

## CITY COUNCIL AGENDA MEMORANDUM

### SUBJECT

Resolution No. 8731, authorizing the write-off of fifteen uncollectible accounts totaling \$37,603.25.

### FISCAL IMPACT

This Resolution authorizes the write-off of fifteen uncollectible accounts totaling \$37,603.25 from various City departments. Each City department that is responsible for the billing and collection of money owed to the City has established written procedures on how to handle the collection of these amounts. These procedures have all been followed and have been exhausted; 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, Finance Director, 452-6846  
Sara Lane, Assistant Finance Director, 452-7247  
Arnaz Bharucha, Treasury and Disbursements Manager, 452-7252

### Finance Department

### POLICY CONSIDERATION

#### City Code Section 3.37.100:

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, etc.

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 in 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 must 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 the Finance Department policy before being submitted to the Finance Director or Council for write-off.

Detailed account information in relation to these write-offs is provided in Attachment 1. Fifteen accounts are recommended for write-off, ranging from \$1,025.00 to \$16,321.75, and totaling \$37,603.25. 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.

**EFFECTIVE DATE**

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

**OPTIONS**

1. Adopt Resolution No. 8731, approving the write-off of fifteen uncollectible accounts totaling \$37,603.25.
2. Do not adopt Resolution No. 8731 and provide alternative direction to staff.

**RECOMMENDATION**

Adopt Resolution No. 8731, approving the write-off of fifteen uncollectible accounts totaling \$37,603.25.

**MOTION**

Move to adopt Resolution No. 8731, approving the write-off of fifteen uncollectible accounts totaling \$37,603.25.

**ATTACHMENTS**

1. Uncollectible Accounts
2. Proposed Resolution No. 8731

**AVAILABLE IN COUNCIL OFFICE**

Additional Details for Attachment 1.

CITY OF BELLEVUE		Uncollectible Accounts: Accounts > \$1,000			
ATTACHMENT 1 - Uncollectible Accounts: Accounts > \$1,000					
As of 12/31/2013					
#	Account/Customer #	Court Close or EHD End Date	Account Type	Amount Due	Reason for Write-off
<b>Probation:</b>					
1	BC 148133	8/10/2012	EHD	\$2,290.00	Returned by collection agency - collection efforts exhausted
2	BC 144575	11/18/2010	Probation	\$1,305.00	Returned by collection agency - collection efforts exhausted
3	BC 154138	9/26/2011	Probation	\$1,340.00	Returned by collection agency - collection efforts exhausted
4	BC 154303	6/16/2011	Probation	\$1,265.00	Returned by collection agency - collection efforts exhausted
5	BC 145561	6/1/2011	Probation	\$1,025.00	Returned by collection agency - collection efforts exhausted
6	BC 154836	2/6/2012	Probation	\$1,130.00	Returned by collection agency - collection efforts exhausted
7	BC 142718	10/24/2011	Probation and record check	\$1,855.00	Returned by collection agency - collection efforts exhausted
8	BC 150734	11/22/2010	Probation	\$1,310.00	Returned by collection agency - collection efforts exhausted
9	XY075906	2/26/2011	Probation and EHD	\$1,175.00	Returned by collection agency - collection efforts exhausted
10	BC 135254	12/12/2005	Probation	\$1,625.00	Returned by collection agency - client deceased
11	BC130023	6/2/2006	Probation and EHD	\$1,009.00	Returned by collection agency - collection efforts exhausted
12	BC 156108	1/24/2012	Probation	\$1,075.00	Returned by collection agency - collection efforts exhausted
<b>Total - Probation</b>				<b>\$16,404.00</b>	
#	Reference #	Invoice/Permit # / Date	Type	Amount Due	Reason for Write-off
<b>Development Services:</b>					
1	BELW750A	08-123604 LO	Permit	\$ 2,306.20	Returned by collection agency - Chapter 11 bankruptcy discharged on 1/22/2010
2	10-40211-PHB	06-120692 UE, 07-122375 TC, 08-102955 LF	Permits	\$ 2,571.30	Chapter 7 bankruptcy discharged on 4/29/2010
<b>Total - Utilities</b>				<b>\$ 4,877.50</b>	
#	Reference #	Date of Loss	Type	Amount Due	Reason for Write-off
<b>Risk Management:</b>					
1	11-007	11/15/2010	Property damage	\$ 16,321.75	Returned by collection agency - the 3 year Statute of Limitations has passed
<b>Total- Parks</b>				<b>\$ 16,321.75</b>	
<b>Total City Write -offs Requested</b>				<b>\$ 37,603.25</b>	

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8731

A RESOLUTION authorizing the Finance Director to write-off fifteen uncollectible accounts totaling \$37,603.25.

WHEREAS, the City has established written procedures pursuant to BCC 3.37.100 to collect and to write-off delinquent accounts; and

WHEREAS, the City has attempted to but has been unsuccessful in collecting certain delinquent accounts each over \$1,000 and desires to write off such accounts as uncollectible; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Finance Director is hereby authorized and directed to write-off as uncollectible each of the accounts, totaling \$37,603.25.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2014, and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

(SEAL)

\_\_\_\_\_  
Claudia Balducci, Mayor

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk