

**Amendment to Franchise
Agreement and Ordinance to
Collect Delinquent Garbage Bills on
County Tax Rolls**

City Council Meeting

April 6, 2010

February 16, 2010 Council Meeting

- Introduction of Ordinance
- Council direction to negotiate amendment to Franchise Agreement:
 - Notify property owners when tenants are delinquent in payment
 - Inform property owners of their ultimate responsibility for garbage service

Proposed Amendment to Franchise Agreement

- WMAC to:
 - Record new accounts - tenant or property owner
 - Notify property owners
 - Bill residential cart customers 90+ days delinquent
 - Notify property owners
 - Three notices to residential cart customers/property owners 120 days delinquent
 - Notifies City of non-payment in mid-May
 - Administrative hearing
 - Special assessments on tax rolls

Proposed Amendment to Franchise Agreement (Continued)

- Collection efforts include
 - imposing late fees at 1.5% on past due balances
 - telephone requests for payments
- WMAC - Reimburse City for expenses to facilitate collection of delinquent payments
- City - Reimburse WMAC for delinquent payments received from tax assessor:
 - less the Franchise fees due the City, upon collection of payment, and
 - within 30 days of receipt by the City

Resolution of Delinquent Bills

- Waste Management letters mailed early February:
 - Accounts at least 90 days delinquent
 - Included bad debt written off since 06/01/07
 - Requested Payment by June 1
 - Delinquent accounts of previous tenants to be excluded
 - Previous owners & properties in foreclosure excluded
 - Municipal Code citing property owners' responsibility
 - WMAC contact information

Rent Control Provisions

- Allows inclusion of cost in rent
- Landlord required to provide tenants documentation supporting rent increase to recover costs
- About 1,300 units subject to rent increase limitations
 - Excludes mobile homes

Status of Delinquent Bills

- 453 owners or tenants have paid
- 2,578 currently delinquent bills:
 - 184 accounts cancelled - incurred by previous tenants
 - 244 accounts added to list – are 90+ days past due
 - 36 other delinquent bills excluded:
- Current total delinquent balance: \$1.2 million
- WMAC has an assigned supervisor in Oakland who has investigated 52 specific Hayward unresolved bills referred from the call center all but two resolved

Next Steps

- Proposed Schedule
 - April & May
 - Mail additional letters and delinquent invoices
 - June
 - Schedule administrative hearings requested by those contesting the charges
 - July
 - Council approval of final list of property owners with delinquent charges
 - August
 - Final list of property owners to Alameda County Tax Assessor's Office

Public Contact

- 20 calls/visits from property owners:
 - Most for bills incurred by tenants
 - Nearly half for previous tenants
- Owners advised bills from previous tenants may be excluded
 - Requires documentation of tenant vacating residence
- Nearly all indicated intent to include the charge in the rent
- Some objected to assessment for past delinquent bills
- Letter from Jesus Armas

Recommendations

- Adopt Ordinance Section 5-1.28 through 5-1.32 Authorizing Collection of Delinquent Garbage Bills by Placement on the County Tax Rolls
- Approve Recommended Amendment to City's Franchise Agreement allowing collection of delinquent garbage accounts through special assessments

Approximate Delinquent Account Totals from 2007 - 2010

	Total	2007	2008	2009	2010
Owner Occupied	\$695,000	\$56,000	\$239,000	\$318,000	\$81,000
Owner/ Tenant	\$505,000	\$43,000	\$173,000	\$237,000	\$52,000
Total:	\$1,200,000	\$99,000	\$412,000	\$556,000	\$133,000

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