

NOTICE OF PUBLIC HEARING OF PURPOSED RECYCLING SERVICE RATE INCREASE

Notice is hereby given that the City Council of the City of Newport Beach (“City”) will conduct a public hearing on Tuesday March 23, 2021 at 6:30 p.m. in the City Hall Council Chambers at 100 Civic Center Drive, Newport Beach, CA 92660, where it will consider adopting a rate increase to the existing Recycling Service Fee that the majority of City residents (except those in the Newport Coast area) currently pay, and also adopting a new Recycling Service Fee for residents of the Newport Coast area. The proposed fee increases are the result of a recent fee study completed by the City’s consultant, MGT of America, an independent financial consulting firm. Results of this study found adjustments to the Recycling Service Fee are needed so as to recover the cost associated with State mandated recycling efforts for providing residential refuse recycling services. The fee calculations include the recycling related cost of current residential waste service contracts with CR&R Incorporated, and for City staff costs for the majority of the City’s residents (excluding the Newport Coast area), as well as a separate fee calculation for resident of Newport Coast.

BACKGROUND

In accordance with City of Newport Beach Municipal Code Chapter 6.04, Garbage, Refuse, and Cuttings, the City covers the cost and expense of collecting, hauling away and disposing of solid waste with property tax revenues through the City’s General Fund. As a result of changes in state law, in 1990, the City Council adopted Ordinance No. 90-6 establishing a Recycling Service Fee to recover the costs incurred by the City in satisfying State mandated recycling requirements. The City’s current Schedule of Rents, Fines and Fees includes a Recycling Service Fee which was last updated on December 8, 2009 and has since remained at \$3 per residential unit per month.

The Recycling Service Fee was recently studied by the City’s fee consultant, MGT of America. The Recycling Service Fee is a cost of service fee based solely on recovery of those operational costs associated with collection of recyclable materials in accordance with state mandates. Each fee rate is based on the annual contract costs, the diversion rate for recyclable material, the number of households subject to the fee, and City staff time related to contract management and program administration. Because the City currently has are two separate residential refuse collection contracts with CR&R Incorporated, one for the majority of the City (excluding the Newport Coast area) and then another just the Newport Coast area to provide residential trash collection services, the study resulted in two different calculations and resulting Recycling Service fees.

PROPOSED RATES FOR RECYCLING SERVICE FEE

With assistance from the consultant, the City reviewed the current residential Recycling Service Fee and developed a detailed fee study calculation. For clarification, the majority of the City (excluding the Newport Coast area) and the Newport Coast area have two separate residential refuse collection contracts resulting in two separate calculations and Recycling Service fees. Each fee rate is based on annual residential contract costs that include diversion rate for recyclable material processing, number of households subject to the fee, staff time related to contract management and program administration. City recommends the following changes:

The City (excluding the Newport Coast area):

- The current fee for the City area is \$3.00 per residential unit per month

- The proposed fee for the City area (excluding Newport Coast) would be \$6.28 per residential unit per month.

Newport Coast Area:

- Recycling Services fee was not included as part of annexation
- The proposed Recycling Service fee for residential units in Newport Coast would be \$5.86 per residential unit per month.

** Both fees will include future annual CPI increases*

Customers can review the Information regarding the 2020 Residential Recycling Fee Study will be provided on the City of Newport Beach website at:

<https://newportbeachca.gov/government/departments/2021-residential-recycling-fee-study> or the City's administrative office at 100 Civic Center Drive, Newport Beach, CA 92660.

PUBLIC HEARING

Any current record owner or responsible tenant of a residential parcel upon which refuse and recycling collection services are conducted, and where Recycling Service Fees are proposed to be increased, may submit a written protest to the proposed rate increases to either the City's, or the Newport Coast Recycling Service Fees; provided, however, only one protest will be counted per identified parcel. Each protest must: (1) be in writing; (2) state if the protest is submitted in opposition to the imposed/increased Recycling Service Fee rate; (3) provide the location of the identified parcel (by service address or assessor's parcel number); and (4) include the name and signature of the person who owns the effected residential parcel submitting the written protest. Written protests may be submitted by mail or in person to the City of Newport Beach office, To the attention of the City Clerk, 100 Civic Center Drive, Newport Beach, CA 92660, or in person at the Public Hearing (see date, time, and location above). All written protests must be received prior to the conclusion of the public comment portion of the public hearing. Any protest submitted via email, facsimile, or other electronic means will not be accepted as a formal written protest. For any protest submittal, whether mailed or submitted in person, please identify on the front of the envelope, that the enclosed letter is for the Public Hearing on Recycling Service Fee Proposed Rate Increases. The City Council will consider all written protests timely submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the public hearing, the City Council will determine whether to adopt the proposed rate increases described in this notice. If, after the close of the public hearing, written protests against the proposed rate increases and as outlined above are not presented by a majority of the record owners or responsible tenants of the identified parcels upon which they are proposed to be imposed, the City Council will be authorized to impose the rate increases. If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact the Public Works Department at 949-644-3055.

SPECIAL NOTICE REGARDING COVID-19

Given the Declaration of a State Emergency and Proclamation of Local Emergency related to COVID-19, we recommend that you submit your questions and comments in writing for City Council consideration by sending them to cityclerk@newportbeachca.gov. To give the City Council adequate time to review your questions and comments, please submit your written comments by **Monday, March 22, 2021, at 5:00 p.m.** In addition, members of the public will have the ability to participate in this meeting telephonically. Please review the Agenda for further instructions. The Agenda, staff report and corresponding documents will be posted to the City's website at www.newportbeachca.gov, by end of business day on **Friday March 19, 2021**. While the City does not expect there to be any changes to the above process for participating in this meeting, if there is a change, the City will post the information as soon as possible to the City's website. The City of Newport Beach thanks you in advance for continuing to take precautions to prevent the spread of the COVID-19 virus. If you are unable to participate in the meeting via the process set forth in the agenda, please contact the City Clerk at 949-644-3005 or cityclerk@newportbeachca.gov and our staff will attempt to accommodate you.