

INITIATION OF PROPOSITION 218 PROCESS: REFUSE RATES

MARCH 18, 2025



Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.

IMPORTANCE OF TONIGHT

Proposition 218 process approves solid waste rate increases for only five years



Year of Franchise Agreement	Proposition 218 Compliant	Year of Franchise Agreement	Proposition 218 Compliant
FY2020-2021	YES	FY2025-2026	NEED PROP 218
FY2021-2022	YES	FY2026-2027	NEED PROP 218
FY2022-2023	YES	FY2027-2028	NEED PROP 218
FY2023-2024	YES	FY2028-2029	NEED PROP 218
FY2024-2025	YES	FY2029-2030	NEED PROP 218



PROPOSITION 218 PROCESS

What is Proposition 218?

- Passed by CA voters in 1996.
- Proscribe (“limits”) methods local governments can create or increase taxes/fees/charges.
- Allows property owners or rate payers to protest utility rate increases.
- Mandatory 45-day protest period.
- **Public Hearing & absence of a majority protest** required prior to Council adoption of new rates.
 - Public Hearing date is **May 20, 2025**.



PROPOSITION 218 PROCESS

What Notification is Required

- ✓ (State of CA)
The public agency must send notice and rates to each property owner and rate payer.

City of Manhattan Beach Actions

- ✓ Send notice and rates to property owners, rate payers.
- ✓ Send notice to tenants for outreach.
- ✓ Publish Beach Reporter print ads on 3/27, 4/3, 4/10, 4/17 and Public Hearing Notice on 5/1.
- ✓ Publish Beach Reporter In-Story ad from March 28 – May 19.
- ✓ Host Hybrid Community Meeting on 4/3/25 in CC Chambers, 6pm.
- ✓ Upload recorded meeting to Prop 218 page on City website.



WHAT PROPERTY OWNERS CAN DO

If You **Want to** Submit a Written Protest:

Follow instructions in Proposition 218 notice.

If You **Do Not Want to** Submit a Written Protest:

No further action needed from you.



HOW TO PROTEST RATE INCREASE

How to Protest the Rate Increase

STEP A – Prepare a written protest

INCLUDE:

- Statement protesting proposed rates.
- Property parcel number.
- Property owner/rate payer name.
- Written or electronic signature of the solid waste customer.

STEP B – Submit your protest statement

Option 1:

Deliver to the City Clerk in Council Chambers on May 20, 2025 from 6pm to end of public hearing

Option 2: Deliver or mail written protest to City Clerk's Office at City Hall, 1400 Highland Ave. Manhattan Beach, CA 90266

Option 3: Email an electronic copy of a signed written protest to cityclerk@manhattanbeach.gov

Protests must be received between March 28, 2025 – May 20, 2025, and prior to the close of the public hearing.



IF PROTEST IS SUCCESSFUL

What Happens if the City Receives Enough Protests to Overturn the Rate Increase?

Majority Protest = need 50% + 1 protests. With just over 13,000 parcels, the City would need to receive at least 6,500 protests.

- The City Council cannot approve the customer rate increase if there is a “majority protest.”
- A majority protest exists if the City Clerk must receive written protests from 50% + 1 of the property owners/rate payers in Manhattan Beach to prevent the rate increase from taking effect.



IF PROTEST IS SUCCESSFUL CONT'D

City Council Options if Protest is Successful

1. The City will then pay the increase from the General Fund for the term of the contract.
2. City Council can amend its contract with Waste Management, to reduce services to lower the contract rate.
3. City Council can also initiate the Proposition 218 process again.



WHAT MAKES A CUSTOMER RATE?

CUSTOMER RATE =

CONTRACTOR RATE (WM)

+

ONE-TIME SPECIAL ADJUSTMENT (WM)
(approved by CC 12/3/24)

+

CITY RECOVERY COST (CRC)



SINGLE-FAMILY RESIDENTIAL CARTS

Landfill Trash



- Determines residential rate
- Depends on cart size & quantity

Recycling



No separate charge

Organics



No separate charge



SINGLE-FAMILY PROPOSED RATES

SINGLE-FAMILY RESIDENTIAL RATES BASED ON LANDFILL CARTS ONLY

- No separate charge for recycling and organics

CART TYPE	CURRENT CUSTOMER RATE (WM & CRC)	INCREASE (4.4% CPI & 2.51% SPECIAL)	CRC (5%)	FY 26 PROPOSED CUSTOMER RATE	DIFFERENCE \$
20 & 35 gallon trash cart	\$17.76 (\$16.91 WM + \$0.85 CRC)	\$1.17	\$0.90	\$18.98	+ \$1.22
65 gallon trash cart	\$23.06 (\$21.96 WM + \$1.10 CRC)	\$1.52	\$1.17	\$24.65	+ \$1.59
95 gallon trash cart	\$28.35 (\$27 WM + \$1.35 CRC)	\$1.87	\$1.44	\$30.31	+ \$1.96



MULTI-FAMILY CART CONTAINERS

Landfill Trash



Recycling



Organics



- Flat rate charge, based on number of units
- Cost not determined by type/number of carts
- Eligible for properties with 2 – 9 units
- Cannot have any commercial bins



MULTI-FAMILY CART PROPOSED RATES

MULTI-FAMILY RES. RATES BASED ON NUMBER OF UNITS (2-9 units)

- Flat rate, unlimited carts, no commercial bins allowed

CART TYPE	CURRENT CUSTOMER RATE (WM & CRC)	INCREASE (4.4% CPI & 2.51% SPECIAL)	CRC (5%)	FY 26 PROPOSED CUSTOMER RATE	DIFFERENCE \$
2 units	\$41.51 (\$39.53 WM + \$1.98 CRC)	\$2.73	\$2.11	\$44.37	+ \$2.86
3 units	\$62.27 (\$59.30 WM + \$2.97 CRC)	\$4.10	\$3.17	\$66.57	+ \$4.30
4 units	\$83.01 (\$79.06 WM + \$3.95 CRC)	\$5.46	\$4.23	\$88.75	+ \$5.74



COMMERCIAL CONTAINERS #1

Landfill Trash



Rate based on

- ✓ Cart size
- ✓ Quantity
- ✓ Collection frequency

Recycling



Rate based on

- ✓ Cart size
- ✓ Quantity
- ✓ Collection frequency

Organics



No separate charge



COMMERCIAL TRASH CART PROPOSED RATES

COMM. TRASH CART RATES BASED ON SIZE, QUANTITY AND FREQUENCY

CART TYPE	CURRENT CUSTOMER RATE (WM & CRC)	INCREASE* (4.4% CPI & 5.4% SPECIAL)	CRC (5%)	FY 26 PROPOSED CUSTOMER RATE	DIFFERENCE \$
35 gallon trash cart 1x week	\$32.41 (\$30.87 WM + \$1.54 CRC)	\$3.03	\$1.70	\$35.60	+ \$3.19
65 gallon trash cart 1x week	\$63.54 (\$60.51 WM + \$3.03 CRC)	\$5.93	\$3.32	\$69.76	+ \$6.22
95 gallon trash cart 1x week	\$95.28 (\$90.74 WM + \$4.54 CRC)	\$8.89	\$4.98	\$104.61	+ \$9.33

*Increase to contractor rate



COMMERCIAL RECYCLING CART PROPOSED RATES

COMM. RECYCLING CART RATES BASED ON SIZE, QUANTITY AND FREQUENCY

- Recycling is 50% of the landfill rate for the same size container

CART TYPE	CURRENT CUSTOMER RATE (WM & CRC)	INCREASE* (4.4% CPI & 5.4% SPECIAL)	CRC (5%)	FY 26 PROPOSED CUSTOMER RATE	DIFFERENCE \$
35 gallon recy. cart 1x week	\$16.20 (\$15.43 WM + \$0.77 CRC)	\$1.51	\$0.85	\$17.79	+ \$1.59
65 gallon recy. cart 1x week	\$31.77 (\$30.26 WM + \$1.51 CRC)	\$2.97	\$1.66	\$34.89	+ \$3.12
95 gallon recy. cart 1x week	\$47.64 (\$45.37 WM + \$2.27 CRC)	\$4.45	\$2.49	\$52.31	+ \$4.67

*Increase to contractor rate



COMMERCIAL TRASH BINS

Landfill Trash Bins: 2, 3, 4 and 6 cubic yards



2 Cubic Yard Container*
5' 10" L | 2' 10" W | 3' 10" H



3 Cubic Yard Container*
6' 0" L | 3' 6" W | 4' 0" H



4 Cubic Yard Container*
6' 0" L | 4' 3" W | 4' 7" H



6 Cubic Yard Container*
6' 0" L | 5' 8" W | 5' 10" H

GREEN BODY,
BLACK LID

Container measurements are approximate.

*Note: Wheels available on 2 and 4-yard containers.



COMMERCIAL TRASH BIN PROPOSED RATES

COMM. TRASH BIN RATES BASED ON SIZE, QUANTITY AND FREQUENCY

CART TYPE	CURRENT CUSTOMER RATE (WM & CRC)	INCREASE* (4.4% CPI & 5.4% SPECIAL)	CRC (5%)	FY 26 PROPOSED CUSTOMER RATE	DIFFERENCE \$
2 CY trash bin 1x week	\$179.89 (\$171.32 WM + \$8.57 CRC)	\$16.79	\$9.41	\$197.52	+ \$17.63
3 CY trash bin 1x week	\$231.04 (\$220.04 WM + \$11.00 CRC)	\$21.56	\$12.08	\$253.68	+ \$22.64
4 CY trash bin 1x week	\$276.77 (\$263.59 WM + \$13.18 CRC)	\$25.83	\$14.47	\$303.89	+ \$27.12

*Increase to contractor rate



COMMERCIAL RECYCLING BINS

Recycling Bins: 2, 3, 4 and 6 cubic yards



2 Cubic Yard Container*
5' 10" L | 2' 10" W | 3' 10" H



3 Cubic Yard Container*
6' 0" L | 3' 6" W | 4' 0" H



4 Cubic Yard Container*
6' 0" L | 4' 3" W | 4' 7" H



6 Cubic Yard Container*
6' 0" L | 5' 8" W | 5' 10" H

WHITE BODY,
BLACK LID

Container measurements are approximate.

*Note: Wheels available on 2 and 4-yard containers.



COMMERCIAL RECYCLING BIN PROPOSED RATES

COMM. RECYCLING BIN RATES BASED ON SIZE, QUANTITY AND FREQUENCY
 Recycling is 50% of the landfill rate for the same size container

CART TYPE	CURRENT CUSTOMER RATE (WM & CRC)	INCREASE* (4.4% CPI & 5.4% SPECIAL)	CRC (5%)	FY 26 PROPOSED CUSTOMER RATE	DIFFERENCE \$
2 CY recy. bin 1x week	\$85.67 (\$81.39 WM + \$4.28 CRC)	\$8.40	\$4.70	\$98.77	+ \$13.10
3 CY recy. bin 1x week	\$110.03 (\$104.53 WM + \$5.50 CRC)	\$10.78	\$6.04	\$126.85	+ \$16.82
4 CY recy. bin 1x week	\$131.80 (\$125.21 WM + \$6.59 CRC)	\$12.92	\$7.24	\$151.96	+ \$20.16



STAFF RECOMMENDED ACTION

- Adopt Resolution No. 25-0021 setting May 20, 2025 for a Proposition 218 public hearing under the Proposition 218 protest procedure to consider adopting new residential and commercial solid waste hauling fees and City Recovery Costs, inclusive of annual Consumer Price Index (CPI) escalations over the next five fiscal years; and
- Adopt Resolution No. 25-0022 adopting procedures in connection with the proposed solid waste hauling fee increases.



