



TO: Mayor and Councilmembers

FROM: Charles W. Ebeling, Public Works Director

CONTACT: Melissa Nelson, Environmental Services Coordinator
Kimberly Nilsson, Solid Waste Solutions, Inc.

SUBJECT: Proposition 218: Protest Hearing for Proposed Solid Waste Rate Increase

RECOMMENDATIONS:

- A. Conduct a public hearing to accept both written and verbal protests against the increased solid waste fees, track the number of protests and, if the number of written protests received is not sufficient to constitute a majority, make a finding that there is not a majority protest by property owners within the assessment area;
- B. Approve Resolution No. 21-___ "A Resolution of the City Council of the City of Goleta, California, Increasing Solid Waste Maximum Rates."; and
- C. Approve Amendment No. 3 for the Franchise Agreement for Solid Waste Handling Services with MarBorg Industries and authorizing the collection of the additional City of Goleta 4% environmental services program fee.

BACKGROUND:

On April 5, 2011, the City of Goleta (City) approved Franchise Agreement 2011-023 (Agreement) with MarBorg Industries (MarBorg) to provide city-wide residential and commercial solid waste collection services, effective from July 1, 2011 until June 30, 2019. On August 15, 2017, the City Council approved a two-year extension, until June 30, 2021, that was requested by MarBorg under an option to extend.

On September 5, 2017, the City Council approved Amendment No. 1 to the Franchise Agreement between the City and MarBorg Industries to reflect an adjustment to Fiscal Year (FY) 2017/18 Solid Waste Collection Rates. On July 17, 2018, the City Council approved Amendment No. 2 to, among other things, enhance collection services, reduce solid waste collection rates, and extend the franchise term by 10 years, through June 30, 2031. On May 19, 2020, after Proposition 218 noticing, the City Council approved a rate increase for MarBorg under the terms of the Franchise Agreement. The overall rate increase was for 4.25%. The increase became effective on July 1, 2020.

Another increase to the solid waste collection rates is necessary for the next fiscal year. The process for the Proposition 218 Hearing is summarized below:

1. Mail out a public notice to property owners (Attachment 1) 45 days in advance of the public hearing that includes:
 - a) A description of the reasons for the cost increase
 - b) The proposed rate increases
 - c) The Public Hearing date and time

The notice is to be mailed to all affected parties, i.e., property owners.

2. The Proposition 218 Hearing is held in accordance with the California Constitution Article XIID. City Council shall consider all written and oral comments received. Oral comments are not considered formal protest unless accompanied with a written protest. Only one objection is permitted per person billed. An objection must include: the property owner/customer information; the associated parcel; and the name and signature of the customer submitting a protest. Due to the COVID-19 issues, the City is accepting written protests via e-mail to cityclerkgroup@cityofgoleta.org.
3. If protests against the rate increase are not received from a majority of the property owners or customers on record, then the City Council is authorized to impose the rate changes as adopted by resolution.
4. Once the resolution is adopted, a notice will be mailed to all affected parties that the rate increase will be effective in 30 days.

The Franchise Agreement includes a provision for annual adjustments to the solid waste collection rates charged to residential and commercial subscribers by setting a not-to-exceed cap on the rates, called the "Maximum Rate." MarBorg may set annual collection rates at, or below, the Maximum Rate established in the Agreement. In accordance with Section 12.2, Adjustment of Rates, MarBorg must submit a formal request for rate increase and supporting documentation sixty (60) days prior to the adjustment of the Maximum Rates. Any approved rate increase is to be effective on July 1, 2021.

DISCUSSION:

FY 2021/22 Solid Waste Collection Rates

On March 12, 2021, Public Works staff received a request for a rate increase from MarBorg Industries (MarBorg) (Attachment 2). The rate increase is clarified below:

- 1) As defined by the Franchise Agreement, the rates are categorized into a service component and a disposal component. The service component is adjusted based on the change in the consumer price index (CPI) and the disposal component is adjusted based on actual tipping fee costs. In accordance with the franchise agreement, the service component equates to 59.6% of the rate and the disposal component equates to 40.4% of the rate.

- 2) Public Works staff has reviewed and verified that the CPI presented by MarBorg when calculated using a February 2020 – February 2021 change is 1.0%. That 1.0% is then multiplied by the service component percentage and the total acceptable CPI increase to the rate is 0.60% ($1.0\% \times 59.6\% = .060\%$).
- 3) Public Works staff reviewed the tipping fee increase request which includes the following:
 - Santa Barbara County Trash and Recycling fee increase from \$158.00/ton to \$164.00/ton
 - Santa Barbara County Green Waste fee increase from \$47.00/ton to \$49.00/ton

Note that both increases are associated with the Tajiguas ReSource Center that is currently in final construction. The new processing facility will recover recyclables from the trash waste streams to prevent them from being landfilled. Additionally, food waste will be recovered and sent to an anaerobic digester where it will be turned into usable compost. When completed, the facility will increase the area's recycling rates upwards of 85%, generate green energy, reduce greenhouse gas emissions, and allow the City to comply with regulatory requirements. The facility is scheduled to be fully operational by the end of 2021.

Public Works staff has reviewed and verified that the disposal component increase is 4.19%. That 4.19% is then multiplied by the disposal component percentage and the total acceptable increase to the disposal component rate is 1.69% ($4.19\% \times 40.4\% = 1.69\%$).

Public works under the Franchise agreement with MarBorg Industries has increased the environmental services program fee from 8% to 12%, or by 4% of the net revenue (gross revenue, minus fees). This translates to a rate payer increase of 3.62% (which is based on gross revenue). This is done in accordance with Public Resources Code 41901 and SB 1383 Organics. The environmental services program fee increase has been negotiated with MarBorg Industries, and if approved will be memorialized with an amendment to the franchise agreement (Attachment 5).

The environmental services program fee is commensurate with neighboring jurisdictions and will primarily be used to implement recent State mandates and programs, including: full trash capture programs to prevent trash from entering our storm drains, creeks, and ocean; composting and recycling programs; edible food recovery programs to reduce food waste and greenhouse gases, while feeding the food insecure; water quality protection programs; and creek and watershed management programs to restore natural creek conditions, habitats and further improve water quality. A portion of the fee increase may also be used for continued support of our ongoing programs such as street sweeping, storm drain maintenance, cleanup events, household hazardous waste collection, pollution prevention programs, public and school education programs, spill response, and construction site pollution prevention, among others. The following table summarizes area agency solid waste program fees.

	Goleta Current	Goleta Proposed	City of Santa Barbara (Estimate)	County Zone 1 – Carp., Montecito	County Zone 2-North of Hollister	County Zone 3- South of Hollister
Program Fee	8%	12%	10-15%	11%	11%	11%

The following table summarizes Goleta's existing and proposed rates and the current neighboring jurisdiction rates and represents only the base service levels for single family residential.

Agency	Existing Goleta Rates	Proposed Goleta Rates	City of Santa Barbara	Zone 1 Carpinteria, Montecito, Summerland	Zone 2 Goleta unincorporated north of Hollister Ave.	Zone 3 Goleta unincorporated south of Hollister Ave.
35 gallon	\$ 31.45	\$ 33.31	\$ 42.25	\$ 53.54	\$ 38.46	\$ 36.14
65 gallon	\$ 35.24	\$ 37.32	\$ 52.37	\$ 59.27	\$ 46.80	\$ 45.49
95 gallon	\$ 40.71	\$ 43.11	\$ 62.49	\$ 65.16	\$ 54.95	\$ 54.66

- 4) The overall rate increase is 5.91% (0.60% CPI + 1.69% tipping fee + 3.62% environmental program fee).

Following the process outlined above, the Department of Public Works mailed out a public notice to property owners (Attachment 1) on April 16, 2021 in advance of the public hearing discussed herein. The public hearing was also noticed in a local newspaper that was published on May 20, 2021. If the City Council approves the rate increase by Resolution (Attachment 3), a notice of announcing the increase will be sent on June 2, 2021. Subsequently, the approved rates will then be effective July 1, 2021. The impact to residential and commercial rate payers is shown in the following table of select residential and commercial rates. The full rate schedule is included in Attachment 4.

Service Level	Monthly Maximum Solid Waste Collection Rates		
	Current rates	Proposed Rate: 5.91% Increase	\$ Change
35-gallon Single Family Residential Cart Service ¹ Refuse/green waste 1x/week, recyclables every other week	\$31.45	\$33.31	\$1.86
65-gallon Single Family Residential Cart Service ¹ Refuse/green waste 1x/week, recyclables every other week	\$35.24	\$37.32	\$2.08
95-gallon Single Family Residential Cart Service ¹ Refuse/green waste 1x/week, recyclables every other week	\$40.71	\$43.11	\$2.40
35-gallon Multi Family Residential Cart Service ² Refuse 1x/week, recyclables every other week	\$26.70	\$28.27	\$1.57
65-gallon Multi Family Residential Cart Service ²	\$29.77	\$31.53	\$1.76

Refuse 1x/week, recyclables every other week			
95-gallon Multi Family Residential Cart Service ² Refuse 1x/week, recyclables every other week	\$34.55	\$36.59	\$2.04
35-gallon Commercial Cart Service ² Refuse 1x/week, recyclables every other week	\$38.22	\$40.48	\$2.26
65-gallon Commercial Cart Service ² Refuse 1x/week, recyclables every other week	\$44.36	\$46.98	\$2.62
95-gallon Commercial Cart Service ² Refuse 1x/week, recyclables every other week	\$51.99	\$55.07	\$3.08
Commercial Bin Service ³ 3-yd bin, collected 3x/wk.	\$769.09	\$814.53	\$45.44

Contract Compliance: As part of processing a rate increase request and in accordance with Section 4.5.1 Satisfactory Performance, Public Works staff has verified MarBorg's compliance with the conditions of the franchise agreement. Below is a summary of critical areas Public Works staff has reviewed.

- **Diversion compliance:** In accordance with the franchise agreement Amendment 2, MarBorg is required to maintain a minimum combined commercial and residential diversion of 41.5%. The diversion is indicated below, and MarBorg is in compliance with the agreement:

Sector	Disposal (Tons)	Recyclables & Green Waste (Tons)	Total Material Generated (Tons)	Diversion %
Residential	6,280.10	6,433.75	12,713.85	50.60%
Commercial	11,551.18	3,154.86	14,706.04	21.45%
Commercial Roll-off	5,877.21	11,248.06	17,125.27	65.68%
Total	23,708.49	20,836.67	44,545.16	46.78%

- **Customer Satisfaction:** On a monthly basis MarBorg provides the City with a list of complaints received and their resolution. Most complaints are relative to missed pick up, carts placed out late or extra material placed out for collection. There are no longstanding unresolved issues that need addressing.
- **Timely Payment of fees:** MarBorg pays all fees to the City on time and in accordance with the Franchise Agreement.
- **Competitive Rate Guarantee:** Public Works staff has reviewed the existing rates of the County of Santa Barbara and the proposed rates of the City of Santa Barbara. While the actual service level and days of service vary between agencies, the City of Goleta rates are equal to or lower than the surrounding area. This is in accordance with Section 12.3 of the Franchise Agreement, Competitive Rate Guarantee.
- **Special Collections:** MarBorg provides special collection services (Bulky Items, Batteries, E-Waste and White Goods) at no additional expense. Each residential

property is entitled to two (2) on-call services per fiscal year. These collections include bulky item collections. Bulky items include furniture, white goods, green waste, electronic-waste, fluorescent bulbs, household batteries and clothing. Note that electronic-waste and white goods are in an unlimited quantity.

- **Sharps and Goleta Buyback Center:** MarBorg continues to provide a mail back program for sharps and access, at no additional cost, to the Goleta Buyback Center. This center accepts antifreeze, batteries, oil, paint, fluorescent bulbs, compact disks, cell phone, computers, televisions, and other electronic waste.
- **Participation in local events and Community Clean ups:** Due to the Covid 19 pandemic, participation has been minimal, but MarBorg continues to proactively participate in local clean up events as requested by the City.

Through this contract review process, it is apparent that MarBorg's dedication to the City of Goleta has proven a good partnership with the City. It is the conclusion of the Public Works Department that the contractor, MarBorg Industries, is in compliance with the Franchise Agreement and has faithfully submitted the request for the rate increase. Therefore, Public Works staff through the writing of this report supports the findings to recommend the requested rate increase pending the receipt of any letters of concern from the public.

FISCAL IMPACTS:

The combined cost of the mailing for the public hearing notice and the 30-day notice prior to implementation is approximately \$7,800 and will be covered by available fund balance in the Solid Waste Fund, Fund 211 in current Fiscal Year 20/21. The overall increase to the MarBorg customers/rate payers will be 5.9%, with specific rates provided in Attachment 4.

Under the Franchise Agreement, the City receives from MarBorg a monthly 5% Franchise Fee, and a monthly 8% environmental services program fee, which will be increased to 12% if approved. These fees are calculated on the adjusted gross monthly revenue derived from franchise collection operations in the City and remitted to the City on a monthly basis. The additional revenue from the 4% increase is projected to be between \$300,000-\$400,000 annually, depending on annual revenues. There is no City revenue increase projected for the Franchise Fee of 5% for FY2021/2022. Under the Agreement's rate model, all residential and commercial rates are increased uniformly. The Two-Year Budget Plan for FY 2021/22 currently reflects status quo amounts with minor increases to reflect changes to service levels. Public Works staff will continue to monitor activity levels and rate impacts and may recommend a mid-year adjustment if necessary.

ALTERNATIVES:

Council may elect to not approve the rate increase at this time. In doing so, the existing rates will remain in place. At that time MarBorg may, in accordance with Section 19.1.3 Notice of Appeal, file a notice of appeal citing its factual contentions and provide all

associated back-up documentation. Within 30 days of receipt of the appeal the City Manager shall decide on the matter, per agreement.


Reviewed By:

Legal Review By:

Approved By:


Kristine Schmidt
Assistant City Manager


Michael Jenkins
City Attorney


Michelle Greene
City Manager

ATTACHMENTS:

1. Notice of Public Hearing to Consider a Proposed Increase in Rates for Solid Waste Collection
2. MarBorg Rate Increase Package
3. Resolution No. 21-___" A Resolution of the City Council of the City of Goleta, California, Increasing the Solid Waste Maximum Rates
4. City of Goleta residential and commercial solid waste collection rates for FY 21/22
5. Amendment No. 3 Franchise Agreement for Solid Waste Handling Services Between the City of Goleta and MarBorg Industries.

ATTACHMENT 1

Notice of Public Hearing to Consider a Proposed
Increase in Rates for Solid Waste Collection



**NOTICE OF PUBLIC HEARING
PROPOSED CHANGES IN CITY OF GOLETA TRASH AND RECYCLING
RATES FOR FISCAL YEAR 2022**

Date: June 1, 2021, 5:30 p.m.

Place: City of Goleta Council Chambers, City Hall (Electronically and Telephonically) 130 Cremona Drive, Goleta

ATTENTION: Pursuant to of the Governor's Executive Order N-29-20 dated March 17, 2020 authorizing local jurisdictions subject to the Brown Act to hold public meetings telephonically and electronically in order to respond to the COVID-19 pandemic, the regular meeting of the City Council for June 1, 2021 will be conducted telephonically and electronically. It will be broadcast live on the City's website and on Cable Goleta Channel 19. The Council Chambers will not be open to the public during the meeting. Councilmembers will be participating telephonically and will not be physically present in the Council Chambers.

PROPOSED RATE CHANGES

You are receiving this Notice because our records indicate that you are a City of Goleta property owner. The Notice describes the proposed trash and recycling rate changes in services you receive from Marborg Industries and explains how you can file a protest to this increase and participate in the Proposition 218 process.

All current solid waste collection rates include a service component, disposal component, city franchise fee and solid waste and environmental services program fee. The City's Franchise Agreement with Marborg allows the rates for solid waste collection services to be adjusted on an annual basis to reflect changes in the Consumer Price Index ("CPI") or inflation and changes in disposal costs ("tipping fees"). The proposed rate schedule includes a total increase for all sectors by 5.91% due to inflation, increased trash disposal fees and increased solid waste and environmental services program fees.

Service Component Cost Increase:

The annual adjustment for inflation or CPI is authorized pursuant to Government Code Section 53756 and is applied to MarBorg's service- related costs only. Service costs include but are not limited to salaries, purchase and maintenance all equipment, fuel, insurance, administrative and overhead costs. The CPI adjustment is based on the February to February changes in the Consumer Price Index, as prepared and published by the U.S. Bureau of Labor Statistics. When calculated in accordance with the Franchise Agreement, the CPI increase is 0.6%.

Disposal Component Cost Increase:

The County of Santa Barbara's construction of the ReSource Center at the Tajiguas Landfill is almost complete. The ReSource Center is a new facility that will benefit our community by increasing our recycling rate to above 85%, generating resources such as green energy and compost, and dramatically lower greenhouse gas emissions. In order to fund part of the construction of the ReSource Center, the County's fee for trash and recycling is increasing from \$158 per ton to \$164 per ton on July 1, 2021 and the fee for green waste is increasing from \$47 per ton to \$49 per ton. These cost increases account for 1.69% increase in the disposal component.

City Solid Waste and Environmental Services Program Fee Cost Increase:

Due to new and unfunded solid waste regulatory mandates the City has increased the solid waste and environmental services program fee on the collection of solid waste from 8% to 12%, for a total increase of 4%. This is done in accordance with Public Resources Code 41901 and SB 1383 Organics. The environmental services program fee increase has been negotiated with MarBorg Industries, and if approved will be memorialized with an amendment to the franchise agreement. The environmental services program fee is commensurate with neighboring jurisdictions and is used for the implementation of services such as: composting programs, recycling programs, edible food recovery programs, street sweeping, storm drain maintenance, cleanup events, household hazardous waste collection, pollution prevention programs, public and school education programs, spill response, and construction site pollution prevention, among others.

Proposed Rate Structure

The above increases are shown in further detail in the following table and are representative of residential and commercial collection rates. If approved, these increased rates will be effective on July 1, 2021.

Service Level	Monthly Maximum Solid Waste Collection Rates		
	Current rates	Proposed Rate: 5.91% Increase	\$ Change
35-gallon Single Family Residential Cart Service ^{1*}	\$31.45	\$33.31	\$1.86
65-gallon Single Family Residential Cart Service ^{1*}	\$35.24	\$37.32	\$2.08
95-gallon Single Family Residential Cart Service ^{1*}	\$40.71	\$43.11	\$2.40
35-gallon Multi Family Residential Cart Service ^{2*}	\$26.70	\$28.27	\$1.57
65-gallon Multi Family Residential Cart Service ^{2*}	\$29.77	\$31.53	\$1.76
95-gallon Multi Family Residential Cart Service ^{2*}	\$34.55	\$36.59	\$2.04
35-gallon Commercial Cart Service ^{2*}	\$38.22	\$40.48	\$2.26
65-gallon Commercial Cart Service ^{2*}	\$44.36	\$46.98	\$2.62
95-gallon Commercial Cart Service ^{2*}	\$51.99	\$55.07	\$3.08
Commercial Bin Service ³ 3-yd bin, collected 3x/wk	\$769.09	\$814.53	\$45.44

Notes for table:

¹ Service includes unlimited recyclables and greenwaste capacity

² Service includes unlimited recyclables capacity, does not include greenwaste collection

³ Representational service level. Commercial Bin service offers 1.5, 2, 3 & 4 cubic yard bins sizes, and 1-6 collections/wk

* For all cart service refuse/greenwaste 1time/week, recyclables every other week

HOW DO I PROTEST

If you wish to protest any of the above increases, you must mail or deliver your protest **signed and in writing**, including your name and service address or assessor parcel number to the **City Clerk of the City of Goleta at 130 Cremona Drive, Goleta, CA 93117**. On the envelope please note: **Attn: Public Hearing of Solid Waste Rate Changes**. A protest letter can be done by any property owner or tenant (i.e. a customer of record) directly responsible for the payment of solid waste collection fees. Only one protest will be counted per identified address/parcel.

IN LIGHT OF THE CITY'S NEED TO HOLD PUBLIC MEETINGS ELECTRONICALLY AND TELEPHONICALLY DURING THE COVID-19 PANDEMIC, written protests may also be submitted as instructed above via email to cityclerkgroup@cityofgoleta.org or by other electronic means during the Public Hearing (date and time noted above), provided they are received prior to the conclusion of the public comment portion of the Public Hearing. Instructions on how to submit a written protest or comment during the hearing will be available on the City's website: <https://www.cityofgoleta.org/i-want-to/news-and-updates/government-meeting-agendas-and-videos>

IF YOU DO NOT OBJECT TO THE ADJUSTMENTS, NO ACTION IS REQUIRED

The City Council will hear and consider all protests to the proposed rate changes at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written and signed protest. At the conclusion of the Public Hearing, the City Council will consider adoption of a resolution authorizing an amendment to the franchise agreement that would allow for the rate changes and CPI increase to the solid waste service rates as described herein. If written protests against the proposed rate changes are not received by a majority of property owners or customers of record in the city limits then the City Council will be authorized to impose the rate changes. If approved, the proposed rate changes will be in effect on July 1, 2021. A separate notice reflecting the approved rate increases will be sent to all customers.

This protest hearing is being conducted in accordance with Article XIID of the California Constitution and Proposition 218. Please note that a rate protest proceeding is not an election. To ensure transparency and accountability in the rate protest tabulation, protests shall constitute a disclosable public record from and after the time they are received.

For further details regarding the basis and reasons for the proposed rate changes to the City's solid waste collect rates or any questions you may have regarding the proposed fees to be imposed on your parcel, please contact the Public Works Department at (805) 961-7575.



**AVISO DE AUDIENCIA PÚBLICA
CAMBIOS PROPUESTOS EN LAS TASAS DE BASURA Y RECICLAJE DE LA
CIUDAD DE GOLETA PARA EL AÑO FISCAL 2022**

Fecha: 1 de junio de 2021, 5:30 p.m.

**Lugar: Ayuntamiento de Goleta, Ayuntamiento (electrónica y telefónica)
130 Cremona Drive, Goleta**

ATENCIÓN:

De conformidad con la Orden Ejecutiva del Gobernador N-29-20 con fecha del 17 de marzo de 2020 que autoriza a las jurisdicciones locales sujetas a la Ley Brown a realizar reuniones públicas de forma telefónica y electrónica para responder a la pandemia de COVID-19, la reunión ordinaria del Concejo Municipal para el 1 de junio de 2021 se realizará de forma telefónica y electrónica. Se transmitirá en vivo en el sitio web de la Ciudad y en el Canal 19 de Cable Goleta. Las Cámaras del Consejo no estarán abiertas al público durante la reunión. Los concejales participarán telefónicamente y no estarán presentes físicamente en las Cámaras del Concejo.

CAMBIOS DE TARIFA PROPUESTOS

Está recibiendo este Aviso porque nuestros registros indican que es propietario de una propiedad de la Ciudad de Goleta. El Aviso describe los cambios propuestos en la tasa de basura y reciclaje en los servicios que recibe de Marborg Industries y explica cómo puede presentar una protesta a este aumento y participar en el proceso de la Proposición 218.

Todas las tarifas actuales de recolección de desechos sólidos incluyen un componente de servicio, un componente de eliminación, una tarifa de franquicia de la ciudad y una tarifa del programa de desechos sólidos y servicios ambientales. El Acuerdo de Franquicia de la Ciudad con Marborg permite que las tarifas de los servicios de recolección de desechos sólidos se ajusten anualmente para reflejar los cambios en el Índice de Precios al Consumidor ("CPI") o la inflación y los cambios en los costos de eliminación ("tarifas de vuelco"). El programa de tarifas propuesto incluye un aumento total para todos los sectores en un 5.91% debido a la inflación, el aumento de las tarifas de eliminación de basura y el aumento de las tarifas del programa de residuos sólidos y servicios ambientales.

Aumento del costo de los componentes del servicio:

El ajuste anual por inflación o IPC está autorizado de conformidad con la Sección 53756 del Código de Gobierno y se aplica únicamente a los costos relacionados con el servicio de MarBorg. Los costos del servicio incluyen, entre otros, los salarios, la compra y el mantenimiento de todo el equipo, el combustible, el seguro, los costos administrativos y generales. El ajuste del IPC se basa en los cambios de febrero a febrero en el Índice de Precios al Consumidor, preparado y publicado por la Oficina de Estadísticas Laborales de EE. UU. Cuando se calcula de acuerdo con el Acuerdo de Franquicia, el aumento del IPC es del 0.6%.

Aumento del costo del componente de eliminación:

La construcción por parte del Condado de Santa Bárbara del Centro de Recursos en el Relleno Sanitario de Tajiguas está casi terminada. El ReSource Center es una nueva instalación que beneficiará a nuestra comunidad al aumentar nuestra tasa de reciclaje por encima del 85%, generar recursos como energía verde y abono, y reducir drásticamente las emisiones de gases de efecto invernadero. Con el fin de financiar parte de la construcción del ReSource Center, la tarifa del condado por la basura y el reciclaje aumentará de \$ 158 por tonelada a \$ 164 por tonelada el 1 de julio de 2021 y la tarifa por los desechos verdes aumentará de \$ 47 por tonelada a \$ 49 por tonelada. Estos aumentos de costos representan un aumento del 1.69% en el componente de disposición.

Aumento del costo de la tarifa del programa de servicios ambientales y residuos sólidos de la ciudad:

Debido a los mandatos regulatorios nuevos y no financiados sobre desechos sólidos, la Ciudad ha aumentado la tarifa del programa de desechos sólidos y servicios ambientales en la recolección de desechos sólidos del 8% al 12%, para un aumento total del 4%. Esto se hace de acuerdo con el Código de Recursos Públicos 41901 y SB 1383 Orgánicos. El aumento de la tarifa del programa de servicios ambientales se ha negociado con MarBorg Industries y, si se aprueba, se recordará con una enmienda al contrato de franquicia. La tarifa del programa de servicios ambientales es proporcional a las jurisdicciones vecinas y se utiliza para la implementación de servicios tales como: programas de compostaje, programas de reciclaje, programas de recuperación de alimentos comestibles, barrido de calles, mantenimiento de desagües pluviales, eventos de limpieza, recolección de desechos domésticos peligrosos, programas de prevención de la contaminación, programas de educación pública y escolar, respuesta a derrames y prevención de la contaminación en sitios de construcción, entre otros.

Estructura de tarifas propuesta

Los aumentos anteriores se muestran con más detalle en la siguiente tabla y son representativos de las tasas de recolección residencial y comercial. Si se aprueba, estas tarifas aumentadas entrarán en vigor el 1 de julio de 2021.

Nivel de servicio	Residuos sólidos máximos mensuales Tarifas de recogida		
	Las tasas actuales	Tasa propuesta: Aumento del 5.91%	\$ Cambio
Servicio de carro residencial unifamiliar de 35 galones ^{1*}	\$31.45	\$33.31	\$1.86
Servicio de carrito residencial unifamiliar de 65 galones ^{1*}	\$35.24	\$37.32	\$2.08
Servicio de carro residencial unifamiliar de 95 galones ^{1*}	\$40.71	\$43.11	\$2.40
Servicio de carro residencial multifamiliar de 35 galones ^{2*}	\$26.70	\$28.27	\$1.57
Servicio de carrito residencial multifamiliar de 65 galones ^{2*}	\$29.77	\$31.53	\$1.76
Servicio de carrito residencial multifamiliar de 95 galones ^{2*}	\$34.55	\$36.59	\$2.04
Servicio de carro comercial de 35 galones ^{2*}	\$38.22	\$40.48	\$2.26
Servicio de carro comercial de 65 galones ^{2*}	\$44.36	\$46.98	\$2.62
Servicio de carro comercial de 95 galones ^{2*}	\$51.99	\$55.07	\$3.08
Servicio de contenedor comercial ³ Contenedor de 3 yardas, recolectado 3 veces por semana	\$769.09	\$814.53	\$45.44

Notas para la tabla:

¹ el servicio incluye reciclables ilimitados y capacidad de residuos verdes.

² el servicio incluye capacidad ilimitada de reciclables, no incluye recolección de residuos verdes

³ nivel de servicio representativo. El servicio de contenedores comerciales ofrece tamaños de contenedores de 1, 5, 2, 3 y 4 yardas cúbicas, y colecciones de 1 a 6 por semana

* Para todos los residuos de servicio de carro / desechos verdes 1 vez / semana, reciclables cada dos semanas

¿CÓMO PROTESTO?

Si desea protestar por cualquiera de los aumentos anteriores, debe enviar por correo o entregar su protesta firmada y por escrito, incluyendo su nombre y dirección de servicio o número de parcela del tasador al Secretario Municipal de la Ciudad de Goleta en 130 Cremona Drive, Goleta, CA 93117. En el sobre, tenga en cuenta: A la atención de: Audiencia pública de cambios en la tasa de desechos sólidos. Cualquier propietario o inquilino (es decir, un cliente registrado) puede enviar una carta de protesta directamente responsable del pago de las tarifas de recolección de residuos sólidos. Solo se contará una protesta por dirección / parcela identificada.

DEBIDO A LA NECESIDAD DE LA CIUDAD DE REALIZAR REUNIONES PÚBLICAS POR TELÉFONO Y ELECTRÓNICO DURANTE LA PANDEMIA DEL COVID-19, las protestas por escrito también se pueden enviar como se indica arriba por correo electrónico a cityclerkgroup@cityofgoleta.org o por otros medios electrónicos durante la Audiencia Pública (fecha y hora indicadas anteriormente), siempre que se reciban antes de la conclusión de la porción de comentarios públicos de la audiencia pública. Las instrucciones sobre cómo presentar una protesta o comentario por escrito durante la audiencia estarán disponibles en el sitio web de la Ciudad: <https://www.cityofgoleta.org/i-want-to/news-and-updates/government-meeting-agendas-and-videos>

SI NO SE OBJETA A LOS AJUSTES, NO SE REQUIERE NINGUNA ACCIÓN

El Concejo Municipal escuchará y considerará todas las protestas a los cambios de tarifas propuestos en la Audiencia Pública. Los comentarios orales en la audiencia pública no calificarán como protestas formales a menos que estén acompañados de una protesta escrita y firmada. Al concluir la Audiencia Pública, el Concejo Municipal considerará la adopción de una resolución que autorice una enmienda al contrato de franquicia que permitiría los cambios de tarifas y el aumento del CPI a las tarifas del servicio de residuos sólidos como se describe en este documento. Si la mayoría de los propietarios o clientes registrados en los límites de la ciudad no reciben protestas por escrito contra los cambios de tarifas propuestos, entonces el Concejo Municipal estará autorizado a imponer los cambios de tarifas. Si se aprueban, los cambios de tarifas propuestos entrarán en vigor el 1 de julio de 2021. Se enviará a todos los clientes un aviso por separado que refleje los aumentos de tarifas aprobados.

Esta audiencia de protesta se lleva a cabo de acuerdo con el Artículo XIIID de la Constitución de California y la Proposición 218. Tenga en cuenta que un procedimiento de protesta de tarifas no es una elección. Para garantizar la transparencia y la responsabilidad en la tabulación de las protestas de tarifas, las protestas deben constituir un registro público divulgable desde y después del momento en que se reciben.

Para obtener más detalles sobre la base y las razones de los cambios de tarifas propuestos para las tarifas de recolección de desechos sólidos de la Ciudad o cualquier pregunta que pueda tener con respecto a las tarifas propuestas que se impondrán a su parcela, comuníquese con el Departamento de Obras Públicas al (805) 961-7575.

ATTACHMENT 2

Marborg Rate Increase Package



March 12, 2021

Kimberly Nilsson
City of Goleta
130 Cremona Dr, Suite B
Goleta, CA 93117

Ms. Nilsson,

As outlined in MarBorg's contract with the City of Goleta, Article 12, Section 12.2, rates shall be adjusted each July 1. The method of determining this rate adjustment is defined by Amendment 1, approved September 5, 2017. Section 12.2.1 of this amendment states that the Contractor's Recurring Rate Revenue shall be organized into a Service Component and Material Tipping Fee Component. The Service Component shall be adjusted based on the change in the Consumer Price Index (CPI). The Material Tipping Fee Component shall be adjusted to reimburse the Contract for its actual Material Tipping Fee Cost.

Based on the monthly billing from July 2020 through February 2021, and the actual material tipping fees, the weighting of the above components is as follows:

Component	Weight	Current Rate Revenue
Service	59.6%	\$5,614,695
Disposal	40.4%	\$3,808,889
Total	100%	\$9,423,584

The change in CPI from February 2020 to February 2021 is 1.0%, as determined by the U.S. Department of Labor, Bureau of Labor Statistics.¹ This value was determined for the Los Angeles - Long Beach - Anaheim, CA local area. The relevant page from the BLS report is attached. An increase of 1.0% of the Service Component results in an additional \$56,147 in annual revenue.

On July 1st, 2021, we also expect the County of Santa Barbara to raise the tipping fee for both trash and recycling from \$158 to \$164/ton, and the greenwaste tipping fee from \$47 to \$49/ton. Additionally, foodwaste generated in the City of Goleta is now part of the waste agreement between Goleta and the County, and that material will be processed at the MarBorg Recovery Facility at a charge of \$164/ton. Therefore, foodwaste must now be considered separately from other organics. Calculations showing the differentiation between foodwaste and other organics over the last year are attached.

¹ <https://www.bls.gov/news.release/pdf/cpi.pdf>

During the twelve months from March 2020 to February 2021, MarBorg collected 27,091 tons of trash, recycling, foodwaste, and organics from Goleta. We have estimated that the same volume and type of material will be collected in the 2021/2022 year. This will amount to \$159,466 in increased tipping fees over the course of the year, a 4.19% increase over the current tip fees.

The overall effect on the rates is as follows:

Component	Revenue Adjustment	Percent of Revenue	Percent Increase	Resulting Increase
Service	\$ 56,147	59.6%	1.00%	0.60%
Disposal	\$ 159,466	40.4%	4.19%	1.69%
Total	\$ 215,613	100%		2.29%

An increase of 1.00% on 59.6% of the revenue is 0.60% (.010 x .596 = .0060).

An increase of 4.19% on 40.4% of the revenue is 1.69% (.0419x .404 = .0169).

Additionally, the City of Goleta has requested an increase in Solid Waste Program Fees from 8% to 12%, an increase of 4%. This brings the overall City Fees from the current 13% to 17%. The effect of this fee increase on the rates is as follows:

Component	Current Rate Revenue	Projected Rate Revenue	Amount of Adjustment	Adjustment Percent
City Fees	13%	17%	4%	
Net Billing (excluding fees)	\$9,423,584	\$9,639,197	\$215,613	2.29%
Gross Billing (including fees)	\$10,648,650	\$11,277,860	\$629,210	5.91%

The total increase in revenue needed from the current fiscal year to the next fiscal year is \$629,210, which includes the increases in projected material tip fees, the CPI increase applied to the service component of the rates, and an increase in fees paid to the City of Goleta.

Based on these calculations, we propose the attached rates for the 2021/2022 year. All rates have been increased by 5.91% over the current rates.

Sincerely,



Derek Carlson
Business Manager
MarBorg Industries

Exhibit 1 - Calculation of Rate Adjustment Percent Effective July 1, 2021**Table 1 - Current Actual Material Tipping Fee Cost**

Description	Residential			Commercial and Multi-Unit				Total
	Refuse	Recyclables	Organics	Refuse	Recyclables	Foodwaste	Organics	
Tons	6,349.22	2,424.46	3,958.64	11,285.47	2,784.07	120.96	168.49	27,091.31
Tip Fee	\$158.00	\$158.00	\$47.00	\$158.00	\$158.00	\$47.00	\$47.00	
Total Cost	\$1,003,176.76	\$383,064.68	\$186,056.08	\$1,783,104.26	\$439,883.06	\$5,685.12	\$7,919.03	\$3,808,888.99

Table 2 - Projected Material Tipping Fee Cost

Description	Residential			Commercial and Multi-Unit				Total
	Refuse	Recyclables	Organics	Refuse	Recyclables	Foodwaste	Organics	
Tons	6,349.22	2,424.46	3,958.64	11,285.47	2,784.07	120.96	168.49	27,091.31
Tip Fee	\$164.00	\$164.00	\$49.00	\$164.00	\$164.00	\$164.00	\$49.00	
Total Cost	\$1,041,272.08	\$397,611.44	\$193,973.36	\$1,850,817.08	\$456,587.48	\$19,837.44	\$8,256.01	\$3,968,354.89

Table 3 - Breakdown of Rate Base and Rate Adjustment Percent

Description	Current Rate Revenue	Projected Rate Revenue	Amount of Adjustment	Adjustment Percent		
Net Billing (Excluding City Fees)					Percent of Revenue	Increase
Service Cost Component	\$5,614,694.72	\$5,670,841.67	\$56,146.95	1.00%	59.6%	0.60%
Material Tip Fee Cost Component	\$3,808,888.99	\$3,968,354.89	\$159,465.90	4.19%	40.4%	1.69%
Subtotal Net of City Fees	\$9,423,583.71	\$9,639,196.56	\$215,612.85	2.29%		2.29%
Gross Billing (Including City Fees)						
City Fees	13%	17%	4%			
Service Cost Component	\$6,344,605.03	\$6,634,884.75	\$290,279.72	1.00%		
Material Tip Fee Cost Component	\$4,304,044.56	\$4,642,975.22	\$338,930.66	7.87%		
Subtotal Including of City Fees	\$10,648,649.59	\$11,277,859.97	\$629,210.38	5.91%		

2020 billing

Month	Billing	excluding customer-billed dump fees (chg codes of DF, FX, TJ, TS)
July	\$ 599,351.88	
August	\$ 952,967.09	
September	\$ 599,449.80	
October	\$ 962,864.16	
November	\$ 602,626.56	
December	\$ 991,280.33	
January	\$ 584,175.40	
February	\$ 989,673.92	

8 month total \$ 6,282,389.14 ✓
 12 month total \$ 9,423,583.71 ✓

Tip fees \$3,808,889 40.4%
 Service costs \$5,614,695 59.6%
 \$9,423,584

Calendar Year 2020	March	April	May	June	July	August	September	October	November	December	January	February	TOTAL
RESIDENTIAL													
Refuse	452.41	548.86	554.32	501.71	625.59	508.30	531.07	543.86	495.24	567.54	542.73	477.58	6349.22
Recyclables	175.59	211.44	201.01	184.83	231.59	199.55	207.45	208.63	178.83	234.72	217.40	173.44	2424.46
Organics	300.25	486.51	433.82	352.87	390.88	286.18	326.88	315.05	276.91	276.28	263.45	249.56	3958.64
BUSINESS & MULTI-UNIT BINS & CARTS													
Refuse	1016.03	835.66	889.37	1004.79	959.21	992.84	942.09	989.78	925.59	918.21	928.16	883.75	11285.47
Recyclables	246.93	198.22	209.59	229.78	249.79	247.77	243.09	243.22	226.28	230.40	236.16	222.84	2784.07
Organics	26.59	23.19	26.71	25.14	24.96	22.59	25.46	26.74	24.78	20.53	20.93		
Organics split to green and food													
Foodwaste	12.46	7.41	9.07	9.45	9.68	9.51	12.41	12.50	10.62	9.08	8.60	10.19	120.96
Greenwaste	14.14	15.79	17.64	15.69	15.28	13.08	13.05	14.24	14.17	11.45	12.33	11.63	168.49

Material	March	April	May	June	July	August	September	October	November	December	January
Foodwaste	12.46	7.41	9.07	9.45	9.68	9.51	12.41	12.50	10.62	9.08	8.60
Greenwaste	14.14	15.79	17.64	15.69	15.28	13.08	13.05	14.24	14.17	11.45	12.33
Total Organics	26.59	23.19	26.71	25.14	24.96	22.59	25.46	26.74	24.78	20.53	20.93

Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, February 2021

[1982-84=100, unless otherwise noted]

Area	Pricing Schedule ¹	Percent change to Feb. 2021 from:			Percent change to Jan. 2021 from:		
		Feb. 2020	Dec. 2020	Jan. 2021	Jan. 2020	Nov. 2020	Dec. 2020
U.S. city average.....	M	1.7	1.0	0.5	1.4	0.5	0.4
Region and area size²							
Northeast.....	M	1.2	0.8	0.4	1.1	0.7	0.4
Northeast - Size Class A.....	M	1.1	0.7	0.3	1.1	0.7	0.4
Northeast - Size Class B/C ³	M	1.4	0.9	0.4	1.3	0.7	0.5
New England ⁴	M	0.7	0.8	0.3	0.6	0.8	0.5
Middle Atlantic ⁴	M	1.4	0.8	0.4	1.3	0.6	0.4
Midwest.....	M	1.7	1.3	0.8	1.2	0.5	0.5
Midwest - Size Class A.....	M	1.3	1.0	0.8	0.7	0.2	0.1
Midwest - Size Class B/C ³	M	1.9	1.4	0.8	1.5	0.7	0.6
East North Central ⁴	M	1.6	1.4	0.9	0.9	0.5	0.5
West North Central ⁴	M	1.9	1.0	0.6	2.0	0.4	0.3
South.....	M	2.0	1.1	0.5	1.6	0.7	0.5
South - Size Class A.....	M	1.8	1.1	0.6	1.5	0.6	0.5
South - Size Class B/C ³	M	2.1	1.1	0.5	1.7	0.8	0.6
South Atlantic ⁴	M	2.1	1.0	0.5	1.8	0.6	0.5
East South Central ⁴	M	2.9	1.5	0.6	2.2	1.3	0.9
West South Central ⁴	M	1.5	1.0	0.6	1.0	0.7	0.4
West.....	M	1.6	0.8	0.5	1.4	0.1	0.2
West - Size Class A.....	M	1.4	0.8	0.5	1.2	0.2	0.2
West - Size Class B/C ³	M	1.8	0.7	0.5	1.6	0.1	0.2
Mountain ⁴	M	1.5	0.8	0.5	1.2	0.1	0.3
Pacific ⁴	M	1.6	0.7	0.5	1.5	0.1	0.2
Size classes							
Size Class A ⁵	M	1.4	0.9	0.5	1.2	0.4	0.3
Size Class B/C ³	M	1.9	1.0	0.6	1.6	0.6	0.5
Selected local areas							
✓ Chicago-Naperville-Elgin, IL-IN-WI.....	M	1.2	1.3	0.6	0.7	0.6	0.7
Los Angeles-Long Beach-Anaheim, CA.....	M	1.0	0.6	0.4	0.9	0.0	0.2
New York-Newark-Jersey City, NY-NJ-PA.....	M	1.4	0.7	0.3	1.2	0.8	0.4
Atlanta-Sandy Springs-Roswell, GA.....	2	2.4	1.6				
Baltimore-Columbia-Towson, MD ⁶	2	1.1	0.1				
Detroit-Warren-Dearborn, MI.....	2	0.8	0.6				
Houston-The Woodlands-Sugar Land, TX.....	2	1.0	0.9				
Miami-Fort Lauderdale-West Palm Beach, FL.....	2	1.4	0.8				
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD.....	2	1.0	0.8				
Phoenix-Mesa-Scottsdale, AZ ⁷	2	1.0	1.0				
San Francisco-Oakland-Hayward, CA.....	2	1.6	0.5				
Seattle-Tacoma-Bellevue, WA.....	2	1.7	1.2				
St. Louis, MO-IL.....	2	1.6	1.2				
Urban Alaska.....	2	1.3	1.0				
Boston-Cambridge-Newton, MA-NH.....	1				0.5	0.7	
Dallas-Fort Worth-Arlington, TX.....	1				1.5	1.2	
Denver-Aurora-Lakewood, CO.....	1				0.4	0.1	
Minneapolis-St. Paul-Bloomington, MN-WI.....	1				1.6	0.4	
Riverside-San Bernardino-Ontario, CA ⁴	1				2.2	0.9	
San Diego-Carlsbad, CA.....	1				1.7	0.4	
Tampa-St. Petersburg-Clearwater, FL ⁸	1				3.4	0.9	
Urban Hawaii.....	1				1.4	0.3	
Washington-Arlington-Alexandria, DC-VA-MD-WV ⁶	1				1.5	0.7	

¹ Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month.

CPI for All Urban Consumers (CPI-U) Original Data Value

Series Id: CUURS49ASAO
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA,
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121	279.899	280.116	279.366	279.947	280.102	279.560	278.567	277.303	279.832
2021	280.178	281.347													

SWS: CPI Calculation Verification:

CPI 2021	281.347
CPI 2020	278.657
Difference	2.69
% Difference	0.00965
CPI	1%

PROPOSED

**City of Goleta Solid Waste Collection Rates, 2021-22
Residential Services
Single Family Dwellings**

Cart Services						
Service Description						Monthly Rate
35 gallon solid waste cart (weekly collection)						\$33.31
65 gallon solid waste cart (weekly collection)						\$37.32
95 gallon solid waste cart (weekly collection)						\$43.11
95 gallon recyclable cart (bi-weekly collection)						No Charge
95 gallon green waste cart (weekly collection)						No Charge
Each additional 35, 65 or 95 gallon solid waste cart						\$8.69
Each additional 95 gallon recyclable cart (35 or 65 gallon upon request)						No Charge
Each additional 95 gallon green waste cart (35 or 65 gallon upon request)						No Charge
Recycling only, any size (biweekly collection)						\$9.79
35 gallon green waste cart (weekly collection, no trash service)						\$18.12
65 gallon green waste cart (weekly collection, no trash service)						\$19.48
95 gallon green waste cart (weekly collection, no trash service)						\$20.86
Extra Bag Charge (each)						\$3.46
Additional Cart Services						
Service Description						Rate
Backyard cart service for eligible customers						No Charge
Backyard cart service for ineligible customers (each cart)						\$8.69
Go-back service (each occurrence)						\$14.49
Bin Services						
	Monthly Rate					
	Number Of Collections Per Week					
Service Description	1	2	3	4	5	6
1.5 cubic yard solid waste bin*	\$164.44	\$292.15	\$419.90	\$547.60	\$675.32	\$803.04
2 cubic yard solid waste bin*	\$213.92	\$384.21	\$554.46	\$724.83	\$895.11	\$1,065.36
3 cubic yard solid waste bin*	\$303.64	\$559.10	\$814.53	\$1,070.00	\$1,325.42	\$1,580.86
4 cubic yard solid waste bin*	\$395.67	\$736.26	\$1,076.87	\$1,417.44	\$1,758.03	\$2,098.63
* Any SFD solid waste bin service includes recyclables and green waste cart services above.						
Service Description						Rate
Additional bin collection:						(per collection)
1.5 cubic yard solid waste bin						\$54.81
2 cubic yard solid waste bin						\$71.31
3 cubic yard solid waste bin						\$101.23
4 cubic yard solid waste bin						\$131.90

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PROPOSED

Additional Bin Services	
Service Description	Rate
Padlock rental (per month)	\$22.16
Padlock installation (each bin)	\$59.66
Bar lock installation (each bin)	\$136.40
Overloaded bin collection (each bin)	\$25.57
Steam clean bin:	
1x per fiscal year (each bin)	No Charge
2x or more per fiscal year (each bin)	\$71.60
Additional SFD Collection Services	
Service Description	Rate
Bulky item collection (2x /fiscal year)	No Charge
E-Waste and white goods collection	No Charge
Holiday (Christmas) tree collection	No Charge
Household battery collection	No Charge
Sharps waste collection	No Charge
Access to MarBorg Goleta Buy Back Center	No Charge

PROPOSED

**City of Goleta Solid Waste Collection Rates, 2021-22
Residential Services
Multi-Family Dwellings**

Cart Services						
Service Description						Monthly Rate
35 gallon solid waste cart (weekly collection)						\$28.27
65 gallon solid waste cart (weekly collection)						\$31.53
95 gallon solid waste cart (weekly collection)						\$36.59
95 gallon recyclable cart (bi-weekly collection)						No Charge
Each additional 35, 65 or 95 gallon solid waste cart						\$8.69
Each additional 95 gallon recyclable cart (35 or 65 gallon upon request)						No Charge
35 gallon green waste cart (weekly collection)						\$18.12
65 gallon green waste cart (weekly collection)						\$19.48
95 gallon green waste cart (weekly collection)						\$20.86
Additional Cart Services						
Service Description						Rate
Go-back service (each occurrence)						\$14.50
Bin Services						
Service Description	Monthly Rate					
	Number Of Collections Per Week					
	1	2	3	4	5	6
1.5 cubic yard solid waste bin*	\$164.44	\$292.15	\$419.90	\$547.60	\$675.32	\$803.04
2 cubic yard solid waste bin*	\$213.92	\$384.21	\$554.46	\$724.83	\$895.11	\$1,065.36
3 cubic yard solid waste bin*	\$303.64	\$559.10	\$814.53	\$1,070.00	\$1,325.42	\$1,580.86
4 cubic yard solid waste bin*	\$395.67	\$736.26	\$1,076.87	\$1,417.44	\$1,758.03	\$2,098.63
1.5 cubic yard recyclables bin	\$110.69	\$186.27	\$261.88	\$337.45	\$413.06	\$488.64
2 cubic yard recyclables bin	\$142.47	\$243.27	\$344.06	\$444.85	\$545.66	\$646.42
3 cubic yard recyclables bin	\$197.26	\$348.44	\$499.62	\$650.81	\$802.00	\$953.19
4 cubic yard recyclables bin	\$254.23	\$455.81	\$657.43	\$858.98	\$1,060.55	\$1,262.13
* Any solid waste bin service includes 30% of the solid waste bin capacity for recyclables at no additional charge. Contractor to determine capacity of recyclables container to be provided.						
Service Description						Rate
Additional bin collection:						
1.5 cubic yard solid waste or recyclables bin						\$54.81
2 cubic yard solid waste or recyclables bin						\$71.31
3 cubic yard solid waste or recyclables bin						\$101.23
4 cubic yard solid waste or recyclables bin						\$131.90

- continued on following page -

PROPOSED

Additional Bin Services	
Service Description	Rate
Padlock rental (per month)	\$22.09
Padlock installation (each bin)	\$59.66
Bar lock installation (each bin)	\$136.40
Overloaded bin collection (each bin)	\$25.57
Steam clean bin:	
1x per fiscal year (each bin)	No Charge
2x or more per fiscal year (each bin)	\$71.60
Additional MFD Collection Services	
Service Description	Rate
Bulky item collection (2x /fiscal year)	No Charge
E-Waste and white goods collection	No Charge
Holiday (Christmas) tree collection	No Charge
Household battery collection	No Charge
Sharps waste collection	No Charge
Access to MarBorg Goleta Buy Back Center	No Charge

PROPOSED

**City of Goleta Solid Waste Collection Rates, 2021-22
Commercial Services**

Cart Services						
Service Description	Monthly Rate					
35 gallon solid waste cart (weekly collection)	\$40.48					
65 gallon solid waste cart (weekly collection)	\$46.98					
95 gallon solid waste cart (weekly collection)	\$55.07					
35 gallon green waste cart (weekly collection)	\$30.37					
65 gallon green waste cart (weekly collection)	\$35.25					
95 gallon green waste cart (weekly collection)	\$41.31					
35 gallon food waste cart (weekly collection)	\$40.48					
65 gallon food waste cart (weekly collection)	\$46.98					
95 gallon recyclable cart (weekly collection)	\$21.86					
Each additional 35, 65 or 95 gallon solid waste or food waste cart	\$11.33					
Each additional 95 gallon recyclable cart (35 or 65 gallon upon request)	No Charge					
Additional Cart Services						
Service Description	Rate					
Padlock Rental (per month)	\$22.16					
Padlock installation (each cart)	\$46.02					
Go-back service (each occurrence)	\$16.20					
Bin Services						
	Monthly Rate					
	Number Of Collections Per Week					
Service Description	1	2	3	4	5	6
1.5 cubic yard solid waste bin	\$164.44	\$292.15	\$419.90	\$547.60	\$675.32	\$803.04
2 cubic yard solid waste bin	\$213.92	\$384.21	\$554.46	\$724.83	\$895.11	\$1,065.36
3 cubic yard solid waste bin	\$303.64	\$559.10	\$814.53	\$1,070.00	\$1,325.42	\$1,580.86
4 cubic yard solid waste bin	\$395.67	\$736.26	\$1,076.87	\$1,417.44	\$1,758.03	\$2,098.63
1.5 cubic yard recyclables bin	\$110.69	\$186.27	\$261.88	\$337.45	\$413.06	\$488.64
2 cubic yard recyclables bin	\$142.47	\$243.27	\$344.06	\$444.85	\$545.66	\$646.42
3 cubic yard recyclables bin	\$197.26	\$348.44	\$499.62	\$650.81	\$802.00	\$953.19
4 cubic yard recyclables bin	\$254.23	\$455.81	\$657.43	\$858.98	\$1,060.55	\$1,262.13
Service Description	Rate					
Additional bin collection:						
1.5 cubic yard solid waste or recyclables bin	\$54.81					
2 cubic yard solid waste or recyclables bin	\$71.31					
3 cubic yard solid waste or recyclables bin	\$101.23					
4 cubic yard solid waste or recyclables bin	\$131.90					

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PROPOSED

Additional Bin Services	
Service Description	Rate
Padlock rental (per month)	\$22.09
Padlock installation (each bin)	\$59.66
Bar lock installation (each bin)	\$136.40
Overloaded bin collection (each bin)	\$25.57
On-call bin collection:	
1.5 cubic yard recyclables bin	\$82.23
2 cubic yard recyclables bin	\$106.97
3 cubic yard recyclables bin	\$151.84
4 cubic yard recyclables bin	\$197.85
Steam clean bin:	
1x per fiscal year (each bin)	No Charge
2x or more per fiscal year (each bin)	\$71.60
Roll-Off Services	
Service Description	Rate
Roll-off box rental (11, 18, 25 or 40 cubic yard)	\$6.06
Disposal (compacted and non-compacted)	actual cost per ton plus City fees
Non-compacted collection to designated transfer and processing facility or Contractor's facilities (all roll-off boxes)	\$230.16
Non-compacted collection to designated disposal site (all roll-off boxes)	\$304.53
Compacted collection	\$350.66
Additional Roll-Off Services	
Service Description	Rate
Steam clean compactor:	
1x per year (each compactor)	No Charge
2x or more per year (each compactor)	\$151.77
Administrative Charges	
Description	Amount
Restart Service Charge	\$34.09
Delinquency Charge	\$8.52
Return Check Charge	\$25.42

From: [Robinson, Leslie](#)
To: [Derek Carlson](#)
Subject: RE: 2021-2022 Tipping Fees
Date: Monday, March 15, 2021 1:31:47 PM

Hi there, Derek.

The tipping fees listed below are indeed correct. It may be helpful to explain that it was the City of Santa Barbara that preferred that the rates for all material types be the same, hence the \$164/ton fee for MSW, recyclables, and food waste. The total costs are spread over the total tons.

Please let me know if you need any additional information.

Thanks,

Leslie

From: Derek Carlson <DCarlson@marborg.com>
Sent: Monday, March 15, 2021 11:30 AM
To: Robinson, Leslie <LRobins@cosbpw.net>
Subject: 2021-2022 Tipping Fees

Hi Leslie,

The City of Goleta would like confirmation of the County's tipping fees for the new fiscal year. Will you please confirm for me that these are the new tipping fees for franchise waste:

Solid Waste	\$164 per ton
Recyclables	\$164 per ton
Food Waste	\$164 per ton
Green Waste	\$49 per ton

Thank you,

Derek Carlson
Business Manager
MarBorg Industries
728 E. Yanonali Street
Santa Barbara, CA 93103
805-963-1852

MarBorg Comparison of Area Rates

2020/2021 Rates			
	City of Goleta	County Zone 2	City of Santa Barbara
Residential - 35 Gallons Trash Service	\$ 31.45	\$ 38.46	\$ 42.25
Residential - 95 Gallons Trash Service	\$ 40.71	\$ 54.95	\$ 62.49
Commercial - 2 Yard Bin 1x/Week	\$ 201.99	\$ 224.54	\$ 232.42
Commercial - 4 Yard Bin 4x/Week	\$ 1,338.35	\$ 1,522.69	\$ 1,998.81

2021/2022 Rates			
	City of Goleta	County Zone 2*	City of Santa Barbara**
Residential - 35 Gallons Trash Service	\$ 33.31	\$ 39.61	\$ 45.30
Residential - 95 Gallons Trash Service	\$ 43.11	\$ 56.60	\$ 67.00
Commercial - 2 Yard Bin 1x/Week	\$ 213.92	\$ 231.28	\$ 248.79
Commercial - 4 Yard Bin 4x/Week	\$ 1,417.44	\$ 1,568.37	\$ 2,139.59

*20/21 Rates w/
projected
increase

*unofficial

ATTACHMENT 3

Resolution No. 20-____ “A Resolution of the City Council of
the City of Goleta, California Increasing the Solid Waste
Maximum Rates

RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, INCREASING SOLID WASTE MAXIMUM RATES

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF GOLETA, AS FOLLOWS:**

SECTION 1.

On Tuesday, June 1, 2021, the City Council held a duly noticed protest hearing with respect to the solid waste maximum rates. All affected property owners were given notice of the hearing on April 17, 2021 and given an opportunity to protest. The City received written protests for [REDACTED] properties prior to the protest hearing and an additional [REDACTED] written protests were received at the public hearing. A total of [REDACTED] written protests were received before the close of the hearing.

For purposes of determining whether a majority protest exists for each type of parcel, the protests were also tabulated for commercial, condominium, multi-family residential and single-family residential. The number of written protests received was not sufficient to constitute a majority protest. The City Clerk has certified the tabulation of written protests.

SECTION 2.

Section 53756 of the California Government Code authorizes the City to adopt a schedule of fees or charges authorizing automatic adjustments for inflation provided that the City Council adopts such schedule of fees or charges for a period not to exceed five years. The City Council hereby accepts the City Clerk's certification of the results of the protest hearing and adopts the increase in solid waste collection fees for CPI, tipping fee, and environmental services program fee increases totaling 5.9% as follows:

- a) Beginning July 1, 2021 and through June 30, 2022, the Service Component of the Maximum Rates shall be increased 0.60% percent, which reflects the change in the Los Angeles-Riverside-Orange County Consumer Price Index (CPI), from February 2020 to February 2021, as published by the U.S. Department of Labor's Bureau of Labor Statistics.
- b) Beginning July 1, 2021 and through June 30, 2022, the Material Tipping Fee Cost component of the Maximum Rates will be increased

by 1.69% percent to reflect the increase to the refuse, recycling and green waste tipping fees as established by Santa Barbara County.

- c) Beginning July 1, 2021 and through June 30, 2022, the Solid Waste and Environmental Services Program Fee Cost component of the Maximum Rates will be increased by 3.62% to fund new environmental mandates and programs (based on a 4% Program Fee increase on future net revenues).

SECTION 3.

The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this ___ day of _____ 2021.

PAULA PEROTTE, MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MICHAEL JENKINS
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO
HEREBY CERTIFY that the foregoing Resolution No. 21-__ was duly adopted
by the City Council of the City of Goleta at a regular meeting held on the __ day
of _____, 2021 by the following vote of the Council:

AYES:

NOES:

ABSENT:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

ATTACHMENT 4

City of Goleta Residential and Commercial Solid Waste Collection Rates for FY 21/22

City of Goleta Solid Waste Collection Rates, 2021-22
Residential Services
Single Family Dwellings

Cart Services						
Service Description						Monthly Rate
35 gallon solid waste cart (weekly collection)						\$33.31
65 gallon solid waste cart (weekly collection)						\$37.32
95 gallon solid waste cart (weekly collection)						\$43.11
95 gallon recyclable cart (bi-weekly collection)						No Charge
95 gallon green waste cart (weekly collection)						No Charge
Each additional 35, 65 or 95 gallon solid waste cart						\$8.69
Each additional 95 gallon recyclable cart (35 or 65 gallon upon request)						No Charge
Each additional 95 gallon green waste cart (35 or 65 gallon upon request)						No Charge
Recycling only, any size (biweekly collection)						\$9.79
35 gallon green waste cart (weekly collection, no trash service)						\$18.12
65 gallon green waste cart (weekly collection, no trash service)						\$19.48
95 gallon green waste cart (weekly collection, no trash service)						\$20.86
Extra Bag Charge (each)						\$3.46
Additional Cart Services						
Service Description						Rate
Backyard cart service for eligible customers						No Charge
Backyard cart service for ineligible customers (each cart)						\$8.69
Go-back service (each occurrence)						\$14.49
Bin Services						
		Monthly Rate				
		Number Of Collections Per Week				
Service Description	1	2	3	4	5	6
1.5 cubic yard solid waste bin*	\$164.44	\$292.15	\$419.90	\$547.60	\$675.32	\$803.04
2 cubic yard solid waste bin*	\$213.92	\$384.21	\$554.46	\$724.83	\$895.11	\$1,065.36
3 cubic yard solid waste bin*	\$303.64	\$559.10	\$814.53	\$1,070.00	\$1,325.42	\$1,580.86
4 cubic yard solid waste bin*	\$395.67	\$736.26	\$1,076.87	\$1,417.44	\$1,758.03	\$2,098.63
* Any SFD solid waste bin service includes recyclables and green waste cart services above.						
Service Description						Rate
Additional bin collection:						(per collection)
1.5 cubic yard solid waste bin						\$54.81
2 cubic yard solid waste bin						\$71.31
3 cubic yard solid waste bin						\$101.23
4 cubic yard solid waste bin						\$131.90

- continued on following page -

City of Goleta Solid Waste Collection Rates, 2021-22
Residential Services
Single Family Dwellings

Additional Bin Services	
Service Description	Rate
Padlock rental (per month)	\$22.16
Padlock installation (each bin)	\$59.66
Bar lock installation (each bin)	\$136.40
Overloaded bin collection (each bin)	\$25.57
Steam clean bin:	
1x per fiscal year (each bin)	No Charge
2x or more per fiscal year (each bin)	\$71.60
Additional SFD Collection Services	
Service Description	Rate
Bulky item collection (2x /fiscal year)	No Charge
E-Waste and white goods collection	No Charge
Holiday (Christmas) tree collection	No Charge
Household battery collection	No Charge
Sharps waste collection	No Charge
Access to MarBorg Goleta Buy Back Center	No Charge

City of Goleta Solid Waste Collection Rates, 2021-22
Residential Services
Multi-Family Dwellings

Cart Services						
Service Description						Monthly Rate
35 gallon solid waste cart (weekly collection)						\$28.27
65 gallon solid waste cart (weekly collection)						\$31.53
95 gallon solid waste cart (weekly collection)						\$36.59
95 gallon recyclable cart (bi-weekly collection)						No Charge
Each additional 35, 65 or 95 gallon solid waste cart						\$8.69
Each additional 95 gallon recyclable cart (35 or 65 gallon upon request)						No Charge
35 gallon green waste cart (weekly collection)						\$18.12
65 gallon green waste cart (weekly collection)						\$19.48
95 gallon green waste cart (weekly collection)						\$20.86
Additional Cart Services						
Service Description						Rate
Go-back service (each occurrence)						\$14.50
Bin Services						
	Monthly Rate					
	Number Of Collections Per Week					
Service Description	1	2	3	4	5	6
1.5 cubic yard solid waste bin*	\$164.44	\$292.15	\$419.90	\$547.60	\$675.32	\$803.04
2 cubic yard solid waste bin*	\$213.92	\$384.21	\$554.46	\$724.83	\$895.11	\$1,065.36
3 cubic yard solid waste bin*	\$303.64	\$559.10	\$814.53	\$1,070.00	\$1,325.42	\$1,580.86
4 cubic yard solid waste bin*	\$395.67	\$736.26	\$1,076.87	\$1,417.44	\$1,758.03	\$2,098.63
1.5 cubic yard recyclables bin	\$110.69	\$186.27	\$261.88	\$337.45	\$413.06	\$488.64
2 cubic yard recyclables bin	\$142.47	\$243.27	\$344.06	\$444.85	\$545.66	\$646.42
3 cubic yard recyclables bin	\$197.26	\$348.44	\$499.62	\$650.81	\$802.00	\$953.19
4 cubic yard recyclables bin	\$254.23	\$455.81	\$657.43	\$858.98	\$1,060.55	\$1,262.13
* Any solid waste bin service includes 30% of the solid waste bin capacity for recyclables at no additional charge. Contractor to determine capacity of recyclables container to be provided.						
Service Description						Rate
Additional bin collection:						
1.5 cubic yard solid waste or recyclables bin						\$54.81
2 cubic yard solid waste or recyclables bin						\$71.31
3 cubic yard solid waste or recyclables bin						\$101.23
4 cubic yard solid waste or recyclables bin						\$131.90

- continued on following page -

City of Goleta Solid Waste Collection Rates, 2021-22
Residential Services
Multi-Family Dwellings

Additional Bin Services	
Service Description	Rate
Padlock rental (per month)	\$22.09
Padlock installation (each bin)	\$59.66
Bar lock installation (each bin)	\$136.40
Overloaded bin collection (each bin)	\$25.57
Steam clean bin:	
1x per fiscal year (each bin)	No Charge
2x or more per fiscal year (each bin)	\$71.60
Additional MFD Collection Services	
Service Description	Rate
Bulky item collection (2x /fiscal year)	No Charge
E-Waste and white goods collection	No Charge
Holiday (Christmas) tree collection	No Charge
Household battery collection	No Charge
Sharps waste collection	No Charge
Access to MarBorg Goleta Buy Back Center	No Charge

City of Goleta Solid Waste Collection Rates, 2021-22
Commercial Services

Cart Services							
Service Description						Monthly Rate	
35 gallon solid waste cart (weekly collection)						\$40.48	
65 gallon solid waste cart (weekly collection)						\$46.98	
95 gallon solid waste cart (weekly collection)						\$55.07	
35 gallon green waste cart (weekly collection)						\$30.37	
65 gallon green waste cart (weekly collection)						\$35.25	
95 gallon green waste cart (weekly collection)						\$41.31	
35 gallon food waste cart (weekly collection)						\$40.48	
65 gallon food waste cart (weekly collection)						\$46.98	
95 gallon recyclable cart (weekly collection)						\$21.86	
Each additional 35, 65 or 95 gallon solid waste or food waste cart						\$11.33	
Each additional 95 gallon recyclable cart (35 or 65 gallon upon request)						No Charge	
Additional Cart Services							
Service Description						Rate	
Padlock Rental (per month)						\$22.16	
Padlock installation (each cart)						\$46.02	
Go-back service (each occurrence)						\$16.20	
Bin Services							
	Monthly Rate						
	Number Of Collections Per Week						
Service Description	1	2	3	4	5	6	
1.5 cubic yard solid waste bin	\$164.44	\$292.15	\$419.90	\$547.60	\$675.32	\$803.04	
2 cubic yard solid waste bin	\$213.92	\$384.21	\$554.46	\$724.83	\$895.11	\$1,065.36	
3 cubic yard solid waste bin	\$303.64	\$559.10	\$814.53	\$1,070.00	\$1,325.42	\$1,580.86	
4 cubic yard solid waste bin	\$395.67	\$736.26	\$1,076.87	\$1,417.44	\$1,758.03	\$2,098.63	
1.5 cubic yard recyclables bin	\$110.69	\$186.27	\$261.88	\$337.45	\$413.06	\$488.64	
2 cubic yard recyclables bin	\$142.47	\$243.27	\$344.06	\$444.85	\$545.66	\$646.42	
3 cubic yard recyclables bin	\$197.26	\$348.44	\$499.62	\$650.81	\$802.00	\$953.19	
4 cubic yard recyclables bin	\$254.23	\$455.81	\$657.43	\$858.98	\$1,060.55	\$1,262.13	
Service Description							Rate
Additional bin collection:							
1.5 cubic yard solid waste or recyclables bin							\$54.81
2 cubic yard solid waste or recyclables bin							\$71.31
3 cubic yard solid waste or recyclables bin							\$101.23
4 cubic yard solid waste or recyclables bin							\$131.90

- continued on following page -

City of Goleta Solid Waste Collection Rates, 2021-22
Commercial Services

Additional Bin Services	
Service Description	Rate
Padlock rental (per month)	\$22.09
Padlock installation (each bin)	\$59.66
Bar lock installation (each bin)	\$136.40
Overloaded bin collection (each bin)	\$25.57
On-call bin collection:	
1.5 cubic yard recyclables bin	\$82.23
2 cubic yard recyclables bin	\$106.97
3 cubic yard recyclables bin	\$151.84
4 cubic yard recyclables bin	\$197.85
Steam clean bin:	
1x per fiscal year (each bin)	No Charge
2x or more per fiscal year (each bin)	\$71.60
Roll-Off Services	
Service Description	Rate
Roll-off box rental (11, 18, 25 or 40 cubic yard)	\$6.06
Disposal (compacted and non-compacted)	actual cost per ton plus City fees
Non-compacted collection to designated transfer and processing facility or Contractor's facilities (all roll-off boxes)	\$230.16
Non-compacted collection to designated disposal site (all roll-off boxes)	\$304.53
Compacted collection	\$350.66
Additional Roll-Off Services	
Service Description	Rate
Steam clean compactor:	
1x per year (each compactor)	No Charge
2x or more per year (each compactor)	\$151.77
Administrative Charges	
Description	Amount
Restart Service Charge	\$34.09
Delinquency Charge	\$8.52
Return Check Charge	\$25.42

ATTACHMENT 5

Amendment No. 3: Franchise Agreement for Solid Waste
Handling Services Between The City Of Goleta And MarBorg
Industries

**AMENDMENT NO. 3
FRANCHISE AGREEMENT FOR SOLID WASTE HANDLING SERVICES
BETWEEN THE CITY OF GOLETA
AND
MARBORG INDUSTRIES**

This **Amendment No. 3** is made on this 1st day of June, 2021 to the Franchise Agreement for Solid Waste Handling Services between the **City of Goleta**, ("City") and **MarBorg Industries**, (Contractor) dated April 5, 2011 ("Agreement" No. 2011-023).

RECITALS

WHEREAS, Agreement No. 2011-023 was originally entered into to provide the City with professional solid waste, recycling and greenwaste collection services to residents and businesses within the City with a term ending on June 30, 2019; and

WHEREAS, on August 15, 2017 the City Council approved a new termination date of June 30, 2021 (Amendment 1); and

WHEREAS, on July 17, 2018, the City Council approved a new termination date of June 30, 2031, reductions in solid waste collection rates, additional services, and enhancements to existing services under the Agreement (Amendment No. 2);

WHEREAS, the parties have negotiated a four (4) percent increase to the Solid Waste and Environmental Services Program Fee;

WHEREAS, the City Council approved this Amendment No. 3, on this 1st day of June 2021.

AMENDED TERMS

Now therefore City and Contractor agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Section 12.4.2. Calculation of Franchise Monthly Fees** is replaced in its entirety to read as follows:

12.4.2 Calculation of Franchisee Monthly Fees.

The Franchisee Monthly Fees shall be comprised of the Franchise Fee and the Solid Waste and Environmental Services Programs Fee as determined in Exhibit A: Definitions. Contractor shall calculate the Franchisee Monthly Fees as follows:

- a. Calculate the Total Billings for the preceding month; and
- b. Subtract refunds to Customers (Gross Billing); and
- c. Divide the Gross Billing by 1.17 (Net Billing); and
- d. Multiply the Net Billing by 0.05 (Franchise Fee); and
- e. Multiply the Net Billing by 0.12 (SW & ES Programs Fee); and
- f. Add the Franchise Fee and SW & ES Programs Fee together (Franchisee Monthly Fees).

For example:

- a. If Gross Revenue Billed = \$262,000; and
- b. If refunds to Customers = \$2,000; and
- c. Then Gross Billing = \$262,000 – \$2,000 = \$260,000; and
- d. Then Net Billing = \$260,000 / 1.17 = \$222,222.22; and
- e. Then Franchise Fee = \$222,222.22 X 0.05 = \$11,111.11; and
- f. Then SW & ES Programs Fee = \$222,222.22 X 0.12 = \$26,666.66; and
- g. Then Franchisee Monthly Fees = \$11,111.11 + \$26,666.66 = \$37,777.77.

2. **Exhibit A: Definitions.** The following definitions are replaced in their entirety to read as follows:

A-45 Franchise Fee.

“Franchise Fee” means and consists of five percent (5%) out of the seventeen percent (17%) Franchisee Monthly Fee.

A-46 Franchisee Monthly Fees.

“Franchisee Monthly Fees” means the fees or assessment imposed by City on Contractor because of its status as party to this Agreement and which, inter alia, is intended to offset the City’s expenses in administering the Franchise and to compensate City for wear, tear and damage to its streets, sidewalks, curbs and gutters and other infrastructure resulting from the exercise of the Franchise, the expenses of administering programs for Solid Waste and other environmental services, reporting requirements under the Act and other related expenses. The Franchisee Monthly Fee is seventeen percent (17%) of the net billings as set forth in Section 12.4.

The Franchisee Monthly Fee is imposed in consideration of the Franchise provided for in this Agreement for the use of the City public right-of-way. The Franchisee Monthly Fee is a result of an arms’ length negotiation between City and Contractor and reflects the reasonable value of the Franchise. The Franchisee Monthly Fee is solely paid by the Contractor. City may adjust any fee in this section with written notice to Contractor. Such adjustment shall be grounds for an adjustment in the Maximum Rate.

A-92 Solid Waste and Environmental Services Program Fee.

“Solid Waste and Environmental Services Program Fee” means and consists of twelve percent (12%) out of the seventeen percent (17%) Franchisee Monthly Fees.