





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: March 17, 2016

SUBJECT: Bad Debt Write-Offs to Collections from Q4 (October 1, 2015 – December 31, 2015).

RECOMMENDATION:

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

FISCAL IMPLICATION:

Financial Credit Network (FCN), 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:

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 and processed to collections all outstanding bad debts from October 1, 2015 through December 31, 2015. The accounts listed below were within the \$2,500 signing authority of the Finance Director and have been sent to FCN.

- Ambulance Billing: \$ 63,476.46 (October 1, 2015 – December 31, 2015)
- Miscellaneous A/R \$ 4,906.35 (October 1, 2015 – December 31, 2015)
- Utility Billing: \$ 7,791.86 (October 1, 2015 – December 31, 2015)
- Parking Citations: \$ 75,067.00 (October 1, 2015 – December 31, 2015)

During this period October 1, 2015 – December 31, 2015 the City had one past due account greater than \$2,500, but less than \$7,500 which is over the signing authority of the Finance Director and requires Finance Subcommittee approval. Invoice No. 15-04062 in the amount of \$6,480.84 is for PD Cost Recovery. Government code section No. 53150 allows for the City to collect up to \$12,000 for cost recovery. This account has not yet been sent to FCN.

- Miscellaneous A/R \$ 6,480.54 (Requires FSC Approval)

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 per line item) from October 1, 2015 – December 31, 2015
2. Invoice for PD cost recovery which exceed the \$2,500 threshold and requires FSC approval.



Memorandum

City of Manhattan Beach

TO: Bruce A. Moe, Finance Director

FROM: Steve S. Charelian, Revenue Services Manager *(SC)*

DATE: February 19, 2016

SUBJECT: Write-Offs for Ambulance Billing, Utility Billings and Miscellaneous Accounts Receivables – Covering Period October 1, 2015 – December 31, 2015

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 October 1, 2014 to December 31, 2014:

	<u>Dollar Amount</u>	<u>Number of Accounts</u>
- Ambulance Billing:	\$ 63,476.46	38
- Miscellaneous Accounts Receivable	\$ 4,906.35	11
- Utility Billing (water & refuse)	\$ 7,791.86	30
- Parking Citations	\$ 75,067.00	887

Attachments (detailed write off reports):

1. Ambulance Billing
2. Miscellaneous Accounts Receivable
3. Utility Billing (water & refuse)
4. Parking Citations (via Turbo Data)

AMB TRANSPORT SERVICE

No.	Account Number	Lastname	City	State	Balance
1	24379691	Hochhauser	REDONDO BEACH	CA	\$ 1,260.00
2	24379525	Gonzalez	LENNOX	CA	\$ 1,279.00
3	24344605	Santiago	TEMECULA	CA	\$ 2,160.00
4	24377420	Salaz	UNKNOWN		\$ 1,306.25
5	24393640	Young	LAS VEGAS	NV	\$ 1,933.50
6	24393778	Silva	LOS ANGELES	CA	\$ 200.00
7	24316103	January	WINCHESTER	CA	\$ 2,037.25
8	24381753	Snea	PHOENIXVILLE	PA	\$ 1,942.50
9	24500836	Conway	MANHATTAN BEACH	CA	\$ 1,960.75
10	24500869	Smith	UNKNOWN		\$ 1,998.75
11	24501061	Carlile	MANHATTAN BEACH	CA	\$ 2,018.25
12	24514204	Bholat	UNKNOWN		\$ 1,971.50
13	24666479	Garcia	UNKNOWN		\$ 1,933.50
14	24666029	Momson	UNKNOWN		\$ 1,279.00
15	24666408	Lowery	HAWTHORNE	CA	\$ 1,217.50
16	24666193	McCorry	UNKNOWN		\$ 1,933.50
17	24701299	Sanchez	SOUTH GATE	CA	\$ 1,923.50
18	24966822	Velasquez	RIVERSIDE	CA	\$ 2,009.50
19	24966646	Sanford	LOS ANGELES	CA	\$ 1,933.50
20	24967007	Davis	MANHATTAN BEACH	CA	\$ 856.56
21	24966995	Ayala-Mata	LONG BEACH	CA	\$ 1,844.75
22	24966697	Swick	MANHATTAN BEACH	CA	\$ 753.15
23	24966833	Nothrop	HOBART	WA	\$ 1,279.00
24	24966877	Doe	MANHATTAN BEACH	CA	\$ 2,037.25
25	24966913	Bullian	MANHATTAN BEACH	CA	\$ 2,075.25
26	25116941	Rodriguez	UNKNOWN		\$ 2,111.50
27	25117445	Smith	ACTON	CA	\$ 200.00
28	25117235	Broberg	MANHATTAN BEACH	CA	\$ 1,910.50
29	25147867	Martinez	EL MONTE	CA	\$ 1,989.25
30	25147908	Conception	MANHATTAN BEACH	CA	\$ 1,279.00
31	25174976	Lacrosse	HAWTHORNE	CA	\$ 2,082.75
32	25370494	Hjorting	REDONDO BEACH	CA	\$ 2,008.25
33	25432383	Baran	MANHATTAN BEACH	CA	\$ 345.75
34	25432456	Linn	REDONDO BEACH	CA	\$ 2,018.25
35	25555268	Symond	UNKNOWN		\$ 1,933.50
36	25633513	Doe	UNKNOWN		\$ 2,301.75
37	25634049	Lowrey	MANHATTAN BEACH	CA	\$ 1,933.50
38	27323401	Whitcombs	DENVER	CO	\$ 2,218.75
					\$ 63,476.46

Date: 3/3/16

Revenue Services Manager: _____

Finance Director: _____



UTILITY BILLING ACCOUNTS

No.	Account Number	Lastname	City	State	Balance
1	11-0902200-06	KWOK, PETER	FOLSOM	CA	\$ 250.99
2	17-0690000-08	GRANELL, JEFFREY	SANTA MONICA	CA	\$ 249.81
3	38-0550122-13	DEGTJAL, DANIEL	MANHATTAN BEACH	CA	\$ 291.60
4	41-0460022-02	STROTTON, KATRINA	MANHATTAN BEACH	CA	\$ 16.03
5	46-0403010-02	WOLFMAN, IAN	MANHATTAN BEACH	CA	\$ 207.42
6	48-0074020-08	AMENZONE FITNESS	MANHATTAN BEACH	CA	\$ 87.46
7	55-0035022-05	OLSON, KEVIN	MANHATTAN BEACH	CA	\$ 235.63
8	57-0397046-15	GILL, ANTOINETTE	MANHATTAN BEACH	CA	\$ 28.74
9	61-1049010-09	WILLIAMS, ERIN MEGAN	HUNTINGTON BEACH	CA	\$ 243.84
10	62-0013019-06	GOULSTON, NANCY	LA QUINTA	CA	\$ 424.01
11	65-0665024-14	SILVERMAN, LESTER/ANGELA	HERMOSA BEACH	CA	\$ 207.17
12	66-0732015-16	LEE, JIN HYUCK	TENAFLY	NJ	\$ 34.29
13	71-0725011-21	KULACKI, JOHN	MANHATTAN BEACH	CA	\$ 610.24
14	72-0899011-11	ELLERMAN, KRISTIN	WEST LINN	OR	\$ 242.07
15	72-0906023-09	SCHUMACHER, JEFF/JAMIE	MANHATTAN BEACH	CA	\$ 176.50
16	76-0426014-14	SUMMERS, DANIEL	DALLAS	TX	\$ 137.84
17	76-0491010-04	DULMAGE FAMILY TRUST	REDONDO BEACH	CA	\$ 311.68
18	77-0646010-07	COOPER, JUSTINE	FAIRLIGHT, AUSTRALIA		\$ 136.85
19	77-0691010-20	MACHADO, JOSHUA	LOS ANGELES	CA	\$ 219.86
20	77-0711011-06	CHAPMAN, LISA	APPLE VALLEY	CA	\$ 403.51
21	86-2345015-10	LOIOLA, JOSE G	MANHATTAN BEACH	CA	\$ 292.98
22	87-0166015-11	VANDERMARK, HEATHER	MANHATTAN BEACH	CA	\$ 230.58
23	88-0243126-06	MAGNO, SONYA	LONG BEACH	CA	\$ 135.39
24	88-0245025-11	DAY, TIMOTHY	TORRANCE	CA	\$ 82.71
25	88-0317404-08	WOODS, JOHNATHAN	MANHATTAN BEACH	CA	\$ 689.98
26	89-0232201-03	FRESH WINDOW TINT	MANHATTAN BEACH	CA	\$ 199.22
27	89-0232220-04	FRESH WINDOW TINT	MANHATTAN BEACH	CA	\$ 240.31
28	89-0449600-01	SPOERL, STEPHANIE	AURORA	OR	\$ 139.78
29	91-0295010-12	BRYANT, JENNIFER	REDONDO BEACH	CA	\$ 715.58
30	99-8600622-00	FRESH WINDOW TINT	MANHATTAN BEACH	CA	\$ 549.79
					7,791.86

Date: 3/3/16


Revenue Services Manager: 


Finance Director: 

MISCELLANEOUS ACCOUNTS RECEIVABLE

No.	Invoice #	Type	Lastname	City	State	Balance
1	15-04067	COST RECOVERY	WATERSON	MANHATTAN BEACH	CA	\$ 666.81
2	15-04028	COST RECOVERY	IVANOFF	MANHATTAN BEACH	CA	\$ 444.54
3	15-04103	FALSE ALARM	KHURANA	MANHATTAN BEACH	CA	\$ 285.00
4	15-04049	FALSE ALARM	SPLENDID	MANHATTAN BEACH	CA	\$ 190.00
5	15-04057	FALSE ALARM	SCHWAKE	MANHATTAN BEACH	CA	\$ 190.00
6	15-04072	FALSE ALARM	ZITSKI	MANHATTAN BEACH	CA	\$ 190.00
7	15-04088	FALSE ALARM	SOUTHBAY GOLD	MANHATTAN BEACH	CA	\$ 580.00
8	15-03990	FALSE ALARM	AMERICAN APPAREL*	MANHATTAN BEACH	CA	\$ 190.00
9	15-04054	FALSE ALARM	AMERICAN APPAREL	MANHATTAN BEACH	CA	\$ 575.00
10	15-04098	FALSE ALARM	AMERICAN APPAREL	MANHATTAN BEACH	CA	\$ 435.00
11	15-04135	FALSE ALARM	AMERICAN APPAREL	MANHATTAN BEACH	CA	\$ 1,160.00
						\$ 4,906.35

Date: 3/3/16

Revenue Services Manager: 

Finance Director: 


PARKING CITATIONS

MONTH ENDING	No. OF CITATIONS	AMOUNT	AVG VALUE
10/31/2015	224	\$ 19,930.00	\$89.00
11/30/2015	392	\$ 32,706.00	\$83.00
12/31/2015	271	\$ 22,431.00	\$83.00

887 \$ 75,067.00

Date: 3/3/16

Revenue Services Manager: 

Finance Director: 



**CITY OF
MANHATTAN BEACH
ACCOUNTS RECEIVABLE**
1400 HIGHLAND AVENUE
MANHATTAN BEACH, CALIFORNIA 90266
(310) 802-5556

INVOICE 15-04062



DATE	08/25/2015
CUSTOMER #	007271
AMT DUE	6,480.54

[REDACTED]
[REDACTED]
LOS ANGELES, CA 90044

AMOUNT PAID _____

PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE

CITY OF MANHATTAN BEACH (310) 802-5556

DESCRIPTION	AMOUNT
Police-Dui Cost Recovery	6,480.54
Police-Dui Cost Recovery Please see enclosed paperwork for a breakdown of charges. Date of Incident 06/29/15 Billing Amount: 6,480.54	
Total Amount Due:	6,480.54

CUSTOMER NO. 007271 DUE DATE: 09/24/2015 6,480.54