



Legislation Text

File #: 18-0713, **Version:** 1

Consider and take action on a resolution authorizing city staff to write-off inactive utility accounts for a total amount of \$65,326.97 (Director of Finance)

Approval of this item will authorize staff to “write off” delinquent water utility accounts that are determined to be uncollectible. The Council last took action to write off accounts on October 24, 2017. Since that time, 415 accounts with a total balance of \$65,326.97 have been closed with collection efforts unsuccessful and at this point these accounts are uncollectible. The 415 accounts represent less than 0.19% of the \$34 million in revenue billed in fiscal year 2017.

The collection process for utility accounts is as follows:

- At the time that the account is closed, the final reading is taken and the bill is submitted to the customer. This bill is due within 30 days.
- If the payment is not received, a reminder letter is sent to the customer the following month.
- 30 days after the reminder letter (90 days after the final bill sent to the customer), the account is turned over to the collection firm.

These uncollectible accounts have been with the collection attorney for a least one (1) year and still remain uncollected. Approval of this action will allow staff to remove the accounts from the financial statements as uncollectible accounts. The detail balances will remain in our utility records and will be recovered if possible.

If in the future a write-off customer applies for water service with the City, any amount owed, including any amounts written off, must be paid prior to service connection.

Attachment

1. Data Sheet
2. Proposed Resolution

FUNDING

{x} Expenses will be charged to Utility Fund Non-Departmental Bad Debt Expense account 10201650-53970. Funds in the amount of \$55,000 were budgeted in FY2019 for Bad Debt Expense. The overage of \$10,326.97 will be covered with savings within the department if possible. If not, a future budget amendment will be required.

STRATEGIC PLANNING

{x} NOT APPLICABLE