

RESOLUTION NO. 2026-

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 \$299,393.97; 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 2019 through 2023 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 accounts have been fully included in the City's Allowance for Doubtful Accounts, and writing off the accounts will not require an additional appropriation or expenditure of City funds; and

WHEREAS, the proposed write-off is solely an accounting adjustment and does not, by itself, forgive, cancel, waive, or release any debt owed to the City; and

WHEREAS, the City Council finds that the accounting write-off will provide for accurate financial reporting while preserving the City's lawful collection rights;

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

Section 1. The foregoing recitals are hereby found to be true and correct and are incorporated into this Resolution for all purposes.

Section 2. The City authorizes city staff to write off inactive and uncollectible utility accounts totaling \$299,393.97 for accounting and financial reporting purposes only.

Section 3. This accounting write-off does not, by itself, constitute forgiveness, cancellation, waiver, settlement, or release of any debt or obligation owed to the City. Except for amounts discharged or otherwise extinguished by law, the City retains all lawful rights and remedies to collect the amounts owed from the customer or other person legally responsible for the account.

Section 4. 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 5. The Director of Finance shall maintain records supporting the written-off accounts in accordance with the City's records retention requirements and for as long as administratively necessary to support any continuing lawful collection efforts.

Section 6. All prior resolutions or actions of the City Council in conflict with this Resolution are repealed to the extent of the conflict only.

Section 7. 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.

Section 8. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED the _____ day of _____, 2026.

NICK LONG
Mayor

ATTEST:

DIANA M. STAPP
City Secretary

APPROVED AS TO FORM:

MICHELLE L. VILLARREAL
City Attorney