

**Agenda Item No. 19.**

**To:** Mayor and Ross Town Council  
**From:** Gary Broad, Town Manager  
**Re:** Marin Sanitary Service's 2008 Rate Increase & Resolution No. 1640  
**Date:** January 7, 2008

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Attached please find the HF&H Consultants findings and recommendations from their review of the Marin Sanitary Service's (MSS) application for a 4.65% solid waste rate increase effective January 1, 2008. The Town of Ross, along with other MSS franchisors (San Rafael, Larkspur, portions of Marin County and Las Gallinas Valley Sanitary District), retain HF&H to determine appropriate rate increases based on a rate index methodology developed in 1995.

HF&H has determined that a 3.46% increase is appropriate for users in the Town of Ross in order to compensate MSS for its expenses and provide the agreed-upon profit level using the existing 90.5% pre-tax operating ratio.

The 3.46% increase includes 2.54% increase based on current operations and .92% for new programs as follows:

- 1.18% increase to operating costs
- 1.36% increase for franchise fees and projected 2007 revenue shortfall
- .92% increase for a new yard waste program

The rate in Ross will increase \$.74 per month for a 32 gallon can and \$1.48 per month for a 64 gallon can (see attached refuse collection rates effective January 1, 2008.) The rates also include the introduction of a new 20 gallon can rate at a cost of 15% below the 32 gallon rate for residential customers who generate less solid waste amounts.

As HF&H provides the Town with the necessary independent financial analysis of the proposed rate increases, and Town staff has evaluated the request and met with HF&H, Marin Sanitary Service and other MSS franchisors and believe the increase is warranted and appropriate, we recommend the Council accept the HF&H analysis for a 3.46% increase for Ross customers.

Resolution No. 1640 with the recommended increased rates for 2008 is attached.