manager mandates, such as recycling for multi-family buildings, use of alternative fuel vehicles, or other operating conditions. They will also allow for a more timely and effective resolution of service complaints. For example, the increase in mixed-use development (combined commercial and residential buildings) has resulted in an increase in complaints regarding haulers operating in violation of the hours set by the Municipal Code. While haulers are required to operate in compliance with the current Municipal Code, individual Agreements with each hauler would enable the City to assess monetary damages against a hauler for breach of contract.

In consideration for being one of the limited haulers allowed to collect solid waste in the City for an extended permit term, staff also recommends that City Council institute an 8 percent Refuse Hauler Business Fee (based on gross receipts), to be deposited in the General Fund, and eliminate the current 4 percent Recycling Incentive Fee (payable based on a calculation of tons disposed), currently deposited into the Refuse Fund. This fee would be in addition to the AB 939 fee of 8 percent (of gross receipts) to support the City's efforts to maintain compliance with State recycling mandates. If approved, the Refuse Hauler Business Fee will be established by the City Council by a separate resolution.

This letter was reviewed by Deputy City Attorney Amy R. Burton on July 15, 2009 and by Budget and Performance Management Bureau Manager David Wodynski on July 23, 2009.

HONORABLE MAYOR AND CITY COUNCIL  
August 11, 2008  
Page 3

Pursuant to CEQA guidelines, California Code of Regulations, Article 19 §15300, et seq., a categorical exemption has been issued for this project.

TIMING CONSIDERATIONS

City Council action on this matter is requested on August 11, 2009, to begin implementation of the new Agreements by the beginning of Fiscal Year 2010.

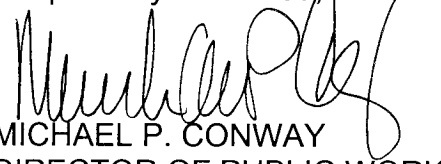
FISCAL IMPACT

Proceeds from the Refuse Hauler Business Fee will be deposited in the General Fund (GP) in the Department of Public Works (PW). Based on current estimated gross receipts of existing private haulers, annual revenue would be approximately \$1.3 million. Proceeds from the AB 939 fee, also estimated at \$1.3 million based on gross receipts of existing private haulers, will continue to accrue to the Refuse Fund (EF330) in the Department of Public Works (PW). The Refuse Fund will no longer receive revenue from the Recycling Incentive Fee, estimated at \$392,000, which is based on the private haulers' current waste diversion compliance rates.

SUGGESTED ACTION:

Approve Recommendation.

Respectfully submitted,



MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

MPC:JK:az  
P:CL/8.4/Refuse Transportation Permit

APPROVED:



PATRICK H. WEST  
CITY MANAGER