

RESOLUTION 2024-###

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO (1) AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH RICHMOND SANITARY SERVICES INC., A SUBSIDIARY OF REPUBLIC SERVICES INC., FOR SOLID WASTE COLLECTION SERVICES; (2) ACCEPTING THE FINAL FRANCHISE FEE STUDY; AND (3) AUTHORIZING STAFF TO PROCEED WITH A PROPOSITION 218 MAJORITY PROTEST PUBLIC HEARING PROCESS RELATED TO PROPOSED INCREASES IN PROPERTY RELATED SOLID WASTE COLLECTION RATES

WHEREAS, this proposed action is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301(b), and also meets the common sense exemption in Section 15061(b)(3);

WHEREAS, the City of San Pablo has had a Franchise-Collection Agreement with Richmond Sanitary Services, Inc., a subsidiary of Republic Services, Inc., since 1986;

WHEREAS, the Franchise-Collection Agreement has been amended over the years – 1994, 1999, 2000, 2002, 2007, 2012, and 2013;

WHEREAS, the Franchise-Collection Agreement expires on June 30, 2025;

WHEREAS, at the May 15, 2023 City Council meeting, through Resolution 2023-079, the San Pablo City Council directed staff to move forward with an open competitive bid process for a new Solid Waste Collection Agreement and directed staff to coordinate with other West County jurisdictions interested in an open and competitive process for new Solid Waste Collection Agreements;

WHEREAS, on January 5, 2024, the City of San Pablo released a joint Request for Proposals (RFP) for the new Solid Waste Collection Agreement with the City of Richmond;

WHEREAS, as part of the new solid waste collection agreement process, City staff contracted with R3 Consulting Group, Inc. (R3) to conduct a franchise fee study;

WHEREAS, at the May 20, 2024 City Council meeting, through Resolution 2024-063, the City Council directed staff to commence negotiations with the top-ranked proposer, Richmond Sanitary Services (RSS) and authorized the City Manager to finalize the franchise fee study;

WHEREAS, City staff and the City's consultant, R3, negotiated terms and conditions of a final Solid Waste Collection Agreement (Agreement) with RSS between June 2024 through October 2024;

WHEREAS, the negotiated terms and conditions in the final Agreement provide essential solid waste collection services for businesses and residents in the City of San Pablo;

WHEREAS, the negotiated terms and conditions in the final Agreement enable the City to comply with current regulatory and legal requirements, and establish performance standards for RSS;

WHEREAS, the negotiated terms and conditions in the final Agreement provide San Pablo residents and businesses with solid waste collection services that provide multiple means for disposal and recycling of solid waste material at competitive rates;

WHEREAS, the full list of rates for the proposed solid waste collection services are set forth in the Agreement;

WHEREAS, City staff recommend the use of solid waste rate-stabilization funds to offset customer rates from July 1, 2025 through December 31, 2026, as outlined in the Rate Stabilization Side Letter;

WHEREAS, the Agreement will phase-in adjustments to City's franchise fee, starting at the current 10% on July 1, 2025 and then increasing to 12.5% on January 1, 2027 and 15% on January 1, 2028;

WHEREAS, the results of the Franchise Fee Study determined that the City's current and projected franchise fee revenues do not exceed the City's reasonable costs pertaining to the management, administration, regulatory compliance, and enforcement obligations associated with its solid waste collection activities. The recommendation to adjust the franchise fee incrementally from 10% of collection service revenues to 15% of collection service revenues is supported by the results of the Franchise Fee Study;

WHEREAS, the proposed rates under the new Solid Waste Collection Agreement with RSS are considered property related fees subject to the procedural requirements of Proposition 218;

WHEREAS, upon approval of the new Agreement, the City will adhere to the requirements of Proposition 218; and

WHEREAS, on October 21, 2024, City staff presented the Solid Waste Collection Agreement, the franchise fee study, and an overview of the Proposition 218 majority protest public hearing process to the Public Safety Standing Committee and the Committee voted to have staff finalize all terms and conditions of the new Solid Waste Collection Agreement for formal Council consideration and approval, and further recommended that the City Council authorize staff to proceed with the Proposition 218 majority protest public hearing process.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo hereby authorizes the City Manager or his designee to execute the Solid Waste Collection Agreement and Rate Stabilization Side Letter with Richmond Sanitary Services Inc. (RSS), each in a form to be approved by the City Attorney that does not substantially alter the City's rights or responsibilities from those set forth in the attached draft agreements;

BE IT FURTHER RESOLVED that the City Council of the City of San Pablo hereby accepts the final Franchise Fee Study;

BE IT FURTHER RESOLVED that the City Council of the City of San Pablo hereby authorizes staff to proceed with a Proposition 218 majority protest public hearing process related to the proposed increases in property related solid waste collection rates under the Solid Waste Collection Agreement;

BE IT FURTHER RESOLVED that the City Council of the City of San Pablo authorizes the City Manager to take such other actions as may be reasonably necessary to effectuate the intent of this resolution; and

BE IT FURTHER RESOLVED that the foregoing recitations are true and correct and are included herein by reference as findings.

* * * * *

ADOPTED this 18th day of November, 2024, by the following votes:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

ATTEST:

APPROVED:

Dorothy Gantt, City Clerk

Patricia Ponce, Mayor