



NOTICE OF PUBLIC HEARING

Concerning proposed changes to the City of Santa Ana Sanitation Services Users Charge

Pursuant to State law, the Santa Ana City Council will hold a public hearing at the time, date, and location specified below to consider increasing the Sanitation Services User Charges for the City's sanitation services.

DATE: MMM DD, YYYY
TIME: 5:45 p.m.
LOCATION: City Council Chambers
22 Civic Center Plaza Santa Ana, CA 92701

If adopted, the increased user charges will become effective on July 1, 2024 and subject to annual user charge adjustments through July 1, 2028.

The public hearing will be conducted in accordance with California Constitution Article XIII D, Section 6 (also known as "Proposition 218"). This notice is being sent to all property owners and customers of record whose parcels receive sanitation services in the City of Santa Ana, who would be subject to the proposed user charge adjustments.

All members of the public are invited to attend the public hearing. Additionally, under Proposition 218, property owners and customers of record may submit a written protest to the proposed user charge changes. Only one protest per parcel is permitted.

Please refer to the "How Can I Participate?" section of this document for instructions on submitting a formal written protest against the proposed action. You may also appear at the public hearing at the date and time specified above. More information is available online at <https://www.santa-ana.org/>.

HOW CAN I PARTICIPATE?

The City of Santa Ana welcomes your participation and input throughout the process as the City Council considers increasing the user charges and estimated future user charge adjustments explained in this Notice. If you have questions or comments about the increase and estimated future user charges, here is what you can do:

CALL OR VISIT: Information on the increase user charges and estimated future user charge adjustments are available for review at the City's Public Works Agency and on our website: <https://www.santa-ana.org> or call 714-647-3380 with questions.

WRITE OR E-MAIL: Written protests may be mailed to The City of Santa Ana, Attention: City Clerk, P.O. Box 1988, M30, Santa Ana, CA 92702; delivered in-person to City Hall, 20 Civic Center Plaza, Santa Ana; or e-mailed to ecomment@santa-ana.org. All protests shall include the name, property address, and signature of the person submitting the protest. Oral protests do not count as formal written protests. Only one written protest per parcel is permitted.

ATTEND THE PUBLIC HEARING: Written protests may also be submitted at the Public Hearing on MMM DD, YYYY, at 5:45 p.m., in the City Council Chambers at 22 Civic Center Plaza, Santa Ana, CA 92701. All members of the public will have an opportunity to speak and give testimony regarding the proposed sanitation user charges at the Public Hearing; however, only written protests will count toward a majority protest. Written protests must be received before the conclusion of the Public Hearing to be counted. The Public Hearing is subject to being held electronically or by teleconference if required or permitted by national, state and/or local orders as a result of a public health emergency crisis. In this event, information will be provided on the City's website and posted in City Council Chambers.

WHY HAVE I RECEIVED THIS NOTICE?

The City of Santa Ana is presenting the increased user charges for its roadway cleaning and environmental sanitation program services. Property owners and customers of record who would be impacted by these changes are receiving this notice. The City of Santa Ana is dedicated to providing reliable and cost-effective sanitation services to its residents/property owners, and businesses.

WHY ARE USER CHARGES INCREASING?

BACKGROUND: The City's roadway cleaning and environmental sanitation programs play a vital role in maintaining the City's cleanliness and hygiene standards. These programs encompass a wide array of services, including street sweeping, abandoned item collection, sidewalk cleaning, and power washing, addressing illegal dumping, and cleaning alleys. Additionally, they ensure compliance with sanitation codes through right-of-way inspections and enforcement activities, as well as the removal of weeds from streets and sidewalks.

Beginning in fiscal year 2025, the City budget reflects several critical changes, including costs for contract maintenance staff to boost sanitation services, and for additional maintenance workers and program support employees. Furthermore, a significant ongoing expenditure of \$3.0 million is earmarked for the introduction of a new street sweeping contract. This contract will enhance service frequency, especially in key arterial and commercial corridors, resulting in quicker response times, benefiting the entire community.

It's imperative to acknowledge the challenges faced by the City. Inflation, economic pressures, and supply chain disruptions have substantially increased costs. Notably, user charge has remained stagnant since 1996, and in 2019, it was reduced, placing additional strain on the City's finances. Despite these hurdles, the City remains dedicated to maintaining high cleanliness standards through strategic investments and efficient utilization of resources.

BASIS UPON WHICH THE CHARGES WERE CALCULATED: The City retained SCS Engineers (SCS) to perform a Sanitation Services Users Charge Study. This study included a five-year financial projection of anticipated growth, fund balances and reserve targets, revenues, operations and maintenance expenses, vehicle/equipment replacement expenses, and capital spending. The analysis determined that the City's current user charge revenues will no longer be sufficient to meet the projected financial needs of the

City to fund its sanitation services operations. Therefore, a five-year financial management plan was calculated.

SCS determined that sanitation services user charge per unit should increase to a monthly charge of \$11.72 per month in July 2024, billed bi-monthly as \$23.44 per unit per bill. An inflationary-like increase of approximately 3.50% is anticipated to be necessary each July from 2025 to 2028.

The public hearing will include consideration of adopting a resolution that will authorize sanitation user charges and future user charge adjustments for a five-year period commencing July 1, 2024, through June 30, 2029. If approved by the City Council, the proposed user charges included in Exhibit A will go into effect on July 1, 2024, including annual user charge adjustments in user charge years two through five, based on the methodology contained in the tables below.

Any additional increase that exceeds this methodology and the additional user charge increase percentages below, in any year, would be subject to another Proposition 218 noticed public hearing and approval by the City Council.

SANITATION SERVICES USER CHARGES

| Current | | Proposed | Year 2 | Year 3 | Year 4 | Year 5 |
|------------------------------|--------|--------------|--------------|--------------|--------------|--------------|
| FY 2023-24 | | FY 2024-25 | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 |
| Implementation Date | | July 1, 2024 | July 1, 2025 | July 1, 2026 | July 1, 2027 | July 1, 2028 |
| Monthly User Charge per Unit | \$5.35 | \$11.72 | \$12.13 | \$12.56 | \$13.00 | \$13.45 |

PUBLIC HEARING PROCESS

At the time of the Public Hearing, the City Council will hear and consider all protests and objections to the proposed increases. Oral comments DO NOT qualify as a formal protest unless accompanied by a written protest. Upon conclusion of the hearing, the City Council will evaluate the written protests and consider the adoption of the proposed increases. If written protests are not submitted by at least a majority of identified parcels subject to the proposed adjustments (a "majority protest"), the City Council will be authorized to adopt the proposed user charge. If adopted, the increased user charges will become effective on July 1, 2024, and annual user charge adjustments effective July 1, 2025, through July 1, 2028.

FOR MORE INFORMATION

Please visit us at <https://www.santa-ana.org/>, to learn more about the proposed user charge changes.