



BREA CIVIC & CULTURAL CENTER | 1 Civic Center Circle | Brea, California 92821 | [www.cityofbrea.net](http://www.cityofbrea.net)

## Finance Committee Agenda

**Tuesday, May 9, 2023**

**8:30 a.m.**

**Executive Conference Room**

**MEMBERS:** Mayor Marty Simonoff and Council Member Steven Vargas  
**ALTERNATE:** Council Member Cecilia Hupp

This agenda contains a brief general description of each item the Committee will consider. The Administrative Services Department has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the Administrative Services Department Office at (714) 990-7676 or view the Agenda and related materials on the City's website at <https://www.ci.brea.ca.us/509/Meeting-Agendas-Minutes>. Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available for public inspection in the Administrative Services Department's Office at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

### **Procedures for Addressing the Committee**

Members of the public may offer comment or attend the Finance Committee meeting in person. All requests to offer comment must be submitted via phone by calling 714-990-7676 or by emailing [arlenem@cityofbrea.net](mailto:arlenem@cityofbrea.net) by 12:00 p.m. on Monday, May 8, 2023

***PLEASE SILENCE ALL PAGERS, CELL PHONES AND OTHER ELECTRONIC EQUIPMENT WHILE THE COMMITTEE IS IN SESSION.***

### **CALL TO ORDER / ROLL CALL**

1. **Matters from the Audience**

### **CONSENT**

2. **April 25, 2023 Finance Committee Regular Meeting Minutes - Approve.**

#### **Attachments**

Draft 04-25-2023 Minutes

### **DISCUSSION**

3. **Fiscal Year 2023-24 Refuse Rates - Informational**

#### **Attachments**

## Refuse Rates Memo

### **4. Schedule Next Meeting: May 30, 2023**

#### **Special Accommodations**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administrative Services administrative office at (714) 990-7676. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

City of Brea

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**FINANCE COMMITTEE COMMUNICATION**

**TO:** Finance Committee Members

**FROM:** Bill Gallardo

**DATE:** 05/09/2023

**SUBJECT:** April 25, 2023 Finance Committee Regular Meeting Minutes

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**RECOMMENDATION**

Approve.

**RESPECTFULLY SUBMITTED**

William Gallardo, City Manager

Prepared by: Arlene Miner, Executive Assistant

Concurrence: Kristin Griffith, Director of Administrative Services

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**Attachments**

Draft 04-25-2023 Minutes

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# DRAFT FINANCE COMMITTEE MINUTES

**Tuesday, April 25, 2023  
8:30 AM**

Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

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## CALL TO ORDER / ROLL CALL

ATTENDEES: Mayor Marty Simonoff, Council Member Steven Vargas, Chris Emeterio, Kristin Griffith, Michael Ho, Faith Madrazo, Sean Matlock, and Ryan Chapman

1. **Matters from the Audience - None**

## CONSENT

2. **April 11, 2023 Finance Committee Regular Meeting Minutes – Approved.**

## DISCUSSION

3. **Update to Cityworks (Azteca Systems, Inc.) Software License and Maintenance Agreement – Recommended for City Council approval.**
4. **Acceptance of Country Hills Subdivision Pavement and Water Improvements, Project No. 7322 – Finance Committee requested staff update the report to include additional information on the use of the contingency reserve for the project. Finance Committee also requested going forward they be updated if staff anticipated going over the contingency reserve on a project. Recommended for City Council approval.**
5. **Schedule Next Meeting: Tuesday, May 9, 2023**

Meeting adjourned: 8:37 AM

City of Brea

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**FINANCE COMMITTEE COMMUNICATION**

**FROM:** Bill Gallardo

**DATE:** 05/09/2023

**SUBJECT:** Fiscal Year 2023-24 Refuse Rates - Informational

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**Attachments**

Refuse Rates Memo

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**CITY OF BREA**

**ADMINISTRATIVE SERVICES DEPARTMENT  
PUBLIC WORKS DEPARTMENT**

**Memorandum**

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Date: May 9, 2023  
To: Finance Committee  
From: Kristin Griffith, Director of Administrative Services  
Michael Ho, Public Works Director  
By: Faith Madrazo, Financial Services Manager  
Francesca Vivanti, Management Analyst  
Subject: **Refuse Rates for Fiscal Year 2023-24 – Informational**

The contractual relationship with Republic Services a.k.a. Brea Disposal (BDI) requires the Public Works Director to review and administratively modify the refuse rates effective July 1 each year. These refuse rate adjustments have traditionally been shared with the Finance Committee.

**Overall Residential Rate Increase**

The total amount of the rate increase effective July 1, 2023 is \$1.18 per month or 4.67% from the current rate of \$25.28 to \$26.46. The rate increase is more when compared to last year primarily due to the increase in service level provided by the Public Works Department to handle contractual items with the City's refuse provider. The overall rate increase last year was \$0.90 per month or 3.69%

The agreement calls for a commitment to pass on 90% of the December Consumer Price Index (CPI). The December 2022 CPI index for the Los Angeles-Riverside-Orange County area was 4.93% resulting in an application of a 4.43% increase to various components of the refuse rates.

The components of the refuse rate subject to the CPI increase of 4.43% are:

- Refuse Collection (also includes bulky items)
- Recycling Collection & Yard Waste Collection (exclusive of green waste)

The components of the refuse rate subject to adjustment based on actual tonnage disposed as well as the CPI and/or other adjustments are:

- Gate Fees (per ton) paid to the County landfill. This component is adjusted by the gate fee as determined by the County of Orange.
- Transfer Cost (per ton) of disposed waste to landfill. This component is adjusted based on the CPI.
- Yard Waste Processing & Transfer cost of refuse from Republic Services to landfill. This component is adjusted based on the CPI.

The actual tonnage in 2022 was 10,997.95 tons as compared to 11,666.89 tons in 2021, a decrease of 5.73% year over year.

Other components of the refuse rate are:

- Fuel Pricing Index
- Recycling Revenue Credit & Franchise Fee
- City Public Works/Utility Billing Costs

### **Fuel Pricing Index**

The Fuel Pricing Index component to the refuse rate is adjusted annually based on the cost of fuel and related products. The adjustment is based on the year to year change in the December U.S. Bureau of Labor Statistics Producer Price Index – Commodities #2 Diesel Fuel & Liquefied Natural Gas.

The cost of fuel from 2021 to 2022 increased. This results in an 19.28% increase or \$0.16 more per month in the residential rate.

### **Recycling Revenue Credit**

Overall, recycling revenue has significantly decreased over the past couple years as the resale value of aluminum, glass, paper and cardboard products has declined. Beginning in March 2022, the City stopped receiving recycling income, and the recycling credit to customers decreased to \$0.29 per month. This City adjusted credit is based upon a five-year average (2018-2022).

### **Yard Waste (Green Waste)**

Due to the passage of Assembly Bill 1594, as of January 1, 2020, the County of Orange began charging for the disposal of green material at the landfill because the green material no longer constitutes diversion through recycling. On January 21, 2020, the City Council adopted the rate of \$0.63 per residential customer, per month. At that public hearing, the City Council directed this rate was not to be subject to the annual CPI increase and the franchise fee was not to be applied to this rate as well.

### **Collection, Disposal, and Transfer Components**

The average black can refuse per week was 38.09 pounds last year which has slightly decreased to 35.72 pounds per can a week representing a decrease of 6.22%.

Yard waste has decreased from 15.13 to 13.99 pounds per can a week, a decrease of 7.53%. This decrease could be the result of residents no longer improving landscape areas and no longer adding excess trash in their brown bins.

### **Public Works/Utility Billing**

A component of the monthly trash rate is City staff time related to providing residential trash services. Public Works and Utility Billing staff support the operation and administration of trash services to residential customers. The City bills refuse for residential customers through the monthly utility bill. The utility bill for residential customers includes water, sewer, trash, street sweeping and urban run-off utility charges.

There have been several unfunded State mandates passed in recent years related to recycling and organics, requiring all jurisdictions in California to bring their commercial businesses and/or residents into compliance. The current focus for Brea and other cities is Senate Bill 1383, which has extensive requirements for residential and commercial trash customers. Staff and the City's contractor are working on various areas of compliance, which includes, but is not limited to, the following: residential and commercial organics collection services, edible food recovery, community outreach and education, procurement, food recovery capacity, and compliance monitoring/enforcement. Efforts will involve changes to, or creation of new, City policies and ordinances, program infrastructure changes negotiated with the City's solid waste hauler in order to collect and dispose of organic material, and the participation of various City Departments.



<b>REFUSE RATE COMPONENTS</b>						
<b>REFUSE RATE CHANGES FOR FY 2023-24</b>						
		<b>JULY 1ST</b>	<b>JULY 1ST</b>	<b>INCREASE</b>	<b>%</b>	
		<b>RATE</b>	<b>RATE</b>	<b>(DECREASE)</b>	<b>INCREASE</b>	
		<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>ROUNDED</b>	<b>(DECREASE)</b>	
<b>Residential</b>						
Refuse Collection		\$ 6.25	\$ 6.53	\$ 0.28		4.48%
Recycling Collection		5.41	5.65	0.24		4.44%
Yard Waste Collection		2.83	2.96	0.13		4.59%
Landfill Disposal						
Fuel Price Index		0.83	0.99	0.16		19.28%
Yardwaste (Greenwaste)		0.63	0.63	-		0.00%
Net to Hauler		15.95	16.76	0.81		5.08%
<b>Yard Waste</b>						
	Processing & Disposal	1.60	1.55	(0.05)		-3.13%
<b>Landfill Disposal</b>						
	Gate Fee	3.32	3.40	0.08		2.41%
	Transfer	1.27	1.19	(0.08)		-6.30%
Tonnage Fees		6.19	6.14	(0.05)		-0.81%
	Sub-total	22.14	22.90	0.76		3.43%
Less: Recycling Revenue Credit		(0.33)	(0.29)	0.04		-12.12%
	Sub-Total	21.81	22.61	0.80		3.67%
Franchise Fee @ 10%		2.12	2.20	0.08		3.77%
	Sub-Total	23.93	24.81	0.88		3.68%
Public Works/Utility Billing		1.35	1.65	0.30		22.22%
	<b>TOTAL</b>	<b>\$ 25.28</b>	<b>\$ 26.46</b>	<b>\$ 1.18</b>		<b>4.67%</b>

### **Extra Black Can**

There are 632 customers that currently receive an extra black can. The cost for the additional black can will increase \$0.30 from \$12.24 to \$12.54 per month.

### **Commercial Rate Increase**

The commercial monthly rates effective July 1, 2023 for the average customer with a 3-yard bin with once a week pick-up is \$176.81 per month, an increase of \$8.59 per month or 5.10%. Overall commercial rate increases are adjusted based on changes in the consumer price index and similar components such as landfill gate fees and disposal costs.