TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: ADMINISTRATIVE SERVICES

DATE: DECEMBER 18, 2006 CMR: 442:06

SUBJECT: APPROVAL OF ORDINANCE TO AMEND SECTION 2.28.230 OF THE PALO ALTO MUNICIPAL CODE REGARDING CLAIMS AGAINST THE CITY

RECOMMENDATION
Staff recommends that Council approve the attached ordinance codifying formal procedures for filing and processing claims for refunds.

DISCUSSION
The City’s claim ordinance is outdated and outside counsel has recommended that it be updated to the current “model ordinance” endorsed by the League of California Cities. California law permits local jurisdictions to limit the time frame for refund claims to one year. The City’s current ordinance does not contain a time limitation as allowed by law. The attached ordinance would standardize time limits by adopting a uniform one year requirement.

Claims for refund requests can range from overcharging for utility services to an incorrect transient occupancy tax payment. In all cases, claims are fully researched and when appropriate, refunds are promptly processed. This will continue in the future.

The ordinance has a provision added to it that would ensure that it has no effect upon current litigation or any claim currently filed and pending with the City.

RESOURCE IMPACT
There are no adverse fiscal impacts in adopting this ordinance. It is likely that refund costs will not be reduced, but legal costs and fees for challenging claims may be reduced.

POLICY IMPLICATIONS
These recommendations are consistent with existing City policies. The proposed ordinance is consistent with California Government Code Section 900.
PREPARED BY:  

TARUN NARAYAN  
Senior Financial Analyst

DEPARTMENT HEAD APPROVAL:  

CARL YEATS  
Director of Administrative Services

CITY MANAGER APPROVAL:  

EMILY HARRISON  
Assistant City Manager

ATTACHMENTS
Attachment 1: Ordinance Amending the Municipal Code to Establish Procedures for Filing Claims for Refunds