

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, AUTHORIZING CITY STAFF TO WRITE OFF INACTIVE AND UNCOLLECTIBLE UTILITY ACCOUNTS FOR ACCOUNTING PURPOSES ONLY, IN THE TOTAL AMOUNT OF \$531,542.10; RETAINING THE CITY'S RIGHT TO COLLECT SUCH DEBTS IN THE FUTURE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of League City maintains accounts receivable for utility services provided to customers, and periodically reviews those accounts for collectability in accordance with generally accepted accounting principles and the City's financial policies; and

WHEREAS, certain inactive utility accounts from the years 2009 through 2020 have been determined by the Director of Finance to be uncollectible after completion of the City's internal and external collection efforts, including referral to an outside collection agency for more than one year; and

WHEREAS, the Texas Constitution, Article III, Section 55, prohibits the forgiveness or release of debts owed to political subdivisions, but permits the City to recognize accounts as uncollectible for accounting purposes while retaining the City's right to recover such amounts in the future; and

WHEREAS, the City Council finds that writing off these inactive accounts for accounting purposes only, without forgiving or releasing the underlying debts, will provide for accurate financial reporting in accordance with the Texas Local Government Code and Governmental Accounting Standards Board requirements; and

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The City authorizes City staff to write off inactive and uncollectible utility accounts for accounting and financial reporting purposes only, in the total amount of \$531,542.10, as identified by the Director of Finance.

Section 2. This write-off does not constitute forgiveness, cancellation, waiver, or release of any debt or obligation owed to the City. The City expressly retains all rights and remedies to collect any amounts due in the future, including through application of unpaid balances when a customer re-applies for utility service.

Section 3. The City Manager, or the City Manager's designee, is authorized to execute all documents and take all actions necessary to implement this accounting adjustment in compliance with applicable laws and accounting standards.

Section 4. The Director of Finance shall maintain detailed records of the written-off accounts and shall ensure that the corresponding amounts are recorded in the City's financial records consistent with generally accepted accounting principles and GASB standards.

Section 5. All prior resolutions or actions of the City Council in conflict with this Resolution are repealed to the extent of the conflict only.

Section 6. It is hereby found and determined that the meeting at which this resolution was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

PASSED AND APPROVED the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

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NICK LONG  
Mayor

ATTEST:

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DIANA M. STAPP  
City Secretary

APPROVED AS TO FORM:

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MICHELLE L. VILLARREAL  
City Attorney