



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Public Hearing
July 21, 2009

Honorable Mayor and
Members of the City Council

**Title: DELINQUENT UTILITY SERVICE CHARGES – SPECIAL ASSESSMENT
LIENS UPON THE PROPERTIES TO WHICH THE CHARGES ARE RELATED**

Location/Council District: Citywide

Recommendation: Conduct a public hearing and upon conclusion, adopt a Resolution placing special assessment liens on properties for unpaid Utility service charges.

Contacts: Shelle Smallwood, Account and Billing Manager, 808-4928
Jamille Moens, Business Services Division Manager, 808-5988

Presenter: Shelle Smallwood, Account and Billing Manager, 808-4928

Department: Utilities

Division: Business Services

Organization No: 14001631

Description/Analysis:

Issue: Collection of delinquent fees and penalties are brought before the City Council to secure the debt by placing a special assessment upon the properties for which services were provided. On an annual basis, the Department of Utilities brings forward its customer's accounts with delinquent utility service charges and recommends City Council place a special assessment upon these properties to collect the unpaid debt.

Policy Considerations: Imposing a special assessment lien for delinquent utility service charges is in accordance with Sacramento City Code 13.12.050. Property owners have received the required notice and opportunity to protest the charges. All protested charges were reviewed for accuracy and a decision made to remove the charges or continue with the special assessment. A hearing with a Delinquency Lien Hearing Officer (see Attachments 2-3, Page 5-10) was held for property owners requesting a hearing in accordance with Sacramento City Code 13.12.070 and 13.12.080.

State law and/or City Code require the City Council to confirm these special assessment liens after a public hearing, providing property owners with an opportunity to address the City Council. Should any property owner object to the special assessment, the public hearing shall be limited to the issue of whether or not the hearing before the Delinquency Lien Hearing Officer was conducted in accordance with applicable City ordinances. City Council does not have any legal obligation to hear the objections of any property owner who did not request a hearing and thus waived his/her right to protest.

Environmental Considerations:

California Environmental Quality Act (CEQA): The authorization of special assessment liens is a governmental fiscal activity that does not constitute a "project" under the California Environmental Quality Act (CEQA), and for which no environmental review is required (CEQA Guidelines Section 15378(b)(4)).

Other: Not applicable.

Commission/Committee Action: Not applicable.

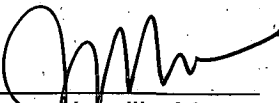
Rationale for Recommendation: These special assessments are for services the City has already provided to the property owner. The property owners have been given ample opportunity to bring utility service charges current. Consequently, the City needs to recover the costs incurred.

Financial Considerations: Adoption of the Resolution will enable the Department of Utilities to recovery unpaid fees for services provided via a special assessment. The total unpaid cost incurred for services as of July 1, 2009 is \$10,870,036.73.


A Delinquency Lien Hearing Officer was paid \$50 an hour. There were 9 utility billing hearings held, which required approximately 4 hours for a total cost of \$200. City staff time was required to send notices to property owners, review disputes, provide the final noticing for hearings, and schedule the hearings. All the costs are included in the Department of Utilities' operating budget and no additional funding is being requested.

Emerging Small Business Development (ESBD): Not applicable. No goods or services are being purchased.

Respectfully Submitted by: _____


Jamille Moens
Business Services Manager

Approved by: _____


Marty Hanneman
Assistant City Manager/
Director of Utilities

Recommendation Approved:



Ray
Ray Kerridge
City Manager

Table of Contents:

Report

Pg. 1

Attachments

1 Background

Pg. 4

2 Special Assessment Lien Summary

Pg. 5

3 Protests – Delinquent Utility Service Charges

Pg. 6

4 Resolution

Pg. 11

Exhibit A – Delinquent Utility Service Charges

Pg. 13

Attachment 1

BACKGROUND

On an annual basis, a special assessment notice is sent to all property owners with utility service charges 90 days or more delinquent. The special assessment notice advises the customer that the portion of their balance that is greater than 90 days past due will be imposed as a special assessment on their property if not paid in full. Properties for which the delinquent amount is paid prior to the Council hearing date are removed from the special assessment process. Customers are also advised of the opportunity to protest the delinquent charges, as provided under the City Code.

All protests are reviewed for accuracy and a decision is made to remove the charges or continue with the special assessment. The decision on the protest and the opportunity for a hearing in front of a Delinquency Lien Hearing Officer are communicated to the customer. Any property owner who does not submit a protest or request a hearing waives his/her right to protest. The decision of the Hearing Officer is final. After the final hearing and any adjustments and payments made, the final special assessment amount is presented to City Council for approval in July.

The delinquent charges owing, and the properties to which such charges apply, are set forth in Exhibit A to the Resolution attached to this report. As required under applicable provisions of the City Code and/or State law, all property owners were noticed of the unpaid and/or delinquent amounts, and provided both an opportunity to resolve the issue with City staff and appear before a Delinquency Lien Hearing Officer.

Attachment 2 (page 5) is a summary listing, by type, of the number and total amount of unpaid costs, the number of protests received, and the number of hearings held before the Delinquency Lien Hearing Officer.

Attachment 3 (page 6-10), lists each protest received and the final disposition of each protest. The findings of the Delinquency Lien Hearing Officer for each hearing held are included. Each has received a final decision notice.

Attachment 2

City of Sacramento

FY 2009/2010 Annual Special Assessments and Lien Summary

Unpaid costs for delinquent:	No. of Lien Notices Mailed	Initial Amount Due All Notices	No. of Protests Received	No. of Protests to Payment Plans	No. of Protested Charges Removed from Lien	No. of Protested Charges Reduced	No. of Hearings Held	Total Amount Due ⁽¹⁾ [as of 7/1/09]
Utility Services	12,385	\$12,617,859.57	48	2	10	3	9	\$10,870,036.73

⁽¹⁾ The Initial Amount Due reduced by the payments received after the lien notices were mailed April 30, 2009, and the charges removed or reduced after protest, results in the Total Amount Due.

Protests – Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
A-1 STOR ALL LAGUNA VISTA, LLC	8650 W STOCKTON BLVD	117-1410-056-0000	\$6,814.54	8	FEES FOUND DUE	Hearing Requested
ALLEN THOMPSON JR	1833 BURNIETT WAY	010-0212-008-0000	\$801.82	4	FEES REDUCED TO \$0 & removed from slien	Hearing Requested
ALLEN THOMPSON JR	3521 22ND AVE	020-0271-013-0000	\$991.44	5	FEES REDUCED TO \$660.96 & removed from slien	Hearing Requested
APRIL A CLEMENTS	2170 SARAZEN AVE	035-0261-002-0000	\$1,310.47	6	Reduced Amount due to \$1173.67	None Requested
BERTHA CORRAL	1885 O NEIL WAY	048-0141-002-0000	\$1,398.88	8	Reduced Amount due to \$835.08	None Requested
CARA F BRANNON	301 Nimitz St	238-0060-034-0000	\$1,056.50	2	FEES FOUND DUE	None Requested
CHING-YIN CHANG	5713 FREEPORT	035-0010-039-0000	\$11,071.85	4	Prior to hearing removed from slien and placed on 3 year payment arrangement Waived April and May LPC's	Hearing Requested
CHRISTY AND DONALD JAMISON	5840 63RD ST	027-0212-001-0000	\$848.75	5	FEES FOUND DUE	None Requested
CLARENCE SARGENT REVOCABLE TRUST	4412 76TH ST	021-0262-059-0000	\$861.90	6	FEES FOUND DUE	None Requested

Protests - Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
CLEMENT WANNER	2890 DEL PASO BLVD	265-0222-023-0000	\$1,217.52	2	Removed from lien	None Requested
DOLORES L. DAVILA	2673 PRINCETON ST	266-0422-003-0000	\$600.65	3	Removed from lien	None Requested
ELIZABETH GAMBOA	1804 GLENROSE AVE	266-0322-002-0000	\$939.71	2	FEES FOUND DUE	None Requested
ELORDE M SILI	5620 DUTTON WAY	117-1190-014-0000	\$630.28	8	Removed from lien	None Requested
FLORENTES FAMILY TRUST	7730 SWEETBRIER WAY	052-0210-052-0000	\$578.75	8	FEES FOUND DUE	None Requested
GARRY ODBERT	3126 31ST ST	013-0281-035-0000	\$1,466.94	5	FEES FOUND DUE	None Requested
GARRY ODBERT	3064 6TH AVE	013-0281-035-0000	\$1,380.78	5	FEES FOUND DUE	None Requested
GAYLERD P WARKLAW JR	4630 CEDARWOOD WAY	050-0461-013-0000	\$982.87	8	FEES FOUND DUE	None Requested
GEORGE WHITFIELD	1336 STEPHANIE AVE	237-0312-014-0000	\$335.10	2	Removed from lien, waived LPC's and send vacancy forms	None Requested
GLOBAL CAPITAL CONCEPTS INC	3724 MARYSVILLE BLVD	251-0123-005-0000	\$679.99	2	FEES FOUND DUE	None Requested

Protests - Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
GLOBAL CAPITAL CONCEPTS INC	3724 MARYSVILLE BLVD	251-0123-005-0000	\$631.18	2	FEES FOUND DUE	None Requested
GLOBAL CAPITAL CONCEPTS INC	3724 MARYSVILLE BLVD	251-0123-005-0000	\$989.31	2	FEES FOUND DUE	None Requested
GREGORY RUBIO	3200 42ND ST	014-0188-017-0000	\$2,819.14	6	FEES FOUND DUE	None Requested
JACQUE ANN GRIMMETT	7200 20TH AVE	021-0343-007-0000	\$982.66	6	FEES FOUND DUE	None Requested
JAMES M SHORT SR	5021 ORTEGA ST	023-0147-006-0000	\$678.41	6	FEES FOUND DUE	None Requested
JANICE KARNEGES (for Connie Karneges-deceased)	3224 DEL PASO BLVD	252-0330-031-0000	\$1,399.07	3	FEES FOUND DUE	None Requested
JOHN P ODBERT	4555 71ST ST	021-0341-018-0000	\$1,827.73	6	FEES FOUND DUE	None Requested
JUDY HEATER	8129 LA ALMENDRA WAY	117-0620-018-0000	\$1,664.50	7	FEES FOUND DUE	None Requested
JULITA S ROBERTS	3340 25TH AVE	022-0082-024-0000	\$752.25	5	FEES FOUND DUE	None Requested
KRISTOPHER LEINO	2225 SOUTH AVE	252-0193-010-0000	\$536.85	2	FEES FOUND DUE	None Requested
MARIA GONZALEZ	4971 SHADY LEAF WAY	226-0326-013-0000	\$1,322.94	2	FEES FOUND DUE	None Requested

Protests - Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
MONICA L ALEXANDER	5500 EHRHARDT AVE	117-0132-028-0000	\$6,858.66	7	FEES REDUCED TO \$996.98	None Requested
OLIVER J LEWIS	3717 9TH AVE	013-0351-023-0000	\$861.87	5	FEES FOUND DUE	None Requested
PAMELA BRAXTON	4151 Brookfield Dr	049-0320-038-0000	\$1,088.74	8	Removed from slien & placed on 3yr pay arr	Hearing Requested
PATRICIA A JONES	1561 ARMINGTON AVE	052-0112-058-0000	\$1,174.64	8	FEES FOUND DUE	None Requested
RICHARD PARKS	6226 STOCKTON BLVD	037-0310-002-0000	\$5,538.96	5	FEES FOUND DUE	Hearing Requested
BARNUM & CELILLO ELECTRIC - RICK SOUTHERN	3900 TAYLOR ST	250-0050-053-0000	\$5,449.68	2	FEES FOUND DUE	Hearing Requested
ROBERT SILVERIA	805 F ST	002-0104-023-0000	\$954.57	1	Removed from slien	Hearing Requested
ROYCE W WALKER SR	1021 PINEDALE AVE	226-0140-034-0000	\$529.61	2	Removed from slien	None Requested
SALAMAH LOCKS	6421 HOGAN DR	035-0161-028-0000	\$1,429.65	5	FEES FOUND DUE	None Requested
SALAMAH LOCKS	6431 HOGAN DR	035-0161-002-0000	\$1,451.21	5	FEES FOUND DUE	None Requested
SALAMAH LOCKS	6435 HOGAN DR	035-0161-024-0000	\$1,429.36	5	FEES FOUND DUE	None Requested

Protests - Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
SALAMAH LOCKS	6441 HOGAN DR	035-0161-025-0000	\$4,577.51	5	FEES FOUND DUE	None Requested
SAVITA SINGH	3131 SPARROW DR	225-1930-037-0000	\$664.08	1	FEES FOUND DUE	None Requested
SHIRLEY SIMS	6411 ALISO WAY	040-0061-008-0000	\$974.11	5	FEES FOUND DUE	None Requested
SVN SAVANNAH LLC	4337 NORWOOD AVE	237-0100-021-0000	\$130,973.30	2	Removed from lien	None Requested
TONY RAYA JR	4115 JEFFREY AVE	019-0053-027-0000	\$1,919.44	5	Removed from lien & placed on payment arrangement	Hearing Requested
WILLIAM & DIANA FRANCIS	3417 Gates Way	053-0092-004-0000	\$1,443.71	7	FEES FOUND DUE	None Requested
YOLONDA DIAZ	7496 DELTAWIND DR	031-0871-005-0000	\$518.37	7	FEES FOUND DUE	None Requested

RESOLUTION NO.

Adopted by the Sacramento City Council

**CONFIRMING DELINQUENT UTILITY SERVICE CHARGES AS SPECIAL
ASSESSMENTS AGAINST THE PROPERTIES TO WHICH THE SERVICES WERE
RENDERED**

BACKGROUND:

- A. In accordance with Sacramento City Code, Chapter 13.12, the owners of the real properties that have incurred delinquent utility service charges, identified in Exhibit A, on file in the City Clerk's Office and incorporated herein by this reference, have been notified of such delinquencies and that subsequent proceedings would be taken to make the unpaid charges a special assessment on the real property to which such utility services were rendered.
- B. In accordance with Sacramento City Code, Chapter 13.12, each property owner identified in Exhibit A has been notified of the owner's opportunity to file an objection or protest against imposing the delinquent utility service charges as a special assessment against the owner's property, including the opportunity for a hearing before a Delinquency Lien Hearing Officer.
- C. The City Council has received the report of the delinquent utility service charges, including a description of the protests filed and the results of the Delinquency Lien Hearing Officer hearing process, which results were also sent to the objecting owners in accordance with Sacramento City Code, Chapter 13.12. The objecting owners also have been notified of the date and time of this hearing in accordance with Sacramento City Code, Chapter 13.12.
- D. The City Council has held a public hearing on the report of the delinquent utility service charges in accordance with Sacramento City Code, Chapter 13.12.
- E. The City Council has found the total cost for the services to be reasonable and closed the public hearing.
- F. The City Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds and determines that the Background Statements A through F are true and correct.
- Section 2. All of the protests have been considered and have been rejected, revised, or confirmed.
- Section 3. The charges set forth in Exhibit A for the unpaid utility services charges to the real properties described in Exhibit A are owing and delinquent, and the report of these delinquent utility service charges as set forth in Exhibit A is confirmed.
- Section 4. The delinquent utility services charges set forth in Exhibit A shall hereafter constitute special assessments against the real properties to which the utility services were rendered, as specified in Exhibit A.
- Section 5. Special assessment liens for the delinquent charges set forth in Exhibit A, against the real properties described in Exhibit A, shall be collectible at the same time and in the same manner as ordinary secured property taxes are collected, and shall be subject to the same penalties, priorities, and procedures provided for delinquent ordinary secured property taxes, as provided in Sacramento City Code, Chapter 13.12.
- Section 6. The City Clerk shall transmit a certified copy of this resolution to the Sacramento County Auditor/Controller.
- Section 7. Exhibit A is part of this resolution.

Table of Contents:

Exhibit A: Delinquent Utility Service Charges

Exhibit A

DELINQUENT UTILITY SERVICE CHARGES LIST:

**ON FILE AND AVAILABLE FOR PUBLIC REVIEW IN THE OFFICE OF
THE CITY CLERK, HISTORIC CITY HALL, 915 I STREET, 1ST FLOOR,
SACRAMENTO, CA**