




COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Controller

DATE: June 22, 2009
BOARD MEETING DATE: July 7, 2009
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: Kanchan Charan, Deputy Controller 
SUBJECT: Request for Authorization of Controller to Execute Agreements with Special Districts to Compensate the County for its Collection of Special Taxes, Special Assessments, and other Special Charges

RECOMMENDATION:

Adopt a resolution authorizing the Controller, or the Controller's designee, to execute agreements with cities and special districts for the purpose of compensating the County for the collection of special taxes, special assessments, and other special charges.

VISION ALIGNMENT:

Commitment: Responsive, effective and collaborative government

Goal(s): This resolution supports the Vision 2010 Commitment that says, government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain.

Performance Measures

Measure	FY 2007-08 Actual	FY 2008-09 Target
Net County Cost as a percentage of Program Total Requirements	-24.34%	-24.00%

BACKGROUND:

As a service to cities and special districts, the County currently collects certain special taxes, special assessments, and other special charges through the countywide property tax bill. Special taxes are charges which do not require a direct

benefit to the real property (e.g., libraries and parks). Special assessments are charges against real properties that receive a direct benefit as a result of an improvement (e.g., lighting or sewer services, etc.). Other special charges include storm water and other fees that are "property related fees" under Prop 218.

In exchange for collecting such special taxes, special assessments, and other special charges, the County is compensated pursuant to agreements with each of the affected cities and special districts. Such agreements were initially entered into in 1980 and the compensation schedules were subsequently amended in 2003.

DISCUSSION:

On April 28, 2009, this Board approved modification to the 2003 compensation schedules for the purpose of updating such schedules to better reflect the costs incurred by the County in collecting the above-referenced charges. In light of the fact that the initial agreements are 28 years old, the Controller believes it would be administratively beneficial to adopt new agreements instead of further amending the original agreements as was done in 2003.

For the 2009-10 tax year, the County anticipates collecting special taxes, special assessments, and other special charges for 48 taxing entities pursuant to 55 agreements. Because these agreements automatically renew each year, some of the agreements will result in revenue to the County in excess of \$100,000, over the course of their term which would typically require Board approval and execution.

For the purposes of administrative efficiency, the Controller is requesting authority from the Board to execute all of the agreements in substantially the form submitted herewith. None of the affected cities or special districts has indicated disagreement with the County's compensation schedule and most of the taxing entities have already executed, or are in the process of executing, agreements in substantially the form submitted herewith.

The County Counsel's office has reviewed and approved the form of agreement.

FISCAL IMPACT:

Using the new rates, we estimate a revenue increase of approximately \$52,151 pursuant to the updated agreements which would be used to support the property tax administration functions.