

DATE SUBMITTED 05/15//2015
SUBMITTED BY City Manager
DATE ACTION REQUIRED 05/21/2015

Agenda Item No D-5
CITY COUNCIL ACTION (X)
PUBLIC HEARING REQUIRED ()
RESOLUTION ()
ORDINANCE 1ST READING ()
ORDINANCE 2ND READING ()

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: CONFIRMATION OF INCREASE IN TRASH RATE BY THE CPI ADJUSTMENT OF 0.7% PER CONTRACT WITH ALLIED WASTE EFFECTIVE JULY 1, 2015.

DEPARTMENT INVOLVED:

BACKGROUND/SUMMARY:

The City of Imperial has a contract executed on August 6, 2008 with Allied Waste for waste hauling and recycling services. The contract calls for an annual CPI increase every July 1st. The CPI for the coming year is a 0.7% increase, raising the residential rate from \$18.21 to \$18.34.

FISCAL IMPACT:

STAFF RECOMMENDATION: Approve CPI increase as outlined in the contract.

MANAGER'S RECOMMENDATION:

MANAGER'S INITIALS MDB

The City Manager recommends the City Council abide by the terms of the existing contract and approve the rate increase of 0.7% beginning on July 1, 2015.

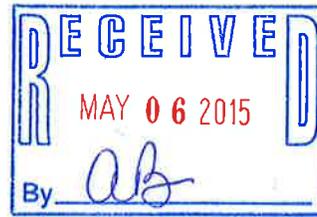
MOTION:

SECONDED:
AYES:
NAYES:
ABSENT:

APPROVED () REJECTED ()
DISAPPROVED () DEFERRED ()
REFERRED TO:

April 30, 2015

Mrs. Marlene D. Best
City Manager
City of Imperial
420 South Imperial Ave
Imperial, CA 92251



Dear Mrs. Best,

Allied Waste Services is honored to provide integrated solid waste and recycling collection services for the City of Imperial. It is a pleasure to be the City's partner in Waste and Recycling management for the residents and businesses in the City of Imperial.

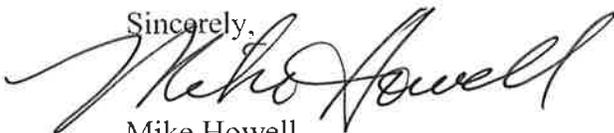
Under the terms of our contract to provide integrated waste management services to Imperial, Allied is permitted a rate adjustment annually based on the Consumer Price Index for all urban consumers as published by the US Department of Labor, Bureau of Labor Statistics for the previous twelve-month period ending in December 31, 2014 for which statistics are available. I have attached a copy of the Consumer Price Index for your review. In December 2014, the CPI index was 0.7 percent according to CPI index published by the aforementioned.

As per the contract dated August 6th, 2008 between the City of Imperial and Allied Waste Transportation, the following rate changes will apply effective July 1st 2015:

- Commercial and Roll-off construction and demolition rates will be subject to the annual CPI adjustment of 0.7 percent.
- Residential rates will be subject to the annual CPI adjustment of 0.7 percent. The current monthly rate is \$18.21 per resident. The new rate is \$18.34. This is the amount due to Allied Waste.

Thank you for the privilege of allowing us to provide solid waste collection and recycling service to the residents of Imperial. Allied is proud to serve and continue its partnership with the community and City of Imperial. Please do not hesitate to contact me with any questions regarding this letter or the services we provide.

Sincerely,

A handwritten signature in black ink that reads "Mike Howell".

Mike Howell
Divisional Manager
mhowell@republicservices.com
(760) 337-2412

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE

December 2014

ALL ITEMS INDEXES

(1982-84=100 unless otherwise noted)

| MONTHLY DATA | All Urban Consumers (CPI-U) | | | | | | Urban Wage Earners and Clerical Workers (CPI-W) | | | | | |
|--------------------------------------|-----------------------------|-------------|-------------|----------------|-------------|----------------------------------|---|-------------|-------------|----------------|-------------|----------------------------------|
| | Indexes | | | Percent Change | | | Indexes | | | Percent Change | | |
| | Dec 2013 | Nov 2014 | Dec 2014 | Nov 2014 | Dec 2014 | 1 Month ending Dec 2014 | Dec 2013 | Nov 2014 | Dec 2014 | Nov 2014 | Dec 2014 | 1 Month ending Dec 2014 |
| U. S. City Average..... | 233.049 | 236.151 | 234.812 | 1.3 | 0.8 | -0.6 | 229.174 | 231.551 | 229.909 | 1.1 | 0.3 | -0.7 |
| (1967=100)..... | 698.110 | 707.402 | 703.393 | - | - | - | 682.639 | 689.720 | 684.828 | - | - | - |
| Los Angeles-Riverside-Orange Co..... | 238.742 | 241.753 | 240.475 | 1.3 | 0.7 | -0.5 | 231.594 | 233.896 | 232.330 | 1.0 | 0.3 | -0.7 |
| (1967=100)..... | 705.349 | 714.245 | 710.470 | - | - | - | 684.430 | 691.234 | 686.605 | - | - | - |
| West..... | 236.096 | 240.220 | 239.095 | 1.7 | 1.3 | -0.5 | 230.356 | 233.499 | 232.108 | 1.3 | 0.8 | -0.6 |
| (Dec. 1977 = 100)..... | 381.636 | 388.302 | 386.484 | - | - | - | 370.630 | 375.687 | 373.448 | - | - | - |
| West - A*..... | 240.788 | 245.311 | 244.204 | 1.8 | 1.4 | -0.5 | 233.550 | 236.983 | 235.569 | 1.4 | 0.9 | -0.6 |
| (Dec. 1977 = 100)..... | 392.639 | 400.014 | 398.209 | - | - | - | 378.072 | 383.630 | 381.341 | - | - | - |
| West - B/C**(Dec. 1996=100)..... | 141.751 | 143.398 | 142.669 | 1.2 | 0.6 | -0.5 | 141.693 | 142.982 | 142.148 | 0.9 | 0.3 | -0.6 |

| BI-MONTHLY DATA | All Urban Consumers (CPI-U) | | | | | | Urban Wage Earners and Clerical Workers (CPI-W) | | | | | |
|-------------------------------------|-----------------------------|-------------|-------------|----------------|-------------|-----------------------------------|---|-------------|-------------|----------------|-------------|-----------------------------------|
| | Indexes | | | Percent Change | | | Indexes | | | Percent Change | | |
| | Dec 2013 | Oct 2014 | Dec 2014 | Oct 2014 | Dec 2014 | 2 Months ending Dec 2014 | Dec 2013 | Oct 2014 | Dec 2014 | Oct 2014 | Dec 2014 | 2 Months ending Dec 2014 |
| San Francisco-Oakland-San Jose..... | 245.711 | 254.503 | 252.273 | 3.2 | 2.7 | -0.9 | 242.602 | 250.508 | 247.680 | 2.8 | 2.1 | -1.1 |
| (1967=100)..... | 755.384 | 782.414 | 775.559 | - | - | - | 738.743 | 762.819 | 754.206 | - | - | - |
| Seattle-Tacoma-Bremerton..... | 241.055 | 247.854 | 245.050 | 2.1 | 1.7 | -1.1 | 238.021 | 244.289 | 240.726 | 2.1 | 1.1 | - |
| (1967=100)..... | 734.830 | 755.556 | 747.006 | - | - | - | 705.970 | 724.561 | 713.992 | - | - | - |

* A = 1,500,000 population and over

** B/C = less than 1,500,000 population

Dash (-) = Not Available.

Release date Jan. 16, 2015. The next monthly releases are scheduled for Feb. 26, 2015. The next bi-monthly releases are scheduled for Mar. 24, 2015.

Please note: Customers can receive hotline information by calling the BLS West Region Information Office: (415) 625-2270.

This card is available on the day of release by electronic distribution. Just go to www.bls.gov/bis/list.htm and sign up for the free on-line delivery service. For questions, please contact us at BLSinfoSF@BLS.GOV or (415) 625-2270.



11. Section 13 – Franchise Fee. Section 13 of the Agreement shall be amended as follows:

“Ninety-one percent (91%) of amounts billed for base residential service shall be retained by Contractor. Nine-percent (9%) shall be remitted to City as a franchise fee to cover the City’s costs for billing and administrative services. The Franchise Fee shall also apply to commercial accounts and shall be accounted for and remitted monthly by Contractor. Additional fees, including fee charged pursuant to Section 39 shall be added to the base rate and retained by the City.”

12. Section 13 - Franchise Fee. The following provision shall be inserted into Section 13 of the Agreement:

Formula for Changes in Compensation. The compensation paid to Contractor shall be adjusted annually, effective July 1 of each calendar year hereafter during the term hereof, pursuant to the "Adjustment Formula" set forth below. In the event that circumstances beyond the control of Contractor impose or generate additional costs in the performance of this Agreement, Contractor, on July 1 of each year, may petition City Council to determine if an adjustment in compensation is warranted to avoid undue financial hardship or if Contractor shall incur any extraordinary costs of doing business such as fuel costs outside of the CPI calculation on Contractor or material impairment of Contractor’s ability to provide the level and quality of service herein specified.

Contractor agrees to furnish all such accounts and records as are needed in the judgment of the City to substantiate any requests for increased payments from City or increased rates to customers. The decision of City Council shall be final.

Rate Adjustment Formula.

City and Contractor agree to meet during the month of January to calculate any rate adjustment.

Rate adjustment shall be based upon the Consumer Price Index for all Urban Consumers in the Los Angeles, Orange County and Riverside areas as published by the US Department of Labor, Bureau of Labor Statistics for the previous twelve-month period ending in December of each year, for which statistics are available and shall not exceed five (5) percent.



Economy at a Glance

Riverside-San Bernardino-Ontario, CA

Riverside-San Bernardino-Ontario, CA

| Data Series | Back Data | Oct 2014 | Nov 2014 | Dec 2014 | Jan 2015 | Feb 2015 | Mar 2015 |
|--|-----------|----------|----------|----------|----------|----------|-------------|
| Labor Force Data | | | | | | | |
| Civilian Labor Force (1) | | 1,934.9 | 1,940.1 | 1,935.0 | 1,940.0 | 1,940.1 | (P) 1,937.0 |
| Employment (1) | | 1,786.1 | 1,793.6 | 1,800.4 | 1,798.4 | 1,807.9 | (P) 1,811.5 |
| Unemployment (1) | | 148.9 | 146.6 | 134.6 | 141.6 | 132.2 | (P) 125.5 |
| Unemployment Rate (2) | | 7.7 | 7.6 | 7.0 | 7.3 | 6.8 | (P) 6.5 |
| Nonfarm Wage and Salary Employment | | | | | | | |
| Total Nonfarm (3) | | 1,306.4 | 1,321.2 | 1,324.5 | 1,311.7 | 1,320.7 | (P) 1,325.4 |
| 12-month % change | | 4.3 | 3.7 | 3.9 | 4.3 | 4.5 | (P) 4.2 |
| Mining and Logging (3) | | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | (P) 1.2 |
| 12-month % change | | 8.3 | 8.3 | 0.0 | 0.0 | -7.7 | (P) -7.7 |
| Construction (3) | | 78.2 | 78.6 | 75.8 | 76.0 | 78.2 | (P) 78.7 |
| 12-month % change | | 5.7 | 6.1 | 3.1 | 4.3 | 6.3 | (P) 5.6 |
| Manufacturing (3) | | 91.3 | 90.9 | 90.9 | 90.6 | 91.5 | (P) 90.9 |
| 12-month % change | | 3.6 | 2.9 | 2.8 | 1.7 | 2.0 | (P) 1.1 |
| Trade, Transportation, and Utilities (3) | | 322.8 | 331.2 | 335.7 | 321.9 | 320.5 | (P) 320.0 |
| 12-month % change | | 5.8 | 3.8 | 4.2 | 4.6 | 4.8 | (P) 4.6 |
| Information (3) | | 11.0 | 11.1 | 11.2 | 11.1 | 11.2 | (P) 11.2 |
| 12-month % change | | -4.3 | -3.5 | -2.6 | -3.5 | -1.8 | (P) -0.9 |
| Financial Activities (3) | | 42.3 | 43.2 | 43.2 | 43.8 | 44.4 | (P) 44.7 |
| 12-month % change | | -0.2 | 1.6 | 1.4 | 3.5 | 5.0 | (P) 5.4 |
| Professional and Business Services (3) | | 143.7 | 144.4 | 145.1 | 145.0 | 145.3 | (P) 147.0 |
| 12-month % change | | 5.5 | 6.3 | 8.1 | 10.6 | 8.8 | (P) 9.4 |
| Education and Health Services (3) | | 196.4 | 196.2 | 196.6 | 196.1 | 199.0 | (P) 199.0 |
| 12-month % change | | 3.7 | 2.9 | 3.3 | 3.5 | 4.0 | (P) 3.5 |
| Leisure and Hospitality (3) | | 144.1 | 147.0 | 149.9 | 149.8 | 152.8 | (P) 153.0 |
| 12-month % change | | 6.2 | 5.6 | 5.8 | 5.3 | 6.2 | (P) 5.3 |
| Other Services (3) | | 43.2 | 43.2 | 42.7 | 43.3 | 44.1 | (P) 44.6 |
| 12-month % change | | 3.6 | 3.1 | 2.4 | 2.9 | 3.5 | (P) 3.5 |
| Government (3) | | 232.1 | 234.1 | 232.2 | 232.9 | 232.5 | (P) 235.1 |
| 12-month % change | | 2.0 | 2.0 | 2.1 | 2.0 | 1.7 | (P) 1.5 |
| Consumer Price Index: Los Angeles-Riverside-Orange County, CA | | | | | | | |
| CPI-U, All items (4) | | 243.341 | 241.753 | 240.475 | 239.724 | 241.297 | 243.738 |
| CPI-U, All items, 12-month % change (4) | | 1.4 | 1.3 | 0.7 | -0.1 | 0.1 | 0.5 |
| CPI-W, All items (5) | | 235.921 | 233.896 | 232.330 | 231.063 | 232.975 | 235.991 |
| CPI-W, All items, 12-month % change (5) | | 1.4 | 1.0 | 0.3 | -0.7 | -0.4 | 0.2 |
| Footnotes | | | | | | | |
| (1) Number of persons, in thousands, not seasonally adjusted. | | | | | | | |