

## REPORT TO THE CITY COUNCIL

---



**DATE:** May 7, 2019

**TITLE:** Resolution of Intention for Placing Desert Valley Disposal Annual Billings for Services of Residential Properties on the County Tax Rolls, Fiscal Year 2019-2020

**Prepared by:** Linda Kelly, Finance Director

---

### RECOMMENDATION

- 1) Adopt a Resolution of the City Council Declaring the Intention to Levy Annual Billing for Desert Valley Disposal Inc., Solid Waste Refuse Services for Residential Properties on the County Tax Roll for the Fiscal Year 2019-2020;
- 2) Approve the Attachment F Rate Schedule for the July 1, 2019 Rate Year; and
- 3) Set a Time and a Place for the Public Hearing (June 4, 2019).

### DISCUSSION

Desert Valley Disposal, Inc. (DVD) is the current solid waste refuse services provider for the City's residents and businesses through the franchise agreement approved on March 18, 2014. The new franchise agreement between the City and DVD has a term effective July 1, 2014 through June 30, 2029.

Pursuant to the franchise agreement, the direct residential billing for solid waste refuse services has been converted from DVD to billing by the City as a levy on the County property tax bill. This amount is in addition to the delinquent billings the City has been levying for the last few years.

In accordance with the Health and Safety Code Section 5470, et seq. the City Council needs to declare its intention to levy assessments for the solid waste refuse services and conduct a Public Hearing. The public hearing will be scheduled for June 4, 2019 to consider placement of solid waste refuse billings for residential properties on the tax roll. A notice of public hearing will be published in accordance with applicable laws, which will provide an opportunity for the public to address the City Council prior to consideration of the assessment.

### BACKGROUND

The City has agreed to place solid waste refuse billings for residential properties on the County Tax Roll on behalf of DVD, pursuant to the provisions of Section 5470, et seq. of the Health and Safety Code and Sections 41900 et seq. of the Public Resources Code. The billing, policies, and procedures of DVD are established by the waste disposal agreement between the City of Desert Hot Springs and DVD as further detailed by Resolution 2014-008.

As provided in the City of Desert Hot Springs Municipal Code Section 8.04.040 (authorizing placement of waste disposal accounts on the tax rolls), the charges shall constitute an assessment on affected properties. Adoption of the resolution will enable the County Auditor-Controller to collect these charges in conjunction with property taxes. An updated listing will be provided to the City by DVD on or before May 7, 2019, which will reflect Assessor's Parcel Numbers, site addresses, and other information required by the City.

**FISCAL IMPACT**

All costs for the placement of annual solid waste refuse service billings on the County tax rolls will be absorbed by DVD. The estimated levy and related financial details will be presented at a public hearing on June 4, 2019. Currently, the levy is estimated at 7,346 accounts at \$328.75 each with a total of \$2,415,015.37 for Fiscal Year 2019-20 which is collected and then paid to Desert Valley disposal less a 10.87% franchise fee paid to the City. The estimated franchise fee to be paid to the City for the 2019-2020 fiscal year is \$262,512.17.

**EXHIBIT(S)**

- 1) Resolution of Intention
- 2) 2019 Rate Adjustment Notice prepared by Desert Valley Disposal, Inc. dated March 26, 2019 (includes Attachment F Rate Schedule)
- 3) Annual Report prepared by Desert Valley Disposal, Inc. dated April 8, 2019
- 4) Residential Account Enrollment Detail Listing