

CITY OF SANTA CRUZ 809 Center Street Santa Cruz, California 95060

TRANSPORTATION AND PUBLIC WORKS COMMISSION

Regular Meeting

June 26, 2023

6:00 P.M. GENERAL BUSINESS AND MATTERS OF PUBLIC INTEREST, COUNCIL CHAMBERS

<u>Please note:</u> As of March 1, 2023, participation in meetings for City Advisory Bodies is in-person only. Members of the public can continue to stream the audio for the meetings from the City's website, however public comment will no longer be taken virtually and those wishing to address the board must be in attendance at the location provided on the agenda.

Written material for every item listed on the agenda is available for review at the Public Works office, 809 Center Street, Room 201, and online at www.cityofsantacruz.com.

Time limits set by Commission Policy are guidelines. Unless otherwise specified, procedures for all items, are:

- Oral staff report
- Public comment 3 minutes each; maximum total time may be established by the Presiding Officer at the beginning of an agenda item
- Commission deliberation and action

No action will be taken on items listed under Oral Communications, Announcements, Presentations, and Information Items

Written correspondence may be sent to <u>tpwc@santacruzca.gov</u>. <u>Please note:</u> emails received after 12:00 p.m. on the date of the meeting may not reach and be read by Commissioners prior to consideration of an item.

Appeals - Any person who believes that a final action of this advisory body has been taken in error, that decision may or may not be appealable to the City Council. Appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk Administrator. Appeals must be received by the City Clerk Administrator within ten (10) calendar days following the date of the action from which such appeal is being taken. An appeal must be accompanied by a fifty dollar (\$50) filing fee.

Additional Information

The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. If you wish to attend this public meeting and will require assistance, such as an interpreter for American Sign Language, Spanish, or other special equipment, please call the Public Works Office at (831) 420-5162 or e-mail sruble@cityofsantacruz.com at least five (5) days in advance so that arrangements for such assistance can be accommodated. The Cal-Relay system number: 1-800-735-2922.

Agenda and Agenda Packet Materials: The commission agenda and the complete agenda packet containing public records, which are not exempt from disclosure pursuant to the California Public Records Act, are available for review on the City's website: <a href="https://www.cityofsantacruz.com/government/city-departments/public-works/public-works-department-commissions/transportation-and-public-works-commission and at 809 Center Street, Room 201, Santa Cruz, California, during normal business hours.

Agenda Materials Submitted after Publication of the Agenda Packet: Pursuant to Government Code \$54957.5, public records related to an open session agenda item submitted after distribution of the agenda packet are available at the same time they are distributed or made available to the legislative body on the City's website at: https://www.cityofsantacruz.com/government/city-departments/public-works/public-works-department-commissions/transportation-and-public-works-commission and are also available for public inspection at 809 Center Street, Room 201, Santa Cruz.

Transportation and Public Works Commission (TPWC)

6:00 PM

Call to Order

Roll Call

Absent with Notification

Statements of Disqualification

Staff

Oral Communications

Announcements

Presentations

Approval of Minutes

1. Approval of Minutes for the May 15,2023 Meeting

Motion that the Transportation and Public Works Commission approve the May 15, 2023 - Transportation and Public Works Commission Draft Minutes.

Consent

2. <u>San Lorenzo River Vegetation Management for Flood Control Project</u> (m409505)

Motion to recommend that the City Council approve the San Lorenzo River Vegetation Management for Flood Control Project (m409505) authorize staff to advertise for Request for Proposals and award the contract.

General Business

3. <u>Appeal of Parking Changes on Frederick Street, adjacent to Frederick Street</u>
<u>Park- Public Hearing</u>

That the Transportation and Public Works Commission consider the appeal of the decision to remove parking on Frederick Street adjacent to Frederick Street Park to install a bike share station location, and at the close of the hearing, deny the appeal.

4. <u>Appeal of Parking Changes on Roxas Street, adjacent to 411 Roxas Street - Public Hearing</u>

That the Transportation Public Works Commission consider the appeal of the decision to remove parking on Roxas Street adjacent to 411 Roxas Street to install a bike share station location, and at the close of the hearing, deny the appeal.

Information Items

5. <u>Proposed Resource Recovery Collection Rates Increase</u>

For Information Only

Subcommittee/Advisory Body Oral Reports

Items Initiated by Members for Future Agendas

Adjournment



Transportation and Public Works Commission

Regular Meeting

Draft Minutes

6:00 p.m., Monday, May 15, 2023 Council Chambers

Call to Order: 6:05 P.M.

Roll Call: Chair Ron Goodman, Vice Chair Ryan Meckel; Commissioners: Candace

Brown, Robert Orrizzi, and Susan Gilchrist

Absent with Notification: Commissioners Kyle Kelley and Zennon Ulyate-Crow

Absent without Notification: None

Statements of Disqualification: None

Oral Communications

At 6:07 P.M. Chair Goodman opened oral communications, and the following people spoke:

Eric Grodberg Jacob Dong Fox Wong

At 6:13 P.M. Chair Goodman closed oral communications.

Announcements

Vice-Chair Meckel announced the beginning of Bike Month

Director Nathan Nguyen announced Public Works Week, the unveiling of new Hyundai Santa Cruz Trucks, and gave an update on ongoing PW projects.

Presentations: None

Approval of Minutes:

1. April 17,2023 - Transportation and Public Works Commission Draft Minutes

2

<u>MOTION:</u> Vice-Chair Meckel moved, seconded by Commissioner Orrizzi, to approve the minutes of the April 17,2023 Transportation and Public Works Commission meeting with the corrected titles of Chair Goodman and Vice-Chair Meckel.

ACTION: The motion carried with the following vote:

AYES: Chair Goodman, Vice-Chair Meckel, Commissioners: Brown, Orrizzi, and Gilchrist.

NOES: None

ABSENT: Commissioners Kelley and Ulyate-Crow.

DISQUALIFIED:

Consent: None

General Business:

2. 2023 Pavement Rehabilitation Project - Riverside Ave. and San Lorenzo Blvd. Striping Concept Plans (c400809) (PW)

At 6:22P.M., Chair Goodman opened public comment. There were no speakers and at 6:22 P.M., Chair Goodman closed public comment.

<u>MOTION:</u> Commissioner Orrizzi moved, seconded by Commissioner Gilchrist to approve the Riverside Ave and San Lorenzo Blvd Striping Concept Plans for the 2023 Pavement Rehabilitation Project with the understanding that Commissioners comments will be considered and implemented in a way determined feasible by Staff.

ACTION: The motion carried with the following vote:

AYES: Chair Goodman, Vice-Chair Meckel, Commissioners: Brown, Orrizzi, and Gilchrist.

NOES: None

ABSENT: Commissioners Kelley and Ulyate-Crow.

DISQUALIFIED:

Informational Items: None

Subcommittee/Advisory Body Oral Reports: None

Items Initiated by Members for Future Agendas:

Vice-Chair Meckel requested a presentation from staff on the Bcycle program once it has been installed and is running in the City.

Director Nathan Nguyen confirmed that a presentation on the levee FEMA

certification will be presented to the commission in roughly 5 months at the request of Commissioner Brown.

Adjournment: 7:16 P.M.



Transportation and Public Works Commission AGENDA REPORT

DATE: 06/14/2023

AGENDA OF: 06/26/2023

DEPARTMENT: Public Works

SUBJECT: San Lorenzo River Vegetation Management for Flood Control Project

(m409505)

RECOMMENDATION: Motion to recommend that the City Council approve the San Lorenzo River Vegetation Management for Flood Control Project (m409505) authorize staff to advertise for Request for Proposals and award the contract.

BACKGROUND: The San Lorenzo River annual maintenance (m409505) is required as outlined in the San Lorenzo Urban River Plan and as a flood control measure required by the US Army Corps of Engineers' Operations, Maintenance, Repair, Replacement and Rehabilitation (OMRR) manual. Each year, the vegetation management will be conducted primarily within the riverine reach (Tannery/Highway 1 to Water Street bridges), with additional work in the transitional reach (Water Street to Laurel Street bridges) and estuarine reach (the east bank of Laurel Street to the Riverside Avenue bridge). In addition to the annual maintenance required for vegetation inside the levee flood control structure, the City of Santa Cruz (City) is required to regularly maintain vegetation on the outboard side of the San Lorenzo River levee (levee). The annual vegetation maintenance complies with the requirements outlined in the San Lorenzo Urban River Plan and to maintain flood capacity as required by the USACE. These prescriptions require all willows over 3-inch diameter at breast height (dbh) be cut and all other riparian trees (elders, alders, cottonwoods) over 6-inches dbh be removed. The work takes about four weeks and begins after the nesting season is over, after September 1. The California Department of Fish and Wildlife (CDFW) amended permit allows vegetation maintenance to occur between September 1 to January 15 to decrease project impacts to nesting and breeding birds, the USACE requires that the vegetation maintenance be completed prior to winter flood flows.

In 2020, the US Army Corps of Engineers (USACE) officially transferred responsibility for continued operation and management of the levee to the City. At that time, the FEMA Levee Certification (c402112) project was established in the Stormwater Overlay Fund (Fund 752). Achieving and maintaining FEMA certification for the levee requires the City to complete all mandatory OMRR activities or risk the elimination of the 50% discount on flood insurance rates for all properties within the city flood plain of the San Lorenzo River. This discount saves property owners about \$1.5 million each year with lower flood insurance rates.

USACE's Engineering Pamphlet (EP), EP 1110-2-18, "Guidelines for Landscape Planting and Vegetation Management at Levees, Floodwalls, Embankment Dams, and Appurtenant Structures", which outlines the requirements for managing vegetation on levees. This EP outlines

the requirements to ensure that landscape planting and vegetation management provide aesthetic and environmental benefits without compromising the reliability of flood control facilities.

DISCUSSION: Staff awarded the San Lorenzo River flood control project FEMA Certification Vegetation Management Project (c402112) to Community Tree Service in early 2023 after a competitive bid process. Vegetation management was completed after some rain delays at the end of April 2023. This project brought the City into compliance with USACE standards, particularly on the outboard (land) side of the levee, which is under the jurisdiction of Parks and Recreation. Historically, the City has been able to sole source the annual vegetation maintenance conducted each autumn pursuant to the USACE and CDFW guidelines. As Public Works has taken responsibility for both inboard and outboard sides of the levee, it is most practical to combine the annual inboard and outboard vegetation work projects and conduct work at the same time. Staff are recommending a Request for Proposal (RFP) methodology, as opposed to a competitive bidding process, to award a contractor that meets all the required criteria as well as understanding and executing the project in a considerate way to protect the current vegetation for habitat and community value. An RFP would also allow staff to award the contract for up to five years and work closely with a contractor who is as invested in this project as the City and community are.

More information about the RFP can be found online at: www.cityofsantacruz.com/publicworksprojects

FISCAL IMPACT: The vegetation management portion of the FEMA accreditation project is estimated to be \$350,000. There are sufficient funds in projects m409505 and c402112 (Stormwater Overlay) to fund all vegetation maintenance. The City Council approved \$160,000 from the General Fund for autumn 2023 project efforts.

Prepared By:Katie Stewart, Associate

Professional Engineer
Christina Alberti,
Management Analyst

Submitted By:

Filipina Warren Public Works Operations Manager **Approved By:**

Nathan Nguyen, P.E. Public Works Director

ATTACHMENTS:



Transportation and Public Works Commission AGENDA REPORT

DATE: 06/14/2023

AGENDA OF: 06/26/2023

DEPARTMENT: Public Works

SUBJECT: Appeal of Parking Changes on Frederick Street, adjacent to Frederick

Street Park-Public Hearing

RECOMMENDATION: That the Transportation and Public Works Commission consider the appeal of the decision to remove parking on Frederick Street adjacent to Frederick Street Park to install a bike share station location, and at the close of the hearing, deny the appeal.

BACKGROUND: In May 2018, the City of Santa Cruz officially launched the first public bike share system in Santa Cruz County. This partnership with JUMP operated for two years, at which time JUMP merged with Lime and the program ended in the City of Santa Cruz. Since that time, staff from the County of Santa Cruz, Cities of Santa Cruz, Capitola, Watsonville, and Scotts Valley, University of California Santa Cruz (UCSC), and Cabrillo College have been working collaboratively to determine a path forward for a regional bike share system in Santa Cruz County.

The City Council approved moving forward with a new regional bike share program in June 2021. In January 2023, the City of Santa Cruz finalized a contract with BCycle, LLC to be the regional bike share program vendor.

BCycle operates a dock-based system. This means that all bikes must be picked up and returned to a dock. This system design addresses the issues we heard about with the former JUMP system of bikes being left in improper locations. This creates the need to permit and install a much larger number of docks/stations in order to have a sufficient density of stations to provide access for the entire City. Staff seek to have no more than a 5 to 8-minute walk between stations within the City of Santa Cruz.

Bike Share will provide affordable short-term bike rentals for quick trips within City limits and will bring a new transportation option to the community. The system is being designed with residents, employees, and visitors in mind. The Bike Share program supports the Go Santa Cruz program to expand Transportation Demand Management programs in Santa Cruz.

DISCUSSION: The section of Frederick Street under discussion is adjacent to Frederick Street Park. This park includes a toddler and children's play area, picnic area, field, sand volleyball court, skate park, public restrooms, and dog park. This location currently includes free, unmetered, on-street parking with no parking restrictions. In order to install a bike share station, removal of space equivalent to one on-street parking space is proposed. A graphic of the

proposed station location is included as Attachment 2. The proposed station would require the removal of one single parking space and install seven bike share docks.

To site bike share stations, staff sought to create a network of facilities that were geographically distributed through the city, connected to the existing bike network, convenient for residents, employees, and visitors, and had sufficient space to meet siting needs. A map of the proposed system is included as Attachment 3. The proposed bike share station adjacent to Frederick Street Park serves the surrounding residential neighborhood as well as the community visiting the park, offering a convenient mode of transportation to local residents and visitors.

Staff evaluated alternative site locations in proximity to this location. Neighbors suggested finding a location within the park. Staff investigated this and determined that no existing location would work, and that any installation would require the addition of a new hardscape in order to anchor docks.

The closest stations to this location are on Frederick at Broadway (0.3 miles, estimated 6-minute walk), Broadway at Cayuga (0.6 miles, estimated 12-minute walk), and Seabright at Watson (0.6 miles, estimated 13-minute walk). Without this location, residents in the lower Frederick neighborhood are largely left out of having easy access to this community benefit.

Staff sent official notice via postcards to owners and tenants of all properties within 300' of this proposed station and placed a notification at the proposed location in accordance with the requirements of the City of Santa Cruz Municipal Code Section 10.16 (Attachments 4 and 5).

Staff received an appeal from a resident located near the proposed station location. That appeal letter is attached as Attachment 1. Additionally, multiple other neighbors emailed to express concern. The primary concern expressed is the loss of parking. After receipt of this appeal, staff sent official notice of the appeal and public hearing via postcards to owners and tenants of all properties within 300' of this station and placed a notification at the proposed location in accordance with the requirements of the City of Santa Cruz Municipal Code Section 10.16 (Attachments 6 and 7).

Policy Support

Transportation accounts for 69% of local CO2 emissions. The Bike Share program assists implementation of the Climate Action Plan, including the transportation objective to achieve 23% active mode share by 2030 and 30% by 2035, and implement programs and policies to discourage single occupant vehicles.

The appeal should be denied, and the bike share station should be installed to further the stated policy goals of the City. In order to achieve these goals, robust actions are needed to make biking and walking as easy as possible for as many people as possible. The tradeoff between losing a single parking space and providing space for seven bike share docks is readily supported by City policy.

FISCAL IMPACT: City staff time to partner to implement this program.

Prepared By:Submitted By:Approved By:Claire Gallogly,Matt StarkeyNathan Nguyen, P.E.

Transportation Planner Joanna Edmonds, Transportation Coordinator

Transportation Manager

Director of Public Works

ATTACHMENTS:

- 1. LETTER OF APPEAL.PDF
- 2. PROPOSED STATION LOCATION.PDF
- 3. PROPOSED SYSTEM MAP.PDF
- 4. PARKING REMOVAL PUBLIC NOTIFICATION POST CARD.PDF
- 5. PARKING REMOVAL STREET POSTING.PNG
- 6. PARKING REMOVAL APPEAL NOTIFICATION- POST CARD.DOC
- 7. PARKING REMOVAL APPEAL NOTIFICATION- POST CARD.DOCX
- 8. PARKING REMOVAL APPEAL STREET POSTING.DOC

Proposed Change to On-Street Parking - Frederick Street

Chris Miller <chris@chrismiller.com>

Mon 5/8/2023 2:32 PM

To:Claire Gallogly <cgallogly@santacruzca.gov>

Claire,

while I fully support the bike share program, I suspect the city is unaware of the parking challenges on Frederick Street. There is limited parking in the condo complexes adjacent to the park, and during the daytime there is generally no parking for residents. This is due to visitors of the park, particularly the dog park, as well as after school sports, and picnics. In the evening the situation is slightly better, but not without competition among the residents for very few spaces.

Since the city already owns the park, why not place the bike share station on the park property instead of the street? There's substantially more space available in the park for this purpose.

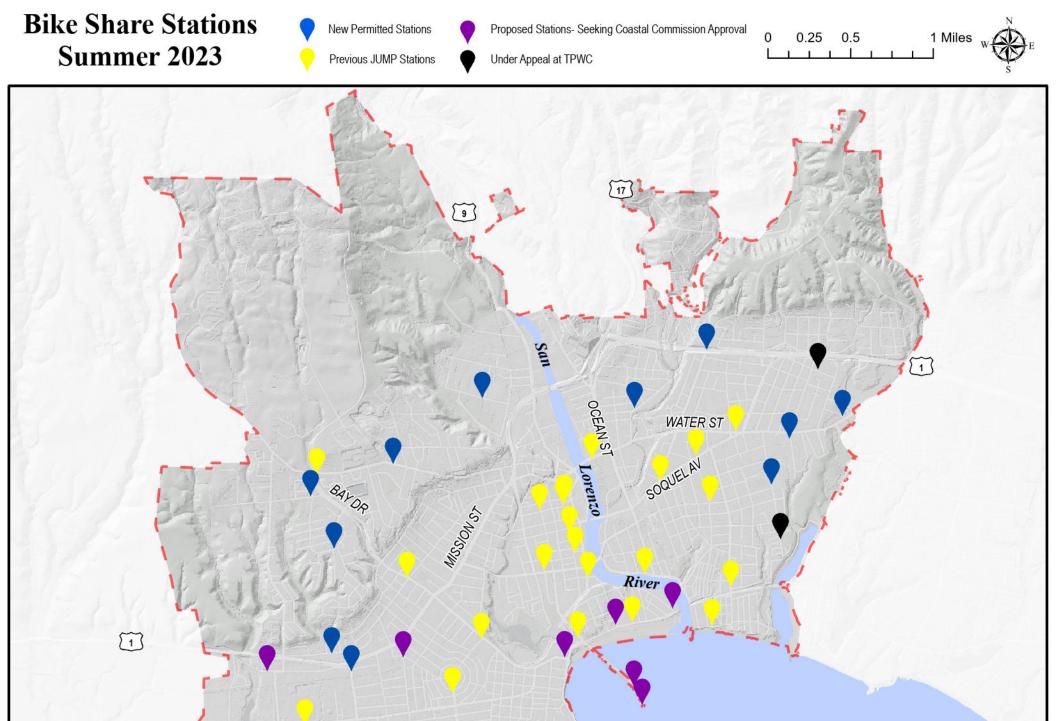
Chris



Approximate view of station footprint

Frederick St Park		
FROM:	TO: -	
NOTES: Station ID: N20		
3.5		

TITLE:	Frederick St Park	
PROJECT/CITY:	BCycle - Electric Bike Share	
SCALE:		
DATE:	04.04.23	
STATUS	PROPOSED	
DRAWING NO:		



3.6



PUBLIC NOTICE

PROPOSED CHANGE TO ON-STREET PARKING

DEPARTMENT OF PUBLIC WORKS

Adjacent to Frederick St. Park



EXISTING:

No Parking Restrictions

CHANGE TO:

20' of red curb for installation of bike share station

For more information on the bike share program, please visit: www.cityofsantacruz.com/bikeshare

If you have questions or concerns, please contact Public Works by May 17, 2023:

City of Santa Cruz Public Works Department 809 Center Street, Room 201 Santa Cruz, CA 95060

Claire Gallogly (831) 420-5107 cgallogly@santacruzca.gov





POSTING: June 6th, 2023

TO: The General Public

FROM: Public Works Department

NOTICE IS HEREBY GIVEN that a public hearing will be held before the <u>Transportation & Public Works Commission</u> on June 26th, 2023, due to an appeal of Public Works staff's decision to remove one onstreet parking spaces on Frederick St., adjacent to 168 Frederick St.

DATE AND TIME:

June 26th, 2023, after the hour of 6 pm

PLACE OF HEARING:

City of Santa Cruz Council Chambers 809 Center Street, Santa Cruz

EXISTING: On-street parking

PROPOSED CHANGE TO:

One parking space converted to no parking for bikeshare station

If you have questions or concerns, please contact Claire Gallogly at (831) 420-5107 or cgallogly@cityofsantacruz.com





Notice Of Public Hearing

REGARDING ON-STREET PARKING

NOTICE IS HEREBY GIVEN: that a public hearing will be held before the Transportation and Public Works Commission on **Monday**, **June 26**th, **2023**, for a proposed change to on-street parking on **Frederick St.**

DATE AND TIME: Monday, June 26th, 2023, after 6 p.m. PLACE OF HEARING: City of Santa Cruz Council Chambers – Please see City of Santa Cruz Transportation and Public Works Commission website for more details.

If you have questions please contact: Claire Gallogly (831) 420-5107 - cgallogly@cityofsantacruz.com



Notice Of Public Hearing

REGARDING ON-STREET PARKING

NOTICE IS HEREBY GIVEN: that a public hearing will be held before the Transportation and Public Works Commission on **Monday, June 26th, 2023,** for a proposed change to on-street parking on **Frederick St.**

DATE AND TIME: Monday, June 26th, 2023, after 6 p.m. PLACE OF HEARING: City of Santa Cruz Council Chambers – Please see City of Santa Cruz Transportation and Public Works Commission website for more details.

If you have questions please contact: Claire Gallogly (831) 420-5107 - cgallogly@cityofsantacruz.com



Notice Of Public Hearing

REGARDING ON-STREET PARKING

NOTICE IS HEREBY GIVEN: that a public hearing will be held before the Transportation and Public Works Commission on **Monday, June 26th, 2023** for a proposed change to on-street parking on **Frederick St.**

DATE AND TIME: Monday, June 26th, 2023, after 6 p.m. PLACE OF HEARING: City of Santa Cruz Council Chambers – Please see City of Santa Cruz Transportation and Public Works Commission website for more details.

If you have questions please contact: Claire Gallogly (831) 420-5107 - cgallogly@cityofsantacruz.com



Notice Of Public Hearing

Department of Public Works

REGARDING ON-STREET PARKING

NOTICE IS HEREBY GIVEN: that a public hearing will be held before the Transportation and Public Works Commission on **Monday, June 26th, 2023,** for a proposed change to on-street parking on **Frederick St.**

DATE AND TIME: Monday, June 26th, 2023, after 6 p.m. PLACE OF HEARING: City of Santa Cruz Council Chambers – Please see City of Santa Cruz Transportation and Public Works Commission website for more details.

If you have questions please contact: Claire Gallogly (831) 420-5107 - cgallogly@cityofsantacruz.com



POSTING: June 6th, 2023

TO: The General Public

FROM: Public Works Department

NOTICE IS HEREBY GIVEN that a public hearing will be held before the <u>Transportation & Public Works Commission</u> on June 26th, 2023, due to an appeal of Public Works staff's decision to remove one onstreet parking spaces on Frederick St., adjacent to 168 Frederick St.

DATE AND TIME:

June 26th, 2023, after the hour of 6 pm

PLACE OF HEARING:

City of Santa Cruz Council Chambers 809 Center Street, Santa Cruz

EXISTING: On-street parking

PROPOSED CHANGE TO:

One parking space converted to no parking for bikeshare station

If you have questions or concerns, please contact Claire Gallogly at (831) 420-5107 or cgallogly@cityofsantacruz.com



 From:
 Scott Ruble

 To:
 TPWC

Subject: FW: Public Hearing June 26th Frederick St - Kliman

Date: Friday, June 23, 2023 10:25:35 AM

From: Claire Gallogly <cgallogly@santacruzca.gov>

Sent: Friday, June 23, 2023 9:22 AM

To: Scott Ruble <SRuble@santacruzca.gov>

Subject: Fw: Public Hearing June 26th Frederick St

Please include as public correspondence for the Frederick Street bike share appeal at TPWC. Thanks!

From: Shirley Kliman < sent: Wednesday, June 21, 2023 9:11 AM

To: Claire Gallogly < cgallogly@santacruzca.gov

Subject: Fwd: Public Hearing June 26th Frederick St

Dear Clair, I will not be able to attend the hearing on changes to on-street parking on Frederick St. Please come by any day of the week especially on the weekends and you will see we have very little parking available on the street. With the coming and going for the dog park many cars are parking in front of our homes. I have had my home for 22 years and have seen the parking become more and more of a problem of congestion and very little parking left available over the years. I was told that there might be a possibility of another bike company thinking of installing a bike business parking area in one of our parking spaces across from our home in Park Harbor.. I do not think this should be done. There is on already one by the church and near the bike trail leading to Arana Gulch. Shirley Kiman 163 Frederick St Santa Cruz, CA 775 741 534



Transportation and Public Works Commission AGENDA REPORT

DATE: 06/14/2023

AGENDA OF: 06/26/2023

DEPARTMENT: Public Works

SUBJECT: Appeal of Parking Changes on Roxas Street, adjacent to 411 Roxas Street

- Public Hearing

RECOMMENDATION: That the Transportation Public Works Commission consider the appeal of the decision to remove parking on Roxas Street adjacent to 411 Roxas Street to install a bike share station location, and at the close of the hearing, deny the appeal.

BACKGROUND: In May 2018, the City of Santa Cruz officially launched the first public bike share system in Santa Cruz County. This partnership with JUMP operated for two years, at which time JUMP merged with Lime and the program ended in the City of Santa Cruz. Since that time, staff from the County of Santa Cruz, Cities of Santa Cruz, Capitola, Watsonville, and Scotts Valley, University of California Santa Cruz (UCSC), and Cabrillo College have been working collaboratively to determine a path forward for a regional bike share system in Santa Cruz County.

The City Council approved moving forward with a new regional bike share program in June 2021. In January 2023, the City of Santa Cruz finalized a contract with BCycle, LLC to be the regional bike share program vendor.

BCycle operates a dock-based system. This means that all bikes must be picked up and returned to a dock. This system design addresses the issues we heard about with the former JUMP system of bikes being left in improper locations. This creates the need to permit and install a much larger number of docks/stations in order to have a sufficient density of stations to provide access for the entire City. Staff seek to have no more than a 5 to 8-minute walk between stations within the City of Santa Cruz.

Bike Share will provide affordable short-term bike rentals for quick trips within City limits and will bring a new transportation option to the community. The system is being designed for residents, employees, and visitors in mind. The Bike Share program supports the Go Santa Cruz program to expand Transportation Demand Management programs in Santa Cruz.

DISCUSSION: The section of Roxas under discussion is adjacent to 411 Roxas St, the Santa Cruz Community Church. This building serves as a church and a preschool. This location currently includes free, unmetered, on-street parking with no parking restrictions. In order to install a bike share station, removal of space equivalent to one on-street parking space is

proposed. A graphic of the proposed station location is included as Attachment 2. This location would have eight docks installed in the single parking space.

To site bike share stations, staff sought to create a network of facilities that were geographically distributed through the city, connected to the existing bike network, convenient for residents, employees, and visitors, and had sufficient space to meet siting needs. A map of the proposed system is included as Attachment 3. The proposed bike share station adjacent to 411 Roxas Street serves the surrounding residential neighborhood, offering a convenient mode of transportation to local residents.

Staff evaluated alternative site locations in proximity to this location. Originally, staff had noticed a nearby location on Park Way at Roxas. Adjacent to the path leading to La Fonda and the Sana Cruz Adult School. At that location, we heard feedback from neighbors about concerns with parking impacts. When we followed up with potential alternative sites in the vicinity, the proposed location adjacent to the church was well received. Staff and the church have been in contact, and we heard positive feedback.

The closest stations to this location are on Carl at Soquel (0.4 miles, estimated 8-minute walk) and on Hageman at Soquel (Walgreens, 0.5 miles, estimated 10-minute walk). Without this location, residents in the East Morrissey neighborhood are largely left out of having easy access to this community benefit.

Staff sent official notice via postcards to owners and tenants of all properties within 300' of this proposed station and placed a notification at the proposed location in accordance with the requirements of the City of Santa Cruz Municipal Code Section 10.16 (Attachments 4 and 5).

Staff received an appeal from a resident located near the proposed station location. That appeal letter is attached as Attachment 1. The primary concern expressed is the loss of parking. After receipt of this appeal, staff sent official notice of the appeal and public hearing via postcards to owners and tenants of all properties within 300' of this station and placed a notification at the proposed location in accordance with the requirements of the City of Santa Cruz Municipal Code Section 10.16 (Attachments 6 and 7).

Policy Support

Transportation accounts for 69% of local CO2 emissions. The Bike Share program assists implementation of the Climate Action Plan, including the transportation objective to achieve 23% bicycle mode share by 2030 and 30% by 2035, and implement programs and policies to discourage single occupant vehicles.

The appeal should be denied and the bike share station should be installed to further the stated policy goals of the City. In order to achieve these goals, robust actions are needed to make biking and walking as easy as possible for as many people as possible. The tradeoff between losing a single parking space and providing space for eight bike share docks is readily supported by City policy.

FISCAL IMPACT: City staff time to partner to implement this program.

Prepared By:

Claire Gallogly,
Transportation Planner
Joanna
Edmonds, Transportation

Coordinator

Submitted By:

Matt Starkey Transportation Manager

Approved By:

Nathan Nguyen, P.E. Director of Public Works

ATTACHMENTS:

- 1. LETTER OF APPEAL.PDF
- 2. PROPOSED STATION LOCATION.PDF
- 3. PROPOSED SYSTEM MAP.PDF
- 4. PARKING REMOVAL PUBLIC NOTIFICATION POST CARD.PDF
- 5. PARKING REMOVAL STREET POSTING.PNG
- 6. PARKING REMOVAL APPEAL NOTIFICATION- POST CARD.PNG
- 7. PARKING REMOVAL APPEAL STREET POSTING.DOC

Bike share station on Roxas St.

MIKE MCMURRY < mikemcmurry@comcast.net>

Wed 5/31/2023 3:48 PM

To: Claire Gallogly <cgallogly@santacruzca.gov>

Good afternoon, Claire,

I am writing in opposition to the proposal to paint the curb red for 20' in front of the church at 411 Roxas Street. The neighborhood, and particularly Roxas St., has been significantly impacted for parking by the various uses within the area:

The Palo Alto Medical Foundation employees routinely have to park on the street since there is inadequate parking for them on their site and Park Way has parking by permit only. Employees must park blocks away in the neighborhood and walk to the facility.

Traffic and parking to support Harbor High and the Santa Cruz Adult School is a regular daily occurrence. It's common for students and/or parents to park and walk down the sidewalk across to La Fonda or to pick up their student.

The church activities including daycare and school activities along with worship services impact the need for parking daily.

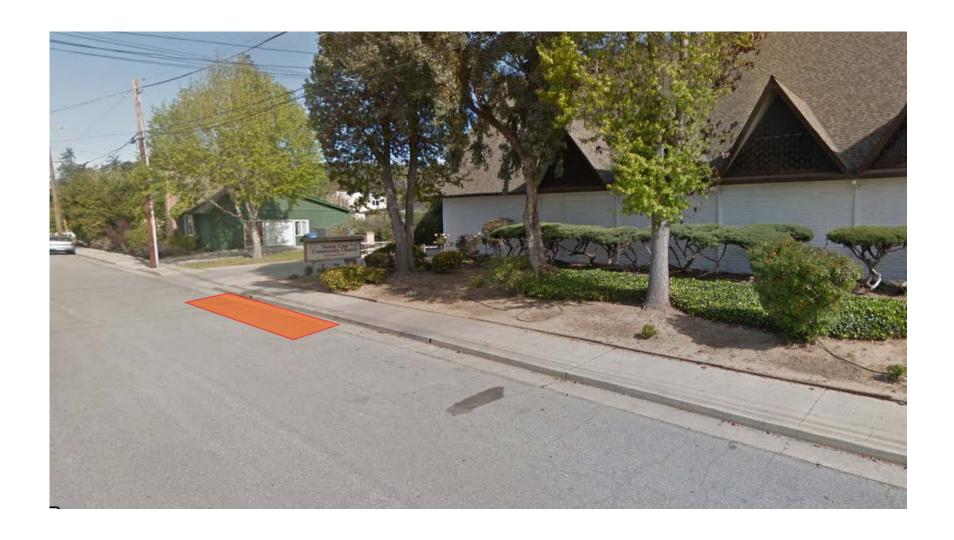
In addition to the parking concerns, I am skeptical of the bikeshare program. Previous attempts by the City led to bikes being abandoned and an eyesore as they were left in the front of homes and on sidewalks. I don't see a significant improvement with the proposed program.

The Roxas Street neighborhood already has its share of impacts from inadequate parking and poor planning. Please forward my concerns to the policy makers. I am hopeful that they will not place this additional impact in the neighborhood.

Thank you for the opportunity for input.

Mike McMurry 430 Roxas St.

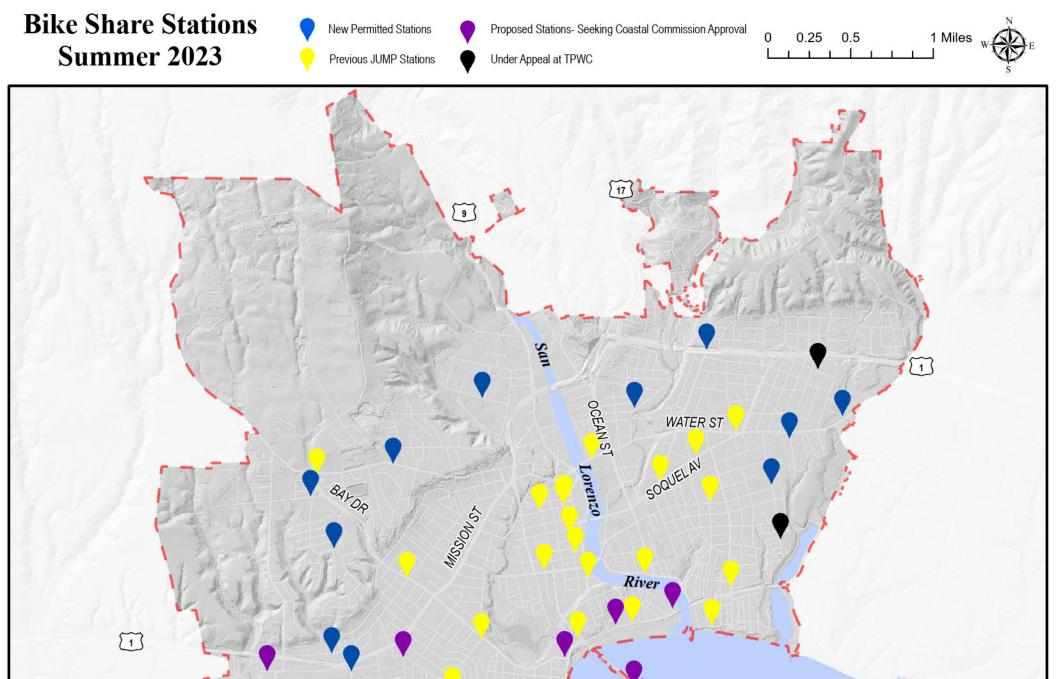
mikemcmurry@comcast.net



Approximate view of station footprint

	Roxas &	Trevethan	
	FROM:	TO: -	
	NOTES: Station ID: N17		
J		4.5	

TITLE:	Roxas & Trevethan	Ì
PROJECT/CITY:	BCycle - Electric Bike Share	
SCALE:		
DATE:	05.15.23	
STATUS	PROPOSED	
DRAWING NO:		



4.6



PUBLIC NOTICE

PROPOSED CHANGE TO ON-STREET PARKING

Adjacent to 411 Roxas St.

DEPARTMENT OF PUBLIC WORKS



EXISTING:

No Parking Restrictions

CHANGE TO:

20' of red curb for installation of bike share station

For more information on the bike share program, please visit: www.cityofsantacruz.com/bikeshare

If you have questions or concerns, please contact Public Works by May 31, 2023:

City of Santa Cruz Public Works Department 809 Center Street, Room 201 Santa Cruz, CA 95060

Claire Gallogly (831) 420-5107 cgallogly@santacruzca.gov

47





Notice Of Public Hearing

REGARDING ON-STREET PARKING

NOTICE IS HEREBY GIVEN: that a public hearing will be held before the Transportation and Public Works Commission on **Monday**, **June 26th**, **2023**, for a proposed change to on-street parking on **Roxas St.**

DATE AND TIME: Monday, June 26th, 2023, after 6 p.m.
PLACE OF HEARING: City of Santa Cruz Council Chambers —
Please see City of Santa Cruz Transportation and Public
Works Commission website for more details.

If you have <u>questions</u> please contact: Claire Gallogly (831) 420-5107 - cgallogly@cabofsantacruz.com



POSTING: June 6th, 2023

TO: The General Public

FROM: Public Works Department

NOTICE IS HEREBY GIVEN that a public hearing will be held before the <u>Transportation & Public Works Commission</u> on June 26th, 2023, due to an appeal of Public Works staff's decision to remove one onstreet parking spaces on Roxas St., adjacent to 411 Roxas St.

DATE AND TIME:

June 26th, 2023, after the hour of 6 pm

PLACE OF HEARING:

City of Santa Cruz Council Chambers 809 Center Street, Santa Cruz

EXISTING: On-street parking

PROPOSED CHANGE TO:

One parking space converted to no parking for bikeshare station

If you have questions or concerns, please contact Claire Gallogly at (831) 420-5107 or cgallogly@cityofsantacruz.com





Transportation and Public Works Commission AGENDA REPORT

DATE: 06/14/2023

AGENDA OF: 06/26/2023

DEPARTMENT: Public Works

SUBJECT: Proposed Resource Recovery Collection Rates Increase

RECOMMENDATION: For Information Only

BACKGROUND: The City's resource recovery programs (refuse, recycling, and street sweeping) are operated as a self-supporting enterprise within the Refuse Enterprise Fund. All collection, street sweeping, disposal, recycling processing, customer service, and waste reduction and education operations are completed by City employees. The City owns and operates its own landfill and recycling processing facility on Dimeo Lane and sells the recycled materials. Refuse Enterprise Fund costs also include capital improvements and environmental monitoring needed to design and construct new landfill cells, to maintain and upgrade recycling facilities and to meet environmental regulatory requirements. In FY2023, the Refuse Enterprise Fund budget includes approximately \$21 million in operating costs, \$3 million in capital outlay, and \$3 million in capital projects.

Residents and businesses within the City of Santa Cruz are required to have at least weekly solid waste collection service, with a minimum 20-gallon refuse cart service level. Resource recovery utility fees are charged monthly on the combined Santa Cruz Municipal Utility bill along with water and sewer fees. In addition to garbage collection, resource recovery collection fees include the cost of curbside recycling and yard waste service for cart-service customers, and recycling collection service for container and drop-box service customers. Resource recovery collection fees include the cost of disposal and processing of the collected materials at the Dimeo Lane Resource Recovery Facility (RRF). The resource recovery collection fees also include street sweeping service, provided in high-use business areas, beach areas and bike paths once a week, and to residential areas approximately twice a month. Resource recovery collections staff also pick up illegally dumped materials within the city limits. A waste reduction outreach and education program is provided to residents, businesses, and schools. Resource recovery collection fees cover the costs for city residents to use a countywide Household Hazardous Waste drop-off program at no additional cost, with one site open on Saturdays at the City RRF. In addition, several additional services are provided to residential resource recovery collection customers, including Christmas tree collection in January, four free bulky item/appliance pick-up tags each year, a \$40 discount program for compost or worm bins, and free drop-off locations around the city for fluorescent bulbs, household batteries, and unwanted medications and sharps.

Council last acted to increase the full schedule of resource recovery collection rates on January 27, 2015. (Minor changes affecting two rate categories were approved in August 2021.) The

2015 action approved a four-tiered rate increase taking effect on February 1, 2015, and then on July 1 of the years 2015, 2016, and 2017 and 2018. Resource recovery collection fees have not been increased since July 2018.

The City Finance Department estimated that the Refuse Operations subfund had a FY2023 beginning fund balance available for appropriation of \$15 million as of July 1, 2022.

The Refuse Enterprise also includes three other restricted use subfunds. Two of these, the Landfill Closure subfund and Landfill Post-Closure Maintenance subfund are required under state law to ensure that adequate funds are available to close the landfill and maintain it for at least 30 years after closure in compliance with all environmental regulations. The Refuse 2% for Public Art subfund is the third restricted subfund and is required by City ordinance. Mandatory annual contributions to these restricted subfunds are included in projected expenditures of the operating budget.

The current \$15 million fund balance is very substantial for the Refuse Operations subfund. We were able to maintain the fund balance between FY2018 and FY2021, in which revenues kept pace with or exceeded expenditures. However, in FY2022 and again in FY2023, the construction of the new landfill cell created a deficit of about \$3 million each year, severely cutting into the fund balance. Additionally, the Cost-of-Service study indicates that both the residential and commercial collection operations have been operating in a deficit, although the Fund reserves have softened that impact.

The Refuse Fund supports 98.5 full-time equivalent (FTE) positions and personnel services costs make up over half of the operating budget (not including capital and debt). Budgeted personnel services costs for FY2023 have increased by 36% over FY2018 costs (from \$8.6 million to \$11.7 million). Trucks and heavy equipment are another vital but increasingly expensive part of refuse fund operations. Steel prices and availability have increased truck costs significantly, a front loader truck that cost \$360,000 in 2018, is now about \$400,000, and the electric version is up to \$677,000. In addition to capital outlay costs for vehicles and equipment, capital construction costs can be substantial. Construction of a new lined landfill cell, completed this fiscal year, cost approximately \$6 million.

Without a rate increase, expenditures are projected to continue to significantly exceed revenues, Table 1, and are projected to use up the fund balance by FY2027 and put the refuse fund into a deficit by FY2028 as shown in Table 2.

DISCUSSION: There are several reasons for the increased projected expenditures over the next several years. Primarily the passage of the California Short-lived Climate Pollutants: Organic Waste Reductions Act, more commonly known as Senate Bill 1383, created new requirements on cities to provide organic recovery programs. This includes food waste collection programs, food recovery programs for businesses and substantial inspection and compliance, including mandatory non-compliance fines. This has required the city to institute additional commercial and residential collection routes to meet this mandate. The City is looking to replace its aging computer software system in 2026. This software runs financial, human resources, permitting, customer service and billing, and various other citywide services. The estimated cost to the Refuse Fund is between \$3 and \$4 million. The City refuse fleet is responding to both the local and state mandated push to replace diesel vehicles with electric versions. The difference in cost is currently about \$300,000 higher for a similar refuse truck. Even as we attempt to phase these purchases over several years, the additional cost is a significant increase to our yearly expenses.

Finally, there are significant increases in liability insurance, wages, and costs to access other needed City services, such as IT, Human Resources, Administrative, and Finance support services. The Resource Recovery Division hired an outside consultant, HF&H, to do an assessment of the Cost-of-Service requirements to keep the Refuse Fund healthy, able to respond to unforeseen occurrences, and meet the legal requirements under the State constitution (primarily under Proposition 218).

1. 5-Year Financial Plan

Table 3 shows a 5-year financial plan for the Refuse Enterprise Fund showing proposed revenue increases needed to address the projected revenue deficits to the Refuse Fund that will occur without a rate increase. Table 2 assumes a refuse operations subfund balance available for appropriation of \$15 million on July 1, 2022. The financial plan includes both closing the gap between revenues and anticipated spending, but also building up the reserve amount to fund the anticipated 2026 computer software purchase. These expected expenditures include assumed increases in capital outlay, maintenance, liability insurance, and personnel costs. The plan would leave a projected Refuse Operations subfund balance of approximately \$14 million in FY2028.

2. Estimated Target Reserve

Table 4, Several years ago Finance completed a risk characteristic stress test that evaluated the City's individual factors for extreme and infrequent natural and man-made events, revenue volatility, expenditure volatility, size of debt or unfunded obligations, cash position, unfunded high priority capital projects among other factors. The result of this analysis supported a range of 17% to 25% for base reserves for General Fund obligations. For a self-sustaining Refuse Operation that relies on capital costs for continuation of services and is not meant to be subsidized by general taxes, staff recommends that the target reserve be increased by another 10% to 15% to reach a range between 27% and 40% depending on near term capital assessments. This target has been traditionally calculated based on having in reserve one to three months of the annual operating budget of all refuse operations activities, as well as a capital cost contingency. Unfortunately, escalating costs over the last several years, in the areas of construction and environmental clean-up show that our previous target is now too low, it is more appropriate at the high end of that range. The proposed collection rates are projected to result in a fund balance of \$14 million by FY2028 or approximately 50% of our anticipated operating budget.

3. Proposed Cart Service Rates

Table 5 shows the proposed cart service collection rates. The City has a Zero Waste Goal and has established resource recovery collection rates that provide incentives to customers to reduce waste by ordering a smaller refuse cart size at a lower price. This price incentive has been very effective. The number of cart customers choosing smaller carts has increased dramatically when first established and has remained consistent over the last few years. Currently, 38% of cart customers have 20-gallon carts, 43% have 32-gallon carts, 18% have 64-gallon carts and less than 1% have the 95-gallon carts. Although 81% of our customers have the smaller 20- or 32-gallon carts, historically 5% of customers will try to change to a smaller cart size after a rate increase. Although most will change back to the correct size, to achieve the revenue increases needed from within the cart sector while factoring in this shift to lower cost (and thus lower revenue) service, the rates for cart service needed to be adjusted upward slightly for the first year. The cart service collection rates are proposed to increase by 10% on September 1, 2023, and then by 4% on September 1 of 2024, 2025, 2026 and 2027.

New or changed cart collection services are included in the proposed rates:

- a. The addition of food scrap collection in the residential bundled rate package.
- b. Elimination of the Life-Line rate. This fee has been determined illegal under Proposition 218.

4. Proposed Commercial Rates

Table 6 shows the proposed commercial collection rates. The proposed rates continue to provide a financial incentive to reduce waste and to choose a larger container size picked up less often rather than having a smaller container picked up multiple times each week. The commercial container collection rates are proposed to increase by 15% on September 1, 2023, and then by 4% on September 1 of 2024, 2025, 2026 and 2027.

Some commercial rates and fees apply to customers who request one-time and/or temporary collection services, services that are charged each time they are collected, and special services. The proposed rates for most of these special commercial categories were based on a percentage increase equal to that of the regular commercial rates.

New or changed commercial collection services are included in the proposed rates:

- a. Including State mandated food scrap collection into a bundled rate. This means for the basic cost of their refuse container, commercial collection will include recycling, yard waste and food scrap service for no additional cost. This will eliminate the current rates for 64-gallon cart, 1 yard container, 2-yard container and 3-yard container service for food scraps.
- b. Eliminate the Weekend Collection Surcharge.

5. Proposed Municipal Wharf Rates

The businesses on the Municipal Wharf have a separate rate schedule because they are mandated to utilize shared City-owned compactors located at several points along the wharf due to collection challenges and to reduce the number of heavy truck trips. The current and proposed monthly resource recovery collection rates for Municipal Wharf customers are shown in Table 7. The wharf rates were calculated to achieve the overall target revenue percentage increases set forth in the Financial Plan and are proposed to increase by 15% on September 1, 2023, and then by 4% on September 1 of 2024, 2025, 2026 and 2027.

6. City School District Rates

Staff is recommending that the School District rates be increased as shown in Table 8. The proposed rates are based on applying the same percentage increases proposed for regular commercial rates to the current School District rates over the current rates, 15% on September 1, 2023, and then by 4% on September 1 of 2024, 2025, 2026 and 2027.

Under the State Constitution (as revised by Proposition 218) and subsequent State law, the City Council can approve increases to refuse collection fees after conducting a public hearing on the proposed fees and charges. That public hearing must be held no less than 45 days after mailing a notice of the proposed fees and charges to the record owners of each identified parcel which will be impacted. At the public hearing, Council must consider all properly submitted written protests against the proposed increase in fees and charges and may not impose the increase if a majority of the property owners submit such protests.

Staff has prepared a public notice for mailing (copy attached). If Council approves the recommendation to set a public hearing for the proposed resource recovery collection rates on

August 8, 2023, staff will mail the notice out to property owners and refuse customers the week of June 19, 2023 (must be mailed no later than June 22, 2023).

FISCAL IMPACT: Without the proposed resource recovery collection rate increases, the estimated \$14 million FY2023 beginning fund balance available for appropriation for the refuse operations subfund is estimated to decline to a negative fund balance of at the end of FY2027, and to a deficit of over \$2.8 million by the end of FY2028. The proposed rate increases are projected to increase revenues over the next five years while slowly spending down the fund balance over the next four years. With the proposed rate increases, annual revenues are projected to approximately equal annual expenditures by FY2025, fund the computer system upgrade in FY2025, and return to an ending fund balance of approximately \$14 million.

The impact of the proposed fees on collection customers is shown in the attached tables. Collection rates provide a financial incentive to both residential and commercial customers to reduce to a smaller cart or container size, fully utilize our additional waste reduction services, and to commercial customers to have refuse picked up less frequently. These rates provide financial incentives that should help the City reduce waste, move toward the Zero Waste Goal and increase landfill diversion and landfill life.

Under the proposed plan, collection rates would increase on September 1, 2023, and then on September 1st of 2024, 2025, 2026 and 2027.

Prepared By:
Guadalupe Sanchez
Superintendent of Resource
Recovery

Submitted By:
Bob Nelson
Public Works Operations
Manager

Approved By:
Nathan Nguyen, P.E.
Director of Public Works

ATTACHMENTS:

- 1. TABLES.PDF
- 2. HF AND H EXECUTIVE SUMMARY RATE MODEL.PDF
- 3. REFUSE RATE INCREASE MAILED NOTICE.PDF

City of Santa Cruz							
Solid Waste Rate Model							
Table 1A - Summary			YTD Actual	< City Bud	get Toggle		
	Fiscal year	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
	Eff. Date		7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026
Revenue Require	ment - Residential		\$9,329,723	\$9,668,063	\$10,019,260	\$10,383,803	\$10,336,160
Rev	enue - Residential		\$8,224,797	\$8,224,797	\$8,224,797	\$8,224,797	\$8,224,797
Si	urplus / (Shortfall)		-\$1,104,926	-\$1,443,266	-\$1,794,463	-\$2,159,006	-\$2,111,363
Revenue Requiren	nent - Commercial		\$8,258,869	\$8,551,737	\$8,855,734	\$9,171,283	\$8,947,008
Reve	nue - Commercial		\$7,208,433	\$7,208,433	\$7,208,433	\$7,208,433	\$7,208,433
Si	urplus / (Shortfall)		-\$1,050,436	-\$1,343,304	-\$1,647,301	-\$1,962,850	-\$1,738,575
Annual Rate Revenue Increa	ses - Residential		0.0%	0.0%	0.0%	0.0%	0.0%
Annual Rate Revenue Increas	ses - Commercial		0.0%	0.0%	0.0%	0.0%	0.0%

Table 1 Projected Expenditures – No Rate Increase

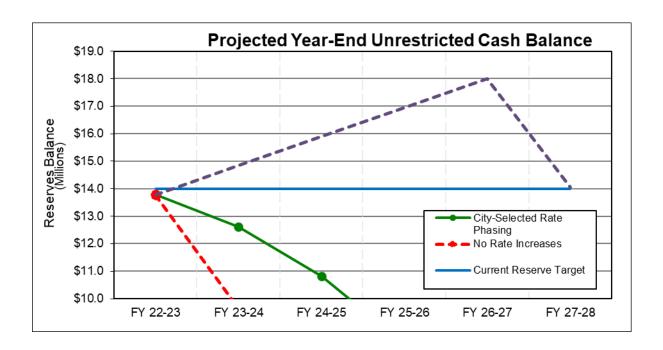


Table 2 Projected Fund Balance Available for Appropriation – No Rate Increase

City of Santa Cruz							
Solid Waste Rate Model							
Table 1A - Summary			YTD Actual	YTD Actual < City Budget Toggle			
	Fiscal year	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
	Eff. Date		7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026
Revenue Require	ment - Residential		\$9,329,172	\$9,667,491	\$10,018,666	\$10,383,186	\$10,335,519
Rev	enue - Residential		\$9,047,277	\$9,409,168	\$9,785,535	\$10,176,956	\$10,584,034
S	urplus / (Shortfall)		-\$281,895	-\$258,323	-\$233,131	-\$206,230	\$248,515
Revenue Requiren	nent - Commercial		\$8,259,435	\$8,552,325	\$8,856,344	\$9,171,916	\$8,947,665
Reve	nue - Commercial		\$8,227,250	\$8,556,340	\$8,898,593	\$9,254,537	\$9,624,719
S	urplus / (Shortfall)		-\$32,185	\$4,015	\$42,249	\$82,621	\$677,053
Annual Rate <u>Revenue</u> Increa	ses - Residential		10.0%	4.0%	4.0%	4.0%	4.0%
Annual Rate Revenue Increas	es - Commercial		15.0%	4.0%	4.0%	4.0%	4.0%

Table 3 Five Year Financial Plan

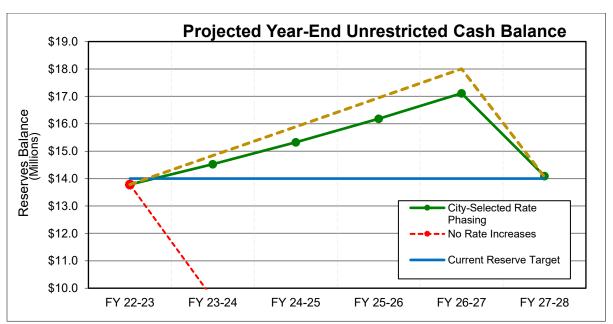


Table 4 Estimated Fund Balance Available for Appropriation/Reserves – with proposed rate increases

				Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Cart Servi	ce (Residential an	d Commercial)							
20-gallon	cart, one/week			\$22.36	\$24.60	\$25.58	\$26.60	\$27.67	\$28.77
32-gallon	cart, one/week			\$36.04	\$39.64	\$41.23	\$42.88	\$44.59	\$46.38
64-gallon	cart, one/week			\$77.25	\$84.98	\$88.37	\$91.91	\$95.59	\$99.41
95-gallon	cart, one/week			\$123.60	\$135.96	\$141.40	\$147.05	\$152.94	\$159.05
Additiona	al unscheduled set	out (per bag)		\$16.72	\$18.39	\$19.13	\$19.89	\$20.69	\$21.52
Call-back	service (carts)			\$39.53	\$43.48	\$45.22	\$47.03	\$48.91	\$50.87
Commerc	ial 64-gallon Food	Waste Cart once/v	week	\$69.48	\$79.95	\$83.15	\$86.48	\$89.94	\$93.53
Food Was	ste additional sche	dule pickup		\$69.48	\$79.95	\$83.15	\$86.48	\$89.94	\$93.53

Table 5 Proposed Cart Service Rates

	Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Commercial Containers (City Owned)						
1 CY one/week	\$218.50		\$261.33	\$271.78	\$282.65	\$293.96
Additional scheduled weekly pickups	\$218.50		\$261.33	\$271.78	\$282.65	\$293.96
Additional unscheduled pickups (each)	\$61.26		\$73.27	\$76.20	\$79.25	\$82.42
Food Waste one pickup per week	\$196.65		\$235.19	\$244.60	\$254.39	\$264.56
Food Waste additional scheduled (each)	\$ 196.65		\$235.19	\$244.60	\$254.39	\$264.56
2 CY once/week	\$325.68		\$389.51	\$405.09	\$421.30	\$438.15
Additional scheduled weekly pickups	\$325.68	\$374.53	\$389.51	\$405.09	\$421.30	\$438.15
Additional unscheduled pickups (each)	\$122.52		\$146.53	\$152.40	\$158.49	\$164.83
Food Waste one pickup per week	\$293.11		\$350.56	\$364.58	\$379.17	\$394.33
Food Waste additional scheduled (each)	\$293.11	\$337.08	\$350.56	\$364.58	\$379.17	\$394.33
Temporary Service						
Ten-day service, one pick-up	\$157.52	\$181.15	\$188.39	\$195.93	\$203.77	\$211.92
Five-day service, one pick-up	\$108.76	\$125.07	\$130.08	\$135.28	\$140.69	\$146.32
Each Extra Day (max 15)	\$31.57	\$36.31	\$37.76	\$39.27	\$40.84	\$42.47
3 CY once/week	\$456.74	\$525.25	\$546.26	\$568.11	\$590.84	\$614.47
Additional scheduled weekly pickups	\$456.74	\$525.25	\$546.26	\$568.11	\$590.84	\$614.47
Additional unscheduled pickups (each)	\$200.87	\$231.00	\$240.24	\$249.85	\$259.84	\$270.24
Food Waste one pickup per week	\$411.07	\$472.73	\$491.63	\$ 511.30	\$531.75	\$553.02
Food Waste additional scheduled (each)	\$411.07	\$472.73	\$491.63	\$ 511.30	\$531.75	\$553.02
4 CY once/week	\$557.00		\$666.17	\$692.82	\$720.53	\$749.35
Additional scheduled weekly pickups	\$557.00	\$640.55	\$666.17	\$692.82	\$720.53	\$749.35
Additional unscheduled pickups (each)	\$245.05	\$281.81	\$293.08	\$304.80	\$317.00	\$329.67
Temporary Service	,	, -	,	,	,	,
Ten-day service, one pick-up	\$317.24	\$364.83	\$379.42	\$394.60	\$410.38	\$426.79
Five-day service, one pick-up	\$216.59		\$259.04	\$269.40	\$280.18	\$291.39
Each Extra Day (max 15)	\$62.98		\$75.32	\$78.34	\$81.47	\$84.73
6 CY once/week	\$788.32		\$942.83	\$980.54	\$1,019.77	\$1,060.56
Additional scheduled weekly pickups	\$788.32		\$942.83	\$980.54	\$1,019.77	\$1,060.56
Additional unscheduled pickups (each)	\$367.57	\$422.71	\$439.61	\$457.20	\$475.49	\$494.51
Temporary Service	Ç307.37	γ122.71	γ-133.01	Ç-137.20	Ş173.13	γ131.31
Ten-day service, one pick-up	\$381.01	\$438.16	\$455.69	\$473.92	\$492.87	\$512.59
Five-day service, one pick-up	\$259.88		\$310.82	\$323.25	\$336.18	\$349.63
Each Extra Day (max 15)	\$62.98		\$75.32	\$78.34	\$81.47	\$84.73
8 CY once/week		\$1,142.27	\$1,187.96	\$1,235.48	\$1,284.90	\$1,336.30
Additional scheduled weekly pickups		\$1,142.27	\$1,187.96	\$1,235.48	\$1,284.90	\$1,336.30
Additional unscheduled pickups (each)	\$462.63		\$553.31	\$575.44	\$598.46	\$622.39
Delivery charge for reinstation dequinlent accounts (\$174.01	\$180.97	\$188.20	\$195.73
Delivery charge for remistation dequiment accounts (1-6 yu) 3143.43	\$107.31	\$174.01	\$160.57	\$188.20	\$193.73
Special Containers (Downtown MW and Rec Enclosur						
	Regular contai	ner rate / p	roportional '	volume gen	erated by th	ne business
Rate for common use of a refuse container	or property	= monthly i	refuse rate o	harged to b	usiness or p	roperty.
			actual maint			
Maintenance fee for downtown enclosures	,		ume of refus			Ü
Customer Services						
Cart locks installation	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49
Container locks installation	\$52.74				-	
Cart cleaning (special request)	\$15.23			\$18.94		
Container renewal (clean/paint)	\$35.16					
Compactor cleaning (per time)	\$179.25					
Life-line rate - 20 gallon cart	\$21.36	-	-			
Life-line rate - 32 gallon cart	\$35.04					
Bulky item pickup (Resi pick up, scheduled)	\$24.31			\$28.92		
Private enclosed cleaning fee	\$179.25					
Special service fee (requested by customer)	\$15.23			\$18.94		
Difficult to service fee	\$30.47				-	
Additional Rec or GW cart fee	\$4.25			\$5.06		
Special hauf rate (per hour)	\$564.15	-	-	\$701.71		
Special haul rate (minimum charge)	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15
We also al Callantian County	2	4 = - 1	4 = - 1	4 = - 1	4 = - 1	4 = - 1
Weekend Collection Surcharge Change of service fee	15% \$11.72			15% \$14.58		

Table 6 Proposed Commercial Rates

Municipal Wharf Rates		Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Muni Wharf - Summer 32 gal Ca	art	\$36.04	\$41.45	\$43.10	\$44.83	\$46.62	\$48.49
Muni Wharf - Winter 32 gal Cart	t	\$36.04	\$41.45	\$43.10	\$44.83	\$46.62	\$48.49
Muni Wharf - Summer Level 0		\$97.47	\$112.09	\$116.57	\$121.24	\$126.09	\$131.13
Muni Wharf - Winter Level 0		\$97.47	\$112.09	\$116.57	\$121.24	\$126.09	\$131.13
Muni Wharf - Summer Level 1		\$234.64	\$269.84	\$280.63	\$291.85	\$303.53	\$315.67
Muni Wharf - Winter Level 1		\$189.72	\$218.18	\$226.91	\$235.98	\$245.42	\$255.24
Muni Wharf - Summer Level 2		\$410.70	\$472.31	\$491.20	\$510.85	\$531.28	\$552.53
Muni Wharf - Winter Level 2		\$300.89	\$346.02	\$359.86	\$374.26	\$389.23	\$404.80
Muni Wharf - Summer Level 3		\$693.12	\$797.09	\$828.97	\$862.13	\$896.62	\$932.48
Muni Wharf - Winter Level 3		\$466.18	\$536.11	\$557.55	\$579.85	\$603.05	\$627.17
Muni Wharf - Summer Level 4		\$1,125.26	\$1,294.05	\$1,345.81	\$1,399.64	\$1,455.63	\$1,513.85
Muni Wharf - Winter Level 4		\$803.96	\$924.55	\$961.54	\$1,000.00	\$1,040.00	\$1,081.60
Muni Wharf - Summer Level 5		\$1,988.60	\$2,286.89	\$2,378.37	\$2,473.50	\$2,572.44	\$2,675.34
Muni Wharf - Winter Level 5		\$1,363.68	\$1,568.23	\$1,630.96	\$1,696.20	\$1,764.05	\$1,834.61

Table 7 Proposed Municipal Wharf Rates

	,	Refuse	Resource Recover	, 50.						
		11011110	Refuse							
		Containe								
School Name		r Size	Pickups/Week	Cur	rent Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Bay View Elen	nentary	6 yd	2	\$	991.48	\$1,140.21	\$1,185.81	\$1,233.25	\$1,282.58	\$1,333.88
Branciforte Ele	ementary	4 yd	2	\$	746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
Branciforte M	iddle School	4 yd	2	\$	746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
DeLaveaga Ele	ementary	4 yd	3	\$	1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
Gault Element	tary	4 yd	2	\$	746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
Harbor Hi		4 yd	2	\$	746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
		4 yd	3	\$	1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
		4 yd	1	\$	420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
Adult School -	· La Fonda	4 yd	1	\$	420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
Mission Hill M	1iddle School	4 yd	3	\$	1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
Santa Cruz Hig	gh	6 yd	3	\$	1,425.35	\$1,639.15	\$1,704.72	\$1,772.91	\$1,843.83	\$1,917.58
Football	Field	4 yd	1	\$	420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
229 Weeks - A	Adult Ed	2 -32 gal	1	\$	48.19	\$55.42	\$57.64	\$59.94	\$62.34	\$64.84
Warehouse (5	36 Palm)	2 yd	1	\$	254.98	\$293.23	\$304.96	\$317.16	\$329.85	\$343.04
Westlake		2 yd	1	\$	254.98	\$293.23	\$304.96	\$317.16	\$329.85	\$343.04
		4 yd	1	\$	420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
		4 yd	1	\$	420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38

Table 8 Proposed City School Rates





590 Ygnacio Valley Road, Suite 105 Walnut Creek, California 94596 Telephone: 925/977-6950 Fax: 925/977-6955 www.hfh-consultants.com Robert D. Hilton, Emeritus John W. Farnkopf, PE Laith B. Ezzet, CMC Richard J. Simonson, CMC Marva M. Sheehan, CPA Robert C. Hilton

May 25, 2023

Bob Nelson Resource Recovery Operations Manager City of Santa Cruz 809 Center Street, Room 201 Santa Cruz, CA 95060

Sent via e-mail

Subject: Update the City's Solid Waste Rate Model – FINAL REPORT

Dear Bob Nelson:

HF&H Consultants, LLC (HF&H), at your request, has updated the City of Santa Cruz's (City) projected solid waste enterprise collection, processing, and disposal costs and revenues, for fiscal year (FY) 23-24 through FY 27-28 to determine the estimated operating surplus/shortfall for the City's solid waste system by customer class.

EXECUTIVE SUMMARY

The City provides solid waste services to residents and businesses located within the City's limits. In order to increase rates for these services, the City intends to comply with Article XIIID, Section 6 of the California Constitution, which was enacted by Proposition 218 in 1996. This Constitutional Section requires that (1) revenues derived from fees or charges for property-related service not exceed the cost to provide service; (2) revenues derived from fees or charges not be used for any purpose other than that for which it was imposed; and (3) the amount of a fee or charge upon a parcel not exceed the proportional cost of the service attributable to the parcel. The last rate study to analyze the nature of the City's solid waste collection fees and services was completed in 2020. The analysis conducted in support of this study was founded on legal direction related to Proposition 218, which was provided by special counsel engaged by the City.

This rate study included two analytic stages for the solid waste utility:

- 1. **Revenue Requirement Projections.** The expenses are projected based on the City's FY 21-22 actual expenditures, adjusted for anticipated future expenditures and cost escalation factors. The revenues are based on a revenue buildup of current subscriptions and current rates. The difference between expenses and revenues must be offset by annual revenue increases.
- 2. **Cost of Service Analysis.** The revenue requirement for the coming rate year (FY 2023-24) is allocated to each customer class based on the cost to provide the service.

Bob Nelson May 25, 2023 Page 2 of 11

The analysis was performed in a spreadsheet model. The tables presented in this report are derived from this model.

Figure 1-1 summarizes the annual revenue requirement that rates must be set to fund, for each class of customers.

Figure 1-1. Revenue Requirement Projections

	Projections								
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28				
Carts	\$ 9,329,172	\$ 9,667,491	\$10,018,666	\$10,383,186	\$10,335,519 A				
Bins	\$ 8,259,435	\$ 8,552,325	\$ 8,856,344	\$ 9,171,916	\$ 8,947,665 B				
Total	\$17,588,607	\$18,219,815	\$18,875,010	\$19,555,102	\$19,283,184 C = A + B				
			•	•					

B. Cost of Service Analysis

The cost of service analysis indicated that both cart and bin customers are under-generating revenue compared to the cost of service. As a result, customer rates need to be increased to ensure revenue sufficiency over time. Even though the City has reserve funds, the City elected to save the reserve funds for CIP projects and other large expenditures outside of rate collection services. As such, the City elected to apply annual increases to each customer class from FY 23-24 through FY 27-28. The first rate increase will be implemented on September 1, 2023.

BACKGROUND

The City is the provider of solid waste, recyclables, and yard waste collection to the City's residents, businesses, and City facilities. All materials are delivered to the City's Dimeo Lane Resource Recovery Facility for processing or disposal. Residents and businesses have the option of subscribing to cart, bin, and/or roll-off (also known as "drop box") collection service. These service types are provided in a range of sizes to meet each customer's specific needs. In addition to the current services being provided to its residents and businesses, the City is continuing to roll out food waste collection services to customers to comply with SB 1383.

To determine whether additional rate revenue is required for the forthcoming rate year, projected operating and capital expenses are compared with projected revenue from current rates by customer class. Rates are then proposed to be adjusted as necessary by line of business so that the expenses are covered, and reserves are maintained.

The City requested HF&H to prepare an updated analysis of the current solid waste rates and rate structure, and evaluate if, and to what extent, a rate increase may be necessary to cover the City's expenditures. The prior rate study conducted for rates to be implemented in FY 2020 was performed at a system-wide level (all rates increased the same percentage), but the current study went deeper into



Bob Nelson May 25, 2023 Page 3 of 11

the cost to provide service at the customer class level (residential and commercial). Roll-off rates and the landfill rates were excluded from this analysis.

SCOPE OF WORK

Based on the operational statistics provided by the City, HF&H developed a high-level solid waste rate model designed to project the effect on rate revenues based on potential rate increase scenarios compared to the enterprises financial requirements, including operations and maintenance (O&M), capital improvement, and reserve funds.

We performed the following procedures as part of our review:

- Obtained cost, rate, and current customer account data from the City;
- Prepared a summary schedule projecting the City's costs and revenues for the five fiscal years (FY 23-24 through FY 27-28). The City's FY 21-22 actual expenditures served as the starting point for projecting the City's expenses and revenues, based on an inflationary increase of 3.8% per year as requested by City Staff;
- Allocated expenditures to customer classes based on allocation factors including, but not limited to: routes, tonnage, subscribed volume, and revenue; and,
- Calculated the cost-of-service rate increase by customer class to achieve rate revenue that would meet the minimum revenue requirement.

LIMITATIONS

This study was prepared solely for the City of Santa Cruz in accordance with the contract between the City and HF&H and is not intended for use by any other party for any other purpose.

In preparing this study, HF&H relied on information and instructions from the City, which we consider to be accurate and reliable and did not independently verify.

Revenues from landfill and collection operations may fluctuate based on consumer habits, migration between container sizes, and amount of materials disposed.

Revenues generated from the sale of recyclable materials remain highly variable as recyclable markets have recently encountered large fluctuations amid global market uncertainty.

Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected, which can result in significant differences between projected and actual expense and revenues.



Bob Nelson May 25, 2023 Page 4 of 11

This analysis addresses the relevant laws, regulations, and court decisions but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this study should be referred to a qualified attorney.

FINDINGS

To determine whether additional rate revenue is required, projected operating expenditures are compared with projected revenue from current rates. Rates are then increased so that projected expenses are covered.

A. Operations for FY 23-24

HF&H reviewed the City's current (FY 22-23) annualized revenues compared to the projected (FY 23-24) revenue requirement. The revenue requirement is only reflective of residential and commercial collection operations and excludes expenditures for landfill operation, roll-off containers, and large construction in progress projects as the goal of this study was to determine the cost to provide basic refuse collection and processing services. Additional expenditures were added to the FY 23-24 projected budget as follows:

- Included an increase in the insurance and liability bond cost to solid waste of \$350,000 (subject to annual inflation factors).
- Included an additional \$1.3M in Capital Allocation Plan costs to solid waste (subject to annual inflation factors).
- Included an additional \$1M annually to build reserves for the IT system upgrade in FY 27-28.
- Included an additional \$373K to estimate the annual cost of 1.5 FTE and 2 trucks for additional commercial organics bin routes (subject to annual inflation factors).

As shown in **Figure 1-2**, the City is anticipating a system-wide revenue shortfall of \$2,209,681, or 14.4%, in FY 23-24, based on projected revenues of \$15,378,925 and projected costs of \$17,588,607, resulting in a drawdown of reserves in the City's fund balance.

Bob Nelson May 25, 2023 Page 5 of 11

Figure 1-2. FY 23-24 Revenue Requirement Analysis

Analysis of Costs and Revenues at Current Rates	
FY 22-2	23 FY 23-24
Projected Costs	\$17,588,607 A
Projected Revenue at <u>Current Rates</u>	\$15,378,925 B
Excess (Deficiency) of Revenues vs. Costs	\$ (2,209,681) C = B - A
Projected Rate Adjustment	14.4% D = C/B
Fund Balance before Rate Contribution	\$13,782,997 E
Contribution to/(of) Fund Balance from/(to) Rates	\$ (2,209,681) C
Fund Balance After Rate Contribution \$13,782,9	997 \$11,573,315 F=E+C

HF&H projected out five years to see the impact the current rates and rate structure would have on the City's fund balance. HF&H inflated the costs using a 3.8% annual inflation factor for the purposes of this analysis.

As demonstrated in **Figure 1-3** below, current revenues are insufficient to cover the overall revenue requirement and will face a recurring annual shortfall based on the projected expenditures. The impact of not increasing rates results in a total decrease to the fund balance of \$16.6 million over the five-year projection period from FY 23-24 to FY 27-28. The result would be a negative fund balance of \$2.8 million by the end of FY 27-28.

Figure 1-3. Projected Revenue Shortfall at Current Rates

	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Increase / Decrease		0%	0%	0%	0%	0%
Projected Costs		\$ 17,588,607	\$ 18,219,815	\$ 18,875,010	\$ 19,555,102	\$ 19,283,184 A
Less: IT System Upgrade Reserve		\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ 4,000,000 B
Projected Costs for Collection		\$ 16,588,607	\$ 17,219,815	\$ 17,875,010	\$ 18,555,102	\$ 23,283,184 C = A
Projected Revenue at <u>Current Rates</u>		\$ 15,378,925	\$ 15,378,925	\$ 15,378,925	\$ 15,378,925	\$ 15,378,925 D
Excess (Deficiency) of Revenues vs. Costs		\$ (1,209,681)	\$ (1,840,890)	\$ (2,496,085)	\$ (3,176,177)	\$ (7,904,259) E = D
Fund Balance before Rate Contribution		\$ 13,782,997	\$ 12,573,315	\$ 10,732,425	\$ 8,236,341	\$ 5,060,164 F
Contribution to/(of) Fund Balance from/(to) Rates		\$ (1,209,681)	\$ (1,840,890)	\$ (2,496,085)	\$ (3,176,177)	\$ (7,904,259) G
Fund Balance After Rate Contribution	\$13,782,997	\$ 12,573,315	\$ 10,732,425	\$ 8,236,341	\$ 5,060,164	\$ (2,844,095) H = F +

The result of this analysis indicates the need for increased overall revenues to cover operating costs. While reserves are available to accommodate the projected shortfalls in the next few years, using the reserves will dip the balance below the minimum reserve target and continued operating shortfalls will



Bob Nelson May 25, 2023 Page 6 of 11

significantly deplete the City's reserves. The City prefers to keep a healthy reserve balance to fund CIP projects in addition to maintaining an operating reserve.

B. Expenses Allocated by Customer Class

The total annual revenue requirement was allocated to the two customer classes (residential and commercial collection service). The allocations were distributed into the following major cost areas in a manner that reflects actual costs required to serve each customer class: administrative, resource recovery collection - containers, refuse disposal, recycling, waste recovery collection, additional commercial organics routes, street cleaning, and non-operating revenue. HF&H then used cost and operational data, provided by the City, to allocate each of these cost areas among customer classes in a manner which reflects the actual cost of providing service to each. Administrative costs were allocated based on monthly subscribed volume. Resource recovery collection costs were allocated based on routes. Refuse disposal costs were allocated based on solid waste tonnage. Recycling costs were allocated based on recycling and organic tonnage. Waste recovery costs were allocated based on weekly routes (excluding roll-off). Additional commercial organics routes were all allocated to commercial. Street cleaning costs were allocated by total tonnage (excluding third party). Non-operating revenue was allocated based on revenue generated by customer class. The allocation methodology by cost area and resulting allocation factors are shown in Figure 2-1.

Bob Nelson May 25, 2023 Page 7 of 11

Figure 2-1. Allocation Methodology and Factors

118410 2 217	Allocation	
Cost Category	Allocation Methodology	Allocation Factors
Admin (7301, 0000, & 7306,) Resource		Residential: 12,600 CY (43%)
Recovery Collection – Container	Monthly	Commercial: 16,320 CY (55%)
Services and Supplies, Insurance &	Subscribed Volume	Roll-off: 655 CY (2%)
Liability, Capital Reserve Transfer)		Total: 29,575 CY (100%)
Bassinas Bassinas Callastias		Residential: 105 Routes (66%)
Resource Recovery Collection -	Davitas	Commercial: 47 Routes (29%)
Container (7302): Labor and Vehicles	Routes	Roll-off: 7 Routes (4%)
		Total: 159 Routes (100%)
		Residential: 7,964 tons (16%)
Pofuse Disposal (7202)	Tannaga Calid	Commercial: 13,947 tons (28%)
Refuse Disposal (7303)	Tonnage – Solid	Roll-off: 6,529 tons (13%)
	Waste	Third Party: 20,851 tons (42%)
		Total: 49,291 tons (100%)
		Residential: 9,085 tons (40%)
Decycling Dragram (7204)	Tonnage –	Commercial: 5,462 tons (24%)
Recycling Program (7304) Sale of Recyclable Materials	Recycling and	Roll-off: 492 tons (2%)
Sale of Recyclable Materials	Organics	Third Party: 7,475 tons (33%)
		Total: 22,514 tons (100%)
Waste Recovery Collection – Carts	Weekly Routes	Residential: 105 Routes (69%)
(7305)	(Excl. Roll-Off)	Commercial: 47 Routes (31%)
(7303)	(EXCI. NOII-OII)	Total: 152 Routes (100%)
Additional Commercial Organics		Residential: (0%)
Routes	Manual	Commercial: ALL (100%)
Routes		Total: (100%)
		Residential: 16,978 tons (38%)
Street Cleaning (7307)	Total Tonnage	Commercial: 19,379 tons (43%)
Street Cleaning (7507)	(Excl. Third Party)	Roll-off: 8,829 tons (19%)
		Total: 45,186 tons (100%)
	Revenue Allocation	Residential: \$8,169,406 (53%)
Non-Operating Revenue	(Excl. Third Party &	Commercial: \$7,129,520 (46%)
Non-Operating Nevertue	Interest)	Roll-off: \$207,695 (1%)
	interesty	Total: \$15,506,620 (100%)

Figure 2-2 displays how the allocation factors were used to allocate FY 23-24 costs to each customer class. **Figure 2-3** summarizes the costs in **Figure 2-2** by customer class to calculate the rate increase or decrease to achieve cost of service.

Bob Nelson May 25, 2023 Page 8 of 11

Figure 2-2. Allocation of FY 2023-24 Costs by Customer Class

Cost Area		FY 23-24 otal Cost	Allocation Fa	actor		Allocated FY 23-24 Costs		
Admin (0000, 7301, & 7306), Resource			Residential	43%	\$	2,438,096		
Recovery Collection - Container Services and Supplies, Insurance & Liability, and	\$	5,722,716	Commercial	55%	\$	3,157,879		
Capital Reserve Transfer			Roll-Off	2%	\$	126,740		
Pasaurea Pasavary Callaction Container			Residential	66%	\$	3,323,754		
Resource Recovery Collection - Container (7302): Labor and Vehicles	\$	5,019,552	Commercial	29%	\$	1,476,633		
(7302). Labor and Vernicles			Roll-Off	4%	\$	219,165		
			Residential	16%	\$	1,159,318		
Refuse Disposal (7303)	\$	7,175,170	Commercial	28%	\$	2,030,248		
heruse bisposai (7505)	۲	7,173,170	Roll-Off	13% \$ 950,				
			Third Party	42%	\$	3,035,207		
			Residential	40%	\$	125,206		
Pagueling Program (7204)	\$	310,282	Commercial	24%	\$	75,274		
Recycling Program (7304)	Ş	310,262	Roll-Off	Roll-Off 2% \$				
			Third Party	33%	\$	103,015		
Wasta Basevany Callaction Carts (720E)	\$	3,111,282	Residential	69%	\$	2,154,229		
Waste Recovery Collection - Carts (7305)	Ş	5,111,202	Commercial	31%	\$	957,052		
Additional Commercial Organics Routes	\$	Residential		0%	\$	-		
Additional Commercial Organics Routes	Ş	373,103	Commercial	100%	\$	373,103		
			Residential	38%	\$	286,710		
Street Cleaning (7307)	\$	763,052	Commercial	43%	\$	327,257		
		·	Roll-Off	20%	\$	149,086		
			Residential	53%	\$	(158,142)		
Non-Operating Revenue	\$	(300,174)	Commercial	46%	\$	(138,012)		
			Roll-Off	1%	\$	(4,021)		

Figure 2-3. FY 23-24 Revenue Requirement by Customer Class

Analysis of Costs and Revenues at Current Rates			
		FY 23-24	
	Total	Residential	Commercial
Projected Costs	\$ 17,588,607	\$ 9,329,172	\$ 8,259,435 A
Projected Revenue at <u>Current Rates</u>	\$ 15,378,925	\$ 8,224,797	\$ 7,154,128 B
Excess (Deficiency) of Revenues vs. Costs	\$ (2,209,681)	\$ (1,104,375)	\$ (1,105,307) C = B - A
Projected Rate Adjustment	14.4%	13.4%	15.4% D = C/B

Bob Nelson May 25, 2023 Page 9 of 11

C. Projected Rate Increases by Customer Class

After presentation of HF&H's findings regarding the projected revenue shortfall and discussion with City staff, the City wished to phase in the rate increases and use reserves to assist rate revenue in funding required costs. The proposed adjustments by the City are a 10% residential increase and a 15% commercial increase in FY 23-24 beginning September 1, 2023, with a 4% residential and 4% commercial annual increase thereafter. Each year, prior to implementing the rate increases, City staff should confirm the need for the rate adjustment and the amount of reserves used to fund the remaining costs. The City can implement a lower rate increase, if conditions warrant, without going through the Proposition 218 notification process. If higher rate increases are needed that exceed the adopted rates, the City should initiate a new Proposition 218 proceeding.

Figure 3-1 summarizes the annual rate increases to each customer class from FY 23-24 through FY 27-28.

Figure 3-1. Rate Increases FY 23-24 through FY 27-28

0		_	0	_	
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Residential Rate Increase	10.0%	4.0%	4.0%	4.0%	4.0%
Commercial Rate Increase	15.0 %	4.0%	4.0%	4.0%	4.0%

Figure 3-2 below shows the impact on the fund balance assuming the rate adjustments are implemented September 1, 2023 and July 1 of each year thereafter.

Figure 3-2. Solid Waste Fund Balance

Analysis of Costs and Revenues at Adjusted Rates					
FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Overall Rate Increase / Decrease	12%	4%	4%	4%	4%
Projected Costs	\$17,588,607	\$18,219,815	\$18,875,010	\$19,555,102	\$19,283,184 A
Less: IT System Upgrade Reserve	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ 4,000,000 B
Projected Costs for Collection	\$16,588,607	\$17,219,815	\$17,875,010	\$18,555,102	\$23,283,184 C = A + B
Projected Revenue at <u>Adjusted Rates</u>	\$16,958,593	\$17,963,908	\$18,682,464	\$19,429,763	\$20,206,953 D
Excess (Deficiency) of Revenues vs. Costs	\$ 369,986	\$ 744,092	\$ 807,454	\$ 874,661	\$ (3,076,231) E = D - C
Fund Balance before Rate Contribution	\$13,782,997	\$14,152,983	\$14,897,076	\$15,704,530	\$16,579,191 F
Contribution to/(of) Fund Balance from/(to) Rates	\$ 369,986	\$ 744,092	\$ 807,454	\$ 874,661	\$ (3,076,231) G
Fund Balance After Rate Contribution \$13,782,997	\$14,152,983	\$14,897,076	\$15,704,530	\$16,579,191	\$13,502,960 H=F+G

Figure 3-3 and Figure 3-4 summarize the information presented in **Figure 3-2** by customer class (excluding beginning and ending fund balance, which were not separately allocated to each customer class.)

Bob Nelson May 25, 2023 Page 10 of 11

Figure 3-3. Residential Rate Revenue Summary

			•		
FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
10%	4%	4%	4%	4%	
\$ 9,329,172	\$ 9,667,491	\$10,018,666	\$10,383,186	\$10,335,519 A	
\$ 8,910,197	\$ 9,408,208	\$ 9,784,536	\$10,175,917	\$10,582,954 B	
\$ (418,975)	\$ (259,283)	\$ (234,130)	\$ (207,268)	\$ 247,435 C=	B - A
	10% \$ 9,329,172 \$ 8,910,197	10% 4% \$ 9,329,172 \$ 9,667,491 \$ 8,910,197 \$ 9,408,208	10% 4% 4% \$ 9,329,172 \$ 9,667,491 \$10,018,666 \$ 8,910,197 \$ 9,408,208 \$ 9,784,536	10% 4% 4% \$ 9,329,172 \$ 9,667,491 \$ 10,018,666 \$ 10,383,186 \$ 8,910,197 \$ 9,408,208 \$ 9,784,536 \$ 10,175,917	10% 4% 4% 4% 4% \$ 9,329,172 \$ 9,667,491 \$10,018,666 \$10,383,186 \$10,335,519 A \$ 8,910,197 \$ 9,408,208 \$ 9,784,536 \$10,175,917 \$10,582,954 B

Figure 3-4. Commercial Rate Revenue Summary

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rate Increase / Decrease	15%	4%	4%	4%	4%	
Total Projected Costs	\$ 8,259,435	\$ 8,552,325	\$ 8,856,344	\$ 9,171,916	\$ 8,947,665	A
Total Projected Revenue at Adjusted Rates	\$ 8,048,396	\$ 8,555,700	\$ 8,897,928	\$ 9,253,845	\$ 9,623,999	В
Total Excess (Deficiency) of Revenues vs. Costs	\$ (211,039)	\$ 3,375	\$ 41,584	\$ 81,929	\$ 676,334	C = B - A
-	•		•			

The summary of resulting impacts on the City's fund balance of the projected rate adjustments above can be seen in the figure below. The City's rate phasing follows closely to the Cost of Service rates, generates the additional funding for the IT system upgrade from FY 23-24 through FY 26-27, and drops upon purchase in FY 27-28.

Projected Year-End Unrestricted Cash Balance \$19.0 \$18.0 \$17.0 Reserves Balance \$16.0 \$15.0 \$14.0 \$13.0 City-Selected Rate Phasing ◆ ■ No Rate Increases \$12.0 Current Reserve Target \$11.0 Cost of Service \$10.0 FY 22-23 FY 23-24 FY 24-25 FY 25-26 FY 26-27 FY 27-28

Figure 3-5. Projected Fund Balance

The City's decision to use rate phasing will strategically leverage the City's reserve funds to supplement the rates over the coming years and return the fund balance to near the reserve target. HF&H recommends that the City revisit the cost to provide service in FY 25-26 and beyond as revenues and



Bob Nelson May 25, 2023 Page 11 of 11

expenditures may change due to unknown conditions, and the use of reserve fund may need to be adjusted.

* * * *

We appreciate the opportunity to be of service to the City. We value our relationship with you and the City and are committed to providing you the highest level of service in the performance of this matter for you. Should you have any questions, please feel free to call me at (925) 977-6964.

Sincerely, HF&H CONSULTANTS, LLC

Dave Hilton Senior Project Manager

Services Included with Resource Recovery Refuse Collection Rates

Curbside Recycling

Residents and businesses in the City are provided unlimited recycling collection with their refuse service. Recycling reduces the amount of garbage that must be collected and may enable you to reduce cart or container size and lower monthly rates. Materials to recycle include mixed paper, junk mail, newspapers, cardboard, glass bottles and jars, metal cans, bagged and tied plastic bags, and plastic bottles, jars, jugs and tubs. Used motor oil and oil filters may be recycled curbside in City-provided jugs. Please recycle right! Don't include contaminants such as single plastic bags, garbage, polystyrene foam, or items with food residue—these can damage equipment and/or cause an entire recycling load to be landfilled.

Yard Waste Recycling

Resource Recovery collection rates include weekly collection of a 64-gallon yard waste cart. Grass clippings, leaves, pine needles, prunings, branches, plants, unpainted/untreated lumber scraps, and untreated wood chips, bark, or sawdust may be put into the green cart and placed curbside on your regular collection day. City crews will collect it, grind it, and send it to a local farm for composting or use as mulch. It is critical that you only include the items listed to prevent contamination and damage to the grinder. Yard waste recycling saves landfill space and helps you reduce your refuse cart size and monthly fees.

Street Sweeping

Our City Street Sweeping program is funded through Resource Recov ery collection rates. Our crews attempt to sweep streets in the highuse business areas, beach areas, and bike paths at least once a week and more often during high-use seasons. They attempt to sweep residential streets twice a month on the day after collection service. Heavy on-street parking limits the ability of sweepers to access areas next to curbs. You can help by not parking on the street the morning after your refuse collection. Street sweeping helps keep pollutants out of storm drains, and ultimately, out of Monterey Bay and the ocean. Sweeping also helps clear gutters of leaves and debris that can clog storm drains and lead to street flooding. Your assistance in helping to keep storm drains near your home free of leaves during the rainy season is appreciated. If you observe a street debris problem that could cause a safety hazard, please call (831) 420-5558.

Food Scrap Diversion Program

(Commercial rates now include this service!)

The new Food Scrap Collection Program serves residents and businesses in compliance with SB 1383 to reduce greenhouse gas emissions. It is now part of the bundled service including garbage, yard waste, and recycling. Collection for residents is curbside, and onsite for businesses. The scraps are turned into mash that is processed into a variety of products including pellets for pig feed; eventually it will be transformed into energy for onsite use at the Wastewater Treatment Facility. Customers are provided containers for food scrap collection that may include vegetables, fruits, meat, dairy products, seafood, solid fats, and more. Learn more at cityofsantacruz.com/foodwaste.

Bulky Item Pickup

Contact Customer Service at (831) 420-5220 or scmu@cityofsantacruz.com to ask about our convenient "on call" bulky item pickup. If the utility bill is in your name, you are eligible to have up to four bulky items collected at one time or one item picked up four times a year, free of charge. Appliances, bags of trash and other "bulky" items qualify. Schedule a pickup any time during the year. Once you have used up your four free opportunities, the regular bulky item fee will be charged to your municipal utility account. If you are a renter and the utility bill is not in your name, bulky item collection is still available for a fee.

Household Hazardous Waste Drop-Off

Household Hazardous Waste (HHW) to all residents. The Resource Recovery Facility, 605 Dimeo Lane, has a HHW facility open on Saturdays from 7:30 a.m. to 3:30 p.m. City residents may also use the two HHW sites at the County's Buena Vista Landfill and Ben Lomond Transfer Station. It is both dangerous and illegal to dispose of HHW in the garbage, down the drain, or on the ground. For a free brochure on safe HHW

Our Resource Recovery program provides free drop-off for

Medications and Sharps Drop-Off Sites

disposal, call (831) 420-5591.

Prescription and over-the-counter medications (pills, liquids, or creams) should never be flushed down the toilet, poured down the sink, or placed in the trash. Used needles and lancets (often called "sharps") should never be placed in a recycling or trash cart, flushed down the toilet, or discarded individually. Properly dispose of sharps by placing them into an approved red sharps container available at pharmacies. Resource Recovery collection rates help fund a number of free drop-off locations in Santa Cruz for safe disposal of needles and meds. Find drop-off sites at med-project.org/locations.

Home Composting \$40 Rebate Program

If you are a City resident and a Resource Recovery collection customer, our Waste Reduction program will give you a \$40 rebate the first time you purchase a home compost or worm bin from participating local businesses. Home composting can help you reduce your refuse volume and will produce a soil amendment that your plants will love! Visit cityofsantacruz.com/ homecomposting for the rebate form and a listing of participating merchants.

Fluorescent Bulb & Battery Drop-Off Sites

It is illegal to dispose of fluorescent bulbs and tubes, and household batteries in your trash. You may drop off these items for safe recycling at a number of local businesses or public facilities. There is no fee since your Resource Recovery collection rates include the costs of these programs. Find drop-off locations at cityofsantacruz.com.

For more information, contact:

Resource Recovery Operations Manager Bob Nelson bnelson@santacruzca.gov or (831) 420-5548



Public Works Department 809 Center Street, Room 201 Santa Cruz, CA 95060 citvofsantacruz.com



PRSRT STD PAID PERMIT #505

U.S. POSTAGE SANTA CRUZ, CA

Notice of Public Hearing

The Santa Cruz City Council will hold a public hearing on

Proposed Resource Recovery Refuse Collection Rate Increases

Tuesday, August 8, 2023 - after 11 a.m. City Council Chambers, 809 Center St.

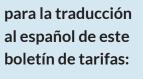
The City Council will consider adoption of proposed Resource Recovery refuse collection rate increases affecting all residential and commercial customers. Interested persons are encouraged to attend and comment on the issues being discussed.

Written protests: Any property owner or a tenant who is a customer of the City Resource Recovery collection program may protest the proposed Resource Recovery collection rates. Only one written protest per parcel, filed by an owner or a tenant who is a customer, will be counted. Only written and signed protests that include the writer's address and/or assessor parcel number will be counted to determine whether a majority protest to the proposed Resource Recovery collection rate increase exists. Written protests may be mailed or hand delivered to the Santa Cruz Mayor and City Council at 809 Center St. Rm. 10. Santa Cruz. CA 95060.

If you oppose the proposed rate increases, your protest must be submitted in writing to be counted, even if you plan to attend the public hearing. To be counted, the protest must:

1) be in writing; 2) state opposition to the proposed rate increase; 3) identify the parcel by assessor's parcel number or street address; 4) include the original signature of the owner of record or a tenant who is a customer of the City Resource Recovery collection service submitting the protest; 5) be received before the conclusion of the public hearing on August 8, 2023 which will be held in City Council Chambers at 809 Center St.

For more information, contact: Resource Recovery Operations Manager Bob Nelson bnelson@santacruzca.gov or (831) 420-5548



Hay tres opciones

- Para leer y/o descargar nuestra versión, visite citvofsantacruz.com/ resourcerecoveryrates.
- Recoja una copia impresa: Departamento de Obras Públicas, 809 Center St. Rm. 201, Santa Cruz, 95060
- Llame a Resource Recovery (831) 420-5575 para recibir una copia.





Resource Recovery Programs & Services

In a typical week, our City of Santa Cruz Resource Recovery Division collects 660 tons of refuse, 252 tons of recycling, and 250 tons of organic material from over 16,000 residential and 13,000 commercial customers.

All these materials are transported to the Resource Recovery Facility. There, trash is deposited in the landfill while all recyclable materials are sorted, processed, and/or packaged for their next life.

One hundred and three staff members conduct these and many other operations. They also sweep our City streets, collect public area trash cans and illegally dumped waste. They manage household hazardous waste disposal services and waste reduction education and outreach programs. They conduct capital improvements and environmental monitoring needed to design and construct new landfill cells and to maintain and upgrade recycling facilities to meet regulatory requirements.

They also manage free Christmas tree collection and bulky item/appliance pick-up, a rebate program for compost or worm bins, and free drop-off locations for fluorescent bulbs, household batteries, and unwanted medications and sharps.

The results of these services include an estimated 65% rate of waste diversion from the landfill, while the national diversion rate is about 34%. The new food scrap collection program is increasing the diversion percentage and reducing methane landfill emissions.

Our City's landfill disposal level is down about 60,000 tons a year from 120,000 tons in 1989. This is tangible progress thanks to the active recycling and waste reduction by our Santa Cruz residents and businesses.

Public Works Department Prop. 218 Notice **Proposed Rates**







Why Are Rate **Increases Needed?**

Our City of Santa Cruz Resource Recovery programs and services described at left are self-supporting operations within the Refuse Enterprise Fund. Their expenditures are covered by refuse collection fees which have not been increased since July 2018 and are projected to exceed revenues and deplete the fund balance by FY2027. There are several reasons for this.

First, personnel service costs for FY2023 have increased by 36% since FY2018. Trucks and heavy equipment are more expensive given steel prices and availability. Also, Resource Recovery is responding to the state-mandate to replace diesel vehicles with electric versions at considerable increase in cost.

Capital construction costs have substantially risen. Construction of a new landfill cell has created a deficit of about \$6 million, severely cutting into the fund balance.

The passage of California State's mandated SB 1383 has brought new costs with requirements to provide residential and commercial food waste collection and recovery programs.

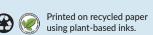
Last, citywide software that runs finances and other services is aging and must soon be replaced; the Resource Recovery portion will cost \$3-4 million.

With the proposed rate increases, annual revenues are projected to equal annual expenditures by FY2025 and return a moderate unrestricted fund balance in FY2028 as a hedge against any unforeseen costs.

The proposed fees are based on the refuse container size (volume) and the frequency of collection. They offer customers a financial incentive to reduce waste and move to a smaller cart or container size. Commercial customers may also choose to have refuse picked up less frequently at lower cost. These financial incentives help our City meet our Climate Action goals of increased waste reduction, increased landfill diversion, and landfill life extension.

The proposed Resource Recovery refuse collection rates are detailed in the following pages







PROPOSED RESOURCE RECOVERY REFUSE COLLECTION RATE INCREASES

Monthly rates unless otherwise stated

Monthly rates unless other wise stated									
	Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28			
Cart Service (Residential and Commercial)		10%	4%	4%	4%	4%			
20-gallon cart, one/week	\$22.36	\$24.60	\$25.58	\$26.60	\$27.67	\$28.77			
32-gallon cart, one/week	\$36.04	\$39.64	\$41.23	\$42.88	\$44.59	\$46.38			
64-gallon cart, one/week	\$77.25	\$84.98	\$88.37	\$91.91	\$95.59	\$99.41			
95-gallon cart, one/week	\$123.60	\$135.96	\$141.40	\$147.05	\$152.94	\$159.05			
Additional unscheduled setout (per bag)	\$16.72	\$18.39	\$19.13	\$19.89	\$20.69	\$21.52			
Call-back service (carts)	\$39.53	\$43.48	\$45.22	\$47.03	\$48.91	\$50.87			
Commercial Containers (City Owned)		15%	4%	4%	4%	4%			
1 CY one/week	\$218.50	\$251.28	\$261.33	\$271.78	\$282.65	\$293.96			
Additional scheduled weekly pickups	\$218.50	\$251.28	\$261.33	\$271.78	\$282.65	\$293.96			
Additional unscheduled pickups (each)	\$61.26	\$70.45	\$73.27	\$76.20	\$79.25	\$82.42			
2 CY once/week	\$325.68	\$374.53	\$389.51	\$405.09	\$421.30	\$438.15			
Additional scheduled weekly pickups	\$325.68	\$374.53	\$389.51	\$405.09	\$421.30	\$438.15			
Additional unscheduled pickups (each)	\$122.52	\$140.90	\$146.53	\$152.40	\$158.49	\$164.83			
Temporary Service									
Ten-day service, one pick-up	\$157.52	\$181.15	\$188.39	\$195.93	\$203.77	\$211.92			
Five-day service, one pick-up	\$108.76	\$125.07	\$130.08	\$135.28	\$140.69	\$146.32			
Each Extra Day (max 15)	\$31.57	\$36.31	\$37.76	\$39.27	\$40.84	\$42.47			
3 CY once/week	\$456.74	\$525.25	\$546.26	\$568.11	\$590.84	\$614.47			
Additional scheduled weekly pickups	\$456.74	\$525.25	\$546.26	\$568.11	\$590.84	\$614.47			
Additional unscheduled pickups (each)	\$200.87	\$231.00	\$240.24	\$249.85	\$259.84	\$270.24			
4 CY once/week	\$557.00	\$640.55	\$666.17	\$692.82	\$720.53	\$749.35			
Additional scheduled weekly pickups	\$557.00	\$640.55	\$666.17	\$692.82	\$720.53	\$749.35			
Additional unscheduled pickups (each)	\$245.05	\$281.81	\$293.08	\$304.80	\$317.00	\$329.67			
Temporary Service									
Ten-day service, one pick-up	\$317.24	\$364.83	\$379.42	\$394.60	\$410.38	\$426.79			
Five-day service, one pick-up	\$216.59	\$249.08	\$259.04	\$269.40	\$280.18	\$291.39			
Each Extra Day (max 15)	\$62.98	\$72.43	\$75.32	\$78.34	\$81.47	\$84.73			
6 CY once/week	\$788.32	\$906.57	\$942.83	\$980.54	\$1,019.77	\$1,060.56			
Additional scheduled weekly pickups	\$788.32	\$906.57	\$942.83	\$980.54	\$1,019.77	\$1,060.56			
Additional unscheduled pickups (each)	\$367.57	\$422.71	\$439.61	\$457.20	\$475.49	\$494.51			
Temporary Service									
Ten-day service, one pick-up	\$381.01	\$438.16	\$455.69	\$473.92	\$492.87	\$512.59			
Five-day service, one pick-up	\$259.88	\$298.86	\$310.82	\$323.25	\$336.18	\$349.63			
Each Extra Day (max 15)	\$62.98	\$72.43	\$75.32	\$78.34	\$81.47	\$84.73			
8 CY once/week	\$993.28	\$1,142.27	\$1,187.96	\$1,235.48	\$1,284.90	\$1,336.30			
Additional scheduled weekly pickups	\$993.28	\$1,142.27	\$1,187.96	\$1,235.48	\$1,284.90	\$1,336.30			
Additional unscheduled pickups (each)	\$462.63	\$532.02	\$553.31	\$575.44	\$598.46	\$622.39			
Delivery charge for reinstation dequinlent accounts (1-8 yd)	\$145.49	\$167.31	\$174.01	\$180.97	\$188.20	\$195.73			
Roll-Off Rates		**	No Rate Change to	o Roll-Off Rates					
10 CY									
Temporary 15-day service, 1 pickup	\$459.98	\$459.98	\$459.98	\$459.98	\$459.98	\$459.98			
Minimum permanent Service, 1 pickup/month	\$511.35	\$511.35	\$511.35	\$511.35	\$511.35	\$511.35			
Additional pickups	\$485.53	\$485.53	\$485.53	\$485.53	\$485.53	\$485.53			
15 CY Temporary 15-day service, 1 pickup	\$573.19	\$573.19	\$573.19	\$573.19	\$573.19	\$573.19			
Minimum permanent Service, 1 pickup/month	\$637.20	\$637.20	\$637.20	\$637.20	\$637.20	\$637.20			
Additional pickups	\$605.03	\$605.03	\$605.03	\$605.03	\$605.03	\$605.03			
20 CY	φουσ.υσ	\$005.00	ψ003.03	ψ003.00	φουσ.υσ	\$005.00			
Temporary 15-day service, 1 pickup	\$671.01	\$671.01	\$671.01	\$671.01	\$671.01	\$671.01			
Minimum permanent Service, 1 pickup/month	\$745.95	\$745.95	\$745.95	\$745.95	\$745.95	\$745.95			
Additional pickups	\$708.29	\$708.29	\$708.29	\$708.29	\$708.29	\$708.29			
30 CY									
Temporary 15-day service, 1 pickup	\$866.63	\$866.63	\$866.63	\$866.63	\$866.63	\$866.63			
Minimum permanent Service, 1 pickup/month	\$963.41	\$963.41	\$963.41	\$963.41	\$963.41	\$963.41			
Additional pickups	\$914.78	\$914.78	\$914.78	\$914.78	\$914.78	\$914.78			
Weekend Special, 10-yard, 15-yard									
10 CY drop off Fri, pickup Mon	\$292.08	\$292.08	\$292.08	\$292.08	\$292.08	\$292.08			
15 CY drop off Fri, pickup Mon	\$365.13	\$365.13	\$365.13	\$365.13	\$365.13	\$365.13			
		May 25 CV (1) SER	- UK NOW		100000000000000000000000000000000000000				

PROPOSED RESOURCE RECOVERY REFUSE COLLECTION RATE INCREASES (cont'd)

	Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Compactor Containers (Customer Owned)						
Roll-off truck service (based on 12 CY)	\$67.35	\$77.45	\$80.55	\$83.77	\$87.12	\$90.61
Front-loader truck service	\$29.08	\$33.44	\$34.78	\$36.17	\$37.62	\$39.12
Municipal Wharf Rates						
Muni Wharf - Summer 32 gal Cart	\$36.04	\$41.45	\$43.10	\$44.83	\$46.62	\$48.49
Muni Wharf - Winter 32 gal Cart	\$36.04	\$41.45	\$43.10	\$44.83	\$46.62	\$48.49
Muni Wharf - Summer Level 0	\$97.47	\$112.09	\$116.57	\$121.24	\$126.09	\$131.13
Muni Wharf - Winter Level 0	\$97.47	\$112.09	\$116.57	\$121.24	\$126.09	\$131.13
Muni Wharf - Summer Level 1	\$234.64	\$269.84	\$280.63	\$291.85	\$303.53	\$315.67
Muni Wharf - Winter Level 1	\$189.72	\$218.18	\$226.91	\$235.98	\$245.42	\$255.24
Muni Wharf - Summer Level 2	\$410.70	\$472.31	\$491.20	\$510.85	\$531.28	\$552.53
Muni Wharf - Winter Level 2	\$300.89	\$346.02	\$359.86	\$374.26	\$389.23	\$404.80
Muni Wharf - Summer Level 3	\$693.12	\$797.09	\$828.97	\$862.13	\$896.62	\$932.48
Muni Wharf - Winter Level 3	\$466.18	\$536.11	\$557.55	\$579.85	\$603.05	\$627.17
Muni Wharf - Summer Level 4	\$1,125.26	\$1,294.05	\$1,345.81	\$1,399.64	\$1,455.63	\$1,513.85
Muni Wharf - Winter Level 4	\$803.96	\$924.55	\$961.54	\$1,000.00	\$1,040.00	\$1,081.60
Muni Wharf - Summer Level 5	\$1,988.60	\$2,286.89	\$2,378.37	\$2,473.50	\$2,572.44	\$2,675.34
Muni Wharf - Winter Level 5	\$1,363.68	\$1,568.23	\$1,630.96	\$1,696.20	\$1,764.05	\$1,834.61

Special Containers (Downtown MW and Rec Enclosures)

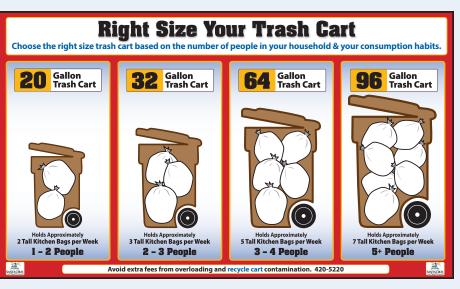
Rate for common use of a refuse container	Regular container rate / proportional volume generated by the business or
	property = monthly refuse rate charged to business or property.

		Ť				
Maintenance fee for downtown enclosures	Proportional share	of actual mainter	nance costs based	on average volume	e of refuse collecte	ed.
Customer Services						
Cart locks installation	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49
Container locks installation	\$52.74	\$60.65	\$63.08	\$65.60	\$68.22	\$70.95
Cart cleaning (special request)	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49
Container renewal (clean/paint)	\$35.16	\$40.43	\$42.05	\$43.73	\$45.48	\$47.30
Compactor cleaning (per time)	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15
Life-line rate - 20 gallon cart	\$21.36	\$23.50	\$24.44	\$25.41	\$26.43	\$27.49
Life-line rate - 32 gallon cart	\$35.04	\$38.54	\$40.09	\$41.69	\$43.36	\$45.09
Bulky item pickup (Resi pick up, scheduled)	\$24.31	\$26.74	\$27.81	\$28.92	\$30.08	\$31.28
Private enclosed cleaning fee	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15
Special service fee (requested by customer)	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49
Difficult to service fee	\$30.47	\$33.52	\$34.86	\$36.25	\$37.70	\$39.21
Additional Rec or GW cart fee	\$4.25	\$4.68	\$4.86	\$5.06	\$5.26	\$5.47
Special haul rate (per hour)	\$564.15	\$648.77	\$674.72	\$701.71	\$729.78	\$758.97
Special haul rate (minimum charge)	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15
Weekend Collection Surcharge	15%	15%	15%	15%	15%	15%
Change of service fee	\$11.72	\$13.48	\$14.02	\$14.58	\$15.16	\$15.77
Change of service ree	Ψ11.72	ψ15. 4 6	Ψ14.0Z	Ψ1 4 .50	\$15.10	ΨΙ

Santa Cruz City School District - Proposed Resource Recovery Collection Rates

School Name	Refuse Container Size	Refuse Pickups/Week	Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Bay View Elementary	6 yd	2	\$991.48	\$1,140.21	\$1,185.81	\$1,233.25	\$1,282.58	\$1,333.88
Branciforte Elementary	4 yd	2	\$746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
Branciforte Middle School	4 yd	2	\$746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
DeLaveaga Elementary	4 yd	3	\$1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
Gault Elementary	4 yd	2	\$746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
Harbor High	4 yd	2	\$746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
	4 yd	3	\$1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
Adult School - La Fonda	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
Mission Hill Middle School	4 yd	3	\$1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
Santa Cruz High	6 yd	3	\$1,425.35	\$1,639.15	\$1,704.72	\$1,772.91	\$1,843.83	\$1,917.58
Football Field	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
229 Weeks - Adult Ed	2 -32 gal	1	\$48.19	\$55.42	\$57.64	\$59.94	\$62.34	\$64.84
Warehouse (536 Palm)	2 yd	1	\$254.98	\$293.23	\$304.96	\$317.16	\$329.85	\$343.04
Westlake Elementary	2 yd	1	\$254.98	\$293.23	\$304.96	\$317.16	\$329.85	\$343.04
	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38





Careful Choices Will Save You Money

Resource Recovery refuse collection rates include weekly service for recycling, yard waste, and food scrap collection. By reducing waste, *Recycling Right!* and properly sorting and diverting organics, most customers can reduce the size of their refuse container.

Careful waste managemen will save you money and increase the lifespan of our City landfill.

