



DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

Raul M. Rojas
DIRECTOR

January 26, 2016

Administration
PO Box 4186
San Rafael, CA 94913-4186
415 473 6528 T
415 473 3799 F
415 473 3232 TTY
CRS Dial 711
www.marincounty.org/pw

Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Schedule Public Hearing for February 9, 2016, at 10:30 a.m. for a Marin Sanitary Service Rate Increase and Franchise service modification.

Dear Board Members:

RECOMMENDATION: 1) Schedule a public hearing for February 9 at 10:30 a.m. to consider a rate increase of 5.99% for the areas known as Central Marin Franchise Areas (1, 2, 3, 4, 5 and 6); 5.99% for Ross Valley South; 5.71% for Ross Valley North (Oak Manor); and 5.71% for Ross Valley North (Sleepy Hollow) for regular refuse collection for the unincorporated areas; and 2) Instruct your Clerk to advertise this rate hearing in a local publication on January 30 and February 6.

SUMMARY: Marin Sanitary Service, Inc. (MSS) holds the exclusive franchise for the collection and disposal of refuse in the unincorporated areas known as Central Marin Franchise Areas (1 - 6) and Ross Valley South and North Franchise Areas.

The six small Central Marin Franchise Areas includes unincorporated parts of Bayside Acres, Country Club Estates, Bret Harte, Point San Quentin, Lucky Drive and Greenbrae Boardwalk. Ross Valley South includes Kentfield, Greenbrae, Kent Woodlands and Del Mesa Heights. Ross Valley North includes Sleepy Hollow and Oak Manor.

Rate increase components include wages, benefits (including workers compensation), depreciation and interest, maintenance and other operating costs. The largest component is the benefits/workers compensation component. Additionally, there is .1% increase due to the addition of a new multi-family organics program, which will help the County reach its stated Zero Waste goal.

The different rates in the different neighborhoods (Central Marin and Ross Valley South) are designed to meet the Board's goal of attaining unified, consistent rates in the MSS service area – phased in by 2018.

Lastly, to more efficiently and cost effectively administer their franchises with MSS – the County, San Rafael, Larkspur, Ross and the Las Gallinas Valley Sanitary District join together in an informal "Franchisors Group" to work cooperatively on annual rate reviews and other projects. The group utilizes a consultant retained via a competitive Request for Proposals process – HF&H Consultants (HF&H) to help conduct the rate review. HF&H currently does a

Accounting

Airport

Building Maintenance

Capital Projects

Certified Unified Program
Agency (CUPA)

Communications
Maintenance

County Garage

Disability Access

Engineering & Survey

Flood Control &
Water Resources

Land Development

Purchasing

Real Estate

Reprographic Services

Road Maintenance

Stormwater Program

Transportation &
Traffic Operations

Waste Management

“detailed” review every three years – and a less detailed review during the interim years. While this process has saved money on consulting costs – it can also result in potential “rate spikes” during the more detailed years – when certain costs that have just been adjusted by CPI might have increased by a larger amount. Accordingly, the Franchisors Group is going to consider switching to an annual review to help smooth out possible rate increases.

FISCAL IMPACT: There is an estimated increase of approximately \$22,000 in General Fund franchise fees associated with the proposed rate increase. There is no additional impact to the General Fund.

REVIEWED BY:

| | | | |
|--------------------------|-----------------------|-------------------------------------|-----|
| <input type="checkbox"/> | Department of Finance | <input checked="" type="checkbox"/> | N/A |
| <input type="checkbox"/> | County Counsel | <input checked="" type="checkbox"/> | N/A |
| <input type="checkbox"/> | Human Resources | <input checked="" type="checkbox"/> | N/A |

Respectfully submitted,


Steve Devine
Program Manager

cc: Marin Sanitary Service