



City of Rialto

Legislation Text

File #: 18-520, **Version:** 2

For City Council Meeting [June 12, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Robb Steel, Interim City Administrator

FROM: Ron Carr, Interim Finance Director

Request City Council to Set a Public Hearing for **June 26, 2018** to receive public comment regarding the placement of charges on the County Property Tax Roll for Delinquent Sewer Payments.

BACKGROUND:

The City of Rialto provides sewer services throughout the entire City and areas of Bloomington. Where the City provides water service, both water and sewer services are billed together. For delinquent accounts, the City is able to impose penalties and shut off water services to promote payment, per Rialto Municipal Code section 12.08.

However, there are areas of the City where either the West Valley Water District or the Fontana Water Company provides water services and the City only bills for sewer service. The sewer-only accounts have high delinquency rates, as the City cannot disconnect services for lack of payment.

In order to more effectively collect sewer-only accounts, the Rialto Municipal Code section 12.08.201 was amended to allow for placement of delinquent charges on property tax bills through the County Tax Collector's Office. The Ordinance approved on June 19, 2007 provides a method for collecting delinquent accounts similar to the lien placement process used for solid waste delinquent accounts.

On August 9, 2016 the City Council approved the beginning of the amnesty period for the tax lien process. The action was as follows:

Beginning in Fiscal Year 17/18, customers will be given an amnesty period and must pay the base charge amount in full before the July 31 deadline to receive any delinquency fee waivers.

ANALYSIS/DISCUSSION:

To meet the County submittal deadline of August 10, 2018, the City must take the following steps:

- By June 30, 2018, send notification letters to the delinquent accounts on the list of properties alerting them of the City's plan to place the delinquent charges on the property tax roll and giving them one last opportunity to pay. The last date to pay before placement on the tax rolls is July 31, 2018.
 - The notification letters will be mailed out by June 30, 2018.

- Present to the City Council the list of properties meeting the criteria for placement of liens with the County and hold a public hearing to approve the levy.

Willdan Financial Services provides and compares the most recent County property ownership data with the City's account data and subsequently submits the charges to the County on behalf of the City. Willdan currently submits levies to the County on behalf of the City for all of the Community Facilities Districts and Landscape Maintenance Districts. A list of the delinquent properties is attached to this staff report as Exhibit "A."

ENVIRONMENTAL IMPACT:

This request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378 (b)(5) a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

The levy is comprised of accounts where the account owner is the same as the current property owner per the County secured tax roll. The total levy amount for Fiscal Year 2018/19 is \$1,342,731.59. There are 1,582 delinquent accounts as of May 15th, 2018. The County of San Bernardino charges \$0.30 per parcel for the use of their services. This amount will be added to the levy and collected by the County of San Bernardino.

Operating Budget Impact

There is no impact to the Operating Budget.

Capital Improvement Budget Impact

There is no impact to the Capital Improvement Budget.

RECOMMENDATION:

Staff recommends that the City Council set the Public Hearing for June 26, 2018 to receive public comment related to the placement of charges on the County Property Tax Roll for delinquent sewer payments.