

# **FINAL REPORT**

City of Rialto

## **Solid Waste Costs Study**

*submitted electronically on April 16, 2026*

R3

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# 1. EXECUTIVE SUMMARY

## Background & Purpose

The City of Rialto (City) provides solid waste collection services in connection with its solid waste system for collection and disposal, recycling, or composting of solid waste that is generated by residents, businesses, and other waste-generating entities in the City. The provided solid waste collection services include direct and indirect management and administration, regulatory implementation for State of California (State) mandates, street sweeping, catch basin waste removal, public solid waste container collection, illegal dumping clean-up, and street tree-trimming services for large vehicle access in the public right-of-way. The City also contracts for solid waste collection services via the Services Agreement for Refuse/Recycling Collection and Disposal (Agreement), as amended, with Burrtec Waste Industries, Inc., a California corporation (Contractor).

The City incurs costs for providing solid waste collection services (City Costs). R3 Consulting Group, Inc. (R3) was previously engaged to review, analyze, and quantify the annual amounts of these costs. The result of that engagement was a Solid Waste Franchise Fee Study, dated June 13, 2024 (Prior Study).

R3 has now been reengaged to review, analyze, and quantify City Costs to update the Prior Study. This updated study (Updated Study) considers current best practices in the field of cost studies and updates the prior costs, in some cases including new costs identified by the City since the Prior Study.

## Methodology & Findings

R3 reviewed and analyzed information provided by the City pertaining to City Costs. R3 used the information provided by the City, as well as information obtained via research and analysis, to calculate the annual amounts for the City's provision of solid waste collection services.

All calculated amounts in this Study are in Fiscal Year (FY) 2025-26 dollars; however, most City Costs were provided in FY 2024-25 dollars, and were then escalated by the 4.3% average annual change in the 7-year Consumer Price Index (All items in Riverside-San Bernardino-Ontario, CA, all urban consumers, not seasonally adjusted). This CPI has only existed for 7 years; therefore, the 7-year average includes the most available data.

The annual costs for management, administration, regulatory compliance and enforcement, solid waste collection and clean-up, and other obligations associated with the Contractor's Agreement and the sanitation system include: staffing salary and benefits, contracted services, and overhead for distributed costs including, but not limited to, property, utilities, insurance, human resources, payroll administration, accounts payable and receivable, and other finance functions.

Staffing costs are calculated based on estimated time allocations (based on assessment of current City employees) and other costs are calculated based on estimated share allocations associated with the sanitation system, with distributed overhead applied to both.

- » The calculation results for FY 2024-25 are \$1,071,332 in staffing costs and \$1,065,518 in other costs, for annual proportionate City's Costs totaling \$2,136,850. For FY 2025-26, after escalation by the 4.3% average annual change in the 7-year consumer price index (CPI), annual City Costs are estimated at \$2,228,735.

Under the Prior Study, R3 found \$1,275,260 in staffing costs and \$1,040,030 in other costs, for annual proportionate City's Costs totaling \$2,315,290, all in FY 2023-24 dollars. If adjusted for the same CPI, those costs would now be worth \$2,518,686, which is \$289,951 more than the City's Costs calculated in this study. Therefore, this Updated Study documents slightly fewer solid waste costs than the Prior Study.

### Limitations

This Study is based on information provided by the City, which R3 has reviewed for reasonableness; however, we did not independently audit or verify this information. In some cases, the City did not have certain data available, and for other data, back-up information is still being gathered and may be provided retroactively. Where reasonable ranges are known to exist, it was necessary to develop estimates for these missing values. In doing so, R3 relied on decades of professional experience working with numerous local government agencies throughout California on solid waste utility and other public administration matters. Because adjustments to estimates or underlying assumptions could affect the calculations, R3's methodology was designed to use reasonable assumptions that would minimize the likelihood of materially different outcomes if those assumptions were to change. We recommend that City staff and legal counsel carefully review all assumptions, estimates, calculations, and resulting figures presented in this Study to confirm their accuracy and ensure mutual agreement on their applicability and reasonableness.

## 2. METHODOLOGY & CALCULATIONS

### Methodology

R3 reviewed and analyzed information provided by the City pertaining to the General Fund costs incurred for management, administration, regulatory compliance and enforcement, solid waste collection and clean-up, and other obligations associated with the Contractor's Agreement and the sanitation system.

***These costs include, and may not be limited to:***

- » Staffing costs, including salaries and benefits.
- » Contracted services.
- » Equipment operating costs.
- » Overhead for distributed costs such as property, utilities, insurance, human resources, payroll administration, accounts payable and receivable, and other finance functions.

Using the total annual salary, benefit, and other cost information provided by the City, we estimated the proportion of costs associated with management and administration of the agreement and the sanitation system. We then calculated the proportionate totals and categorized them by the functions listed in the sections below.

### Variables, Estimates, and Assumptions

#### Staffing Costs

Variables associated with salaries and benefits include the allocation of time which positions are associated with management and administration of the Agreement and the sanitation system (including time supervising others with primary responsibility for these duties), the amount by which funding of salaries and benefits is paid by the General Fund, and the applicable amount of General Fund overhead. Most of the time allocations by position category used in this Updated Study were provided by the City, which came up with their best estimates based on staff responsibilities and routine daily maintenance schedules. The City affirms that the estimates used appropriately reflects the actual time spent on waste related tasks. Time allocations are shown in Table 1, next page, along with the resultant FY 2024-25 solid waste costs for each position.

Table 1: Staffing Time and Cost by Position

Cost Category	Position Title	Time Allocation	FY 2024-25
Indirect Management & Administration	City Manager	5%	\$24,686
Indirect Management & Administration	Assistant City Manager	5%	\$22,174
Indirect Management & Administration	Deputy Director of Maintenance and Facilities	10%	\$19,153
Indirect Management & Administration	Principal Budget and Financial Analyst	10%	\$20,097
Indirect Management & Administration	Director of Public Works	20%	\$76,451
Indirect Management & Administration	Executive Assistant**	25%	\$12,110
Indirect Management & Administration	Administrative Assistant	80%	\$67,590
Indirect Management & Administration	Office Specialist	75%	\$14,331
Indirect Management & Administration	Clerical Aide	75%	\$17,533
Illegal Dumping Response, Clean-up, Mitigation, & Prevention	Field Service Worker / Lead Field Service Worker, Illegal Dumping (8 staff)	80% of pooled time	\$549,916
Catch Basin Waste Removal	Field Service Worker / Lead Field Service Worker, Catch Basin Waste Removal (8 staff)	20% of pooled time	\$34,370
Illegal Dumping Response, Clean-up, Mitigation, & Prevention	Community Compliance Manager	15%	\$27,359
Municipal Code Enforcement	Community Compliance Officers (2 staff)	15% each	\$28,734
Tree Trimming for Large Vehicle Curbside Access	Landscape Contract Specialist, Tree Trimming**	15%	\$2,063
Tree Trimming for Large Vehicle Curbside Access	Field Service Workers, Tree Trimming (2 staff)	80% each	\$154,765
<b>Total</b>			<b>\$1,071,332</b>

Unless otherwise indicated, all positions are 100% paid for by the City's General Fund.

\*\* 50% of this position is paid for by the City's General Fund.

R3 verified with City staff that the salaries and benefits included in this Updated Study are paid by the General Fund. Any non-General Fund portions of positions included in Table 1 have been indicated, and those portions have been excluded from the calculations. A General Fund overhead rate of 10% (for the distributed costs such as property, utilities, insurance, human resources, payroll administration, accounts payable and receivable, and other finance functions) is also applied to the total allocated costs. The 10% General Fund overhead rate used in this Updated Study is R3's estimated overall City-wide amount based on our experience in other similar jurisdictions. In many cases, overhead rates are often higher than the 10% used for the purposes of this Updated Study. The City has reviewed this 10% estimate and stated that it falls within a suitable range to approximate the City's actual average overhead rate.

### Other Costs

Variables associated with the City's other (i.e., non-salary and benefit) costs include the proportionate allocation of those costs that are for management and administration of the Agreement and the sanitation

system, the amount by which these costs are paid by the General Fund, and the applicable amount of General Fund overhead. The estimated time allocation by cost category used in this Updated Study is shown in Table 2, below, along with the explanation for the allocation values.

**Table 2: Allocations of Other Costs by Category**

Cost Category	Cost Allocation	Explanation
Consulting costs for direct management and administration of Agreement and sanitation system.	100%	All these costs are directly associated with management and administration of the Agreement and the sanitation system.
Labor contract and equipment operating costs for catch basin and full trash capture waste removal.	80%	Estimated allocation based on proportion of such activities that are associated with sanitation services in the City.
Equipment operating costs and supplies/materials for illegal dumping identification, response, clean-up, collection, and disposal	80%	Estimated allocation based on proportion of such activities that are associated with sanitation services in the City.
Contract for collection of solid waste from public receptacles	5%	Estimated allocation based on proportion of such activities that are associated with sanitation services in the City.
Contract for tree trimming activities providing clearance for large vehicle access to the curb	80%	Estimated allocation based on proportion of such activities that are associated with sanitation services in the City.

R3 verified with City staff that the other costs included in this Updated Study are paid by the General Fund – any non-General Fund portions of these costs as included in Table 2 have been excluded from the calculations. The same General Fund overhead rate of 10% discussed above (for the distributed costs such as property, utilities, insurance, human resources, payroll administration, accounts payable and receivable, and other finance functions) is also applied to the total allocated costs.

## Analysis

### Direct Management and Administration

This category would include City staffing and consulting costs for direct management and administration of the Agreement and the sanitation system. Separate identification of direct vs. indirect management and administrative costs for staffing was not conducted for this Updated Study – therefore, any direct costs for management and administration of the Agreement and the sanitation system are included in the indirect costs, below. Other costs include solid waste consulting services provided by R3 for total calculated annual cost for this category of **\$6,600** in FY 24-25 dollars.

### Indirect Management and Administration

This category includes City staffing costs for indirect management and administration, including supervision of those responsible for direct management and administration of the Agreement and the sanitation system and associated responsibilities. Allocated annual costs for staffing in this category are **\$274,125** in FY 24-25 dollars.

R3 found \$306,560 in indirect management and administration costs under the Prior Study, and \$274,125 under this Updated Study. The cost basis has decreased as a result of updated information provided by the City.

### Catch Basin Waste Removal

Solid waste that is not properly managed by waste generators or the Contractor, and not otherwise captured by street sweeping operations, accumulates in catch basins and other trash capture devices in the City's storm drain system. For the purposes of this Updated Study, we do not assume that all mismanaged solid waste that ends up in the City's catch basins or trash capture devices is generated by properties receiving solid waste services. Rather, because there is the possibility that some solid waste collected by catch basins or trash capture devices was originally generated by other sources, this Updated Study estimates that only 80% of the solid waste collected by catch basins was generated by properties receiving solid waste services. This assumption is consistent with other studies conducted by R3 (e.g., for the cities of Garden Grove and San Bruno) wherein catch basin activities were allocated between 77.4% and 90% to the sanitation system.

This category includes staffing costs for Public Works maintenance workers to remove accumulated solid waste from catch basins and full trash capture devices. Allocated annual costs for staffing in this category are \$34,370. This category also includes equipment (vactor truck) operation and repair and materials costs, in the City accounts dedicated to street maintenance, fleet maintenance, and traffic safety. Additionally, this category includes contracts with Harris & Associates—one for stormwater asset inventory assessment, and one for condition assessment and full cleaning of the City's storm drain system—amortized over 10 years. The costs provided by the City include municipal crews and a contractor, and both are accounted for separately in this Updated Study. Additionally, line item expenses were provided as well as calculated expenses for certain equipment; the City has confirmed that those costs are additive, and therefore both were included separately. Allocated annual costs for outside services, equipment operation, and materials are \$376,220, for total annual costs in this category of **\$410,590**.

Under the Prior Study in this category, R3 found \$40,200 in staffing costs and \$398,510 in other costs, for annual proportionate City's Costs totaling \$438,710, all in FY 2023-24 dollars. If adjusted for the same CPI, those costs would now be worth \$457,757, which is \$46,984 more than the City's Costs in this category calculated in this Updated Study. The change is due to a change in amortization for the Harris & Associates contracts.

### Illegal Dumping Cleanup

The City's Public Works maintenance crews clean up solid waste materials that are illegally dumped throughout the City. As with catch basin waste removal, an 80% waste generation allocation is applied.

This category includes City staffing costs for illegal dumping identification, response, clean-up, collection, and disposal, performed by the Public Works Streets and Traffic Safety Division. It also includes equipment operation (flatbed dump trucks, dump body trailers, and loaders) and materials costs. This category includes equipment operation and repair and materials costs, in the City accounts dedicated to street maintenance, fleet maintenance, and traffic safety. Line item expenses were provided as well as calculated expenses for certain equipment; the City has confirmed that those costs are additive, and therefore both were included separately. Allocated annual costs for staffing in this category are \$606,010,

and allocated annual costs for equipment operation and materials are \$209,392, for total annual costs in this category of **\$815,402**.

Under the Prior Study in this category, R3 found \$740,960 in staffing costs and \$237,870 in other costs, for annual proportionate City's Costs totaling \$978,830, all in FY 2023-24 dollars. If adjusted for the same CPI, those costs would now be worth \$1,020,920, which is \$170,447 more than the City's Costs calculated in this Updated Study.

### Public Solid Waste Receptable Collection

This category includes the contracts for outside service providers to collect waste deposited in public waste containers in the public right-of-way and other public locations in the City. Two contractors (Nissho of California and Inland Empire Landscape) perform daily debris and trash removal across parks, trails, parkways, medians, sidewalks, gutters, drains, and public receptacle stations, covering all waste types. This includes emptying trash cans and maintaining trash enclosure cleanliness in parks, trails, parkways, median islands, and greenbelt areas, all of which constitute public right-of-way. Allocated annual costs for outside services in this category are **\$33,330**, assuming that 5% of the Contractor's activities are devoted to this activity.

While this category was considered under the Prior Study, at that time no costs were identified. The City has since identified an outside contractor responsible for collection of some solid waste receptacles in the public right-of-way.

### Tree Trimming for Vehicle Access to Public Right-of-Way

This category includes staffing costs for staff to ensure that street trees are trimmed to allow for solid waste collection vehicles safe clearance to collect solid waste containers from the public right-of-way, as well as the contract for outside services to support this activity. Allocated annual costs for staffing in this category are \$156,828, and allocated annual costs for outside services in this category are \$439,975, for total annual costs in this category of **\$596,803**.

Under the Prior Study in this category, R3 found \$187,540 in staffing costs and \$384,950 in other costs, for annual proportionate City's Costs totaling \$572,490, all in FY 2023-24 dollars. If adjusted for the same CPI, those costs would now be worth \$597,107, which is nearly the same as the costs calculated in this Updated Study.

### Annual Total of City's Costs

Table 3, next page, shows the total of the City's Costs for management and administration of the Agreement and the sanitation system as calculated in this Updated Study, by category. The costs used in this section are for FY 2024-25 (which are the numbers mentioned in the immediately preceding sections), escalated by the 4.3% average annual change in the 7-year CPI for FY 2025-26, which yields a total of **\$2,228,735**.

Table 3: City’s Annual Costs by Category and in Total

Category	Staffing Costs	Other Costs	Total FY 24/25	Total Escalated by CPI
Direct Management and Administration	\$0	\$6,600	\$6,600	\$6,884
Indirect Management and Administration	\$274,125	\$0	\$274,125	\$285,912
Catch Basin Waste Removal	\$34,370	\$376,220	\$410,590	\$428,246
Illegal Dumping Clean-up	\$606,010	\$209,392	\$815,402	\$850,464
Public Waste Containers	\$0	\$33,330	\$33,330	\$34,763
Tree Trimming	\$156,828	\$439,975	\$596,803	\$622,466
<b>Total Annual City’s Costs</b>	<b>\$1,071,332</b>	<b>\$1,065,518</b>	<b>\$2,136,850</b>	<b>\$2,228,735</b>