




Agenda Item #: \_\_\_\_\_

# Staff Report

## City of Manhattan Beach

**TO:** Members of the Finance Subcommittee

**THROUGH:** Bruce Moe, Finance Director

**FROM:** Steve S. Charelian, Revenue Services Manager 

**DATE:** September 25, 2012

**SUBJECT:** Consideration of Bad Debt Write-Off's for Referral to Collections from April 1, 2012 through June 30, 2012

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### RECOMMENDATION:

Staff recommends that the Finance Subcommittee: receive and file the attached summary report of write-offs within the authority of the Finance Director (not to exceed \$2,500).

### FISCAL IMPLICATION:

Financial Credit Network, the City's collection agency, is paid a commission on the money collected. The commission percentage ranges from 25% on regular collections to 35% for collections requiring legal action. The agency provides an initial 15-day grace period. During that period any money collected by the agency will be remitted back to the City without charge.

### BACKGROUND:

On May 17, 2011 City Council approved a policy delegating write-off authority to the Finance Director for uncollectable accounts receivable up to \$2,500. Write-offs of \$2,500 to \$7,500 require the approval of the Finance Subcommittee. Any write off of uncollectible accounts receivables greater than \$7,500 requires City Council approval. Additionally, City Council approved a contract with Financial Credit Network for services related to uncollectible debt.

### DISCUSSION:

The City reviewed, processed and sent to collections all outstanding bad debts from April 1, 2012 through June 30, 2012

- Ambulance Billing: \$22,302.28 (April 1, 2012 to June 30, 2012)
- Utility Billing: \$ 4,468.53 (April 1, 2012 to June 30, 2012)
- Miscellaneous A/R \$11,001.32 (April 1, 2012 to June 30, 2012)

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The write-off process is that once the appropriate authority has approved the debt for write-off, the collection agency will be contacted and provided the pertinent information to begin the collection process. Depending upon the collection time and effort, the collection agency will share between 0% and 35% of the amount collected.

By way of reporting, the Finance Subcommittee receives periodical reports for ratification of all write-offs.

**Attachments:**


1. Summary of write-offs (not to exceed \$2,500) from April 1, 2012 through June 30, 2012



# Memorandum

## City of Manhattan Beach

**TO:** Bruce A. Moe, Finance Director

**FROM:** Steve S. Charelian, Revenue Services Manager 

**DATE:** August 28, 2012

**SUBJECT:** Write-Offs for Ambulance Billing, Utility Billings and Miscellaneous Accounts Receivables – Covering Period: April 1, 2012 – June 30, 2012

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In order to maximize revenues from delinquent account holders, the services of an outside collection agency is required. The City contracts with Financial Credit Network (FCN). The City Council approved write-off limits are:

<u>Authority</u>	<u>Write Off Limits</u>
Finance Director	\$0 - \$2,500
Finance Subcommittee	\$2,501 - \$7,500
City Council	\$7,501+

The attached individual write-off amounts are all less than \$2,500 (the maximum allowable write-off limit set by policy for the Finance Director). The collection process commences after numerous attempts by City Staff to make the collections in-house. The grand totals for Ambulance, Utility (water and refuse) and Miscellaneous A/R billing are:

Write-Off Period April 1, 2012 to June 30, 2012

	<u>Dollar Amount</u>	<u>Number of Accounts</u>
- Ambulance Billing:	\$ 22,302.28	19
- Miscellaneous Accounts Receivable	\$ 11,001.32	17
- Utility Billing (water & refuse)	\$ 4,468.53	23

Attachments (detailed write off reports):

1. Ambulance Billing
2. Miscellaneous Accounts Receivable
3. Utility Billing (water & refuse)

### Miscellaneous Accounts Receivable Approval for Write-Off for Financial Credit Network

INV #	CUST #	INV DATE	AMOUNT	Initial Invoice	Delinq Notice	1st Final Notice	2nd Final Notice	Final Letter for Collections	TYPE	NAME/MAILING ADDR
15-02685	001526	2/3/2012	\$ 190.00	✓	✓	✓	✓	✓	False Alarm	Veranda's Manhattan Beach, CA 90266 Mailing Address:
15-02666	002911	2/3/2012	\$ 290.00	✓	✓	✓	✓	✓	False Alarm	El Segundo, CA 90245 Megan Hammerstein
15-02642	004537	1/13/2012	\$ 190.00	✓	✓	✓	✓	✓	False Alarm	Manhattan Beach, CA 90266 Frank Mineo
15-02684	005309	2/3/2012	\$ 190.00	✓	✓	✓	✓	✓	False Alarm	Manhattan Beach, CA 90266 Pizza Hut
15-02625	005623	1/13/2012	\$ 290.00	✓	✓	✓	✓	✓	False Alarm	Manhattan Beach, CA 90266 Betty McComas
12-02729	005675	10/8/2011	\$ 131.00	✓	✓	✓	✓	✓	Sidewalk Repair	Manhattan Beach, CA 90266 Lauri or Russel Allen
12-02745	005689	10/8/2011	\$ 1,323.20	✓	✓	✓	✓	✓	Sidewalk Repair	Manhattan Beach, CA 90266 Alice or Steven Lagare
12-02839	005774	12/15/2011	\$ 1,504.55	✓	✓	✓	✓	✓	Sidewalk Repair	Manhattan Beach, CA 90266 Eric D. Rochelson
15-02605	005782	12/30/2011	\$ 1,587.96	✓	✓	✓	✓	✓	P.D. Cost Recovery	Stoux Falls, SD 57186 Anthony Michael Tumasone
15-02651	005807	1/31/2012	\$ 711.15	✓	✓	✓	✓	✓	P.D. Cost Recovery	Newhall, CA 91321 Frank Jeffery Coe
15-02652	005808	1/31/2012	\$ 568.92	✓	✓	✓	✓	✓	P.D. Cost Recovery	Muskogee, OK 74403 Melanie Palmer
15-02699	005816	2/9/2012	\$ 290.00	✓	✓	✓	✓	✓	False Alarm	Hermosa Beach, CA 90254 Karen Westover
15-02682	005817	2/3/2012	\$ 190.00	✓	✓	✓	✓	✓	False Alarm	Manhattan Beach, CA 90266 Angelle Blakey
										Manhattan Beach, CA 90266

**Miscellaneous Accounts Receivable Approval for Write-Off for Financial Credit Network**

INV #	CUST #	INV. DATE	AMOUNT	Initial Invoice	Delinq Notice	1st Final Notice	2nd Final Notice	Final Letter for Collections	TYPE	NAME/MAILING ADDR	
15-02704	005834	2/13/2012	\$ 1,497.24	✓	✓	✓	✓	✓	P.D. Cost Recovery	Erica Elaine Childress Los Angeles, CA 90056	
15-02706	005836	2/13/2012	\$ 640.05	✓	✓	✓	✓	✓	P.D. Cost Recovery	Alba Fazio Los Angeles, CA 90003	
15-02707	005837	2/28/2012	\$ 110.00	✓	✓	✓	✓	✓	Animal Control Cost Recovery	Christopher Beau Greely Manhattan Beach, CA 90266	
12-02589	005560	9/28/2011	\$ 1,297.25	✓	✓	✓	✓	✓	Sidewalk Repair	Periann Yanofsky Manhattan Beach, CA 90266	
			<b>\$ 11,001.32</b>								

Date: 8/28/12



Revenue Services Manager: \_\_\_\_\_

Finance Director: [Signature] 8/29/12

#	Last Name	First Name	Trip Date	Run #	Incident	Balance	Street	City	State	Zip Code	
1	ARENAS	FRANK	8/12/2011	11229404	111931	\$ 1,674.00		MANHATTAN BEACH	CA	90266	
2	BAKERINK	JANE	3/21/2011	1189416	110657	\$ 713.97		MANHATTAN BEACH	CA	90266	
3	COSTA	JENNA	10/29/2011	11287567	112584	\$ 1,696.75		HERMOSA BEACH	CA	90254	
4	ESTOQUE	VANESSA	10/23/2010	10278641	102543	\$ 399.94		TORRANCE	CA	90501	
5	GILLILAND	BRANDON	7/29/2011	11229838	111769	\$ 512.02		ROLLING HILLS	CA	90274	
6	HERNANDEZ	JUVENAL	10/19/2011	11285526	112502	\$ 1,674.00		HAWTHORNE	CA	90250	
7	JESTER	STARKEISHA	8/27/2011	11228823	112068	\$ 336.60		LAWDALE	CA	90260	
8	KABBANI	SEAN	7/4/2011	11182838	111536	\$ 1,149.00		EL SEGUNDO	CA	90245	
9	LEWIS	STEVE	3/25/2011	1189602	110700	\$ 1,790.50		MANHATTAN BEACH	CA	90266	
10	MARTINEZ	ANNA	9/15/2011	11260689	112228	\$ 1,698.75		LOS ANGELES	CA	90004	
11	MORGAN	LEEANN	10/1/2011	11266769	112347	\$ 85.75		MANHATTAN BEACH	CA	90266	
12	RICE	KEVIN	11/17/2011	11314515	112771	\$ 1,671.00		HERMOSA BEACH	CA	90254	
13	SHERIDAN	DAVID	8/10/2011	11229626	111916	\$ 1,184.50		MANHATTAN BEACH	CA	90266	
14	SLEBOTA	DANIEL	11/8/2011	11314426	112675	\$ 1,184.50		MANHATTAN BEACH	CA	90266	
15	SORENSINA	JANET	9/23/2011	11266849	112281	\$ 100.00		MANHATTAN BEACH	CA	90266	
16	TEWODROS	ABEBE	10/2/2011	11266778	112359	\$ 1,680.00					
17	WILSON-PARENT OF	ALEX	9/13/2011	11259223	112213	\$ 1,821.25		MANHATTAN BEACH	CA	90266	
18	YUKIKO	NISHIKAWA	10/28/2011	11287515	112571	\$ 1,286.00		TORRANCE	CA	90504	
19	ZEY	IGOR	2/23/2011	1162837	110427	\$ 1,643.75		SHERMAN OAKS	CA	91403	
						<b>\$ 22,302.28</b>					

Date: 8/28/12

Revenue Services Manager: \_\_\_\_\_

Finance Director: A [Signature] 8/29/12



Account #	Setup Date	Account Status	Primary Cust Name	Account balance due	Closed Date
17-1300022-03	12/27/2011	C	REO EQUISTITION CO.	\$116.58	4/11/2012
24-0843010-05	4/3/2006	C	ANGERMAYER, CHRIS	\$144.98	4/24/2012
29-0322400-17	10/5/2011	C	NICOLETTI, AMANDA	\$233.91	4/5/2012
31-0452020-05	5/31/2012	C	RUEGSEGER AND KURSUNOGLU	\$487.98	6/1/2012
38-0581031-07	12/23/2003	C	MANSOUR, EHAB	\$124.20	6/20/2012
38-0581122-05	5/20/2003	C	MANSOUR, EHAB	\$341.99	6/20/2012
47-0555024-10	5/3/2011	C	DUNKLE, RICHARD	\$37.13	4/30/2012
48-0110033-10	7/2/2010	C	AGUILAR, KEITH	\$304.40	4/16/2012
57-0517010-06	7/7/2011	C	THORNBURG, JESSICA	\$100.60	6/1/2012
58-0549010-02	1/27/2011	C	FRAZIER, PATTY	\$355.43	6/26/2012
58-0576013-07	10/23/2006	C	CHUN, SUSAN	\$270.00	6/29/2012
58-0612010-02	4/13/2005	C	CAPIN, MELISSA	\$212.81	6/27/2012
62-0079021-05	5/30/2012	C	VANDORNEWAARD, HANS	\$34.88	6/15/2012
67-0990012-04	9/10/1999	C	MALLON, RACHEL	\$267.00	5/7/2012
74-1197100-03	7/2/2009	C	AVENATTI, CHRISTINE	\$105.48	6/18/2012
77-0688115-05	6/29/1983	C	SANGER, MARIA THERESA R	\$88.34	5/25/2012
81-1208056-07	2/8/2011	C	ZUANICH, ANTHONY	\$74.24	4/16/2012
82-1296110-00	4/9/1991	C	TUCKER, JAMES E	\$160.98	5/21/2012
83-1428010-12	5/13/2009	C	BOWERS, KATHERINE	\$238.57	4/30/2012
87-0098013-12	10/6/2008	C	GUDE, SOHAYLA	\$304.32	4/30/2012
89-0455011-05	8/15/2003	C	AGUIAR, JESSICA	\$238.75	6/11/2012
92-0356014-11	4/3/2012	C	BUONO, JENA	\$72.97	5/24/2012
96-0079048-09	6/1/2012	C	STOSIC, HOLLY	\$152.99	6/22/2012
<b>TOTAL 23</b>			<b>MAR - JUNE 2012</b>	<b>\$4,468.53</b>	

Date: 8/28/12



Revenue Services Manager: \_\_\_\_\_

Finance Director: \_\_\_\_\_

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8/29/12