

April 22, 2011

NOTICE OF PUBLIC HEARING: PROPOSED RECYCLE PLUS SERVICE RATE INCREASES

Reason for Rate Increases

Recycle Plus rates pay for garbage, recycling, yard trimmings, street sweeping, and neighborhood clean-up services. The rates for these services were last increased in July 2009. Rate increases are necessary to cover the rising costs of the haulers providing the services (e.g., increased cost of diesel fuel, annual increases for vehicle replacement and maintenance). The Recycle Plus system is based on full cost recovery from rate-payers and is not subsidized by the General Fund.

Rate Increases

A **single-family property** rate increase not to exceed 9% will be recommended for Fiscal Year 2011-2012. If approved by the City Council, this would amount to an increase of \$2.47 per month, from \$27.50 to \$29.97 for a standard 32-gallon garbage cart, effective August 1, 2011. The attached “Schedule of Recycle Plus Monthly Service Rates” provides information on the most common cart sizes.

A rate increase not to exceed 9% will be recommended for **multi-family properties** during Fiscal Year 2011-2012. If approved by the City Council, this would amount to an increase of \$16.64 per month for one 3-Cubic-Yard Bin serviced once per week, effective July 1, 2011. The attached “Schedule of Recycle Plus Monthly Service Rates” provides information on the most common bin sizes and collection frequencies.

Current rates for multi-family properties that subscribed to shared garbage cart service prior to 2002 are proposed to be discontinued. These multi-family properties may continue to share garbage carts at the standard 96-gallon cart rate, or these customers may switch to multi-family collection service which utilizes bins rather than carts.

Optional Yard Trimmings cart rates have not been increased during the past three years and in order to maintain this service at full cost recovery, this rate is proposed to increase by up to 9%. Charges for large item collection will not increase in 2011-2012.

Other Recycle Plus service rates for single-family and multi-family properties are proposed to be increased by up to 9%. The full schedule of maximum proposed rates is available online at www.sanjoseca.gov/esd/rates-notice.asp.

Subsequent Fiscal Years 2012-2013 and 2013-2014

This notice also covers possible Recycle Plus rate increases of up to 9% in Fiscal Year 2012-2013 and up to 9% in Fiscal Year 2013-2014. The City Council will set the exact rates closer to the implementation date in each case, based on refinements in the calculations – but they cannot be higher than the estimate specified without re-noticing.

Effective Date of Rate Increases

If the City Council approves rate changes at its June 14, 2011 meeting, the new rates will take effect July 1, 2011 for multi-family properties and August 1, 2011 for single-family properties. If the Council does not approve the proposed rate changes, current rates will remain in effect. For assistance in determining the cost of the proposed rate adjustments to you, please call the City of San José Customer Contact Center at (408) 535-3500.

Deadline to Submit Written Protests: June 14, 2011

If you wish to protest the proposed Recycle Plus service rate increases, you must follow these rules for your protest to be included in the official tally presented to the City Council:

- Protests must be in writing and received by the City prior to the close of the public hearing on June 14, 2011.
- **You must indicate the Assessor’s Parcel Number(s)** of the property (ies) you own that are subject to the proposed rate adjustment. The parcel number is printed on the cover letter.
- Submit **written** protests to the Office of the City Clerk in the form of a letter, fax, or e-mail as shown below:

Mail (or hand-deliver)	Fax	E-mail
Recycle Plus Rate Increase City of San José – Office of the City Clerk 200 E. Santa Clara St., 2 nd Fl. Wing San José, CA 95113-1905	(408) 292-6207 Recycle Plus Rate Increase	RPRateProtest@sanjoseca.gov

**SCHEDULE OF PROPOSED RECYCLE PLUS MONTHLY SERVICE RATES
FISCAL YEAR 2011-2012**

Single-Family Service Rates (Effective August 1, 2011)

Single Family Curbside Service Rates

Single-Family Household Curbside Service	Current Monthly Rate	Maximum Proposed Monthly Rate for FY 2011-2012	Maximum Monthly Increase (9%)
20-Gallon Garbage Cart	\$25.90	\$28.23	\$2.33
32-Gallon Garbage Cart	\$27.50	\$29.97	\$2.47
64-Gallon Garbage Cart	\$55.00	\$59.95	\$4.95
96-Gallon Garbage Cart	\$82.50	\$89.92	\$7.42

For on-premises collection service, the add-on service charge will also increase by up to 9% to \$61.00 per household to the basic monthly curbside service rate.

Additional Rates

Additional Rates For Recycle Plus	Current Rate	Maximum Proposed Rate for FY 2011-2012
Optional Yard Trimmings Cart	\$4.00 per month	\$4.36 per month
Single-Family Large Item Collection (three items)	\$25.00 per pickup	No Change*
Pickup of Contaminated Recycling Cart Rate	\$15.00 per pickup	No Change*
Excessive Lost, Stolen or Cart Damaged by Customer Rate	\$60.00 per incident	No Change*

*There are no changes to this rate recommended for FY 2011-2012, however increases up to the maximum allowable increase of 9% may be considered in each of the following two fiscal years (FY 2012-2013 and FY 2013-2014).

Small Commercial Business Rates

Small Commercial Business Service	Current Monthly Rate	Maximum Proposed Monthly Rate for FY 2011-2012
32-Gallon Garbage Cart	\$34.16	\$37.23
64-Gallon Garbage Cart	\$61.69	\$67.24
96-Gallon Garbage Cart	\$89.19	\$97.21

For on-premises collection service, the add-on service charge will also increase by up to 9% to \$61.00 per location to the monthly small commercial business rate.

Shared Cart Rates for Multi-Family Properties

Shared Cart Service Level	Current Monthly Rates	Maximum Proposed Monthly Rate for FY 2011-2012
One 96-gallon cart	\$82.50	\$89.92
Two 96-gallon carts	\$165.00	\$179.85
<i>On-Premise - One 96-gallon cart</i>	<i>\$138.57</i>	<i>\$150.92</i>
<i>On-Premise - Two 96-gallon carts</i>	<i>\$221.03</i>	<i>\$240.85</i>
Grandfathered Rates for customers that subscribed to service prior to 2002.		
One 96-gallon cart	\$70.86	Discontinued
Two 96-gallon carts	\$105.77	Discontinued
<i>On-Premise - One 96-gallon cart</i>	<i>\$126.96</i>	<i>Discontinued</i>
<i>On-Premise - Two 96-gallon carts</i>	<i>\$217.97</i>	<i>Discontinued</i>

Per San Jose Municipal Code, shared cart service is limited to multi-family complexes that utilize carts (rather than bins) for garbage collection services. This service is not available for detached single-family households. Customers that currently have grandfathered rates have the option to keep shared cart service at the proposed rates in the table above or they may switch to bin service. The equivalent capacity of two 96-gallon carts is a 1-cubic-yard bin, which would increase to \$99.20 per month in FY 2011-2012, a \$6.57 decrease from the current \$105.77 monthly shared cart rate.

Multi-Family Service Rates (Effective July 1, 2011)

Multi-Family Dwelling (MFD) Monthly Service Rates	Current Monthly Rate	Maximum Proposed Monthly Rate for FY 2011-2012	Maximum Monthly Increase (9%)
One 1-Cubic-Yard Bin serviced once per week	\$91.01	\$99.20	\$8.19
One 2-Cubic-Yard Bin serviced once per week	\$138.21	\$150.64	\$12.43
One 3-Cubic-Yard Bin serviced once per week	\$184.90	\$201.54	\$16.64
One 3-Cubic-Yard Bin serviced twice per week	\$345.06	\$376.11	\$31.05
25-ft. Push once per week	\$20.39	\$22.22	\$1.83
MFD Large Item Collection (three items)	\$55.50 per pickup	No Change*	N/A

*There are no changes to this rate recommended for FY 2011-2012, however increases up to the maximum allowable increase of 9% may be considered in each of the following two fiscal years (FY 2012-2013 and FY 2013-2014).