



DEPARTMENT OF PUBLIC WORKS

People serving people.

January 8, 2013

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DIRECTOR

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SUBJECT: Ratto Group of Companies, Inc. – Conduct Hearing for Requested Rate Increase for the West Marin Franchise Area

Dear Board Members:

RECOMMENDATIONS:

1. Conduct the scheduled hearing at 10:30 a.m. The purpose of the hearing is to consider a franchise amendment and a requested 3.25% rate increase by the Ratto Group of Companies (Redwood Empire Disposal) for the West Marin Franchise Area No. 1.
2. Approve the Franchise Amendment and corresponding rates listed in Exhibit "A3" to be effective January 1, 2013.

SUMMARY: The Ratto Group of Companies, Inc. has the exclusive franchise for refuse and recycling in West Marin for Franchise Area No. 1. This franchise area includes the West Marin coast area with the exception of Bolinas and Stinson Beach.

The franchise agreement with the Ratto Group of Companies, Inc. (Redwood Empire Disposal) establishes a rate setting methodology based on a Refuse Rate Index (RRI). The RRI is a price indexing method designed specifically for adjusting waste collection rates based on changes on fuel, labor and vehicle maintenance and replacement expenses. The agreement calls for an automatic RRI adjustment on January 1 of each year for three years, and a full audit every fourth year. The agreement states 2013 will be an RRI adjustment year and the company is requesting a 3.25% increase. There are several factors supporting the rate increase, with a 7.95% increase in the cost of fuel as the major reason.

The monthly cost to customers for this rate increase is \$.83 for a standard 32 gallon container.

FISCAL IMPACT: There is no net increase in County Cost to the General Fund.

REVIEWED BY:	[]	Department of Finance	[X]	N/A
	[X]	County Counsel	[]	N/A
	[]	Human Resources	[X]	N/A

Respectfully submitted,

Michael Frost
Deputy Director

Attachments

- 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