

Environmental Services Department

Setting Prop 218 Hearing Date for new Solid Waste Management Fee

Authorization to set a public hearing date pursuant to Proposition 218 to consider adoption of a new solid waste management fee, adopt procedures for submitting and tabulating protests in connection with Proposition 218 hearing, and set hearing date to consider report of proposed fees to be collected on the tax roll for the forthcoming fiscal year, if solid waste management fee is adopted



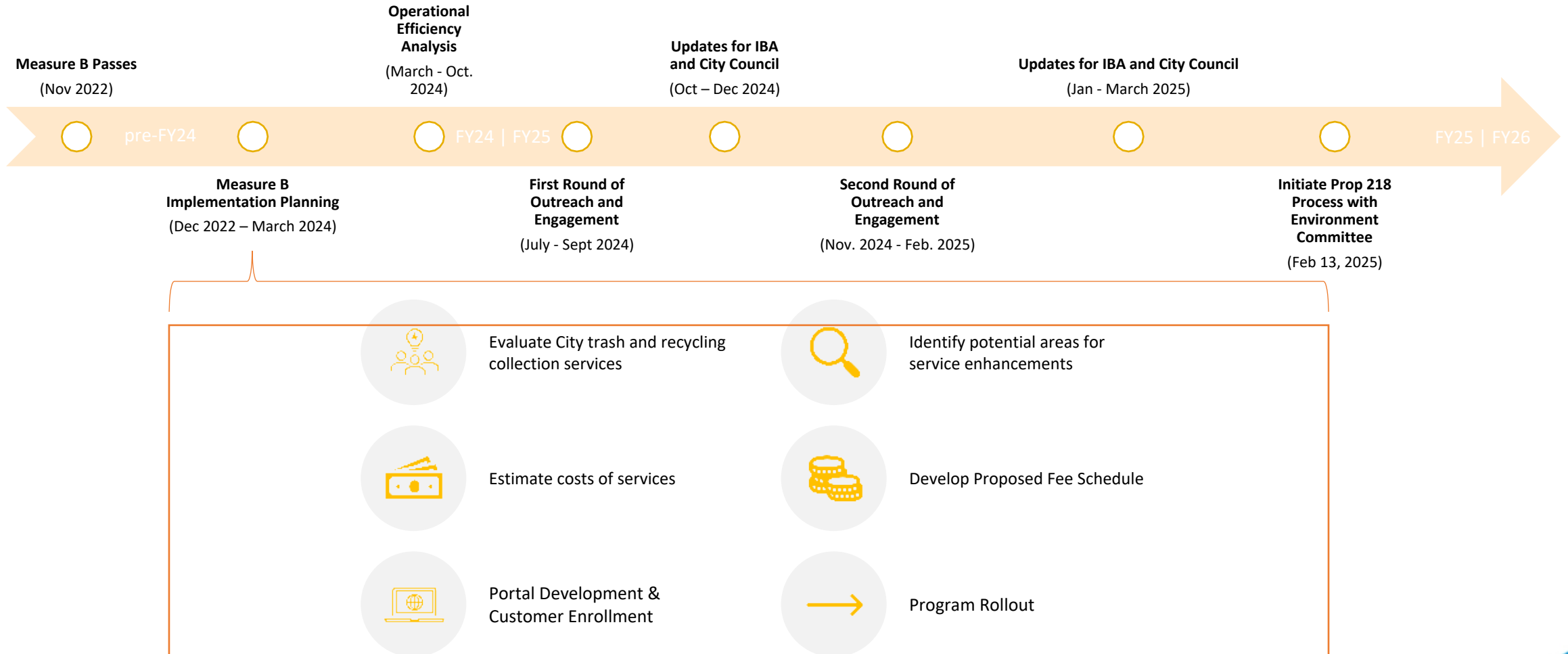
Discussion Topics

- ✧ Proposed Actions
- ✧ Background
 - Collection Services Overview
 - Outreach and Engagement
 - Operational Efficiency Analysis
- ✧ Proposed Collection Services
- ✧ General Fund Expenditure Reductions
- ✧ Proposed Fee Schedule
- ✧ Comparisons to other municipalities
- ✧ Financial Assistance Program
- ✧ New enterprise fund expenditure, revenue and balance forecast
- ✧ Next steps and timeline

Proposed Actions

- ✧ Authorization to **set a public hearing date** pursuant to Article XIID, Section 6, of the California Constitution (Proposition 218) to consider a proposed Solid Waste Management Fee, and all related actions.
- ✧ Adopt **procedures for submitting and tabulating protests** in connection with public hearing on the Solid Waste Management Fee conducted pursuant to Proposition 218.
- ✧ Authorization to **set a hearing date** to consider City report describing each parcel that will be receiving services, **and the amount that will be charged and collected on the County tax roll** for each parcel for the forthcoming fiscal year, if a Solid Waste Management Fee is adopted, and all related actions.
- ✧ **Repeal existing fees for automated collection containers** if a Solid Waste Management Fee is adopted.

Timeline: Measure B Passage Through Present Action



Collection Services Overview



- Providing service since early 1900s
- Weekly trash and organics collection and bi-weekly recycling collection for approximately 250,000 customers
- Over 200 Sanitation Drivers
- Fleet of nearly 175 CNG powered collection packers
- Approximately 35 million container lifts per year
- Almost 300,000 tons of trash collected annually
- Over 150,000 tons of recycling and organics diverted from the landfill annually
- Approximately 3,500 container transactions per month

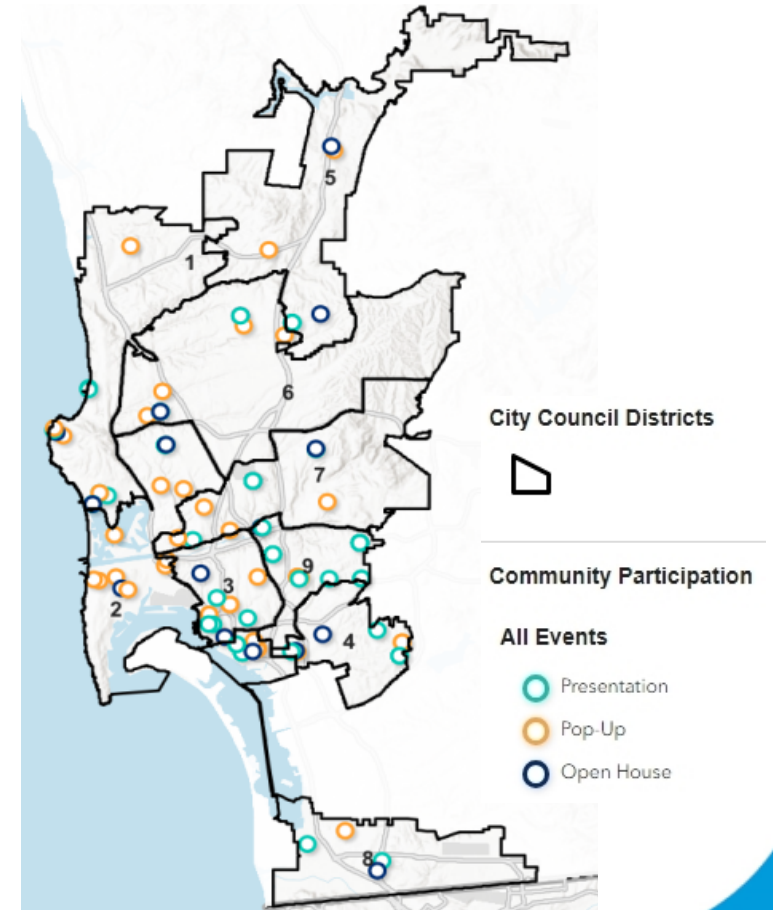
Outreach and Engagement

- **100** Community Events & Presentations
- **20** Open Houses
- **4,742** Surveys Completed
- **4,926** Residents Reached in Person
- **18,944** Flyers Distributed



- **17,873** Website Visits
- **4,088** Newsletter Distributions
- **15** Community Based Organizations, with **7** meetings, and informing over **1,600** residents

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Operational Efficiency Analysis



- ✧ **75 walks** at ESD's Miramar Place operations and vehicle repair facility
- ✧ **500 hours** on-site observations
- ✧ Interviews with **87 staff**
- ✧ **17 observations** of fleet technician activities

- ✧ Over **20 briefings** in mornings and afternoons with drivers
- ✧ **26 inspections** pre- and post-trip
- ✧ **3-day workshop** with ESD and General Services



Safe, Consistent and Reliable Service



- ✧ Increased service reliability for residents **beginning July 1, 2025**
 - ✧ Continuous improvement to meet and exceed expectations of customers paying for service for the first time
 - ✧ Reduce processing time of eligibility decisions
 - ✧ Reliable access to customer service representatives
-
- ✧ Concerns around service reliability and missed pickups among the top three issues raised during outreach and engagement
 - ✧ Supplemental collection crew and new replacement and spare trucks to eliminate or minimize service delays
 - ✧ Maintenance enhancements for quicker repairs
 - ✧ Renewed focus on safety and training

58 vehicles (31%)

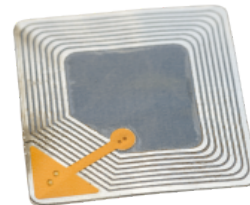
are operating past the City-defined planned retirement date



as determined by the Operational Efficiency Analysis. Older vehicles have higher repair costs compared to newer vehicles.

New Container Approach

- ✧ Customer chooses the size and quantity of trash container that works for their household
- ✧ Use mobile device or computer to select and manage
- ✧ Repairs and replacement of City-provided containers at no additional cost **starting July 1, 2025**
- ✧ New trash and recycling containers **rolling out January 2026**
- ✧ Facilitates collection and enhances service accountability



Containers
embedded with
RFIDs



- ✧ Operational Efficiency found average age of deployed containers to be 20 years, beyond warrantied age of 10
- ✧ Damaged containers top concern in outreach survey
- ✧ Majority conveyed important to replace trash bins at launch
- ✧ Significant interest (40%) to build container repair and replacement into fee
- ✧ RFID readers improve data quality and tracking

Community Waste Drop-off Events

- ✧ **Top ranked service enhancements** in Round 1 survey included community waste drop-off events for medical waste, household hazardous waste, and electronics waste
- ✧ Round 2 survey identified **community waste drop-off events** as top preference



- ✧ Up to 18 events across council districts, **starting FY26**
- ✧ Keeps batteries, lightbulbs, and electronics out of trucks and the landfill
- ✧ Popular with residents



Weekly Recycling Collection

- ✧ Weekly collection of recyclables **starting July 1, 2027**
- ✧ Improved recycling options among top 5 service enhancements in first round survey
- ✧ Around half of round 2 survey participants expressed interest in weekly recycling
- ✧ Customer chooses quantity of container



- ✧ Provide 95-gal service with option for smaller 65-gal and 35-gal container sizes
- ✧ Maintains volume recycled if customers opt for fewer containers
- ✧ Increases customer convenience
- ✧ Facilitates diversion of recyclables
- ✧ Extends life of Miramar Landfill

Curbside Bulky Item Pick-up

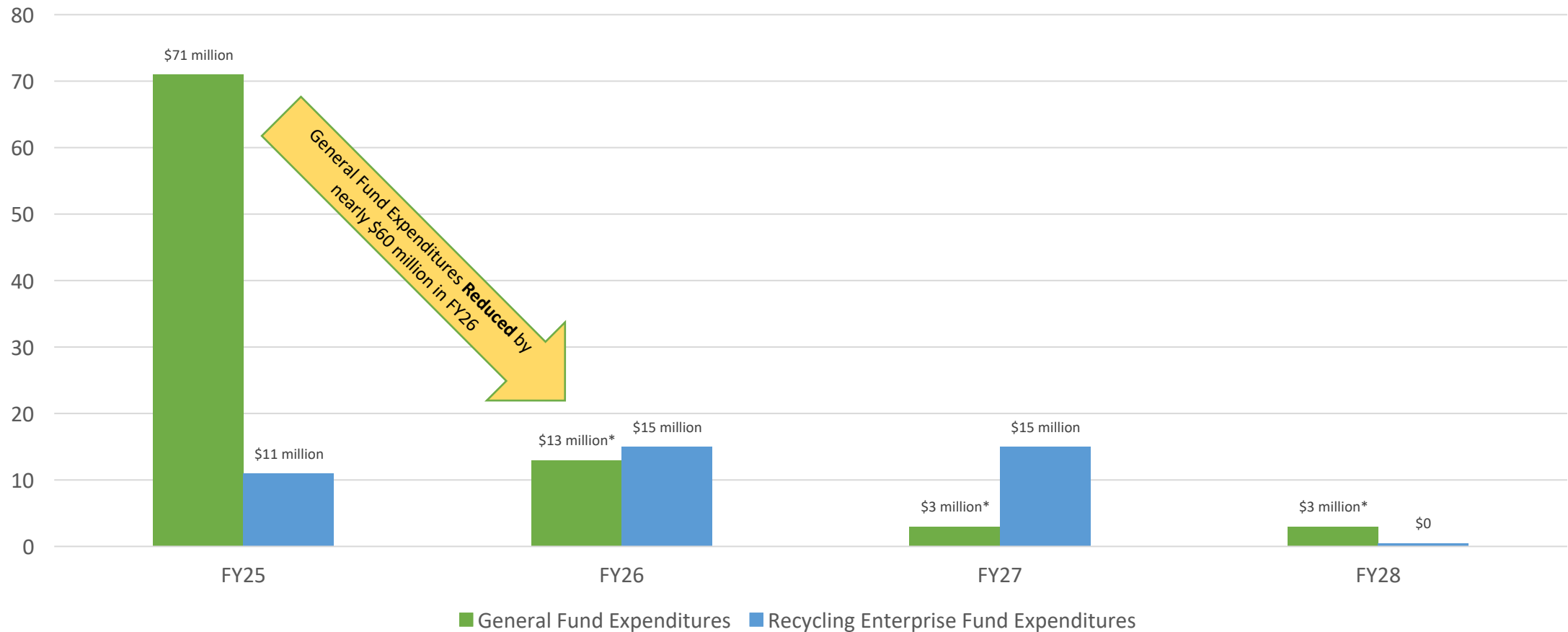
- ✧ Easy disposal of old sofas, dressers, area rugs or other bulky items at the curbside, **starting July 1, 2027**
- ✧ Nearly two-thirds expressed interest in round 1 survey
- ✧ Among the top three enhancements in round 2 survey



- ✧ Advances equity for those without access to vehicles or far from landfill
- ✧ Two vouchers/property/year
- ✧ Potential to reduce dumping to sidewalks, alleys and storm channels






Projected General Fund and Recycling Enterprise Fund Expenditures for Collections Operations



*Includes \$3 million to support a financial assistance program.

Proposed Fee Schedule - Anticipated fee range **per month**

| Anticipated Fee Range for 3-Container Bundle (cost per month) | | | | | |
|--|---------------------------|--------------|--------------|--------------|--------------|
| Bundles | Effective Date | | | | |
| | July 1, 2025 ² | July 1, 2026 | July 1, 2027 | July 1, 2028 | July 1, 2029 |
|  <p>Bundle Option 1:</p> <ul style="list-style-type: none"> 35-gal trash container 95-gal ¹ recycling container 95-gal ¹ organics container | \$42 ± \$3 | \$44 ± \$3 | \$52 ± \$3 | \$53 ± \$3 | \$53 ± \$3 |
|  <p>Bundle Option 2:</p> <ul style="list-style-type: none"> 65-gal trash container 95-gal ¹ recycling container 95-gal ¹ organics container | \$48 ± \$3 | \$51 ± \$3 | \$59 ± \$3 | \$60 ± \$3 | \$61 ± \$3 |
|  <p>Bundle Option 3:</p> <ul style="list-style-type: none"> 95-gal trash container 95-gal ¹ recycling container 95-gal ¹ organics container | \$53 ± \$3 | \$56 ± \$3 | \$65 ± \$3 | \$65 ± \$3 | \$66 ± \$3 |
| Anticipated Range for Additional Containers (cost per month per container) | | | | | |
| 35-gal trash container | \$7 ± \$3 | \$7 ± \$3 | \$8 ± \$3 | \$8 ± \$3 | \$8 ± \$3 |
| 65-gal trash container | \$13 ± \$3 | \$14 ± \$3 | \$15 ± \$3 | \$15 ± \$3 | \$15 ± \$3 |
| 95-gal trash container | \$18 ± \$3 | \$19 ± \$3 | \$20 ± \$3 | \$21 ± \$3 | \$21 ± \$3 |
| 95-gal ¹ recycling container | \$11 ± \$3 | \$12 ± \$3 | \$20 ± \$3 | \$20 ± \$3 | \$20 ± \$3 |
| 95-gal ¹ organics container | \$13 ± \$3 | \$13 ± \$3 | \$13 ± \$3 | \$13 ± \$3 | \$13 ± \$3 |

¹ The City proposes to provide recycling and organics collection at the service level of 95-gal containers only. Customers may request a 35-gal or 65-gal size recycling and/or organics container at the same rate if they prefer, for example, if they would like a smaller size due to space considerations, but all customers will be charged at the 95-gal container rate for recycling and organics collection services.

² The City proposes to provide trash collection at the service level of 95-gal containers during Fiscal Year 2025 until new containers are delivered. Customers with a 35-gal or 65-gal size trash container may request a 95-gal container or may request to receive a new 35-gal or 65-gal container.

Proposed Fee Schedule - Anticipated fee range per year

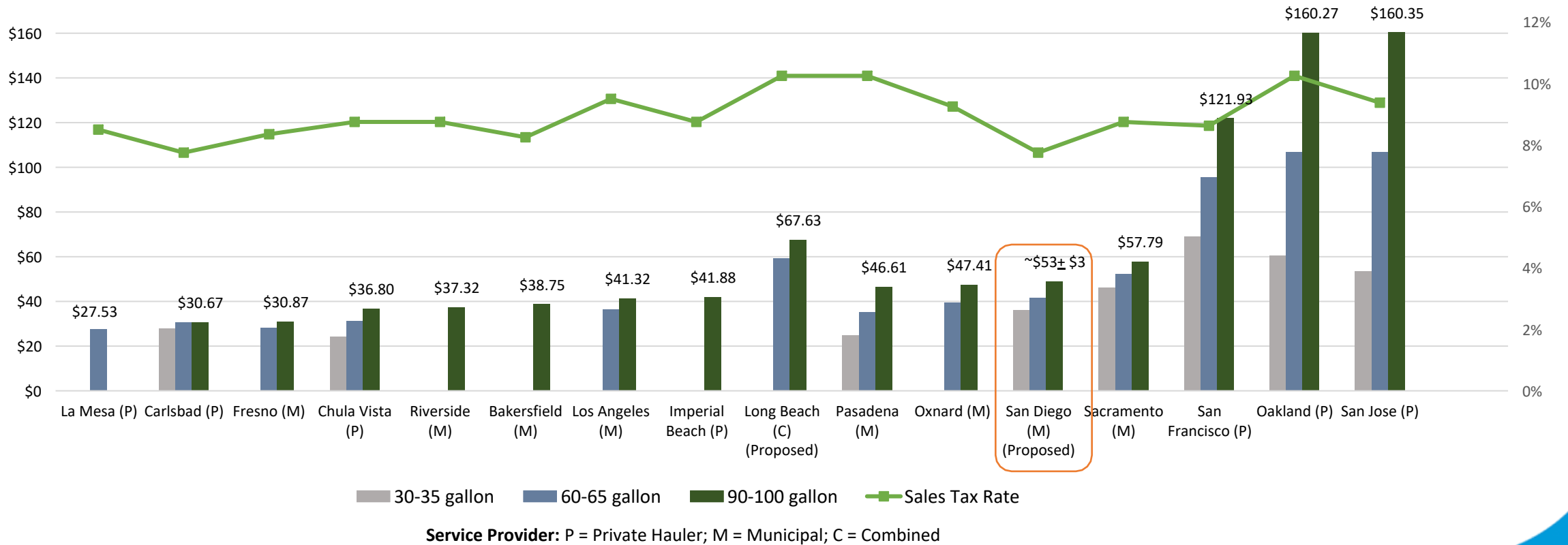
| Anticipated Fee Range for 3-Container Bundle (cost per year) | | | | | |
|---|---------------------------|--------------|--------------|--------------|--------------|
| Bundles | Effective Date | | | | |
| | July 1, 2025 ² | July 1, 2026 | July 1, 2027 | July 1, 2028 | July 1, 2029 |
| Bundle Option 1: <ul style="list-style-type: none"> 35-gal trash container 95-gal ¹ recycling container 95-gal ¹ organics container | \$504 ± \$36 | \$532 ± \$36 | \$627 ± \$36 | \$631 ± \$36 | \$639 ± \$36 |
| Bundle Option 2: <ul style="list-style-type: none"> 65-gal trash container 95-gal ¹ recycling container 95-gal ¹ organics container | \$578 ± \$36 | \$609 ± \$36 | \$711 ± \$36 | \$717 ± \$36 | \$727 ± \$36 |
| Bundle Option 3: <ul style="list-style-type: none"> 95-gal trash container 95-gal ¹ recycling container 95-gal ¹ organics container | \$634 ± \$36 | \$668 ± \$36 | \$775 ± \$36 | \$782 ± \$36 | \$793 ± \$36 |
| Anticipated Range for Additional Containers (cost per year per container) | | | | | |
| 35-gal trash container | \$83 ± \$36 | \$87 ± \$36 | \$95 ± \$36 | \$96 ± \$36 | \$98 ± \$36 |
| 65-gal trash container | \$157 ± \$36 | \$165 ± \$36 | \$180 ± \$36 | \$182 ± \$36 | \$186 ± \$36 |
| 95-gal trash container | \$214 ± \$36 | \$225 ± \$36 | \$245 ± \$36 | \$249 ± \$36 | \$253 ± \$36 |
| 95-gal ¹ recycling container | \$135 ± \$36 | \$146 ± \$36 | \$237 ± \$36 | \$238 ± \$36 | \$241 ± \$36 |
| 95-gal ¹ organics container | \$154 ± \$36 | \$160 ± \$36 | \$156 ± \$36 | \$156 ± \$36 | \$158 ± \$36 |

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Comparison to Other Municipalities in California



Financial Assistance Program

✧ Potential criteria

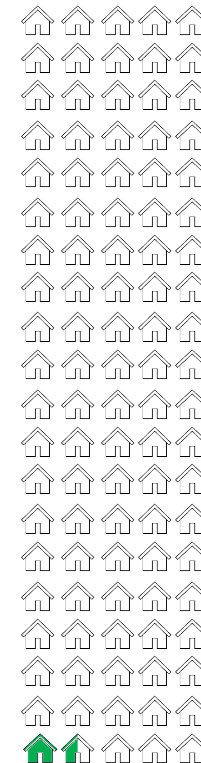
- Enrollment in an existing Federal or State assistance program, or
- At least two subsequent years of unpaid property taxes and household salary requirements (e.g., less than 80% of AMI)

✧ Potential funding sources *

- General Fund
- Voluntary contributions
- Other TBD

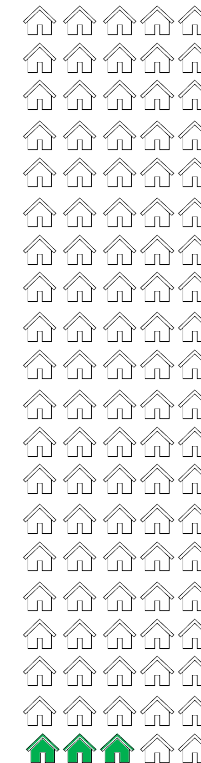
\$3,000,000 is estimated to be able to support:

General
Fund



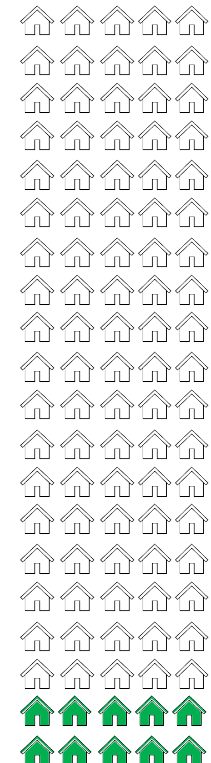
A 100% subsidy
for 1.5% (3,400)
of customers

or



A 50% subsidy
for 3% (6,800) of
customers

or



A 15% subsidy for
10% (23,000) of
customers

* Fee schedule cannot build in costs to fund a financial assistance program.

Estimated Solid Waste Management Fund Projected Revenue and Fund Balance

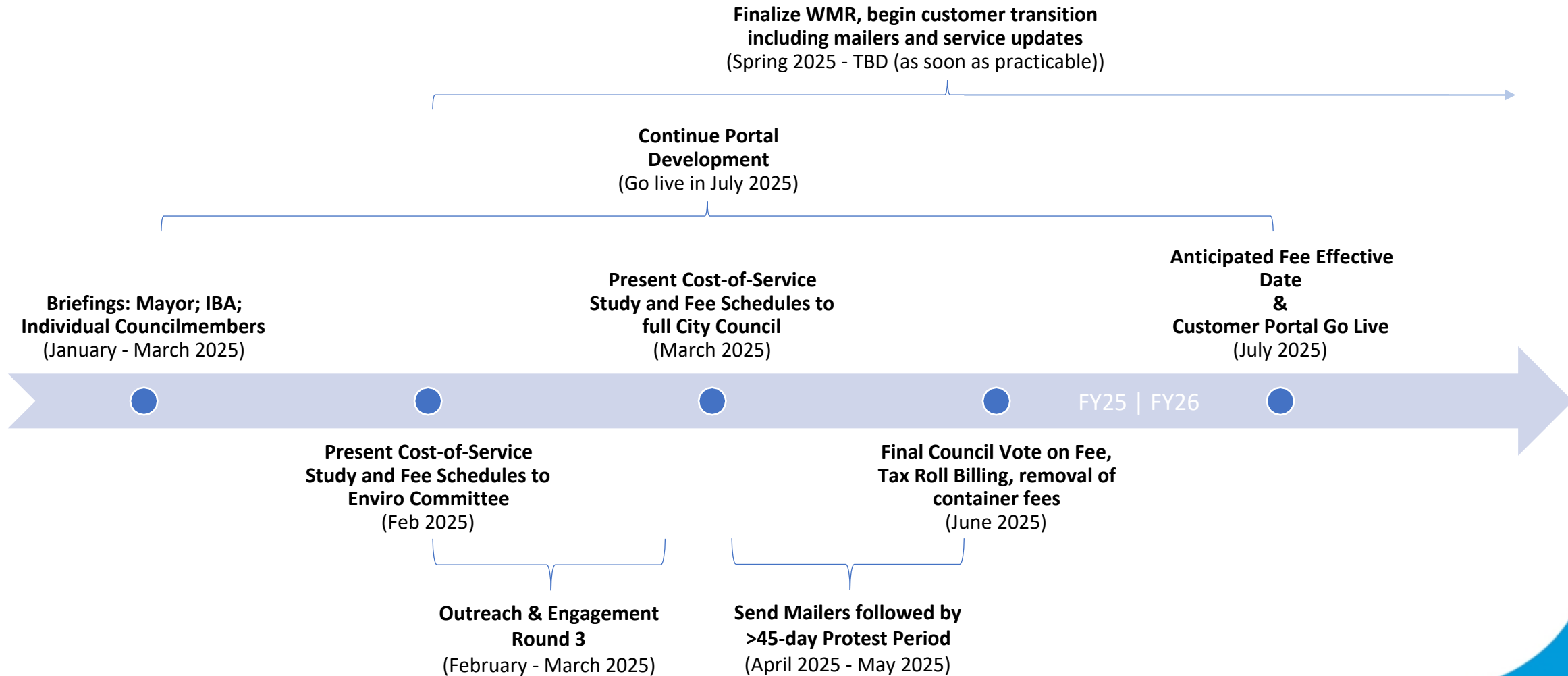
| | FY26 | FY27 | FY28 | FY29 | FY30 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Balance from Prior Year | (\$10,285,257) | (\$2,999,310) | \$667 | \$6,330,669 | \$12,660,671 |
| Cost Recovery from Fees | \$138,184,692 | \$154,246,780 | \$187,085,854 | \$188,631,898 | \$191,339,132 |
| Recycling Fund (AB-939) * | \$15,000,000 | \$15,000,000 | - | - | - |
| Automated Container Fund | \$2,000,000 | - | - | - | - |
| Total Revenue | \$155,184,692 | \$169,246,780 | \$187,085,854 | \$188,631,898 | \$191,339,132 |
| O&M Expense | (\$144,581,795) | (\$152,536,169) | (\$166,676,729) | (\$167,819,811) | (\$170,031,719) |
| CIP Expense | (\$13,316,950) | (\$13,710,634) | (\$14,079,123) | (\$14,482,085) | (\$14,977,411) |
| Start-up costs | (\$10,285,257) | - | - | - | - |
| Total Expense | (\$168,184,002) | (\$166,246,803) | (\$180,755,852) | (\$182,301,896) | (\$185,009,130) |
| General Fund ** | \$10,000,000 | | | | |
| To/(From) Reserves | (\$12,999,310) | \$2,999,976 | \$6,330,002 | \$6,330,002 | \$6,330,002 |
| Continuing Appropriations / Reserves | (\$2,999,310) | \$2,999,976 | \$6,330,002 | \$6,330,002 | \$6,330,002 |
| Balance (Net Position) | (\$2,999,310) | \$667 | \$6,330,669 | \$12,660,671 | \$18,990,673 |

* Continues to support waste diversion costs in FY26 and FY27. Support in FY25 was approximately \$11,000,000.

** Reduced from FY25 by nearly \$60,000,000. Excludes \$3,000,000 requested for FY26 to support financial assistance program.

PRELIMINARY DRAFT – SUBJECT TO CHANGE

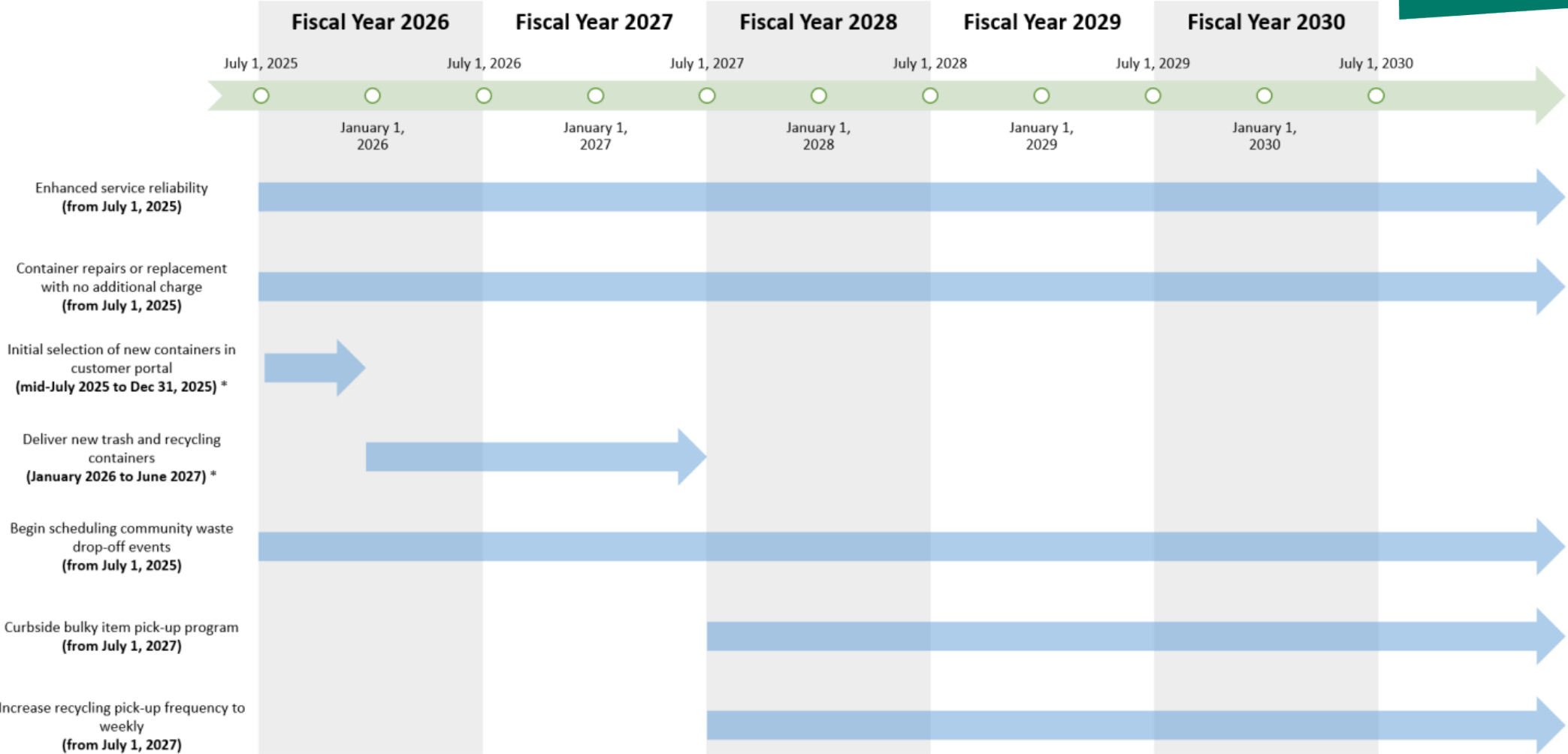
Timeline: Anticipated Next Steps





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Anticipated Roll Out of New Programs



* Dates subject to change pending confirmation of logistics. Container deliveries for repairs or replacements or for requests for larger containers may occur earlier.

New Services at a Glance



✧ Starting Year 1:

- ✧ Enhanced service reliability
- ✧ Container repairs and replacement with no additional fee
- ✧ New trash and recycling containers and customer portal
- ✧ Community waste drop off events across council districts for oils, bulbs, batteries, and electronics

✧ Starting Year 3:

- ✧ Weekly recycling
- ✧ Curbside bulky item pick-up program



Questions

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Jeremy Bauer, Assistant Director, ESD