

DATE SUBMITTED 12/10/2021
 SUBMITTED BY ACM
 DATE ACTION REQUIRED 12/15/2021

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS cm

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT: CONSENT: REPUBLIC SERVICES ANNUAL RATE ADJUSTMENT OF 3.7% FOR RESIDENTIAL WASTE COLLECTION SERVICES	
DEPARTMENT INVOLVED: City Manager's Office	
BACKGROUND/SUMMARY: Whereas the City of Imperial has an agreement with Republic Services (previously known as Allied Waste) for waste collections services in the City of Imperial. As stated in the agreement the City will implement rate increase to customers based on CPI each calendar year. However, Republic Services in their due diligence has calculated the percentage on their actual cost to provide services in the City of Imperial. CPI is currently calculated at 6.2%, whereas the proposed increase for Imperial, CA is 3.7% based on actual cost. Please see attached materials for detailed back up.	
FISCAL IMPACT: No Negative Impact – Pass Through the Utility Customers	ADMIN SERV INITIALS <u>AB</u>
STAFF RECOMMENDATION: It is Staff's recommendation to approve the proposed increase of 3.7% based on Republic Services actual cost calculations, rather than CPI.	DEPT. INITIALS <u>AB</u>
MANAGER'S RECOMMENDATION: Agrees with Staff's recommendation.	CITY MANAGER'S INITIALS <u>AB</u>
MOTION: SECONDED: APPROVED () REJECTED () AYES: DISAPPROVED () DEFERRED () NAYES: ABSENT: REFERRED TO:	



December 1, 2021

Dennis Morita
City Manager
City of Imperial
420 South Imperial Ave
Imperial, CA 92251

Enclosed you will find our proposal for a rate adjustment based on our agreement with the City, as we attempt to navigate the increased industry costs while attempting to keep the rates reasonable to the City.

Per Section 12 of the Solid Waste Disposal and Recycling Franchise Agreement between the City of Imperial and Republic Services, we are proposing a switch to a more normalized and indicative index to adjust the City's rates. Currently the rate adjustment is based on 12-month CPI change (October – October) supplied by the Department of Labor Statistics. The current U.S. City Average for all Urban Consumers is 6.2% (selected areas: LA, Long Beach – Anaheim is 5.4%. The agreement stipulates increase percentage, "shall not exceed five (5) percent. However, the Company thinks a more indicative index to use is the Water and Sewer and Trash Collection Services indecies which has a 12-month percentage change of 3.7% and are proposing we switch to the index, effective January 1, 2022 and all subsequent years of the agreement.

As a good community member and business partner, we value the relationship with the City and see it as a privilege to provide the residents with trash collection services and street sweeping. If you have any questions or would like discuss further, please feel free to call me at (760) 337-2412.

Sincerely,

A handwritten signature in black ink, appearing to read "George Taylor", with a long horizontal flourish extending to the right.

George Taylor
Operations Manager
gtaylor@republicservices.com

Attachments (table 4 & table 2 CPI index)

Economic News Release



Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index

Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, October 2021
[1982-84=100, unless otherwise noted]

Area	Pricing Schedule ⁽¹⁾	Percent change to Oct. 2021 from:			Percent change to Sep. 2021 from:		
		Oct. 2020	Aug. 2021	Sep. 2021	Sep. 2020	Jul. 2021	Aug. 2021
U.S. city average	M	6.2	1.1	0.8	5.4	0.5	0.3
Region and area size⁽²⁾							
Northeast	M	5.4	0.9	0.6	4.6	0.4	0.3
Northeast - Size Class A	M	4.7	0.8	0.5	4.1	0.5	0.4
Northeast - Size Class B/C ⁽³⁾	M	6.4	1.0	0.8	5.2	0.4	0.2
New England ⁽⁴⁾	M	5.6	0.9	0.9	4.1	0.2	0.0
Middle Atlantic ⁽⁴⁾	M	5.4	0.9	0.5	4.7	0.5	0.4
Midwest	M	6.6	1.0	0.8	5.7	0.4	0.2
Midwest - Size Class A	M	5.8	1.1	0.8	5.0	0.4	0.3
Midwest - Size Class B/C ⁽³⁾	M	7.1	1.0	0.8	6.2	0.4	0.2
East North Central ⁽⁴⁾	M	6.3	1.1	0.9	5.4	0.3	0.2
West North Central ⁽⁴⁾	M	7.3	1.0	0.7	6.5	0.7	0.3
South	M	6.6	1.3	1.0	5.8	0.6	0.3
South - Size Class A	M	6.2	1.3	0.9	5.3	0.7	0.3
South - Size Class B/C ⁽³⁾	M	6.9	1.3	1.0	6.0	0.5	0.3
South Atlantic ⁽⁴⁾	M	6.5	1.4	1.0	5.6	0.8	0.4
East South Central ⁽⁴⁾	M	7.2	1.0	0.9	6.6	0.1	0.1
West South Central ⁽⁴⁾	M	6.6	1.2	0.9	5.7	0.5	0.2
West	M	6.0	1.0	0.8	5.3	0.4	0.2
West - Size Class A	M	5.7	1.0	0.9	5.0	0.4	0.2
West - Size Class B/C ⁽³⁾	M	6.3	1.0	0.7	5.7	0.4	0.3
Mountain ⁽⁴⁾	M	7.0	1.3	1.0	6.0	0.5	0.3
Pacific ⁽⁴⁾	M	5.6	0.9	0.7	5.0	0.4	0.2
Size classes							
Size Class A ⁽⁵⁾	M	5.6	1.1	0.8	4.8	0.5	0.3
Size Class B/C ⁽³⁾	M	6.7	1.1	0.9	5.9	0.5	0.3
Selected local areas							
Chicago-Naperville-Elgin, IL-IN-WI	M	5.3	1.0	0.7	4.5	0.4	0.3
Los Angeles-Long Beach-Anaheim, CA	M	5.4	1.2	0.9	4.6	0.5	0.3
New York-Newark-Jersey City, NY-NJ-PA	M	4.3	0.9	0.3	3.8	0.7	0.5

Footnotes

(1) Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month. 1 - January, March, May, July, September, and November. 2 - February, April, June, August, October, and December.

(2) Regions defined as the four Census regions.

(3) Indexes on a December 1996=100 base.

(4) Indexes on a December 2017=100 base.

(5) Indexes on a December 1986=100 base.

(6) 1998 - 2017 indexes based on substantially smaller sample.

(7) Indexes on a December 2001=100 base.

(8) Indexes on a 1987=100 base.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.

Continued

Area	Pricing Schedule(1)	Percent change to Oct. 2021 from:			Percent change to Sep. 2021 from:		
		Oct. 2020	Aug. 2021	Sep. 2021	Sep. 2020	Jul. 2021	Aug. 2021
Atlanta-Sandy Springs-Roswell, GA	2	7.9	1.5				
Baltimore-Columbia-Towson, MD(5)	2	6.3	2.3				
Detroit-Warren-Dearborn, MI	2	5.5	1.2				
Houston-The Woodlands-Sugar Land, TX	2	6.1	1.1				
Miami-Fort Lauderdale-West Palm Beach, FL	2	5.7	1.5				
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2	5.6	1.0				
Phoenix-Mesa-Scottsdale, AZ(7)	2	7.1	2.2				
San Francisco-Oakland-Hayward, CA	2	3.8	0.7				
Seattle-Tacoma-Bellevue, WA	2	6.5	1.1				
St. Louis, MO-IL	2	7.5	0.6				
Urban Alaska	2	6.3	1.2				
Boston-Cambridge-Newton, MA-NH	1				4.0	-0.1	
Dallas-Fort Worth-Arlington, TX	1				5.9	0.6	
Denver-Aurora-Lakewood, CO	1				4.5	0.3	
Minneapolis-St.Paul-Bloomington, MN-WI	1				5.4	1.1	
Riverside-San Bernardino-Ontario, CA(4)	1				6.8	0.8	
San Diego-Carlsbad, CA	1				6.5	0.1	
Tampa-St. Petersburg-Clearwater, FL(8)	1				6.1	1.0	
Urban Hawaii	1				5.0	1.0	
Washington-Arlington-Alexandria, DC-VA-MD-WV(6)	1				4.5	0.7	

Footnotes

(1) Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month. 1 - January, March, May, July, September, and November. 2 - February, April, June, August, October, and December.

(2) Regions defined as the four Census regions.

(3) Indexes on a December 1996=100 base.

(4) Indexes on a December 2017=100 base.

(5) Indexes on a December 1986=100 base.

(6) 1998 - 2017 indexes based on substantially smaller sample.

(7) Indexes on a December 2001=100 base.

(8) Indexes on a 1987=100 base.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.

Table of Contents

Last Modified Date: November 10, 2021

U.S. BUREAU OF LABOR STATISTICS Division of Consumer Prices and Price Indexes Suite 3130 2 Massachusetts Avenue NE
Washington, DC 20212-0001

Telephone: 1-202-691-7000 www.bls.gov/CPI [Contact CPI](#)



Economic News Release

CPI PRINT:

Table 2. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by detailed expenditure category

Table 2. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by detailed expenditure category, October 2021

[1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Sep. 2021	Unadjusted percent change		Seasonally adjusted percent change		
		Oct. 2020- Oct. 2021	Sep. 2021- Oct. 2021	Jul. 2021- Aug. 2021	Aug. 2021- Sep. 2021	Sep. 2021- Oct. 2021
All items	100.000	6.2	0.8	0.3	0.4	0.9
Food	13.977	5.3	1.0	0.4	0.9	0.9
Food at home	7.716	5.4	1.1	0.4	1.2	1.0
Cereals and bakery products	0.979	3.5	0.9	0.0	1.1	1.0
Cereals and cereal products	0.296	3.1	1.3	0.3	0.6	1.6
Flour and prepared flour mixes	0.042	5.0	-0.1	2.0	1.1	2.0
Breakfast cereal ⁽¹⁾	0.136	4.3	3.3	0.0	-0.3	3.3
Rice, pasta, cornmeal	0.119	1.0	-0.3	-0.5	1.6	0.0
Rice ⁽¹⁾⁽²⁾⁽³⁾		0.7	0.0	0.3	0.5	0.0
Bakery products ⁽¹⁾	0.682	3.6	0.7	-0.3	1.5	0.7
Bread ⁽¹⁾⁽²⁾	0.194	2.3	0.8	-0.1	1.8	0.8
White bread ⁽¹⁾⁽³⁾		1.3	0.6	-0.5	2.5	0.6
Bread other than white ⁽¹⁾⁽³⁾		3.2	1.1	0.2	1.2	1.1
Fresh biscuits, rolls, muffins ⁽²⁾	0.100	4.8	0.2	-1.8	3.7	-0.1
Cakes, cupcakes, and cookies ⁽¹⁾	0.174	2.7	-0.1	0.1	0.4	-0.1
Cookies ⁽¹⁾⁽³⁾		-0.2	-0.6	0.1	0.3	-0.6
Fresh cakes and cupcakes ⁽¹⁾⁽³⁾		6.6	0.7	-0.6	0.7	0.7
Other bakery products	0.214	5.2	1.5	-0.3	1.2	1.7
Owners' equivalent rent of primary residence ⁽¹²⁾	22.408	3.1	0.5	0.3	0.4	0.4
Tenants' and household insurance ⁽¹⁾⁽²⁾	0.346	-0.4	-0.3	-0.2	0.3	-0.3
Water and sewer and trash collection services ⁽²⁾	1.081	3.7	0.2	0.3	0.5	0.2
Water and sewerage maintenance	0.787	3.1	0.3	0.2	0.2	0.3
Garbage and trash collection ⁽¹⁾⁽¹⁰⁾	0.294	5.3	0.0	0.6	1.1	0.0
Household operations ⁽¹⁾⁽²⁾	0.893	6.9	0.5	0.7	-0.2	0.5
Domestic services ⁽¹⁾⁽²⁾	0.302	7.5	0.1	0.9	-2.3	0.1
Gardening and lawn care services ⁽¹⁾⁽²⁾	0.301		1.1	0.5	1.9	1.1
Moving, storage, freight expense ⁽¹⁾⁽²⁾	0.096	7.9	-2.2	1.7	-0.8	-2.2
Repair of household items ⁽¹⁾⁽²⁾						
Medical care services	7.024	1.7	0.5	0.3	-0.1	0.5
Professional services	3.578	2.8	0.0	0.4	-0.2	0.1

Footnotes

(1) Not seasonally adjusted.

(2) Indexes on a December 1997=100 base.

(3) Special index based on a substantially smaller sample.

(4) Indexes on a December 2007=100 base.

(5) Indexes on a December 2005=100 base.

(6) Indexes on a December 1986=100 base.

(7) Indexes on a December 1993=100 base.

(8) Indexes on a December 2009=100 base.

(9) Indexes on a December 1990=100 base.

(10) Indexes on a December 1983=100 base.

(11) Indexes on a December 2001=100 base.

(12) Indexes on a December 1982=100 base.

(13) Indexes on a December 1996=100 base.