



Office of the City Manager

WORK SESSION
March 23, 2010

To: Honorable Mayor and Members of the City Council

From:  Phil Kamlarz, City Manager

Submitted by: Claudette R. Ford, Director, Public Works

Subject: Refuse Fund Update and Balancing Plan

INTRODUCTION

At the February 23, 2010 work session, Public Works staff reported on the projected \$4.0 million recurring structural deficit facing the Refuse Fund. Council was given an overview on how the Fund deteriorated in the past year as revenue expectations were not met, and an outline of the Department's plans for immediate cost-cutting and proposals for longer term balancing measures.

Tonight's work session focuses on details of the balancing plan which presents both financial and operational challenges. To reduce our shortfall, we propose to:

- Implement new fees and increase some current fees;
- Change the way we do business in solid waste and recycling, resulting in program cost reductions; and
- Borrow \$6.0 million from other City funds to be repaid over a six-year period.

Without these measures, it will be impossible to balance the Refuse Fund this year or in future years. While we need to increase program revenues, the key to long-term balancing of the fund is a change in our operations, which must undergo a major shift from how collections have been done for years. Automation of collections will require us to change from two-person to one-person vehicles for 90% or more of our services. The biggest impact will be on staffing, as these changes will result in substantial reductions commencing in FY 2011 through FY 2013. After months of analysis, we find that the large deficit cannot be overcome with current staffing. This proposal will eliminate 26.0 FTEs from the Solid Waste Division in FY 2011 and FY 2012.

The proposed changes impact a variety of stakeholders. We have discussed the proposal (Attachment 1), with our bargaining units and will continue this conversation over the next year as we begin to implement operational changes. As a follow-up to the February 23 Council work session, attached are staff responses to the issues and questions raised by Council (Attachment 2). We have also discussed the proposal several times with the Zero Waste Commission. The Zero Waste Commission reviewed our strategies at a special

meeting March 15, 2010, and their resolution is attached at the end of this report as Attachment 3.

Loans from Other Funds. Correcting the \$4.0 million structural deficit expected by the end of FY 2010 will be implemented incrementally over the next several fiscal years. The projected FY 2010 year-end \$4.0 million deficit will be a drain on the General Fund absent another remedy. To avoid this, staff is proposing that funds be loaned from other stable funds to offset this General Fund liability: \$2.0 million from the Capital Improvement Fund and \$2.0 million from the Worker's Compensation Fund. Also, as discussed later in the report, in order to switch to single-operator trucks, we need to borrow another \$2.0 million for the purchase of eight vehicles from the Equipment Replacement Fund. Our plan is to pay back the total \$6.0 million with interest over six years. Staff is able to make this type of recommendation because the Refuse Fund is an enterprise fund with means to generate revenue.

BACKGROUND

In February, staff updated Council on the Refuse Fund deficit, how it reached its current state of decline and the enormous challenges still facing us. Staff also discussed a tentative balancing plan to consider new revenues and immediate and long-term cost cutting measures.

In April 2009, we expected a \$5.5 million deficit in the Refuse Fund. To improve our financial picture, Council approved the following balancing plan.

- Increased residential and commercial refuse rates by 20% in July 2009, as approved by voters.
- Increased Transfer Station tip fees in July 2009 by 10% from \$115 to \$126 per ton.
- Planned to cut costs in operating expenditures by \$500,000.

Our expectations were not met. Based on current revenue trends, we are realizing only 20% of revenue expected from the voter-approved rates, primarily due to the large number of residents who reduced their can size after the rate increase. Commercial service saw a reduction in large bin containers and cancellation of service by some large accounts. At the Transfer Station we are experiencing a 16% decrease in tonnage from amounts received in prior years, which translates to a \$1.7 million decline in revenue. For the first time in recent years, franchise fee revenues slipped by \$250,000, reflecting the impact of the current economy.

CURRENT SITUATION

The Refuse Fund remains in deficit. Despite our effort to increase revenues as noted above, we now face a \$4.0 million structural deficit in FY 2010 and beyond unless we incorporate major changes to our operations and implement new and increased fees. To counter this trend, we have already implemented a number of operational changes and have plans for cuts and other efficiencies to help balance the fund in the out years.

Balancing plan details are listed in Attachment 1 (Refuse Fund–Proposed Balancing Options). Several short-term operational changes have already been implemented. The

cost savings for each item listed below reflects annual savings to start in FY 2011. Attachment 1 shows the reductions projected for Fiscal Years 2012 and 2013. It also provides a breakdown on savings for both personnel and non-personnel costs.

Changes effective FY 2010

1. Overtime reductions (recurring). Saturday collection of commercial garbage was eliminated and the number of miscellaneous routes was reduced through route optimization. This may result in recurring savings in overtime of about \$110,000 per year. **\$110,000**
2. Transfer Station overtime reduction (recurring). Due to a decrease in tons delivered to the Transfer Station, we eliminated transport to landfills on weekends. Recurring savings in overtime should average \$201,608 per year. **\$201,608**
3. Reduced disposal costs (recurring). A Solid Waste Supervisor position has been elevated to a Senior Supervisor level; this increased level of supervision over the construction and demolition tonnage sent to our processor has resulted in lower disposal costs. **\$180,261**

Changes effective FY 2011

4. Reduction to Clean Cities Program (recurring). Starting July 2010 we will reduce the scope of services provided by the BOSS contract and re-route crews to high impact areas where services are most needed. **\$187,000**
5. Transfer Station closure on more holidays (recurring). This proposal increases closures from 4 to 12 holidays. These days are traditionally very slow for self-haul customers and should have minimal impact on the public. The Transfer Station will still be operational for City collection vehicles. This is commonly done in the waste industry. **\$37,582**
6. Eliminate vacant Weighmaster position (recurring). This position is currently vacant. The Transfer Station can be sufficiently managed with current staffing levels, especially if the proposed business reductions are implemented. **\$92,820**
7. Eliminate two Customer Service positions in FY 2011 (recurring). Customer service for Solid Waste and Recycling is currently handled by Solid Waste, Revenue Collection and the 311 Call Center. We would eliminate one vacant OS II and one filled Office Specialist Supervisor. This will improve customer service by centralizing it to one point of contact for the customer. **\$203,581**
8. Eliminate Wheel Loader position in FY 2011 (recurring). This position is vacant. The function can be efficiently performed with one primary operator. When needed, a worker from the employee pool can be assigned to this activity. **\$98,110**

Changes effective FY 2012

9. Eliminate Associate Management Analyst position in FY 2012 (recurring). Duties will be assumed by the Recycling Manager. It will reduce oversight of special events, grant management and some program management. **\$168,545**
- or -
- Eliminate Senior Solid Waste Supervisor position in FY 2012 (recurring). Eliminate this position after phasing in one-person automated routes in FY 2011 and FY 2012. **\$147,429**
10. Eliminate Solid Waste Supervisor position in FY 2012 (recurring). Eliminate this position after phasing in one-person automated routes by FY 2012 **\$138,187**

Reorganization of Collection Program and Staff – FY 2011 to FY 2012. This reorganization is central to our balancing plan. Our intent is to follow the industry standard and start using single-person trucks. This will be done on an incremental basis starting in FY 2011, as it will take several months for the purchase and detailing of these vehicles before they can be put into service. Drivers will also need training time to learn how to operate new machinery.

The move to replace two-person crews with single operators is essential to our cost-cutting strategy. Although it requires a reorganization of staff, it does not reduce the level of service we currently provide. We will notify and provide educational materials our customers on cart and bin placement for pickups by the new vehicles. We expect a corollary benefit to one-person vehicles as their use is expected to increase safety for our workers and help reduce our current high level of worker's compensation costs. Drivers will leave their cabs much less frequently, thus reducing the amount of their exposure to traffic and their need to manually move and pick up carts and bins.

We expect to implement a route optimization program by May 2010, and have purchased a software program to help us find efficiencies in our collection routes. This will allow us to consolidate, re-program and even eliminate routes, and should result in more efficient use of vehicles as well as crews.

Vehicle Purchases for Automated Collection

A total of 15 new trucks are needed for the proposed change to automated collection. In FY 2011 we will need to purchase 8 new trucks for residential organics collection. Of these 8 vehicles, 6 were scheduled for replacement in FY 2009; the remaining 2 in FY 2009. The replacement costs for all 8 vehicles is approximately \$2 million has been fully funded in the Equipment Replacement Fund through annual replacement contributions over the last several years. As noted earlier, in addition we will need \$1.75 million for 7 new trucks for residential garbage collection. These have not been funded through annual contributions and will require the loan from the Equipment Replacement Fund. Recurring repair and maintenance costs averaging \$250,000 annually for the new equipment are allocated in each fiscal year budget.

Changes to collection program effective FY 2011

11. Single operator trucks for commercial recycling in FY 2011. This proposal reduces 3 routes to 2 routes. One route is eliminated and two routes are consolidated into one,

resulting in the elimination of 4.0 FTEs. These routes will require 2 vehicles and 1 two-person crew. This will divert approximately 12 tons per day of recyclables from the current processor. No new vehicles are required. **\$562,800**

12. Single operator trucks for commercial garbage in FY 2011. This proposal to change 3 of 4 front loader trucks from 2-person to 1-person crews will eliminate 3.0 FTEs. One front loader truck will remain with 2 persons for hard-to-serve accounts in the hill areas. The one-person trucks will require some driver training. No new vehicles are required. **\$366,000**

Changes to collection program effective FY 2012

13. Single operator trucks for residential organics in FY 2012. Replacing two-person vehicles with single operator trucks will reduce the number of FTEs required for this service from 12.0 FTEs to 6.0 FTEs. Requires 8 new vehicles. **\$438,624**
14. Single operator trucks for residential garbage in FY 2012. Replacing two-person vehicles with single operator trucks will reduce the number of FTEs required for this service from 16.0 FTEs to 8.0 FTEs and requires 7 new vehicles. **\$719,296**

Revenue Proposal

15. New Franchise Agreements in FY 2013. We plan to increase the current 26% fee on gross receipts and require haulers to pay on recyclables they collect. The current agreements only require payment on garbage tonnage, not on recycled materials. **\$250,000**
16. Increased Enforcement Efforts. In FY 2011, we will strengthen enforcement of City policy requiring all properties to have garbage service. **\$50,000**
17. New Commercial Accounts. New commercial accounts will be pursued beginning FY 2011. **\$15,000**
18. New Regulatory Fee for Recycling. Revise the rate structure to separate fees for the collection and disposal of garbage from the collection and processing of recyclables. To be implemented in FY 2011. **\$1,500,000**

Zero Waste Commission Proposals. At their special meeting of March 15, 2010, staff presented the balancing measures to the Zero Waste Commission. Their resolution (Attachment 3) recommends the following:

- Removal of co-mingled recyclables option for commercial recycling (+\$563,000)
- Retention of the Associate Management Analyst in the Solid Waste Division (+\$168,545);
- Addition of staff dedicated to sales force to pursue new accounts (+\$100,000); and

- Implementation of a new rate structure to cover the basic costs of refuse and recycling services and to consider Urban Ore's proposal of March 15, 2010 (+\$1.5 million)

The Commission proposals remove \$2.3 million of our proposed balance and adds \$100,000 recurring dollars to our \$4.0 deficit. The City would need to come up with another \$2.3 million dollars in alternative balancing proposals.

By virtue of foregoing the regulatory fee approach, as well as other impacts, the Commission proposals remove \$2.3 million of staff's proposed balancing measures and add \$100,000 recurring dollars to the \$4.0 million deficit. As an alternative, the Commission suggests a new rate structure be created. Even if this resulted in a rate increase that covered the deficit going forward, it would take at least a year to implement (given the Prop 218 required process) and would thus result in further deficit being incurred over that time. The City would still need to come up with alternative balancing proposals to bridge that gap.

SUMMARY

To summarize, our balancing proposal is comprised of three parts:

- Implement new and increase revenues;
- Reduce costs through operational changes for solid waste and recycling operations; and
- Borrow a total \$6.0 million: \$2.0 million each from the Capital Improvement Fund, \$2.0 million from the Worker's Compensation Fund, and \$2.0 million from the Equipment Replacement Fund, with annual payback of \$1.0 million with interest.

After months of analysis and discussions with all the major stakeholders, we have concluded that this proposal is our best option to the long-term health of the Refuse Fund and the viability of our programs. .

CONTACT PERSON

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Attachments:

1. Refuse Fund–Proposed Balancing Options; Breakdown of Costs for Proposed Changes to Residential and Commercial Collection
2. Staff Responses to Council Issues/Questions from February 23, 2010 Work Session
3. Zero Waste Commission Resolution of March 15, 2010

ATTACHMENT 1

Refuse Fund Proposed Balancing Options

Revised 3/18/2010

	Program	1-Time Recurring	FY 2011	FY 2011 FTE	FY 2012	FY 2012 FTE	FY 2013	Impact
Reduction Proposals								
1	Reduce overtime for Saturdays and miscellaneous routes	Collections	R	(\$110,000)	(\$110,000)		(\$110,000)	Reduce overtime costs and optimize routes from 2 trucks to 1 by collecting commercial garbage on weekdays rather than weekends.
2	Reduce overtime	Transfer Station	R	(\$201,608)	(\$201,608)		(\$201,608)	Reduce overtime costs at the Transfer Station . As the tons delivered to the Transfer Station have decreased, there is no longer a need to transport to landfills on the weekends. Completed Nov. 2009
3	Increase supervision of C & D sorting	Transfer Station	R	(\$180,261)	(\$179,916)		(\$179,563)	Increased supervision of C& D tons sent to processor resulting in reduced disposal cost. This proposal includes the reclassification of a SW Supervisor to a Senior SW Supervisor completed in January to provide a higher level of supervision at the Transfer Station.
4	Reduce Clean Cities Program	Clean Cities	R	(\$187,000)	(\$187,000)		(\$187,000)	Reduce scope of services provided by BOSS contract. Re-routing crew to high impact areas where services are most needed.
5	Close Transfer Station to public additional 8 holidays	Transfer Station	R	(\$37,562)	(\$38,709)		(\$39,870)	The Transfer Station is currently closed on 4 holidays through out the year. This proposal would close the Transfer Station to the public for an additional 8 holidays. These days are traditionally very slow for self haul customers and should have minimal impact on the public. Transfer Station will be still be operational for City collection vehicles.
6	Eliminate vacant Weighmaster position	Transfer Station	R	(\$92,820)	(\$94,676)		(\$96,570)	Position is currently vacant. Reduced business at the Transfer Station can me sufficiently managed by current staffing levels.
7	Consolidate Customer Service functions (eliminates 2 positions)	Solid Waste Customer Service	R	(\$203,581)	(\$207,653)		(\$211,806)	Customer Service for Solid Waste and Recycling Services is currently handled by Solid Waste, Revenue Collection and the 311 Call Center. This proposal would centralize the customer service function by moving one OS III (currently in Solid Waste) to Revenue Collection, eliminate one vacant Office Specialist II and one filled Office Specialist Supervisor. This will improve customer service by centralizing customer service to one point of contact for the customer.
8	Eliminate vacant Solid Waste Wheel Loader Operator	Transfer Station	R	(\$98,110)	(\$100,072)		(\$102,074)	This position is currently vacant. This function can be efficiently performed with one primary operator. A second permanent operator is not mandatory for efficiency but it is a convenience for staffing assignment. Assigning a second person to operate the wheel loader can be done by assigning staff members that are in the employee pool for temporary assignment.

ATTACHMENT 1

Refuse Fund Proposed Balancing Options

Revised 3/18/2010

	Program	1-Time Recurring	FY 2011	FY 2011 FTE	FY 2012	FY 2012 FTE	FY 2013	Impact
9	Eliminate Associate Management Analyst position OR eliminate Sr. Solid Waste Supervisor.	Administration/ Collections	R	(\$168,545)	(1.00)	(\$171,916)		Eliminate an Associate Management Analyst or a Sr. Solid Waste Supervisor after all phases of one person, fully automated routes have been implemented. Eliminating an Associate Analyst will reduce oversight of special events, grant management and additional program management. Duties will be assumed by Recycling Manager.
10	Eliminate Solid Waste Supervisor	Collections	R	(\$138,187)	(1.00)	(\$142,333)		Eliminate 1.0 Solid Waste Supervisor after all phases of one person, fully automated routes have been implemented.
11	Reduce commercial recycling collection costs by reducing one route and operation remaining 2 routes with one operator.	Commercial Recycling	R	(\$562,800)	(4.00)	(\$562,800)	(\$562,800)	Reduces costs, optimizing 3 routes into 2 route, single operator vehicles and eliminating 4 SW Drivers. (see line 23 for new revenue) These routes utilize Rearload trucks with low entry cabs for the driver to exit, no new trucks would be purchased for this change in operation due to the trucks being low entry, trucks are equipped with back up cameras for safety. With the change, now 2 routes will serving the city each weekday, new routes will be created. One route for the North end and one route for the South end. Each route will collect approx. one 6 ton load before returning the Transfer Station. The drivers would start at 6:45am and complete their day at 2:45pm. The driver would collect all recyclables in one stop while at a customers location.
12	One-person crews on Commercial Frontload Garbage	Commercial Garbage	R	(\$366,000)	(3.00)	(\$366,000)	(\$366,000)	4 Frontload trucks operate in garbage collection with 2 person crews. Proposed change: Change 3 trucks to single operator, 1 truck would remain 2 person crew for hard to serve accounts. Eliminates 3 positions and will require driver training on operation of single operator vehicles. A full re-route would be required to allow the single operator vehicles to focus on customers in flat areas where there are fewer hills and long on property pushes. The two person crew truck would be routed to customers where there are hills and long pushes with the Bins. Timeline: June 2010

ATTACHMENT 1

Refuse Fund Proposed Balancing Options

Revised 3/18/2010

	Program	1-Time Recurring	FY 2011	FY 2011 FTE	FY 2012	FY 2012 FTE	FY 2013	Impact
13	Full automation & one-person crews Residential Organics	R	(\$438,624)	(6.00)	(\$438,624)			<p>Collect routes with single operator automated trucks. Eliminates 6 positions and will require the purchase 7 new automated collection vehicles. The benefit of an automated side loader is the ease for the driver to exit the truck where the disposal hopper is on the right side of the vehicle, behind the driver. The rear loader vehicle requires the crew to exit the truck and walk to the rear to dump the customer's carts. The extra distance for the driver is approximately 25', rather than 4' with a side loader. A driver will collect approximately 590 homes per day. The extra distance of 21' calculates to 12,390 feet per day or 2.34 miles extra. This is assuming that the driver will be required to exit the vehicle at every home. With an automated side loader, a mechanical arm, operated by the driver could be utilized to grab the cart and dump it into the truck.</p> <p>A side loader is a safer truck to operate than a rear loader. A two-person rear loader crew will collect carts from both sides of the street with the truck headed in one direction. This type of collection requires the crew to cross the street with oncoming traffic. Rather than not crossing the street with a side loader and collecting from one side at a time. Timeline: Issue PO to Truck vendor in June 2010; receive Trucks March 2011; Trucks on Routed April 2011.</p>
14	Full automation & one-person crews Residential Garbage	1T & R	(\$719,296)	(8.00)	(\$719,296)			<p>Collect routes with single operator automated trucks would operate the same as the trucks being proposed for the Residential Organics. Eliminates 8 positions and will require the purchase 7 new automated collection vehicles. Converting Residential Garbage routes to fully automated collection would require current fleet vehicles to be replaced before their replacement life on the equipment schedule. However, it is recommended that both residential Garbage and Organics collection go to fully automated vehicles at the same time. The reason is that the customers will be required to place their carts in the curb on collection day so the automated vehicle can pick up the cart with the automated arm. Secondly, if two different trucks are utilized for Garbage and Organics, re-routing is difficult to balance.</p>
Total			(\$2,039,762)	(10.00)	(\$3,513,087)	(16.00)	(\$3,529,460)	
Revenue Proposals								
15	New Franchise Agreements	Franchise Haulers	R				\$250,000	Increase current 26% fee of gross receipts and require haulers to pay on recyclables collected. Current agreement only requires payment on garbage tons, not recyclables.
16	Increased enforcement efforts	Residential	R	\$50,000	\$50,000		\$50,000	Enforce City policy that all properties must have garbage service.

ATTACHMENT 1

Refuse Fund Proposed Balancing Options

Revised 3/18/2010

	Program	1-Time Recurring	FY 2011	FY 2011 FTE	FY 2012	FY 2012 FTE	FY 2013	Impact
17	New Commercial Accounts	Commercial	R	\$15,000	\$15,000	\$15,000	\$15,000	Pursue new business from commercial accounts.
18	New Regulatory Fee for Recycling	Recycling	R	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	New rate that separates the fee for the collection & disposal of garbage from the collection & processing of recyclables.
Total	Total New Revenue			\$1,565,000	\$1,565,000	\$1,815,000		
Grand Total of All Proposed Changes				(\$3,604,762)	(10.00)	(\$5,078,087)	(16.00)	(\$5,344,460)

(4,00)	(\$488,000)	\$0	\$50,000	\$124,800	0,00	0,00	(\$562,800)
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Responses to Council Questions from February 23, 2010 Work Session

1. Clean Cities Program cost breakdown (Refuse and other funds). What percentage is for street sweeping? The Clean Cities program consists of mechanical street sweeping, sidewalk power washing, sidewalk/curb face hand sweeping, removal of illegally dumped materials and graffiti abatement. The total FY 2010 budget is \$3.5 million; \$600,000 (17%) in General Funds and the remaining \$2.9 million from the Refuse Fund (83%). Of the programs in Clean Cities, street sweeping (mechanical sweeping) represents approximately 30% of all of the activities in the program.

2. Revenue/costs associated with co-mingled versus separated commercial recycling. The biggest cost to the Refuse operation is the cost of labor. One way to reduce labor costs is to collect co-mingled commercial recyclables. However, if the policy preference is to maintain source separated recycling, labor costs must still be reduced in order to eliminate the deficit. One approach is to shift to single person trucks. This still results in the elimination of four positions and thus achieves cost savings.

3. Commercial accounts using private haulers. What percentage of City commercial accounts use private firms?

15% of total commercial properties use franchised haulers.
36% of customers with bin service use franchised haulers

4. Private hauler rates versus City of Berkeley rates. See page three for a breakdown of various private hauler charges.

5. Status of recycling in multi-unit buildings. What is the status of recycling in multi-unit buildings? Is there a way to improve this?

The City currently offers free recycling service to any residential property. The Ecology Center is contracted to service recycling at all residential properties with 1-9 units and collect from 24,500 properties. The City provides recycling service to 760 residential properties with 10 or more units. We also provide free organics collection, including food waste, to residential properties. For 5 or more unit buildings, the property manager must request organics service. Multi-family participation in recycling or composting is only as good as the system set-up and the on-site management. There are about 20 multi-family properties that have had their recycling service discontinued in the past due to repeat contamination problems. Our goal is to have every property in the City have access to recycling and organics services. This will require an outreach effort to provide on-site assistance and system set-up, as well as improved outreach and lease language materials for tenants and managers. We will plan for a proactive approach to contract the primary property owners to review and improve diversion efforts at their properties. It is likely that State legislation will pass mandatory multi-family requirements within the next few years that will require all multi-family properties to have a recycling system in place. We could also make this a City requirement during our focus on a new rate structure that would include recycling as an assumed basic service.

6. Berkeley's diversion goal compared to other cities. How is Berkeley doing in terms of its diversion goal and how do we compare to other cities? We are still catching up to our 75% goal; our current diversion rate is 66%. Albany is at 70% of its 75% goal. Oakland is at 60% of its goal to reach 100% diversion by 2020.

7. Route optimization. How are we balancing the routes to maximize efficiency and reduce cost? There are two limitations to consider when designing collection routes: 1. time constraints of the crew to collect material from a customer and; 2. the capacity of the collection vehicle (tons of weight it can hold). The City's new routing software should be installed by May 2010. New collection routes will balance where the trucks will have route sizes that will utilize the weight capacity of the trucks; every route will be designed to load 8.5 tons. Currently, certain routes collect only 6.0 tons, while other routes may be collecting the maximum 8.5 tons. The intent is to have all routes collecting waste to full capacity before returning to the Transfer Station. This effort will help minimize our overtime rates.

8. Revenue loss associated with poaching. What is the revenue loss associated with poaching? It is extremely difficult, if not impossible, to quantify the amount of revenue loss we sustain from poaching activity.

9. Raising Transfer Station fees. What would be the impact? Currently, the Transfer Station garbage disposal rate is \$126.00/ton. An increase may push customers to go to another disposal facility. Below are disposal facilities that compete with the City's Transfer Station.

Davis Street: \$115.00/ton
Golden Bear: \$102.45/ton

COST COMPARISON - BERKELEY AND FRANCHISED HAULERS IN BERKELEY

	Berkeley Cost/month	Republic Cost/month	Waste Management Cost/month	Difference	Percentage Difference	Cost in Oakland
2 yard 1/week						
Base price	\$221.87		\$173.89			
Other fee	\$24.95		\$27.73			
Total/month	\$246.82		\$201.62	\$45.20	22%	
3 yard 1/week						
Base	\$333.00	\$260.00				
Other fee*	\$29.99	\$16.00				
Total/month	\$362.99	\$276.00		\$86.99	32%	\$326.00
7 yard 1/week						
	(6 yard)	(7 yard)				
Base	\$665.00	\$455.00				
Other fee	\$49.64	\$29.00				
Total/month	\$714.64	\$484.00		\$230.64	48%	
extra pickup- 3 yd bin						
	\$91.00	\$70.00		\$21.00	30%	
7 yard extra pickup						
	\$153.00	\$132.00		\$21.00	16%	

***Other fees are:**

Berkeley	Bin rental fee for city-owned bin is the same regardless of pickup frequency
Republic	Environmental fee
Waste Management	Fuel surcharge

Other service differences

Berkeley	Provides free recycling of bottles cans and papers, in separate containers. Workers push bin to truck from up to 50 feet and replace it on customer's site. Charges distance fee for bin location over 50 feet from curb. Food waste option with 20% discount includes training business's staff.
Waste Management	Charges for commingled recycling, accepts more items than Berkeley. Requires customer to push bin to curb for pickup. Charges fee for "backyard" pickup.
Republic	Few accounts have recycling Requires customer to push bin to curb for pickup. Backyard service fee- no information..

Zero Waste Commission Resolution – 3/15/2010

At their special meeting of March 15, the Zero Waste Commission discussed the Refuse Fund Proposed Balancing Options dated February 22, 2010, and passed the following resolution: (MSC Jensen/Kirkpatrick (5/0/0)).

1) The Zero Waste Commission urges Council to remove consideration of a policy shift from Dual Stream to Single Stream for commercial recycling by collecting co-mingled materials (Proposal 9) for the following reasons:

Savings, if any, are minor, compared to the overall deficit. Approximately \$575,000 of the \$650,000 yearly savings represents cost reductions gained through equipment upgrades and better route management, which stand independent of whether the city continues with Dual Stream or switches to Single Stream. The argument for Single Stream hinges mainly on increased participation (a contention itself which is currently subject to a lively debate within the Waste Management Community) rather than on decreased cost. The argument against Single Stream centers on poorer material yields, and a degree of contamination that may negate any gains made through increased participation. The ZWC would like the time to more properly and coolly examine the issue and make a recommendation to the Council. We anticipate having this conversation, along with other focused discussions of Zero Waste goals, over the next six months.

2) The Zero Waste Commission recommends the retention of the Associate Management Analyst position in the Solid Waste Division, (Proposal 8), and asks for a careful examination of the reduction of customer service personal (Proposal 7).

Council has asked ZWC and staff to work toward a 75% diversion by the end of 2010, and 100% diversion by 2020. This goal requires both innovative thinking and execution. The loss of support staff, and of the analyst in particular, will greatly affect city efforts to achieve these Zero Waste goals.

3) Shortfalls might also be addressed through enhancing new commercial accounts (proposal 15) beyond the projected \$15,000. Staff currently lacks any dedicated sales force. The addition of such a position would place the City's collection services and transfer station on a more equal footing with the sales staffs of private concerns in pursuit of desirable commercial accounts, and could yield considerable financial benefit.

4) The Commission recommends that the City investigate and implement a new rate structure that is designed to cover the cost of basic refuse and recycling services, consistent with the city's waste reduction goals (Proposal 16). This should replace the current rate structure that depends on declining refuse service revenue to cover all the Division's activities. As part of the effort to shape a new business model, the ZWC asks staff to consider and evaluate, among other possibilities, Urban Ore's proposal to the Commission of March 15, 2010.