

April 18, 2016

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution No. 9088, authorizing the write-off of thirty two uncollectible accounts totaling \$111,140.68.

### **FISCAL IMPACT**

This resolution authorizes the write-off of thirty two uncollectible accounts totaling \$111,140.68 from various City departments. Each City department that is responsible for the billing and collection of moneys owed to the City has established written procedures on how to deal with the collection of monies owed. These procedures have all been followed and have been exhausted; in addition, all accounts are past the statute of limitations. Therefore, these accounts are now deemed ready for write-off. Sufficient funds exist in the respective departments' budgets to cover these write-offs.

### **STAFF CONTACT**

Jan Hawn, Director, 452-6846

Toni Battersby, Acting Assistant Director, 452-6455

Arnaz Bharucha, Treasury and Disbursements Manager, 452-7252

*Finance Department*

### **POLICY CONSIDERATION**

The City Council must approve the write-off of accounts that are deemed to be uncollectible and exceed \$1,000 per customer.

### **BACKGROUND**

The City uses billing and accounts receivable systems to collect many of the fees and charges currently authorized. Some examples of these charges include probation fees, development review and inspection fees, water service installation charges, fees for swim lessons, fire inspections, eCityGov Alliance annual dues, IT charges, etcetera.

Bellevue City Code section 3.37.100, adopted via Ordinance No. 5838, dated November 3, 2008, describes the authority given by the City Council to the Finance Director to write-off delinquent accounts receivable that are over one year old and do not exceed \$1,000 per account. Accounts over \$1,000 that are deemed to be uncollectible must be approved by the City Council. An account may not be written off unless all cost-effective means of collection have been exhausted.

Finance Department Policy/Procedure No. 4 has been updated to provide guidance and consistency outlining how different City departments should actively manage their delinquent accounts; the requirement to send past due accounts to a collection agency as described in this policy, and the process for requesting accounts receivable write-offs. Certain departments have to comply with specific RCW or WAC requirements relating to their line of business or activities. Departmental processes are documented and these, together with all write-off requests, are reviewed by the Treasury and Disbursements Manager to ensure appropriateness and compliance with Finance department policy prior to submission to Council or the Finance Director for write-off.

Detailed account information in relation to these write-offs is provided in Attachment 1. Thirty two accounts are recommended for write-off ranging from \$1,005.00 to \$24,121.13, totaling \$111,140.68. Except for the accounts requested for write-off for the City's Home Repairs Program, collection of each of these accounts was initially attempted by City staff, and then referred to a collection agency when appropriate, until all efforts of collection were exhausted. Several accounts are requested to be written off because they are beyond the statute of limitations and have been returned by the collection agency, while outstanding accounts relating to the Home Repairs Program have been uncollectible in bankruptcy or foreclosure proceedings or had unenforceable liens.

#### **EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

#### **OPTIONS**

1. Adopt Resolution approving the write-off of thirty two uncollectible accounts totaling \$111,140.68.
2. Do not adopt Resolution and provide alternative direction to staff.

#### **RECOMMENDATION**

Option 1.

#### **MOTION**

Move to adopt Resolution No. 9088, approving the write-off of thirty two uncollectible accounts totaling \$111,140.68.

#### **ATTACHMENTS**

Resolution No. 9088  
Uncollectible Accounts

#### **AVAILABLE IN COUNCIL OFFICE**

Uncollectible Accounts Additional Details