



REPORT TO COUNCIL

City of Sacramento

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

Public Hearing
July 20, 2010

**Honorable Mayor and
Members of the City Council**

**Title: DELINQUENT UTILITY SERVICE CHARGES – SPECIAL ASSESSMENTS
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 assessments on properties for unpaid utility service charges.

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

Presenter: Shelle Smallwood, Billing Manager, 808-4928

Department: Utilities

Division: Business Services

Organization No: 14001631

Description/Analysis:

Issue: Collection of delinquent utility service 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. Background information is provided in Attachment 1.

Policy Considerations: Imposing a special assessment for delinquent utility service charges is in accordance with Sacramento City Code section 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 and 3, pages 5-10) was held for property owners requesting a hearing in accordance with Sacramento City Code 13.12.070 and

Delinquent Utility Service Charges – Special Assessments

13.12.080.

State law and/or City Code require the City Council to confirm these special assessments 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 assessments is a governmental fiscal activity that does not constitute a “project” under the 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 provided to the property owners from January 2009 through January 2010. 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 recover unpaid fees for services provided via a special assessment. The total unpaid cost incurred for services as of July 1, 2010 is \$11,942,047.12.

A Delinquency Lien Hearing Officer was paid \$50 an hour to conduct hearings for property owners requesting hearings. There were two hearings held, which required approximately one hour for a total cost of \$50. 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. Any money generated from these special assessments would offset these incurred costs.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: 
Jamielle Moens
Business Services Manager

Delinquent Utility Service Charges – Special Assessments

Approved by: 
Marty Hanneman
Director of Utilities

Recommendation Approved:

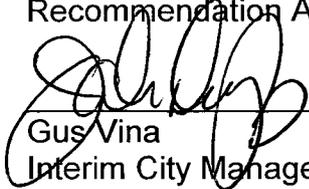

Gus Vina
Interim City Manager

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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.

Each property owner who both disputed the special assessment and requested a hearing has received a final decision notice from the Delinquency Lien Hearing Officer.

Attachment 2

City of Sacramento

FY 2010 Annual Special Assessments Summary

Unpaid costs for delinquent:	No. of Notices Mailed	Initial Amount Due All Notices	No. of Protests Received	No. of Protests to Payment Plans	No. of Protested Charges Removed	No. of Protested Charges Reduced	No. of Hearings Held	Total Amount Due ⁽¹⁾ [as of 7/1/10]
Utility Services	12,580	\$13,972,358.85	47	0	11	1	2	\$11,942,047.12

⁽¹⁾ The Initial Amount Due reduced by the payments received after the notices were mailed April 29, 2010, 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
ALTON HOBODY	4938 49TH ST	022-0065-005-0000	\$349.09	5	FEES FOUND DUE	None Requested
BELLA ROSE VILLAS - ERIC VIFIAN	4200 E COMMERCE WAY	225-2030-001-0202	\$12,872.10	?	REMOVED	None Requested
BETTYE GREER	228 COOKINGHAM WAY	263-0291-020-0000	\$133.04	2	FEES FOUND DUE	Hearing Requested
BISHOP WILLIAM GUNTER/CHURCH OF GOD OF PROPHECY	7005 WOODBINE AVE	041-0055-001-0000	\$1,158.49	5	FEES FOUND DUE	None Requested
BLAIR BARTON	5427 10TH AVE	015-0132-020-0000	\$1,392.97	6	FEES FOUND DUE	None Requested
BOB WILSON	6582 37TH AVE	027-0222-010-0000	\$559.85	6	FEES FOUND DUE	None Requested
BUHYUNE & NAM KIM	3938 14TH AVE	020-0073-030-0000	\$1,226.78	5	Removed	None Requested
CAROLINE W CLAY	4335 ARMADALE WAY	119-0300-039-0000	\$1,140.09	7	FEES FOUND DUE	None Requested
CITYSCAPE MORTGAGE	4930 14TH AVE	021-0021-009-0000	\$1,525.52	5	REMOVED	None Requested

Protests - Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
CLARENCE SARGENT	4412 76TH ST	021-0262-059-0000	\$520.71	6	FEES FOUND DUE	None Requested
CLEMENT & PAULINE WANNER	2890 DEL PASO BLVD	265-0222-023-0000	\$3,057.60	2	REMOVED	None Requested
DANIEL VISS	5021 KENMAR RD	226-0034-006-0000	\$495.24	1	FEES FOUND DUE	None Requested
DENNIS BURMASTER	7426 19TH ST	048-0142-003-0000	\$1,553.25	8	REMOVED	Hearing Requested
DONNA ROSBY	29 KLONDIKE CT	225-1450-044-0000	\$239.40	1	REMOVED	None Requested
ELSA HOUK	3812 IVY ST	252-0062-017-0000	\$1,310.93	2	FEES FOUND DUE	None Requested
GARY J WALTON	375 BUOY WAY	030-0710-046-0000	\$2,488.21	7	FEES FOUND DUE	None Requested
GLENDA ANN SEVILLA	1539 STRADER AVE	265-0052-007-0000	\$1,308.38	3	FEES FOUND DUE	None Requested
GRANT WAYNE FONG	1522 S ST	009-0092-008-0000	\$948.01	4	FEES FOUND DUE	None Requested
HERBERT RIKELMAN	3925 FELL ST	251-0032-009-0000	\$1,580.04	2	FEES FOUND DUE	None Requested

Protests - Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
KAREN BLAINE	2791 OAKMONT ST	263-0141-011-0000	\$439.34	2	FEES FOUND DUE	None Requested
KENNETH WONG	106 HIDDEN COVE CIR	031-0650-029-0000	\$462.39	7	FEES FOUND DUE	None Requested
LAB SINGH - ATTY ALDON BOLANOS	937 CONGRESS AVE	251-0194-016-0000	\$1,317.38	2	FEES FOUND DUE	None Requested
LUE LOR	56 FAIRBANKS AVE	263-0322-001-0000	\$1,366.17	2	FEES FOUND DUE	None Requested
MACHADO-DERDOWSKI FAMILY TRUST	3626 RIO PACIFICA WAY	225-0842-033-0000	\$687.44	1	FEES REDUCED	None Requested
MARILYN DIMAYUGA	1557 HARRIS AVE	251-0044-022-0000	\$351.59	2	REMOVED	None Requested
MARINA GALANIDO	3166 BRIDGEFORD DR	225-0301-005-0000	\$556.64	1	FEES FOUND DUE	None Requested
MICHELE LAING	2804 PRIMO WAY	225-0623-009-0000	\$124.10	1	FEES FOUND DUE	None Requested
MIKHAIL KVITKO	2336 BELL AVE	238-0140-038-0000	\$1,761.49	2	FEES FOUND DUE	None Requested
MILDRED I. WILSON	1009 SANTIAGO AVE	265-0323-022-0000	\$900.53	2	FEES FOUND DUE	None Requested
NovaStar	461 LANFRANCO CIR	225-1590-045-0000	\$740.26	1	FEES FOUND DUE	None Requested

Protests - Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
PERVEZ SHAH	4330 78TH ST	021-0272-003-0000	\$804.14	6	FEES FOUND DUE	None Requested
RANIER SABENIANO	41 SEATUCK CT	201-1100-004-0000	\$703.62	1	REMOVED	None Requested
ROBERTA PANE	1926 44TH ST	011-0116-006-0000	\$1,475.94	6	FEES FOUND DUE	None Requested
ROLF & CHERYL OBERMAIER	3725 IVY ST	252-0111-006-0000	\$691.67	2	FEES FOUND DUE	None Requested
ROMEO C BLANQUERA	1366 POWDERHORN WAY	225-0823-002-0000	\$504.03	1	FEES FOUND DUE	None Requested
RONALD "RJ" NELSON/RUSS TRANSMISSION	701 DOS RIOS ST	001-0081-013-0000	\$2,022.52	1	FEES FOUND DUE	None Requested
S THOMAS ENTERPRISES OF SACTO LLC	650 7TH ST	002-0010-047-0000	\$1,481.00	1	REMOVED	None Requested
SOULEYMANE KANO	5991 GLORIA DR	029-0174-001-0000	\$219.98	4	FEES FOUND DUE	Hearing Requested
SPENCER THOMAS	5240 YVONNE WAY	117-0649-003-0000	\$500.48	7	FEES FOUND DUE	None Requested
STEFANIE SIMMONS	340 BELLO RIO WAY	030-0242-001-0000	\$960.39	7	FEES FOUND DUE	Hearing Requested
STONE FAMILY TRUST	4440 52ND ST	021-0201-016-0000	\$1,086.13	5	REMOVED	None Requested

Protests - Delinquent Utility Service Charges

Name	Address	APN	Amount Due	Council District	Staff Findings	Hearing Status
THAI, TUAN	3030 24TH AVE	019-0134-008-0000	1300.68	5	FEES REDUCED	None Requested
THOMAS CONNELLY	5604 KINGSTON WAY	024-0122-002-0000	\$1,329.84	4	FEES FOUND DUE	None Requested
UOP INVESTORS LLC	1601 BROADWAY	009-0264-024-0000	\$519.26	4	FEES FOUND DUE	None Requested
VALERIE PASLEY	5835 BROADWAY	011-0302-017-0000	\$1,138.29	6	REMOVED	None Requested
VONG LEE	550 CARROLL AVE	250-0250-026-0000	\$1,049.01	2	FEES FOUND DUE	None Requested
WILLIAM A WIGGINS	2477 5TH AVE	013-0112-012-0000	\$2,304.29	5	FEES FOUND DUE	None Requested

Note: Each property owner has received a final decision notice.

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Attachment 4

RESOLUTION NO. 2010-

Adopted by the Sacramento City Council

July 20, 2010

**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.

Delinquent Utility Service Charges – Special Assessments

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 assessments 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.

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Exhibit A: Delinquent Utility Service Charges

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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