



Agenda Statement

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Title: Approval of Write-Offs of Various City Fees to Be Forwarded to Collections Agency

Sponsors: City Council

Indexes:

Code sections:

Attachments: 1. Q2 2019 Write-Offs

Date	Ver.	Action By	Action	Result
8/20/2019	1	City Council	approved	Pass

ITEM TITLE:

Approval of Write-Offs of Various City Fees to Be Forwarded to Collections Agency

SUBMITTED BY: Brian Carlson, Finance Director

FISCAL NOTES:

Expenditure Required: n/a
Unencumbered Balance: n/a
Funding Source: n/a

RECOMMENDATION:

Authorize write-off of identified delinquent fees exceeding \$500, and forwarding of same to collections agency, pursuant to City Code, 2.20.010 and 2.20.020

SUMMARY STATEMENT:

- The attached lists show various delinquencies for payment of fees. Staff periodically presents this list to council, and will present ongoing delinquency approvals on a quarterly basis.
- The Finance Director is authorized by City Code to write off delinquent accounts less than \$500. Council authorization is required for write-offs exceeding \$500.
- **The agency (Cornerstone) retains 35% of delinquent fees collected.**
- Property tax delinquencies entail a different foreclosure process, which will be presented to Council annually.
- Finance staff recommends that the following items be written off, but NOT sent to collections agency:

- State of Alaska, Dept of Corrections (\$498.09); our contract does not allow for interest charges
- Federal Aviation Commission (\$8.18); our contract does not allow for interest charges
- Valdez Terminal LLC (\$1,553.13); this is a correctly-billed appraisal fee for a transaction that was ultimately not executed. Planning staff has since changed this policy to only bill for these charges for executed transactions.
- US Coast Guard (\$560.66); Finance and Port staff are unable to reconcile this old balance following the billing software conversion. All other USCG accounts are in good standing.
- Traffic, Port, and Harbor write-offs are more numerous than usual owing to a longer interval since the last compiled list (early 2018). This resulted from a combination of staff turnover, software conversions, and ransomware. Staff anticipates a regular quarterly presentation of write-offs going forward.

City Code Excerpts:

2.20.010 The City Finance Director shall:

1. Diligently collect all money due the city and shall maintain records as necessary to pursue the collection of delinquent accounts and shall act under such laws or ordinances as now or hereafter exist delegating collection authority to the city's fiscal agent. The city finance director shall pursue the object of this subsection with impartiality and dispatch.

2.20.020 The Finance Director shall:

1. Have authority to write off, compromise, or correct, from time to time, such unpaid and outstanding accounts receivable, taxes, and delinquent checks, as may be in dispute, uncollectible, or uneconomical to pursue. When a single write-off, compromise, or correction involves an amount in excess of five hundred dollars, it shall require the approval of the city council. A single write-off larger than five hundred dollars shall not be arbitrarily divided to avoid council approval thereof. A listing of all accounts written off will be provided to the council along with the regular financial reports provided by administration.