



COUNCIL AGENDA: 8/4/2020

FILE NO: 20-830

ITEM: 3.7

Memorandum

To: HONORABLE MAYOR AND
CITY COUNCIL

From: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: July 20, 2020

Approved

Date

7/23/20

SUBJECT: PUBLIC HEARING FOR THE FISCAL YEAR 2020-2021 SANITARY SEWER SERVICE AND USE CHARGE AND STORM SEWER SERVICE CHARGE ASSESSMENTS TO BE PLACED ON THE 2020-2021 SANTA CLARA COUNTY SECURED PROPERTY TAX ROLL

RECOMMENDATION

Conduct a public hearing on the Fiscal Year 2020-2021 annual report prepared by the Director of Finance detailing the Sanitary Sewer Service and Use Charges and Storm Sewer Service Charges filed with the City Clerk's Office; and adopt a resolution to confirm the approval of the report and the placement of the charges as set forth therein on the 2020-2021 Santa Clara County Secured Property Tax Roll, with such modifications the City Council may make based on public hearing testimony.

OUTCOME

Conducting the public hearing and adopting the recommended resolution will allow the City of San José to place Sanitary Sewer Service and Use Charges and Storm Sewer Service Charges on the 2020-2021 Santa Clara County Secured Property Tax Roll for the assessment and collection of approximately \$195.5 million in revenue to fund services related to the City of San José's sanitary and storm systems.

BACKGROUND

On June 9, 2020, the City Council adopted Resolution No. 79563 and Resolution No. 79564 to establish the Fiscal Year 2020-2021 Sanitary Sewer Service and Use Charges ("SSSUC") and Storm Sewer Service Charges ("SSSC"), respectively, and set rates for Fiscal Year 2020-2021.

The City of San José (“City”) has collected payment for the majority of the SSSUC and SSSC by placing such charges on the Santa Clara County (“County”) Secured Property Tax Roll since 1960 and 1991, respectively. These charges will appear as a single line item entitled “SEWER SANI/STORM” on each County Secured Property Tax bill and is collected by the County Tax Collector. Pursuant to an agreement between the City and the County, the County will remit 100 percent of the charges placed on the County Secured Property Tax Roll back to the City in two payments, typically in January and June. The County charges a 0.3 percent administration fee for this service which is deducted from the first payment remitted to the City.

As outlined in Sections 15.12.550 and 15.16.1410 of the San José Municipal Code (“Code”), on or before July 5 of each year, the Director of Finance is directed to prepare and file with the City Clerk a written report containing a list of all parcels that receive sanitary sewer service and storm sewer service, and the SSSUC and SSSC for each parcel for the forthcoming fiscal year. However, on June 23, 2020, the City Council adopted Resolution No. 79591 to extend the filing date of the required report prepared by the Director of Finance from July 5, 2020 to July 15, 2020 in order to allow City staff the time necessary to provide the most complete, accurate and current listing of the Fiscal Year 2020-2021 SSSUC and SSSC, respectively to the City Clerk.

ANALYSIS

The Finance Director’s written report for Fiscal Year 2020-2021 was submitted to the City Clerk’s Office on July 14, 2020. This report includes charges totaling approximately \$195.5 million and covers 235,665 parcels. On June 23, 2020, the City Council adopted Resolution No. 79591 to set the Public Hearing for Tuesday, August 4, 2020, at 1:30 p.m., or as soon thereafter as the matter may be heard, in the City Hall Council Chambers (or via video conference should the City Council not meet in-person). The City Clerk will publish public notices in accordance with Sections 15.12.550 and 15.16.1430 of the Code.

CONCLUSION

The Director of Finance recommends the City Council conduct a public hearing and adopt a resolution to approve placement of the 2020-2021 SSSUC and SSSC on the 2020-2021 Santa Clara County Secured Property Tax Roll.

EVALUATION AND FOLLOW-UP

Upon acceptance of this recommendation, staff will place the Fiscal Year 2020-2021 SSSUC and SSSC, as detailed above, on the 2020-2021 County Secured Property Tax Roll, with such modifications, if any, the City Council may make based on public hearing testimony scheduled to be heard on August 4, 2020.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

With the adoption of Resolution No. 79591 the City Clerk's Office will publish the notice of the time and place of the public hearing as required by Sections 15.12.550 and 15.16.1430 of the Code. In addition, this memorandum has been posted on the City's website for the August 4, 2020 Council meeting.

COORDINATION

This memo has been coordinated with the City Manager's Budget Office, the Environmental Services Department, the City Attorney's Office, and City Clerk's Office.

COMMISSION RECOMMENDATION/INPUT

This item does not require any input from a board or commission.

COST SUMMARY/IMPLICATIONS

This action will result in the placement of Fiscal Year 2020-2021 SSSUC and SSSC assessments of approximately \$163.1 million and \$32.4 million, respectively, on the 2020-2021 County Secured Property Tax Roll. Revenues received from these charges have been allocated by the City Council to various allowable City functions as part of the 2020-2021 Adopted Budget.

CEQA

Not a project, File No. PP17-010, City Organizational & Administrative Activities.

/s/

JULIA H. COOPER
Director of Finance

For questions, please contact Rick Bruneau, Deputy Director of Finance, at (408) 535-8310.