



# City of Culver City

## Staff Report

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Item #: A-3.

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**CC - ACTION ITEM: (1) Consideration of a Request by Keter Environmental Services to Waive Refuse Penalty Incurred and Assessed on September 1, 2023 in the Amount of \$16,602.39; and (2) If Desired, Authorization to the City Manager to (A) Waive Penalties in an Amount Determined by the City Council; or (B) Deny the Request for Waiver.**

**Meeting Date:** April 29, 2024

**Contact Person/Dept:** Sean Singletary/Public Works Department  
Michael Towler/Finance Department

**Phone Number:** (310) 253-6457

**Fiscal Impact:** Yes  No

**General Fund:** Yes  No

**Attachments:** Yes  No

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (04/24/2024)

**Department Approval:** Yanni Demitri, Public Works Director (03/28/2024)

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### **RECOMMENDATION:**

Staff recommends the City Council (1) consider the request by Keter Environmental Services to waive the refuse penalty incurred and assessed on September 1, 2023 in the amount of \$16,602.39; and (2) if desired, authorize the City Manager to (A) waive penalties in an amount determined by the City Council; or (B) deny the request for waiver.

### **BACKGROUND:**

Culver City's Department of Public Works Environmental Programs and Operations (EPO) division issues refuse containers for permanent addresses, temporary productions, and construction in the City, and the Finance Department bills for these services. Keter Environmental Services receives monthly services from EPO for trash and recycling services at 6000 Sepulveda Boulevard (Westfield Culver City Mall), incurring costs of \$33,204.77 in July 2023. Invoice #635469 was issued on August 1, 2023, and payment was not received by the due date of August 31, 2023.

Pursuant to Culver City Municipal Code (CCMC) Section 5.01.080.A, late charges are assessed at

50% of the total invoiced amount. The charges are incurred if the payment was made after the last day of the month following the service month. The customer paid the principal amount of \$33,204.77 on September 7, 2023, after the August 31, 2023 deadline. Therefore, the customer was assessed the 50% penalty totaling \$16,602.39 on the following month's invoice (#637122) .

On September 20, 2023, Keter submitted a Refuse Penalty Waiver Request Form for the \$16,602.39 penalty. The reason stated for the delayed payment was weights reflected on the invoice not matching their internal tracking, which caused a delay as they updated their records and software to make the payment.

### **DISCUSSION:**

Pursuant to CCMC Section 5.01.080.B.4., only the City Council has the authority to waive late charges in amounts of \$5,000 or greater. The City Council's determination regarding such request shall be final. Only one penalty can be waived per account per 12-month period. The penalty assessed by the City was accurate and the delay in payment was due to Keter's internal processing; therefore, staff recommends the City Council deny the request for waiver of penalties.

The CCMC requires timely application of penalties if the payments are not received by the due date. The justification provided by the customer did not align with the reasonable causes allowed in the provisions of the Administrative Procedure #2011-AP002. While the Administrative Procedure does allow for one penalty waiver request to be considered every 12 months, the customer must also provide a reasonable cause. In this case, the customer acknowledged that the payment was made late due to their internal review delays, and was not related to City staff posting errors, nor due to post office delivery delays.

### **FISCAL ANALYSIS:**

Staff recommends that Council uphold the late penalty amount of \$16,602.39 on the account to ensure compliance with city regulations. The revenues from the penalty assessment will be accounted for in the Refuse Disposal Fund #202.

If Council decides to waive all or a portion of the penalty, there will be no material impact on the Refuse Disposal Fund.

### **ATTACHMENTS:**

2024-04-29-ATT-CC-Keter-Penalty\_Waiver\_Form

### **MOTION:**

That the City Council:

1. Consider Keter Environmental Service's request for waiver of the refuse penalty incurred and

assessed on September 1, 2023 in the amount of \$16,602.39; and

2. Authorize the City Manager to:

A. **(Staff Recommendation)** Deny Keter Environmental Service's request for waiver of penalty incurred and assessed on September 1, 2023 in the amount of \$16,602.39; or

B. Waive penalties in the amount of \$16,602.39; or

C. Waive penalties in a different amount to be determined by the City Council.