



REPORT TO COUNCIL City of Sacramento

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

Public Hearing
July 22, 2008

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

Presenter: Jamille Moens, Business Services Division Manager, 808-5988

Department: Utilities

Division: Business Services

Organization No: 3352

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 6-9) 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): Pursuant to Section 15378 (b) (5) of the California Environmental Quality Act (CEQA) Guidelines (administrative activities that will not result in environmental impact), this is not a project that is subject to CEQA.


Sustainability Considerations: 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 3, 2008 is \$10,327,470.19.

A Delinquency Lien Hearing Officer was paid \$50 an hour. There were 2 utility billing hearings held, which required a total of 1 hour for a total cost of \$50.00. 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): None.

Respectfully Submitted by: 
Jamille Moens
Business Services Manager

Approved by: 
Marty Hanneman
Interim Director, Department of Utilities

Recommendation Approved:



for

Ray Kerridge
City Manager

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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 6) 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 7-9), 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 2008/2009 Annual Special Assessments and Lien Summary

	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 7/3/08]
Unpaid costs for delinquent:								
Utility Services	12,625	\$11,620,364.03	24	0	5	1	2	\$10,327,470.19

⁽¹⁾ The Initial Amount Due reduced by the payments received after the lien notices were mailed May 1, 2008, and the charges removed or reduced after protest, results in the Total Amount Due.

Delinquent Utility Service Charges Protests

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
Anna Rivera	3000 34th Ave	025-0173-004-0000	\$628.29	5	Fees found due	None Requested
Carisse Antolin/Clara De Leon	5 Dalehurst Ct	201-0420-037-0000	\$149.33	1	Fees found due	None Requested
Carmen Pacheco	2361 Gibson St	275-0029-003-0000	\$1,358.36	2	Fees found due	None Requested
Cheyenne Anquoe	5500 48th St	022-0272-007-0000	\$1,516.31	5	Fees found due	None Requested
Darlene Lee	15 Midway Ct	011-0390-014-0000	\$2,746.51	5	Fees found due	None Requested
Dorothy Cotton	6323 Seyferth Way	118-0240-033-0000	\$761.69	8	Fees found due	Fees found due
Dyshay McKinnon	7 Bonack Pl	201-1130-024-0000	\$477.83	1	Fees found due	None Requested
Dyshay McKinnon	130 Arcade Bl	263-0055-007-0000	\$1,428.43	2	Fees found due	None Requested
Ethel M. Clark	2141 Matson Dr	048-0124-002-0000	\$870.29	8	Fees found due	None Requested

Delinquent Utility Service Charges Protests

Name	APN	Address	Amount Due	Council District	Staff Findings	Hearing Status
Helen Ritchey	1026 Arcade Blvd	265-0021-005-0000	\$1,319.16	2	Removed from lien list due to demolition	None Requested
Henry Shirley	7714 Los Rancho Way	031-1260-051-0000	\$137.32	7	Reduced to \$137.32 due to bankruptcy	None Requested
J. Michael & Alma Jeffords	417 & 417HF 15th St	002-0131-022-0000	\$604.90	3	Removed from lien list due to demolition	Fees found due
John & Georgia Work	4365 Armadale Wy	119-0300-036-0000	\$996.96	7	Fees found due	None Requested
John/Alice Brownie	5980 Laguna Ranch Cir	117-0860-014-0000	\$980.40	8	Fees found due	None Requested
Julius & Kabella Magee	1481 Mayfield St	225-1120-013-0000	\$678.58	1	Removed from lien list due to bankruptcy	None Requested
Maribeth Rogalla	2115 N St	007-0152-015-0000	\$898.15	3	Removed from lien list due to m/a error	None Requested

Delinquent Utility Service Charges Protests

Maribeth Rogalla	415 26th St	003-0145-001-0000	\$921.86	3	Removed from lien list due to m/a error	None Requested
Scott Slotterbeck	3121 Norstrom Way	262-0021-010-0000	\$143.96	1	Fees found due	None Requested
Scott Slotterbeck	1656 49th St	008-0475-013-0000	\$261.89	3	Fees found due	None Requested
Scott Slotterbeck	878 Royal Green Ave	030-0073-014-0000	\$369.70	4	Fees found due	None Requested
Scott Slotterbeck	2400 Encinal Ave	036-0022-025-0000	\$397.58	5	Fees found due	None Requested
Scott Slotterbeck	2316 3rd Ave	013-0033-010-0000	\$280.37	5	Fees found due	None Requested
Scott Slotterbeck	2700 57th St	011-0233-022-0000	\$280.37	5	Fees found due	None Requested
Scott Slotterbeck	2924 Wissemann Dr	078-0114-023-0000	\$120.46	6	Fees found due	None Requested

Attachment 4

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, 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:

1. The City Council finds and determines that the Background Statements A through F are true and correct.
2. All of the protests have been considered and have been rejected, revised, or confirmed.
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.
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.
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.
6. The City Clerk shall transmit a certified copy of this resolution to the Sacramento County Auditor/Controller.
7. Exhibit A is part of this resolution.

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Exhibit A: Delinquent Utility Service Charges

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