





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

# Staff Report

## City of Manhattan Beach

**TO:** Members of the Finance Subcommittee

**THROUGH:** Steve S. Charelian, Finance Director 

**FROM:** Cynthia F. Mickschl, Revenue Services Manager  
Jamie N. Perez, Acting Revenue Services Specialist 

**DATE:** December 5, 2019

**SUBJECT:** Bad Debt Write-Offs to Collections from July 1, 2019 – September 30, 2019.

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**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 \$5,000).

**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 \$5,000. Write-offs of \$5,000 to \$10,000 require the approval of the Finance Subcommittee. Any write off of uncollectible accounts receivables greater than \$10,000 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 July 1, 2019 – September 30, 2019. The accounts listed below were within the \$5,000 signing authority of the Finance Director and have been sent to FCN.

- Ambulance Billing: \$ 100,410.16 (July 1, 2019 – September 30, 2019)
- Miscellaneous A/R \$ 6,800.47 (July 1, 2019 – September 30, 2019)
- Utility Billing: \$ 9,901.03 (July 1, 2019 – September 30, 2019)
- Parking Citations: \$ 42,565.00 (July 1, 2019 – September 30, 2019)

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

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 \$5,000 per line item) from July 1, 2019 – September 30, 2019



# Memorandum

## City of Manhattan Beach

**TO:** Steve S. Charelian, Finance Director

**FROM:** Cynthia F. Mickschl, Revenue Services Manager  
 Jamie N. Perez, Active Revenue Services Specialist ✂

**DATE:** November 26, 2019

**SUBJECT:** Write-Offs for Ambulance Billing, Utility Billings and Miscellaneous Accounts Receivables – Covering Period July 1, 2019 – September 30, 2019.

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 - \$5,000
Finance Subcommittee	\$5,001 - \$10,000
City Council	\$10,001+

The attached individual write-off amounts are all less than \$5,000 (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), Miscellaneous A/R billing and Parking Citations are:

Write-Off Period July 1, 2019 – September 30, 2019:

	<u>Dollar Amount</u>	<u>Number of Accounts</u>
Ambulance Billing:	\$ 100,410.16	56
Miscellaneous Accounts Receivable:	\$ 6,800.47	8
Utility Billing (water & refuse):	\$ 9,901.03	41
Parking Citations:	\$ 42,565.00	488

Attachments (detailed write off reports):

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

JULY - SEPT 2019

**AMBULANCE BILLING ACCOUNTS**

No.	Account Number	Last Name	City	State	Balance
1	45785112	Burson	MANHATTAN BEACH	CA	\$104.08
2	42502306	Ducksworth	COMPTON	CA	\$200.00
3	42110711	Hottenroth	HERMOSA BEACH	CA	\$200.00
4	44607317	L	MANHATTAN BEACH	CA	\$517.50
5	44580631	Joseph	NEWCASTLE	WA	\$682.23
6	41782078	Yokoi	WESTLAKE VILLAGE	CA	\$1,079.99
7	37087010	Burns			\$1,203.55
8	39342507	Lemke	MANHATTAN BEACH	CA	\$1,217.90
9	41660355	Doe			\$1,237.00
10	43718802	Hampton	MANHATTAN BEACH	CA	\$1,280.75
11	39726514	Elfaye	MANHATTAN BEACH	CA	\$1,418.65
12	42618047	Garcia	MANHATTAN BEACH	CA	\$1,447.25
13	43218811	Hallum	HERMOSA BEACH	CA	\$1,447.25
14	45594397	Reece	MANHATTAN BEACH	CA	\$1,629.75
15	40615567	Kay	CALABASAS	CA	\$1,690.50
16	39531760	Hampton			\$1,751.35
17	39439178	Hernandez			\$1,756.90
18	41132236	Doe			\$1,758.75
19	38498016	Zafrani	MANHATTAN BEACH	CA	\$1,761.70
20	41645550	Faust	TORRANCE	CA	\$1,777.25
21	39425166	Sun			\$1,867.75
22	36166321	Kovacic	MANHATTAN BEACH	CA	\$1,882.75
23	37834761	Hyodo			\$1,882.90
24	38497785	Young	SIMI VALLEY	CA	\$1,894.70
25	36568130	King	REDONDO BEACH	CA	\$1,899.30
26	40492212	Sangiorgi	SAN PEDRO	CA	\$1,915.00
27	37185667	Allen	MANHATTAN BEACH	CA	\$1,933.50
28	36750456	Doe			\$1,933.50
29	36146804	Dudoit	CARSON	CA	\$1,933.50
30	36880311	Gallagher	MANHATTAN BEACH	CA	\$1,933.50
31	27324213	Johnny			\$1,933.50
32	32813269	Ackerman	MANHATTAN BEACH	CA	\$1,961.50
33	36180180	Crawford	MANHATTAN BEACH	CA	\$1,961.50
34	41660388	Fitzpatrick	CHESAPEAKE	VA	\$1,995.50
35	38207263	Suveg	MANHATTAN BEACH	CA	\$1,997.95
36	43978335	Jones	AUSTIN	TX	\$2,005.25
37	28275926	Guberdi			\$2,008.25
38	42053589	Sampaio	MANHATTAN BEACH	CA	\$2,032.50
39	43138518	Powell	SANTA BARBARA	CA	\$2,042.25
40	43909921	Kinney			\$2,079.25
41	37429131	Stanton	HERMOSA BEACH	CA	\$2,089.20
42	44186284	Lopez			\$2,116.25
43	40967123	Alvarez			\$2,129.50
44	43218770	Sehoenberger			\$2,180.00

JULY - SEPT 2019

45	43138122	Garza	INGLEWOOD	CA	\$2,239.75
46	42502295	Abram	MANHATTAN BEACH	CA	\$2,244.00
47	44839259	Ellenor	MANHATTAN BEACH	CA	\$2,318.75
48	45832648	Welzel	MANHATTAN BEACH	CA	\$2,327.75
49	44874017	Ogorman	MANHATTAN BEACH	CA	\$2,330.75
50	44887697	Larsen	HERMOSA BEACH	CA	\$2,346.75
51	45740633	Oldenkamp	HERMOSA BEACH	CA	\$2,427.50
52	45298237	Burch	MINNETONKA	MN	\$2,446.50
53	45204872	Falcon	HAWTHORNE	CA	\$2,465.50
54	44796971	Doe			\$2,487.50
55	45594342	Caceres	TORRANCE	CA	\$2,493.50
56	46071739	Doe			\$2,510.76
				<b>Total:</b>	<b>\$100,410.16</b>

Date: 11/25/19.

Revenue Services Manager: J. Perry for Cynthia Mickschl

Finance Director: [Signature]

JULY - SEPT 2019

MISCELLANEOUS ACCOUNTS RECEIVABLE

No.	Invoice #	Type	Lastname	City	State	Balance
1	14-00642	FIELD FEES	SOUTH BAY LACROSSE CLUB	MANHATTAN BEACH	CA	\$70.50
2	15-05533	FALSE ALARM	KAISER PERMANENTE	MANHATTAN BEACH	CA	\$190.00
3	16-03880	FIRE PERMIT	BUILD A BETTER WORLD	MANHATTAN BEACH	CA	\$279.00
4	15-05527	FALSE ALARM	AKA WIRELESS INC DBA VICTRA	MANHATTAN BEACH	CA	\$380.00
5	15-05539	COST RECOVERY	DAVID GRADY LARKIN	NEW CANAAN	CT	\$1,156.43
6	15-05538	COST RECOVERY	MATTHEW NATHAN AQUINO	GARDENA	CA	\$1,233.52
7	15-05116	COST RECOVERY	NATALIE R. SANCHEZ	INGLEWOOD	CA	\$1,295.11
8	15-05520	COST RECOVERY	TAIJHAY ARKEEM	LOS ANGELES	CA	\$2,195.91
<b>TOTAL</b>						<b>\$6,800.47</b>

Date: 11/25/19.

Revenue Services Manager: *J. Perry* for Cynthia Mickschl

Finance Director: *[Signature]*

### UTILITY BILLING ACCOUNTS

No.	Account Number	Lastname	City	State	Balance
1	71-0705010-01	BRENT	MANHATTAN BEACH	CA	\$ 51.13
2	28-0117000-14	SIMON	MANHATTAN BEACH	CA	\$ 51.95
3	17-0960000-17	JOHNSON-JONES	MALIBU	CA	\$ 55.33
4	39-0086001-08	FRAHER	LOS ANGELES	CA	\$ 55.63
5	40-0139110-11	SCOLES	SAN DIEGO	CA	\$ 61.52
6	46-0393010-08	GREGORY	MANHATTAN BEACH	CA	\$ 65.58
7	36-0341010-12	MASINO	MANHATTAN BEACH	CA	\$ 72.46
8	44-0870010-11	KALLAHAN MARKETING GROUP INC	MANHATTAN BEACH	CA	\$ 81.72
9	93-0076012-05	WEI	MANHATTAN BEACH	CA	\$ 86.66
10	19-0105021-06	MALIK	LOS ANGELES	CA	\$ 88.85
11	32-0691124-08	CINCA	COCOA BEACH	FL	\$ 93.67
12	73-0977010-07	SALZMAN	MANHATTAN BEACH	CA	\$ 94.66
13	74-1151021-06	SOHEIGAN	MANHATTAN BEACH	CA	\$ 100.52
14	11-1405501-12	SPANOS	MANHATTAN BEACH	CA	\$ 111.41
15	56-0278012-02	TRAVIS	MANHATTAN BEACH	CA	\$ 111.65
16	79-0959027-03	GEBHART	MANHATTAN BEACH	CA	\$ 112.20
17	48-0184023-06	WARD	MANHATTAN BEACH	CA	\$ 121.97
18	22-0457212-09	ZEE-CHENG	ZEELAND	MI	\$ 125.96
19	62-0157010-12	SHERWOOD	MANHATTAN BEACH	CA	\$ 133.94
20	96-0034011-07	TURMAN	MANHATTAN BEACH	CA	\$ 160.92
21	53-0759023-05	KALIL	CHARLOTTE	NC	\$ 180.71
22	62-0015010-09	BIALASZEWSKI	LAS VEGAS	NV	\$ 189.38
23	99-5178002-08	565 SARATOGA SQUARE LLC	MANHATTAN BEACH	CA	\$ 195.48
24	26-1023010-10	WEIR	MANHATTAN BEACH	CA	\$ 203.96
25	87-0054011-07	HERNANDEZ	MANHATTAN BEACH	CA	\$ 225.33
26	71-0700029-09	MCDONALD	REDONDO BEACH	CA	\$ 228.74
27	41-0329500-02	HUSSON	MANHATTAN BEACH	CA	\$ 251.80
28	83-1489011-09	LAUDICINA	AUSTIN	TX	\$ 257.85
29	10-1304502-10	VETTER	MANHATTAN BEACH	CA	\$ 269.06
30	20-0177500-06	FENIMORE	SCOTTSDALE	AZ	\$ 277.34
31	80-1046013-07	OZELL	MANHATTAN BEACH	CA	\$ 279.44
32	87-0104010-06	MARIJANOVIC	NEW YORK	NY	\$ 299.61
33	81-1181060-06	GREEN	MANHATTAN BEACH	CA	\$ 401.49
34	90-0071010-08	VUKOTICH	MANHATTAN BEACH	CA	\$ 424.47
35	35-0216100-05	ALFORD	CALABASAS	CA	\$ 436.34
36	83-1433010-07	ASTROM	MANHATTAN BEACH	CA	\$ 466.41
37	84-1781020-04	MAGLEBY	MANHATTAN BEACH	CA	\$ 540.35
38	59-0692015-20	MELENDEZ	MANHATTAN BEACH	CA	\$ 543.13
39	41-0491032-08	GOMBERT	MANHATTAN BEACH	CA	\$ 704.17
40	78-0740020-08	HITT	MANHATTAN BEACH	CA	\$ 709.59
41	79-0942010-06	ZHANG	GARDENA	CA	\$ 978.65
				<b>TOTAL:</b>	<b>\$ 9,901.03</b>

Date: 11/25/19

Revenue Services Manager: J. Perry for Cynthia Mickschl

Finance Director: [Signature]

**PARKING CITATIONS**

<b>MONTH ENDING</b>	<b>No. OF CITATIONS</b>	<b>AMOUNT</b>	<b>AVG VALUE</b>
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07/31/2019	183	\$ 15,729.00	\$86.00
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08/31/2019	158	\$ 13,797.00	\$87.00
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09/30/2019	147	\$ 13,039.00	\$89.00
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488                      \$ 42,565.00

Date: 11/29/19.

Revenue Services Manager: J. Perry for Cynthia Mickschl

Finance Director: [Signature]



MANHATTAN BEACH

ICS ACCOUNT COLLECTIONS

ID: ACTY

ACCOUNT DT	# ACCTS	AMOUNT DUE	# ICS	AMOUNT PAID ICS	% COLL	CLOSED	AMT CLOSED	AVG VALUE
07/02/2019	16	1,375.00	2	168.00	12%	0	.00	84.00
07/09/2019	101	8,590.00	6	451.00	5%	0	.00	75.16
07/16/2019	25	2,131.00	9	756.00	36%	0	.00	84.00
07/23/2019	22	2,006.00	3	379.00	13%	0	.00	126.33
07/30/2019	19	1,627.00	6	504.00	31%	1	84.00	84.00
08/06/2019	79	6,582.00	9	721.00	11%	0	.00	80.11
08/13/2019	26	2,469.00	8	672.00	30%	0	.00	84.00
08/20/2019	29	2,752.00	6	504.00	20%	0	.00	84.00
08/27/2019	24	1,994.00	9	672.00	37%	0	.00	74.66
09/03/2019	27	2,299.00	4	305.00	14%	0	.00	76.25
09/10/2019	81	7,486.00	8	857.00	9%	0	.00	107.12
09/17/2019	25	2,131.00	4	336.00	16%	0	.00	84.00
09/24/2019	14	1,123.00	2	115.00	14%	0	.00	57.50
10/01/2019	19	1,658.00	3	252.00	15%	0	.00	84.00
10/08/2019	91	7,969.00	10	840.00	10%	0	.00	84.00
10/15/2019	26	1,972.00	4	230.00	15%	0	.00	57.50
10/22/2019	23	1,963.00	3	252.00	13%	0	.00	84.00
10/29/2019	31	2,635.00	1	84.00	3%	0	.00	84.00
11/05/2019	258	22,564.00	3	283.00	1%	0	.00	94.33
11/12/2019	20	1,680.00	0	.00	0%	0	.00	.00
11/19/2019	32	2,688.00	0	.00	0%	0	.00	.00
YR END 6/20:	988	\$85,694.00	100	\$8,381.00	10%	1	\$84.00	\$83.81
ICS SINCE INCEPTION -								
GRAND TOTAL:	44,511	\$3,462,574.25	10,719	\$785,252.33	24%	5,078	\$397,184.00	\$73.25

*Handwritten notes:*  
 183  
 151  
 158  
 13797  
 147  
 13,038