DATE:        July 23, 2019
TO:          Mayor and Council Members
FROM:        Finance Department
SUBJECT:     Public Hearing - Place Delinquent Refuse and Sewer Accounts on the Tax Rolls for Collection

RECOMMENDATION:
It is recommended that the Mayor and Council Members conduct a public hearing and take the following actions:

1. Receive public input;
2. Adopt the attached Resolution making findings and overruling protests and objections and ordering delinquent sewer fees and refuse charges to be placed on the tax rolls for fiscal year 2019-2020; and
3. Direct the City Clerk to file the necessary documents placing the delinquent refuse and sewer accounts on the County of Los Angeles property tax rolls. (Sanitation Fund and Sewer Fund)

BACKGROUND:
On June 25, 2019, the Mayor and Council Members adopted the following three Resolutions:
1) Resolution No. 19-78 - Resolution of Intention to adopt the Delinquent Sewer and Refuse Report of the Public Works Director and set the matter for public hearing on July 23, 2019, for the hearing of any protests;
2) Resolution No. 19-79 - Electing to place delinquent sewer service fees delinquent by more than 90 days and with a balance in excess of $250 on the property tax roll for collection; and
3) Resolution No. 19-80 - Electing to place delinquent refuse collection charges delinquent by more than 90 days and with a balance in excess of $250, on the property tax roll for collection.

DISCUSSION:
Each year, the City reviews delinquent refuse and sewer accounts and submits them to the County of Los Angeles to be placed on the property tax rolls for collection. This has proven to be an effective method of collecting these charges. Additionally, full collection of these outstanding charges prevents utility customers who are in good standing from having to subsidize service delivery costs to other unpaid accounts.

Prior to producing the lien list, customers were informed about the past due charges via monthly bills. Finance staff also sent courtesy correspondence which informed the customers that if their balances remained unpaid, the amounts will be placed on the property tax rolls for collection. As
of May 31, 2019, there were 287 delinquent sewer fees and refuse accounts with charges in excess of $250 and past due more than 90 days. The total outstanding amount of these accounts represents $147,026.89 of uncollected revenue.

Finance staff has been working directly with property owners who either called or physically came to the City to reconcile their accounts. As of July 16, 2019, there are currently 233 delinquent sewer fees and refuse accounts totaling $120,481.50. This is a reduction of 54 delinquent accounts since May 31, 2019. The proposed lien list for 2019 contains residential single family, multi-unit apartment buildings and commercial properties. The Customer Service Division of the Finance Department has provided copies of tenants’ delinquent utility bill notices to the affected property owners.

As in past years, the Finance Department has continued working directly with property owners to resolve issues concerning their delinquent accounts through the hearing date. The Finance Department will also work with customers to resolve their delinquent balances after the lien has been submitted to the County of Los Angeles. The 2019 year lien list should be approved for submission to the County of Los Angeles with sufficient lead time to meet the August 8, 2019 deadline.

FINANCIAL/FUNDING ISSUES AND SOURCES:
If the County of Los Angeles collects all property tax assessments, the City will receive and distribute $147,026.89 between the Sanitation and Sewer fund. The City has collected an average of 78% of the total charges over the last three years, which is more than in years where this option was not utilized.

LEGAL REVIEW VERIFICATION: YP
Administrative staff has verified that the legal documents accompanying this report have been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION: YP
Administrative staff has verified that this report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

DESCRIPTION OF ANY ATTACHMENTS:
Attachment No. 1 - Resolution Making Findings and Overruling Protest and Objections
Mayor and City Council Members
Public Hearing - Place Delinquent Refuse and Sewer Accounts on Tax Rolls
July 23, 2019

APPROVAL VERIFICATION SHEET

PREPARED BY:
Maria Heaney, Revenue Manager
Peggy Velasquez, Revenue Supervisor

COUNCIL PRESENTER:
Sharon Koike, Assistant Finance Director

DEPARTMENT HEAD APPROVAL: ____________________________
David L. Esparza, Assistant City Manager/CFO

CITY MANAGER APPROVAL: ____________________________
Artie Fields, City Manager
Attachment #1
RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INGLEWOOD, CALIFORNIA MAKING FINDINGS AND OVERRULING PROTESTS AND OBJECTIONS AND ORDERING DELINQUENT SEWER AND REFUSE CHARGES TO BE PLACED ON THE TAX ROLLS FOR FISCAL YEAR 2019-2020, PURSUANT TO THE HEALTH AND SAFETY CODE SECTION 5470, ET SEQ.

WHEREAS, the City Council pursuant to Health and Safety Code Section 5470, et seq., adopted Resolution of Intention No. 19-78, declaring its intention to adopt the Public Works Director’s delinquency report for fiscal year 2019-2020; and

WHEREAS, California Health and Safety Code Sections 5473.1, 5473.2 and 5473.3, require a hearing to be held regarding protests and objections to the adoption of said report; and

WHEREAS, said hearing was set for the regular City Council meeting of July 23, 2019; and

WHEREAS, on July 23, 2019, a hearing was held and all persons desiring to be heard and all oral and written protest and objection, if any, were fully heard and this Council gave all persons present an opportunity to hear and be heard with respect to the adoption of said report and the placing of said delinquent charges on the tax rolls for fiscal year 2019-2020:

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF INGLEWOOD, AS FOLLOWS:

Section 1. The owners of a majority of the separate parcels of property described in the report have failed to submit written protests or objections against the adoption of the delinquency report. Except to the extent of any changes ordered herein by the City Council, each and all oral and written protest and objection, if any, made or filed in this matter are hereby overruled and denied.
Section 2. The delinquency report of the Public Works Director for fiscal year 2018-2019, as revised, is hereby adopted and the charges specified therein are hereby ordered to be placed on the tax rolls for fiscal year 2019-2020, as required by law.

Section 3. The City Clerk is hereby directed to file with the Auditor of the County of Los Angeles a copy of the delinquency reports together with a statement endorsed on the report over her signature that the report has been finally adopted. The County Auditor shall enter the amounts of the charges against the assessment roll. The City Clerk is further directed to file any other documents which are necessary to effectuate the placement of the charges on the tax rolls.

Section 4. This Resolution shall become immediately effective upon adoption and shall remain in effect until specifically repealed.

Section 5. The City Clerk shall certify to the passage and adoption of this Resolution by a two-thirds vote.

PASSED, APPROVED AND ADOPTED, this ______ day of __________________, 2019.

_________________________________________
James T. Butts, Mayor

ATTEST:

_____________________________________
Yvonne Horton, City Clerk