

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: July 6, 2021
Reviewed by: NA

SUBJECT: Public Hearing to Authorize Collection of Delinquent Garbage Bills by Placement on the Alameda County Property Tax Roll

REPORT BY: Elizabeth Carrade, Sustainability Coordinator

SUMMARY

The City's Franchise Agreement with Waste Management of Alameda County requires Council approval of a list of delinquent accounts for placement on the County tax roll annually.

STAFF RECOMMENDATION

That the Council adopt Resolution No. 2021-74, confirming the special assessment list for delinquent residential garbage bills, and authorizing the delinquent charges be placed on the Alameda County property tax roll.

BACKGROUND

Council approved a Franchise Agreement with Waste Management of Alameda County (WMAC) on October 17th, 2011. The Agreement establishes that WMAC is responsible for all garbage and collection services and for preparing, mailing, and collecting payments for services provided (see Attachment 3). WMAC issues bills for single family homes on a quarterly basis in advance of services. For health and safety reasons, WMAC is required by the Franchise Agreement to continue regular weekly collection of garbage and recycling services for residential customers even when unable to obtain payment for past due bills.

The 2011 Franchise Agreement called for the establishment of a special assessment collection process in order for WMAC to recover unpaid amounts where service has continued. On November 18, 2013, Council passed Ordinance No. 2013-02 (Attachment 4) amending Section 15-2.4 of the Albany Municipal Code to authorize collection of delinquent garbage bills by placement on the Alameda County tax roll. In the event that standard collection methods to recover past due bills prove unsuccessful, the Ordinance authorizes the amount owed to be placed on residential properties tax roll with past due accounts. The Special Assessment process is detailed within Exhibit 7 of the City's Franchise Agreement with WMAC and provided as Attachment 5 to this staff report.

DISCUSSION

Resolution No. 2021-74 (Attachment 1) confirms the special assessment list (Attachment 2) for delinquent residential garbage bills, and authorizes the delinquent charges to be placed on the Alameda County property tax roll. The total amounts owed on the list include WMAC late fees and a City administrative fee of \$50. The County will also apply a fee. Unpaid balances under \$20 are not included in the list, and multifamily properties with five or more units and all commercial properties are exempt from the process.

WMAC is required to exercise reasonable efforts to collect payments from property owners for accounts that are past due prior to the special assessment process. These collection methods are described in the Franchise Agreement (see Attachment 3), and generally include issuing late payment notices, imposing late fees on past due balances after billing, placing telephone requests for payments, and utilizing services of collection agencies. If these efforts fail, WMAC is authorized to begin the special assessment process. For accounts that fall into the 90-days past due category, WMAC provides a total of four delinquency notices that explain the special assessment process. WMAC mailed letters in February, April (two letters in April), and May to each residential property owner and account holder (if different) with a delinquent garbage bill. Each letter stated that the City's ordinance holds property owners responsible for garbage service fees, provided the past due amount, and included a phone number and email address to resolve questions regarding amounts owed. All letters were approved by City staff. The purpose of the notices is to provide property owners with sufficient information and notification to correct the delinquent bill prior to WMAC requesting that the amounts owed be placed on the property tax roll. The City sent out a final request for payment to owners of all remaining delinquent accounts on May 17th of this year before WMAC finalized the special assessment list. Public hearing notices were sent to all accounts on the final list in advance of this meeting.

Once approved, the Finance Department will send the special assessment list to the County. The City will receive payment from the County, less the County fees, collect the administrative fee and franchise fees and pay the remaining amount to WMAC. WMAC will perform a final reconciliation of all accounts involved.

FINANCIAL CONSIDERATIONS

Staff estimates that the additional franchise fee revenue to the General Fund from the collection of these delinquent garbage bills will total \$2,280.73. In addition, \$1,450 will be remitted to the City in administrative fees. Through this process, the City also recovered additional franchise fees from delinquent accounts that paid prior to the June 1st deadline.

Attachments

1. Resolution No. 2021-74
2. Final 2021 Special Assessment List for Delinquent Garbage Bills
3. Franchise Agreement Excerpt – Section 6.02.1.4
4. Ordinance No. 2013-02
5. Exhibit 7 “Special Assessment Process” of the Franchise Agreement between the City of Albany and Waste Management of Alameda County