



DEPARTMENT OF PUBLIC WORKS

People serving people.

March 11, 2014

Robert Beaumont

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SUBJECT: 1) Hold Public Hearing for the Ratto Group of Companies, Inc., (West Marin Franchise Area No. 1) to Consider a Rate Increase; and 2) Approval of a Consolidated Agreement.

Dear Board Members:

RECOMMENDATIONS: 1) Hold the public hearing at 10:30 a.m. for the requested 0.96% rate increase for the Ratto Group of Companies (Redwood Empire Disposal) for the West Marin Franchise Area No. 1 to approve the requested rate increase effective January 1, 2014; and 2) approve the consolidated franchise agreement.

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. 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 that 2014 is an RRI adjustment year and the established methodology shows that a 0.96% increase is warranted. The monthly cost to customers for this rate increase is 32 cents for a standard 32 gallon container.

Additionally, this Franchise Agreement dates from 1990 and has been amended seventeen times. Accordingly, to help clarify and streamline the agreement, the Board is being asked to enter into a Consolidated Agreement which "rolls up" the contents of the amendments into one simplified agreement with no structural changes.

FISCAL IMPACT: There is no fiscal impact to the County from this rate increase or consolidated franchise agreement.

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

Respectfully submitted,

Steve Devine
Program Manager

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