



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814

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Meeting Date: 2/22/2011

Report Type: Staff/Discussion

Title: Green Waste Collection Service Options and Potential Ballot Measure Language:
Containerized and Loose-in-the-Street

Report ID: 2011-00168

Location: Citywide

Recommendation: Adopt a Resolution: 1) directing staff to work with the Utilities Rate Advisory Commission (URAC) to recommend a rate for City Council's consideration based on Council's approved Loose-in-the-Street (LITS) service level; and 2) approving in concept proposed language for a potential ballot measure repealing Measure A, for use if the City Council determines at a subsequent time to call such a measure to the ballot.

Contact: William Skinner, Interim Integrated Waste Manager, (916) 808-4932; David Levine, Support Services Manager, (916) 808-7943, Department of Utilities

Presenter: William Skinner, Interim Integrated Waste Manager, (916) 808-4932, Department of Utilities

Department: Department of Utilities

Division: Solid Waste Administrative Scv

Dept ID: 14001711

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Location Map
- 4- Text of Measure A, adopted September 27, 1977
- 5-Resolution
- 6-Exhibit A - Ballot Language

City Attorney Review

Approved as to Form
Janeth D. San Pedro
2/17/2011 8:03:51 AM

Email approval from Joe Robinson
Thu 2/17/2011 12:56 PM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Russell Fehr
2/7/2011 2:47:06 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 2/16/2011 2:03:06 PM

Assistant City Manager: Patti Bisharat - 2/16/2011 5:56:06 PM



Description/Analysis

Issue: On September 27, 1977, City of Sacramento voters adopted Measure A, an initiative ordinance that prohibited the City from requiring containerized collection of yard and garden refuse (green waste). The ordinance also stated that it shall not be repealed or amended except by a vote of the majority of the electors in the City of Sacramento at a municipal election (Attachment 3).

Since 2004, the Department of Utilities (DOU) Solid Waste division has offered containerized green waste collection to select areas of the City on a voluntary basis. Under the current program, residential property owners may voluntarily switch to weekly containerized service from loose-in-the-street (LITS) collection and pay approximately \$3.00 less per month. The division has recently completed the offering of containerized service to all City residential customers. 12,121 customers continue to receive LITS green waste collection while 103,787 now receive containerized green waste collection.

The voluntary containerized green waste option has changed the business. As the number of containerized customers has increased, there are a smaller number of LITS customers to share the cost of that service. The current LITS rate of \$13.71 was sufficient to recover the full cost when 57,000 customers were putting their green waste in the street. With only 12,121 LITS customers remaining paying the same rate, there is now insufficient funding to cover the cost of the service. As a result, the current LITS rate does not recover the full cost of providing LITS collection at the weekly service level specified in the current Solid Waste rate Resolution, which means that funding for the LITS collection program is being provided, in part, by revenues from other Solid Waste service rates. This type of subsidy runs counter to the “cost of service” principles of Proposition 218.

Several service level adjustment options exist to resolve the subsidy issue:

1. To maintain current service levels of periodic weekly collection for 12,121 customers, the rate for LITS can be increased to recover the full cost of the service. Staff estimates that the rate needs to increase to approximately \$40.00 per month for a single family home.
2. The LITS service levels specified in the Solid Waste rate Resolution can be reduced to periodic bi-weekly collection. Staff estimates that the rate would increase to approximately \$25.00 per month for a single family home; or
3. The City Council can approve the placement of a ballot measure to repeal Measure A. If the measure were to be repealed by voters, the City Council would have the discretion to establish mandatory containerized green waste service.

Options one and two would require public notification and a public hearing before the City’s Utility Rate Advisory Committee (URAC), in accordance with the procedural requirements of Proposition 218 and the City Code. The URAC would consider the proposed rate and make its recommendation prior to the City Council’s consideration of a revised rated schedule.

Policy Considerations: The City Council has the discretion to modify the frequency of service for LITS collection service because the City Code provides only that this service be provided on a “periodic” basis. If directed to do so by the Council, staff will work with the RAC to propose a new rate for the new service level and conduct the necessary public notification and public hearing prior to returning to Council.

The ordinance adopted in 1977 by Measure A prohibits the City from requiring the containerized collection of green waste, unless the repeal or modification of Measure A is approved by City voters. Voter approval of a ballot measure repealing Measure A would provide the City Council the discretion to require, by ordinance, that green waste be placed in containers for collection.

Environmental Considerations: The Environmental Planning Services Manager has determined that the recommended actions are exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8), which exempts rate setting activities, as well as Section 15061(b)(3) of the CEQA Guidelines, which exempts approval of an activity where there is no possibility that the activity in question may have a significant effect on the environment.

If the City Council determines at a subsequent time to call to the ballot a measure repealing Measure A, the passage of such a measure and the City Council subsequently deciding to require containerized green waste collection would lessen the environmental effects associated with the City’s current green waste collection service, because it would reduce the number of vehicles used to collect the same green waste materials that currently are being collected through a combination of LITS and containerized collection.

Sustainability: The use of containers for green waste collection is consistent with the Sustainability Master Plan goal to reduce carbon dioxide emissions and will help lower the City’s carbon footprint by reducing the number of vehicles needed to collect the green waste material. Annually, the vehicles used for LITS collection produce approximately 297,000 pounds of carbon as compared to approximately 153,000 pounds if the same material was collected using containers.

Commission/Committee Action: Not Applicable.

Rationale for Recommendation: At \$13.71 per month, the current rate for LITS collection is insufficient to recover the full costs of the program, which means that funding for the LITS collection program is being provided, in part, by revenues from other Solid Waste service rates. To eliminate this subsidy, Solid Waste either needs to increase the LITS rate to maintain current service levels, reduce service levels to mitigate a significant LITS rate increase, or identify other funding sources for the LITS service.

Voter approval of a ballot measure repealing Measure A would provide the City Council with the option to mandate containerized collection.

Currently, containerized green waste customers pay \$10.35 per month for weekly collection for a single-family home, which is 24% less than the current rate charged to those with LITS

service. In addition to reduced utility bills, containerized green waste collection service benefits include:

- Timely weekly collection year-round;
- Collection on the same day as garbage and recycling collection;
- Improved appearance of City streets and neighborhoods;
- Reduced green waste in storm drains;
- Reduced vehicle emissions by using one collection vehicle instead of two;
- Provision of a cleaner and safer path of travel for bicyclists; and
- Reduction of potential vector and mosquito control issues by reducing standing water in curbs and gutters.

Financial Considerations: As fewer customers receive LITS collection service, the disparity in cost between containerized and LITS increases significantly. As the individual green waste piles become increasingly scattered throughout the City, the crews and vehicles must travel further distances between each pile, resulting in more fuel and more time expended for each pile collected. Maintaining existing weekly service levels will necessitate a significant rate increase of almost 200%. Reducing collection to bi-weekly will also cause the LITS rate to increase, but not as significantly.

If directed by City Council to work through the URAC on a new rate for LITS service, the cost for direct mail Proposition 218 notification to green waste customers is approximately \$40,000. Adequate funding exists in the Solid Waste (Fund 6007) operating budget to cover this expense.

The cost for placement of an initiative on a special election ballot:

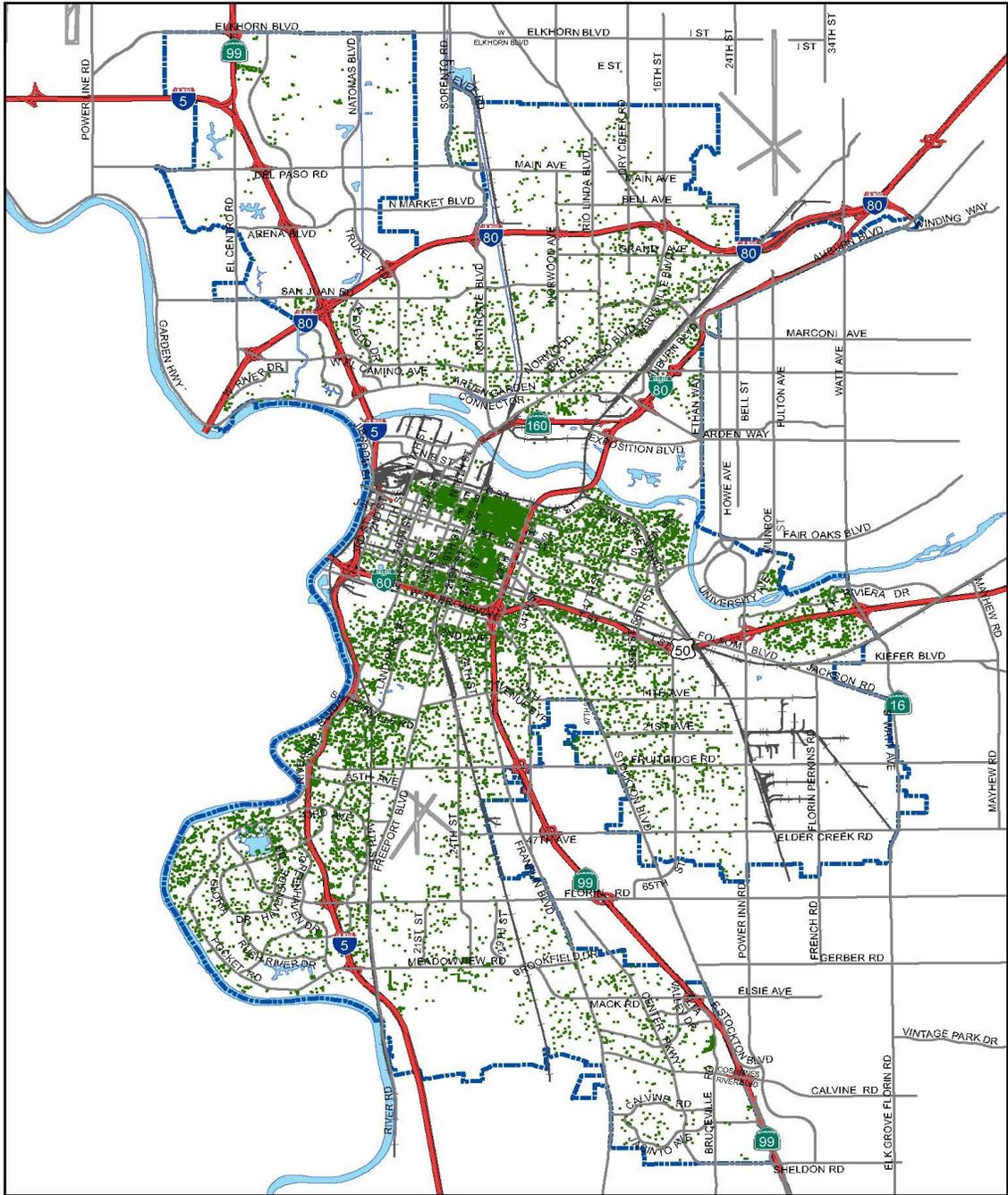
- As a standalone is \$1-1.5 million;
- As a consolidated 1st item is \$150K; or
- As a consolidated 2nd item/subsequent items is \$25K

Emerging Small Business Development (ESBD): Not applicable.



Background

- September 27, 1977** City residents passed Measure A, an initiative ordinance prohibiting mandatory containerization of yard and garden refuse (green waste) materials.
- November 8, 1988** Measure F, which would have repealed Measure A, did not receive voter approval.
- August 2004** The City Council adopted City Code revisions establishing the Voluntary Containerized Collection Service Program for green waste. Under the program, residential property owners in the City who qualify for the Program may switch to containerized green waste collection service from loose-in-the-street collection. City Council directed Solid Waste to offer containers to 20,000 customers per year.
- October 2004** The first deliveries of green waste containers to program participants in Oak Park. Voluntary container deliveries would continue annually for the next six years.
- July 2009** The City Council adopted a two year rate for Loose-in-the-Street (LITS) green waste collection that was sufficient at the time to cover collection costs.
- October 2009 – October 2010** Solid Waste completed the rollout of containers under the Voluntary Containerized Collection Service Program by delivering approximately 50,000 green waste containers to program participants throughout various neighborhoods in the City.



Loose in the Street Green Waste
(Opt-Out Customers)



Total Loose in the Street customers (green dots): 12,121
Total Containerized customers: 103,787



Text of Measure A, adopted September 27, 1977:

“BE IT ENACTED BY THE PEOPLE OF THE CITY OF SACRAMENTO.”

Section 1. Yard and Garden Refuse; deposit and collection.

That yard and garden refuse deposit and collection shall be conducted consistent with Sections 19.401 et. seq. of the Code of the City of Sacramento (Ord. 3685, Section 4, effective 6-24-76) to the end that mandatory containerization of yard and garden refuse shall not be required in the City of Sacramento.

Section 2. Yard and Garden Refuse; deposit and collection voter approval.

That the ordinance enacted pursuant to Section 1 above shall not be repealed or amended except by a vote of the majority of the electors of the City of Sacramento at any municipal election.



RESOLUTION NO.

Adopted by the Sacramento City Council

LOOSE-IN-THE-STREET (LITS) SERVICE LEVEL ADJUSTMENTS AND APPROVAL OF LANGUAGE FOR A POTENTIAL BALLOT MEASURE TO REPEAL MEASURE A

BACKGROUND

- A. On September 27, 1977 City of Sacramento voters passed Measure A, adopting an initiative ordinance that prohibited the City from mandating containerized collection of yard and garden refuse (green waste). The ordinance also stated that it shall not be repealed or amended except by a vote of the majority of the electors in the City of Sacramento at a municipal election.
- B. Since 2004, the City's Solid Waste division has offered containerized green waste collection to select areas of the City on a voluntary participation basis. Some of the benefits of containerized green waste collection include lower cost to the customer due to the reduced number of vehicles needed for collection and reduced accumulation of green waste in storm drains.
- C. Solid Waste has completed the rollout of containers under the Voluntary Containerized Collection Service Program. 12,121 customers continue to receive LITS green waste collection while 103,787 now receive voluntary containerized green waste collection. Due to the significant reduction in LITS customers, the current LITS rate is now insufficient to cover LITS collection costs and, as a result, part of the funding for the LITS collection program is being provided by revenues from other Solid Waste service rates.
- D. The current Solid Waste rate Resolution establishes a LITS service level of periodic weekly collection. City staff has indicated that to eliminate the current rate subsidy, the LITS rate needs to be increased to maintain current service levels, the LITS service levels need to be reduced to minimize a substantial rate increase or other funding sources need to be identified for the LITS service.
- E. An increase to the LITS rate or a reduction of the service levels would require public notification and a public hearing before the City's Utility Rate Advisory Committee, in accordance with the procedural requirements of Proposition 218 and the City Code, prior to the City Council's consideration of a revised rate schedule.
- F. In addition, voter approval of a ballot measure repealing Measure A would provide the City Council the discretion to require, by ordinance, containerized green waste collection.

- G. City staff has proposed language for such a ballot measure, and has requested that the City Council approve in concept the proposed language for use if the City Council determines at a subsequent time to call such a measure to the ballot.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Staff is directed to work with the Utilities Rate Advisory Commission (URAC) to recommend a rate for City Council's consideration based on Council's approved Loose-in-the-street (LITS) service level.
- Section 2. The proposed language for a potential ballot measure repealing Measure A, set forth in Exhibit A, is approved in concept.
- Section 3. Exhibit A is part of this Resolution.

Attachments:

Exhibit A: Proposed Language for Potential Ballot Measure



MEASURE XXX

Relating to the deposit and collection of yard and garden refuse in the City of Sacramento.

Shall the ordinance enacted by voter approval of Measure A at the City of Sacramento municipal election on September 27, 1977, be repealed, which would then allow the Sacramento City Council to require yard and garden refuse to be placed into containers for collection?

Full Text of Measure XXX

AN ORDINANCE ENACTED BY THE PEOPLE OF THE CITY OF SACRAMENTO REPEALING THE ORDINANCE ENACTED BY THE ADOPTION OF MEASURE A ON SEPTEMBER 27, 1977, RELATING TO THE DEPOSIT AND COLLECTION OF YARD AND GARDEN REFUSE IN THE CITY OF SACRAMENTO

BE IT ENACTED BY THE PEOPLE OF THE CITY OF SACRAMENTO:

SECTION 1. Repeal of Measure A.

The ordinance enacted by the adoption of Measure A at the City of Sacramento municipal election on September 27, 1977, relating to yard and garden refuse deposit and collection and prohibiting mandatory containerization of yard and garden refuse in the City of Sacramento, shall be and is hereby repealed.

SECTION 2. Purpose and Intent.

The purpose and intent of repealing the ordinance enacted by the adoption of Measure A at the City of Sacramento municipal election on September 27, 1977, is to allow the City of Sacramento to require yard and garden refuse to be placed into containers for collection if the City Council adopts an ordinance imposing this requirement.