



REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: December 18, 2007

SUBJECT: Annual Waste Management Rate Adjustment

Report in Brief

As provided in the franchise agreement between the City of Woodland and Waste Management, the rates charged for services may be increased annually by an amount not to exceed 3%, if supported by an appropriate change in the Consumer Price Index (CPI) for All Urban Consumers. Waste Management has submitted a request to increase the rates, effective January 1, 2008, by 1.97% based on the change in the CPI for August 2006 through August 2007.

Staff recommends that the City Council adopt this rate increase as it meets the provisions of the franchise agreement between the City and Waste Management.

Background

Waste Management provides garbage, recycling, green waste collection, and street sweeping services for the City. The franchise agreement between the City and Waste Management identifies an annual CPI rate increase process which includes Waste Management submitting documentation supporting proposed CPI rate increases. The franchise agreement states that Waste Management may increase rates annually up to 3% if supported by an appropriate change in the CPI.

Discussion

Waste Management has provided the supporting documentation stating that the CPI increase for August 2006 through August 2007 equals 1.97%. Typically this rate increase would be applied to all Waste Management services; however, no CPI increase will be applied to the 2008 green waste and street sweeping rates as these rates were agreed upon during negotiations.

Fiscal Impact

With this increase, the average household will pay approximately \$0.45 more per month for Waste Management's services.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that the City Council adopt this rate increase as it meets the provisions of the franchise agreement between the City and Waste Management.

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Public Works Director

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City Manager

Attachment: WM Rate Increase Supporting Documentation and New Rates