

The logo of the City of El Segundo, featuring a circular seal with a building and the text "CITY OF EL SEGUNDO" around the perimeter.

CITY OF
EL SEGUNDO

City Subsidy for Collection of Solid Waste

April 15, 2025

Proposal to Reduce City Subsidy

Phase in over 5 years

	Current	5/1/2025	5/1/2026	* 5/1/2027	* 5/1/2028	* 5/1/2029
Subsidy Rate	29.4%	20%	15%	10%	5%	0%

* Subject to approval of Prop 218 vote

Proposal to Reduce City Subsidy

- **City Council's Strategic Goals:** *Identify opportunities for new revenues, enhancement of existing revenues, and exploration of potential funding options to support programs and projects*
- **Budgetary Savings:** \$100,000 FY 2025-26 / \$3 Million in 10 Years
- **Lifeline Assistance Program will continue**

Staff Recommendations

	Option 1		Option 2		Option 3	
	<u>Amount \$</u>	<u>Subsidy %</u>	<u>Amount \$</u>	<u>Subsidy %</u>	<u>Amount \$</u>	<u>Subsidy %</u>
Resident	\$ 21.34	80.0%	\$ 18.83	70.6%	\$ 18.26	68.5%
City	\$ 15.33	20.0%	\$ 7.85	29.4%	\$ 8.41	31.5%
Solid Waste Fee	\$ 26.67	100.0%	\$ 26.67	100.0%	\$ 26.67	100.0%



Staff Recommendations

Option 1: Reduction of the Subsidy from 29.4% to 20% (decrease 5% every year till 0% subsidy)

- Effective 5/1/2025
 - ✓ Residents Pay **\$21.34** per month (increase of \$2.51 in addition to the \$0.57 CPI increase)
 - ✓ City Pays **\$5.33** per month (20% subsidy)
- City Council would need to reimpose \$3.08 (increase of \$2.51 in addition to the \$0.57 CPI increase) effective 5/1/25.

Staff Recommendations

Option 2: Keep City Subsidy at 29.4%

- Effective 5/1/2025
 - ✓ Residents Pay **\$18.83** per month
 - ✓ City Pays **\$7.85** per month (29.4% subsidy)
- City Council would need to reimpose \$0.57 of the original subsidy effective 5/1/25 to cover the original CPI increase.

Option 3: Residents Continue to Pay **\$18.26** / City Pays **\$8.41** (31.5%) per month

- Due to Prop 218 limit of 5 years

Questions?