



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Remon Habib, City Engineer

Date: June 11, 2024

Subject: 2024 Annual Consumer Price Index Increase for Refuse Collection Services Provided by CR&R

Recommendation

Receive and file the 2024 Annual Consumer Price Index Increase for Refuse Collection Services provided by CR&R since the rate increases fall within the allowable amount per the Franchise Agreement.

Background

CR&R, Incorporated holds an exclusive franchise in the City of Lake Elsinore to collect and dispose of refuse and to collect and process recyclables in the City. The franchise contract specifies that rates be adjusted annually to reflect changes in the Consumer Price Index (CPI) and any increases in the Riverside County Landfill Fees. Pursuant to the formula established in the Franchise Agreement, increases in the landfill tipping fee are passed through on a pro-rata basis effective at the start of the first full billing period after the landfill fee is adjusted. The current monthly residential rate is \$31.55, which includes the Landfill Fee of \$3.78.

Discussion

The CR&R requested increase in service rates is based on the data supplied by the Bureau of Labor Statistics for the 12 months ending March 31, 2024, in which the Consumer Price Index (CPI) for the Los Angeles, Riverside and Orange County area increased by 2.99%.

In addition, City staff was notified that the County of Riverside Waste Management Department will not be adjusting their landfill disposal rate for Fiscal Year 2024-2025.

Due to the increased CPI adjustment factor, a monthly rate adjustment will become effective for residential and commercial accounts. The monthly residential rate will go from \$31.55 per month

Annual Consumer Price Index Increase for Refuse Collection

to \$32.18 per month. The commercial rates for fiscal year 2024-2025 reflect the bundled services; per the guidelines from CalRecycle to prepare for the implementation of SB 1383.

The new rates are reflected in Exhibit A (Exhibit "C") and will become effective July 01, 2024.

Fiscal Impact

There is no negative fiscal impact to the City. This rate adjustment will result in a slight increase in franchise revenues for the City.

Attachments

Attachment 1 - 2024 Price Adjustment
Exhibit A - 2024 Schedule of Rates Exhibit "C"