

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: July 1, 2024
Reviewed by: NA

SUBJECT: Public Hearing – Delinquent Solid Waste Collection Accounts

REPORT BY: Jeff Bond, Community Development Director

SUMMARY

The City’s Franchise Agreement with Waste Management of Alameda County requires Council approval of a list of delinquent accounts for placement on the County tax roll.

STAFF RECOMMENDATION

That the Council adopt Resolution No. 2024-59, confirming the report and special assessment list associated with delinquent solid waste collection accounts and authorizing the delinquent charges be placed on the Alameda County property tax roll.

BACKGROUND

Waste Management of Alameda County (WMAC) provides solid waste collection and disposal services to the City of Albany pursuant to a Franchise Agreement. For health and safety reasons and to ensure compliance with state law, WMAC is required to continue regular weekly collection and disposal of landfill, organics, and recycling services for residential customers even when unable to obtain payment for past due accounts.

On November 18, 2013, the City Council passed [Ordinance No. 2013-02](#) (Attachment 2 – Exhibit A to Resolution) amending Section 15-2.4 of the Albany Municipal Code to authorize collection of delinquent solid waste collection and disposal charges. If standard collection methods to recover past due accounts prove unsuccessful, the Ordinance authorizes the amount owed to be placed on the Alameda County tax roll.

On [March 18, 2024](#), the City Council approved a new Franchise Agreement with Waste Management, which became effective on May 1, 2024. The 2024 Agreement replaced a Franchise Agreement with Waste Management of Alameda County (WMAC) that was approved on October 17th, 2011.

The special assessment action before the City Council is to collect on accounts that became delinquent during the term of the prior 2011 Franchise Agreement. The 2011 Franchise Agreement calls for assessment on single family properties (4 or fewer units) in order for WMAC to recover unpaid amounts where service has continued (Attachment 3 – Exhibit B to Resolution).

DISCUSSION

Resolution No. 2024-59 (Attachment 1) confirms the special assessment list (Attachment 3 – Exhibit C to Resolution) for delinquent residential waste collection accounts and authorizes the delinquent charges to be placed on the Alameda County property tax roll. The total amount shown in each row of the final special assessment list includes past due amounts, plus a City administrative fee of \$50. The County will also apply a fee prior to placement on the County tax roll.

Properties with unpaid balances of less than \$20 are not included on the list. Multifamily properties with five or more units and all commercial properties are exempt from the special assessment process due to these property types not being included in the special assessment process as defined by the 2011 Franchise Agreement. These properties will be subject to special assessments in future years.

WMAC is required to exercise reasonable efforts to collect payments from property owners for accounts that are past due prior to the special assessment process. For accounts that fall into the 90-days past due category, WMAC has mailed four delinquency notices that explain the special assessment process to each residential property owner and account holder (if different) with a delinquent waste collection account. The purpose of the letters is to provide sufficient information to correct the delinquent account prior to WMAC requesting that the amounts owed be placed on the property tax roll.

In addition, the City sent out a letter with a final request for payment to property owners and account holders (if different than the property owner) of all remaining delinquent accounts on June 6, 2024. The letter explained the special assessment process, stated the June 14 payment deadline, and included all available options for providing payment to WMAC. The letter also served as a formal notice of the City Council's Public Hearing.

Following Council approval, the special assessment list will be sent to the County. The City will receive payment from the County, less the County fees, collect the administrative fee and franchise fees and pay the remaining amount to WMAC. WMAC will perform a final reconciliation of all accounts involved.

FINANCIAL CONSIDERATIONS

The collection of delinquent charges will generate a nominal amount of funds to the City in the form of administrative fees and franchise fees.

Attachments

1. Resolution No. 2024-59
2. Exhibit A to Resolution No. 2024-59 – Section 15-2.4 of the Albany Municipal Code
3. Exhibit B to Resolution No. 2024-59 – Section 6.02.2 of the 2011 Franchise Agreement between the City of Albany and Waste Management of Alameda County
4. Exhibit C to Resolution No. 2024-59 – Report listing property owners in the City of Albany that are subject to special assessment

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RESOLUTION NO. 2024-59

**A RESOLUTION OF THE ALBANY CITY COUNCIL CONFIRMING
THE REPORT AND SPECIAL ASSESSMENT LIST ASSOCIATED
WITH DELINQUENT GARBAGE BILLS AND AUTHORIZING THE
DELINQUENT CHARGES BE PLACED ON THE ALAMEDA COUNTY
PROPERTY TAX ROLL**

WHEREAS, on November 18, 2013, Council passed Ordinance No. 2013-02 amending Section 15-2.4 of the Albany Municipal Code to authorize collection of delinquent solid waste collection and disposal charges; and

WHEREAS, Section 15-2.4 (Exhibit A) provides that delinquent charges that remain unpaid by the residential customer shall constitute an assessment against the property to which service was rendered and shall be collected at such time as established by the County Assessor for inclusion in the next property tax assessment; and

WHEREAS, Section 6.02.2 of the 2011 Franchise Agreement between the City of Albany and Waste Management of Alameda County (Exhibit B) requires the City to collect specified delinquent accounts; and

WHEREAS, the City's franchisee, Waste Management of Alameda County, and the City of Albany, have provided written notice informing the account holder and the property owner of the delinquent status of the charges, of the potential for assessment upon the property tax roll and of the imposition of administrative charges in connection with such assessment, and of the intent to hold a public hearing on July 1, 2024; and

WHEREAS, attached is an itemized report listing property owners in the City of Albany (Exhibit C) who have incurred delinquent garbage bills, that are subject to special assessment; and

§ 15-2.4. Fee for Provision of Service by City's Franchisee; Collection of Delinquent Charges. [Ord. #04-01, § 1; Ord. #2013-02, § 1]

- a. Every person who uses the collection services of the City's franchisee shall pay a fee for the services, as established in a resolution adopted by the City Council pursuant to the franchise agreement.
- b. The City's franchisee shall bill customers directly for service.
- c. The City's franchisee shall reconcile payments by customers against amounts billed to verify any delinquency in payment by customers.
- d. If a customer fails to pay a bill in full within ninety (90) days from the due date, the franchisee shall undertake collection of the bill. The franchisee shall provide delinquency notices to customers but may not discontinue service to their properties. Franchisee shall make reasonable efforts to obtain payment through such measures as late payment notices, telephone requests for payment, and assistance from collection agencies.
- e. If a residential bill for a single-family account remains unpaid after ninety (90) days from the original due date, the franchisee shall send a 90-day notice. The 90-day notice shall include a notice informing the owner of the delinquent status of the charges, of the potential for assessment upon the property tax roll and of the imposition of administrative charges in connection with such assessment.
- f. The delinquent charges which remain unpaid by the residential customer shall constitute an assessment against the property to which service was rendered and shall be collected at such time as established by the County Assessor for inclusion in the next property tax assessment. The City may enforce payment of such delinquent charges in the following manner:
 1. Upon receipt of verified information from the franchisee detailing delinquent charges and establishing that franchisee has made reasonable efforts to collect the delinquent charges, including provision of delinquent charge notices to the property owners, the Finance Director shall transmit to the City Council a report of delinquent charges. Once said report has been confirmed, the delinquent charges and the added costs shall be assessed upon the property and shall constitute a special assessment against the same.
 2. The Finance Director shall turn over to the County Assessor for inclusion in the next property tax assessment the total sum of unpaid delinquent charges consisting of the delinquent garbage collection service charges and administrative charges.
 3. The assessment may be collected at the same time and in the manner as ordinary municipal taxes are collected and shall be subject to the same penalties and the same procedure of sale as provided for delinquent, ordinary, municipal taxes. The assessment shall be subordinate to all existing liens previously imposed upon the property and paramount to all other liens except for those of State, County and municipal taxes with which it shall be upon parity. The lien shall continue until the assessment and all interest and charges due and payable thereon are paid. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to the special assessments.
- g. Any notice required to be given pursuant to this subsection shall be deemed served as of the

date of personal service upon the owner or five (5) days after deposit of said notice, postage prepaid in the United States Mail addressed to the owner at the address listed on the most recent County Assessor's tax roll.

47 6.01.3 If CONTRACTOR fails to perform some or all of the requirements of
48 the public education program described in this Section and in the annual public education plan,
149 the CONTRACTOR shall pay the CITY Liquidated Damages as described in Section 12.05.

1150 6.01.4 Public Education Budget. CITY and CONTRACTOR acknowledge
1151 CONTRACTOR'S start-up public education/outreach budget is ten thousand dollars (\$10,000)
1152 for calendar year 2012. Beginning in calendar year 2013, CONTRACTOR'S annual budget will
1153 be at least five thousand dollars (\$5,000) which beginning with calendar year 2013 will be
1154 increased by the annual average change in the Consumer Price Index as set forth in Exhibit 2
1155 and as calculated as part of the annual RRI calculation each year. At the direction of CITY, Any
1156 unexpended amounts from a given year shall accumulate for CITY'S future public education
1157 use. Beginning January 1, 2012 partial years shall be prorated. CONTRACTOR shall inform
1158 CITY of funds expended on public education by quarter.

1159 6.02 Billing.

1160 6.02.1 General. The CITY shall establish the Rates that CONTRACTOR may
1161 charge Customers for Solid Waste, Recyclable Materials, and Organic Materials Collection
1162 services. CONTRACTOR shall bill all Customers and collect billings in accordance with CITY
1163 approved rates. If a Premises includes both Multi-Family and Commercial uses, the
1164 CONTRACTOR bill the Customer at Commercial rates if the Commercial square footage of the
1165 Premises is greater than the Multi-Family Premises, and shall bill Customer at Multi-Family
1166 rates if the Multi-Family square footage of the Premises is greater than the Commercial
1167 Premises.

1168 6.02.1.1 The CONTRACTOR shall prepare, mail, and collect bills
1169 (or shall issue written receipts for cash payments) for Collection services provided by
1170 CONTRACTOR.

1171 6.02.1.2 CONTRACTOR shall make arrangements to allow its
1172 Customers to pay bills through the following means: check, cash, credit card, internet payment
1173 service, or automatic withdrawal from banking account.

1174 6.02.1.3 CONTRACTOR shall maintain copies of all billings and
1175 receipts, each in chronological order, for three (3) years for inspection and verification by CITY
1176 at any reasonable time upon request. The CONTRACTOR may, at its option, maintain those
1177 records in computer form, on microfiche, or in any other manner, provided that the records can
1178 be preserved and retrieved for inspection and verification in a timely manner.

1179 6.02.1.4 CONTRACTOR shall be responsible for collection of
1180 payment from Customers with past due accounts ("bad debt"). CONTRACTOR shall make
1181 reasonable efforts to obtain payment from delinquent accounts through issuance of late
1182 payment notices, telephone requests for payments, and assistance from collection agencies. If
1183 the average monthly bad debt ratio for a six (6) month period exceeds one and one-half (1.5)
1184 percent, the CITY and CONTRACTOR shall meet and confer on measures that can be taken to
1185 collect the bad debt and/or reduce the level of Collection service provided to the Customer. The
1186 bad debt shall be calculated as the balance of accounts receivables that are past due ninety
1187 (90) days as a percentage of the balance of total accounts receivable.

1188 6.02.2 Special Assessment Process. CONTRACTOR shall have the right to
1189 utilize the special assessment process set forth in Exhibit 7 for all accounts that are delinquent
1190 for ninety (90) or more days. CITY will cooperate with CONTRACTOR in the implementation of
1 the special assessment process and the collection of the special assessment. All funds



1192 collected as part of the special assessment process representing the unpaid cost of service
1193 shall be remitted to the CONTRACTOR and any remaining funds collected shall be retained by
1194 CITY.

1195 6.03 Customer-Specific Billing Instructions.

1196 6.03.1 Single-Family Billing. Bills for Single-Family service shall be mailed to
1197 Customers quarterly in advance of the provision of service.

1198 6.03.2 Multi-Family Billing. Bills for Multi-Family service shall be mailed to
1199 Customers monthly following the provision of service. CONTRACTOR shall bill Owner or
1200 property manager of the Multi-Family Premises or the owner or occupant of an individual Multi-
1201 Family unit if such Customer separately subscribes to Collection service.

1202 6.03.3 Commercial Billing. Bills for Commercial service (including Debris Box
1203 and Compactor services) shall be mailed to Customers monthly following the provision of
1204 service. If Commercial Customers have centralized service (in which Containers are shared by
1205 more than one Commercial Premises), CONTRACTOR shall bill one Customer for centralized
1206 services or, at the request of the Commercial Customers sharing the Containers,
1207 CONTRACTOR shall treat each Commercial Premises as a separate Customer and shall bill
1208 each Customer for service costs equal to the service rate divided by the number of Commercial
1209 Premises sharing the service provided that the Owner or Occupant of one of the Commercial
1210 Premises sharing services takes sole responsibility for paying the CONTRACTOR for services
1211 in the event the other parties fail to do so.

1212 6.04 Bill Inserts. CITY may direct CONTRACTOR to insert mailers (which shall be a
1213 single sheet of paper no larger than eight and one half (8.5) inches by eleven (11) inches, that
1214 may tri-folded, relating to service with the Bills. The mailers shall be printed on double-sided,
1215 post-consumer-content paper and shall fit in standard envelopes. CONTRACTOR also agrees
1216 to insert with the billings, mailers describing activities of the CITY government. CITY will
1217 provide not less than thirty (30) calendar days' notice to CONTRACTOR before the mailing date
1218 of any proposed mailing to permit CONTRACTOR to make appropriate arrangements for
1219 inclusion of the CITY'S materials. CITY will provide CONTRACTOR the mailers at least fifteen
1220 (15) calendar days before the mailing date. The cost of such inserts and any additional postage
1221 shall either be paid for by the CITY or included in the costs upon which rates are based.

1222 6.05 Review of Billings. CONTRACTOR shall review its billings to Customers to
1223 determine (i) if the amount the CONTRACTOR is billing each Customer is correct in terms of the
1224 level of service (i.e., frequency of Collection, size of Container, location of Container)
1225 CONTRACTOR is providing such Customer, and (ii) that all parties receiving service are
1226 invoiced for service. CONTRACTOR shall review Residential Customer accounts and
1227 Commercial Customer accounts at least every other year, unless CITY directs CONTRACTOR
1228 to do otherwise. CONTRACTOR shall submit to CITY every year, a written report of the billing
1229 review thirty (30) days after the end of each Rate Period. The scope of the review, the
1230 CONTRACTOR'S work plan, and the format of the report (including supporting exhibits) shall be
1231 submitted to the CITY for approval no later than sixty (60) days prior to commencement of the
1232 billing review process. The CITY may perform this review itself or through use of an agent.

1233 6.06 Administration of Exemptions and Special Rates.

1234 6.06.1 Service Location Exemptions. CONTRACTOR shall allow for Persons
1235 that have a disability that are Occupants of Single-Family Premises to receive Collection
1236 services at a location other than Curbside. For the purposes of this Agreement, a disability shall

EXHIBIT C
Properties Subject to Special Assessment

County Parcel Number	Amount Due to WMAC	City Admin Fee	Total (not including Ala Co Fee)
065 240700300	\$304.08	\$50.00	\$354.08
065 240903700	\$697.77	\$50.00	\$747.77
065 240904301	\$525.82	\$50.00	\$575.82
065 263301200	\$465.12	\$50.00	\$515.12
065 263901700	\$1,205.57	\$50.00	\$1,255.57
065 263902200	\$640.89	\$50.00	\$690.89
065 264401900	\$78.11	\$50.00	\$128.11
065 264803400	\$594.88	\$50.00	\$644.88
065 264901200	\$660.06	\$50.00	\$710.06
065 264904700	\$271.56	\$50.00	\$321.56
065 265201600	\$499.00	\$50.00	\$549.00
065 265303500	\$299.43	\$50.00	\$349.43
065 265701800	\$304.08	\$50.00	\$354.08
065 265702800	\$151.31	\$50.00	\$201.31
065 265901300	\$697.77	\$50.00	\$747.77
065 265904500	\$271.56	\$50.00	\$321.56
065 265904702	\$304.08	\$50.00	\$354.08
065 266001000	\$697.77	\$50.00	\$747.77
065 266201400	\$136.86	\$50.00	\$186.86
066 272200400	\$620.89	\$50.00	\$670.89
066 272502800	\$211.79	\$50.00	\$261.79
066 272702200	\$697.77	\$50.00	\$747.77
066 273101201	\$308.34	\$50.00	\$358.34
066 274801502	\$311.67	\$50.00	\$361.67
066 274903500	\$251.69	\$50.00	\$301.69
066 275201400	\$465.12	\$50.00	\$515.12
066 275302003	\$246.24	\$50.00	\$296.24
066 275503602	\$655.45	\$50.00	\$705.45
066 275701400	\$623.08	\$50.00	\$673.08
066 275701500	\$623.08	\$50.00	\$673.08
066 275805200	\$525.56	\$50.00	\$575.56
066 278800700	\$314.66	\$50.00	\$364.66
066 280102400	\$136.86	\$50.00	\$186.86
066 280103000	\$445.68	\$50.00	\$495.68

County Parcel Number	Amount Due to WMAC	City Admin Fee	Total (not including Ala Co Fee)
067 282101200	\$119.82	\$50.00	\$169.82
067 282401500	\$94.35	\$50.00	\$144.35
067 283301300	\$697.77	\$50.00	\$747.77
067 283301601	\$697.77	\$50.00	\$747.77
067 283401300	\$112.60	\$50.00	\$162.60
067 283500800	\$558.05	\$50.00	\$608.05
067 284202903	\$1,205.57	\$50.00	\$1,255.57
067 284300500	\$364.74	\$50.00	\$414.74
067 284700400	\$119.82	\$50.00	\$169.82
067 285303201	\$498.43	\$50.00	\$548.43
	\$19,712.52	\$2,200.00	\$21,912.52