



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: October 11, 2022

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Bobby Magee, Finance Director
Matthew Lee, Public Works Director

SUBJECT: Waive Second Reading and Adopt an Ordinance of the City Council of the City of San Bruno Rescinding Ordinance No. 1901 and Amending San Bruno Municipal Code Section 10.08.020 to Authorize Rates to Be Set by Resolution or Ordinance

BACKGROUND: On August 23, 2022, the San Bruno City Council conducted a public Study Session (workshop) on a potential New Solid Waste Collection Services Agreement (New Agreement). At the workshop, City of San Bruno Staff (Staff) and the City of San Bruno's consultant R3 Consulting Group Inc. (R3) provided a detailed presentation describing the background and circumstances leading up to the New Agreement, why changes are necessary, the key deal points and financial impacts of the New Agreement as compared with potentially soliciting a competitive procurement for these services. At that workshop, comments and questions were received from Council which are addressed in this report.

On September 27, 2022, the City Council adopted a resolution approving the New Agreement between the City and Recology San Bruno. This New Agreement will be effective January 1, 2023. The City Council also directed staff to initiate proceedings to consider adoption of rates in connection with the New Agreement. The City Council also introduced, read by title only, and waived further reading of an Ordinance Rescinding Ordinance No. 1901 and amending San Bruno Municipal Code Section 10.08.020 to authorize rates be set by resolution or ordinance. The September 27, 2022 City Council staff report provides additional information on the agreement.

DISCUSSION: The purpose of this consent item is to serve as a second reading and action for adoption of the Ordinance. No changes have been made to this Ordinance since its introduction. The Ordinance is presented as Attachment 1.

Ordinance to Set Rates by Resolution

As part of the rate adoption process, staff recommended that City Council authorize rates to be set by resolution. In the current agreement with Recology, the City is required to set rates by ordinance. The New Agreement allows rates to be set by resolution. Also, Section 10.08.020 of the San Bruno Municipal Code requires the City Council to adopt by ordinance the charges for municipal services, which include the solid waste collection, sewer and water services. As required by the current agreement and by Section 10.08.020, the City Council adopted

Ordinance No 1901 to set the current rates. So, to set the new rates by resolution, the City Council must first adopt an ordinance that amends Section 10.08.020 to allow fees to be set by resolution and that rescinds Ordinance No. 1901.

Next Steps

The New Agreement approved by the City Council on September 27, 2022 requires the City to adopt rates that reflect the cost of providing services under the new Agreement. These rates must be effective January 1, 2023. The rates in the agreement are subject to Section 6 of Article XIIIID of the California Constitution (Proposition 218). The City Council adopted the resolution on September 27, 2022 approving the new Agreement and also directing staff to begin the public hearing process required by Proposition 218 for the City Council to consider adopting new rates. In compliance with this process, the City mailed the notice of the proposed rates to the record owners of property and to the customers subject to the rates increase notice on September 30, 2022.

Next, the City Council will hold a duly noticed public hearing on the rates, currently scheduled for a Special Meeting of the City Council on Tuesday, November 15, 2022. The hearing cannot occur less than 45 days after the mailing. At the conclusion of the public hearing, the City must tabulate the written protests against the proposed rates and determine if a majority protest exists. A majority protest will exist if written protests have been presented, and not withdrawn, by the record owners or customers of record of a majority of the parcels subject to the rates. If a majority protest exists, the City Council cannot adopt the proposed rates.

The following schedule outlines the proposed timeline for considering the proposed rate adjustment effective January 1, 2023.

Date	Item
September 27, 2022	City Council directed staff to begin Proposition 218 process.
September 30, 2022	The City mailed notices of public hearing on proposed rates.
November 15, 2022	City Council holds public hearing, considers any protests, takes action to introduce new rate ordinance for first reading.
January 1, 2023	New rates take effect.

FISCAL IMPACT: There is no fiscal impact from the adoption of the Ordinance.

RECOMMENDATION: Waive Second Reading and Adopt an Ordinance of the City Council of the City of San Bruno Rescinding Ordinance No. 1901 and Amending Section 10.08.020 to Authorize Rates to Be Set by Resolution or Ordinance.

ALTERNATIVES: Direct staff to make modifications to the Ordinance; substantive modifications will require re-introduction at a subsequent meeting.

DISTRIBUTION:

Recology San Bruno

ATTACHMENTS:

1. Ordinance

DATE PREPARED:

September 28, 2022

REVIEWED BY:

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