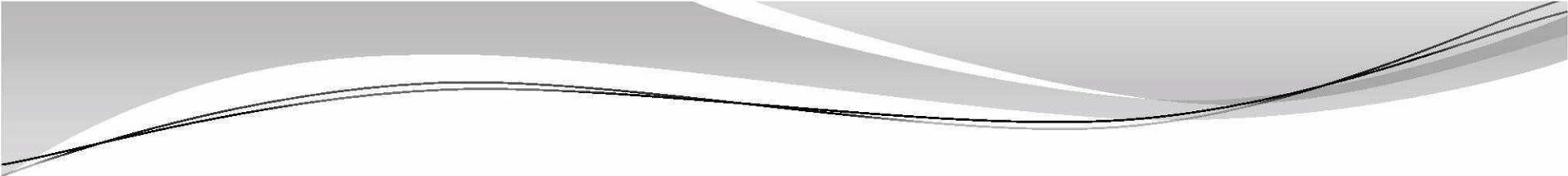


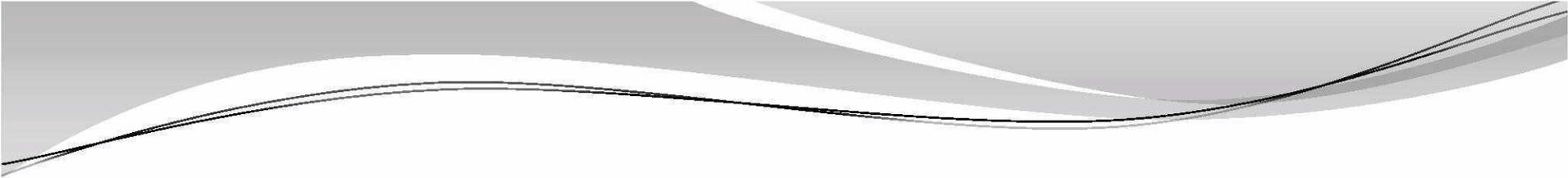
Introduction of Ordinance to Collect Delinquent Garbage Bills on County Tax Rolls

City Council Meeting
February 16, 2010



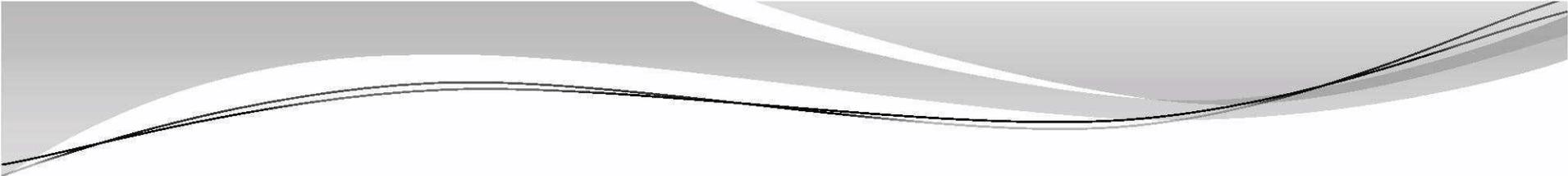
Franchise Agreement Provisions

- Requires continuous weekly service to all residential dwellings, whether bills are paid or delinquent
- Authorizes Waste Management to terminate collection service to commercial properties for non-payment after 90 days
- Requires collection of delinquent accounts via late payment notices, late payment fees and assistance from collection agencies
- Authorizes collection of delinquent tenant bills from property owners, though such efforts have not been pursued



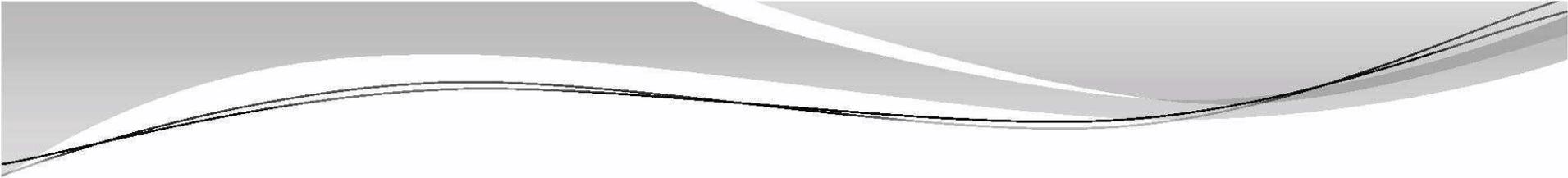
Municipal Code: Current & Proposed Provisions

- Current Provisions:
 - Residential property owners are ultimately responsible for payment of services provided, even if tenants are required to pay their garbage bill
 - No similar provisions for commercial property owners
- Proposed Provisions:
 - Provide a means to collect delinquent bills from owner- and tenant-occupied residential customers
 - No similar provisions for commercial properties since services may be terminated for non-payment



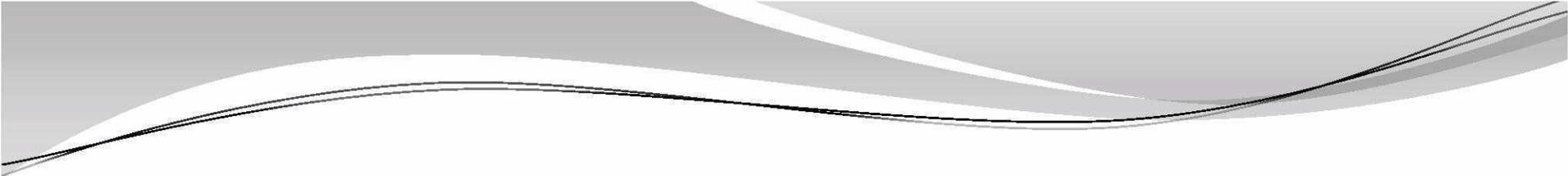
Delinquent Residential Bills

- Steady increase due to downturn in economy
- About 50% are tenants and 50% are owner-occupied single-family customers
- Total accounts from 2007-2009: 2,740
- Total value of bad debt: \$1,244,285
- Estimated lost franchise fees : \$180,000



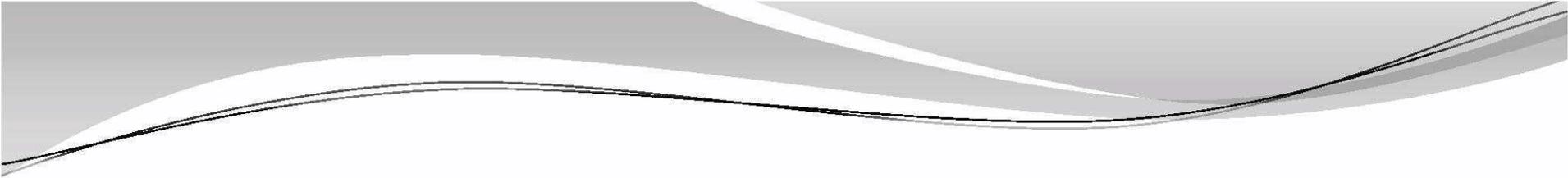
Requests for Payments for Delinquent Bills

- Letters mailed by Waste Management in early February:
 - Sent to residential property owners and tenants for bills at least 90 days delinquent
 - Requested payment by June 1, or additional collection procedures would be pursued
 - Included delinquent accounts of current, not previous, tenants
 - Excluded previous property owners and properties in foreclosure
 - Included Municipal Code sections citing property owners' responsibility for payment of delinquent bills incurred by tenants
 - Included a toll-free number and an email address for additional information.



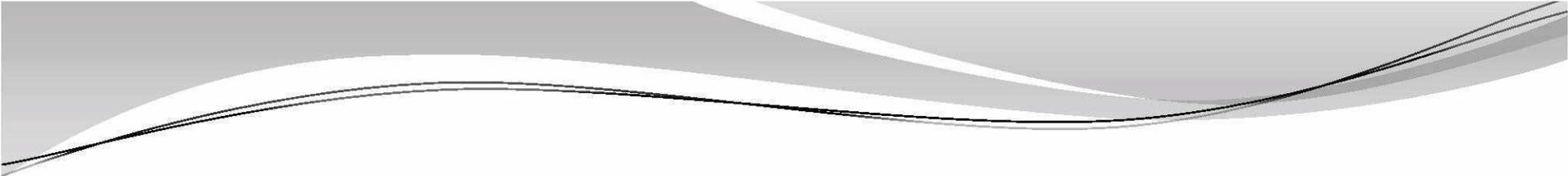
Next Steps

- Proposed Schedule
 - March, April & May: Mail additional letters and delinquent invoices to residential property owners and tenants describing collection of delinquent charges by assessment on property tax rolls, if not paid
 - June: Schedule administrative hearings upon request for those contesting the imposition of the charges
 - July: City Council approval of final updated list of property owners with delinquent charges
 - August: Finance staff would forward final list of property owners to Alameda County Tax Assessor's Office



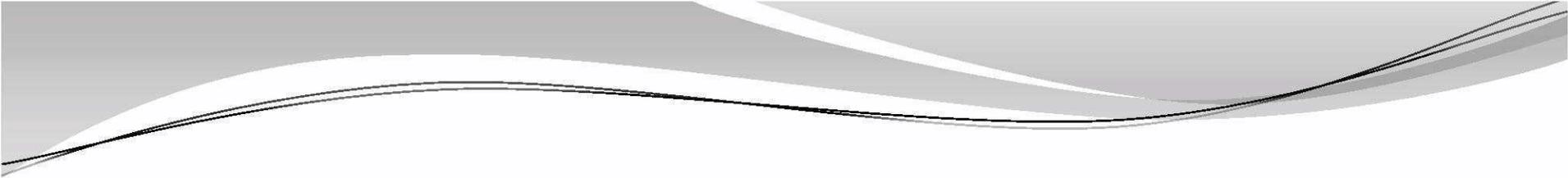
Assessments Enacted by Other Cities

- Other cities in Alameda County report increases in delinquent residential garbage bills
- Municipalities that have authorized special assessments on residential property tax bills:
 - Livermore, Newark, Oro Loma Sanitary District and San Leandro enacted assessments within the past five years
 - Alameda and Castro Valley Sanitary District may assess delinquent garbage bills for residential and commercial properties on property tax rolls
 - Oakland pays Waste Management for all delinquent amounts owed and then initiates its own procedures to secure payment



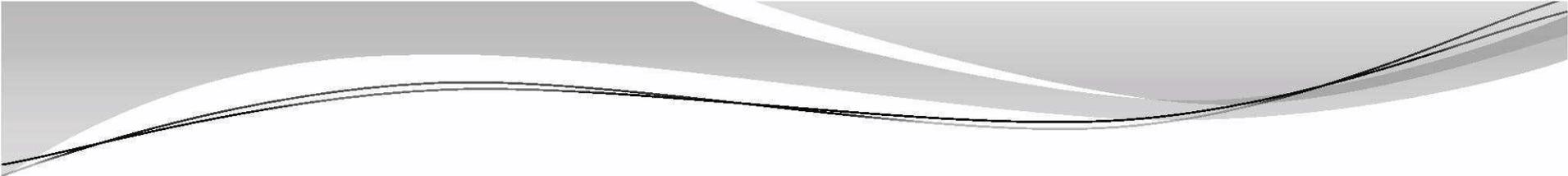
Amounts Assessed on Property Tax Rolls

- Assessment on property tax rolls would include:
 - Total delinquent amount since June 1, 2007, including late fees
 - City's administrative fee of \$50 per assessor's parcel for staff costs to process the assessment
 - Fee of 1.7% assessed by Alameda County Tax Assessor's Office on each assessment
- Requests for an administrative hearing would require a \$50 deposit. If charges are reversed, the deposit would be refunded; if not, the deposit would be applied to reduce the outstanding assessment.



Public Contact

- Advisories included:
 - Notice of public hearing published in the *Daily Review* on January 28 and February 7
 - City's webpage included a notice of the public hearing under "*What's New*"
 - Information regarding the letters to property owners in the City Manager's Weekly Report
 - Postcard mailed last week by WMAC to all residential property owners informing them of their obligation to pay unpaid garbage bills incurred by their tenants and the February 16 Council meeting



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