





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:** July 3, 2013

**SUBJECT:** Consideration of Bad Debt Write-Off's for Referral to Collections from January 1, 2013 through March 31, 2013

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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 uncollectable 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 January 1, 2013 through March 31, 2013

- Ambulance Billing: \$20,599.25 (January 1, 2013 to March 31, 2013)
- Utility Billing: \$ 4,013.45 (January 1, 2013 to March 31, 2013)
- Miscellaneous A/R \$ 3,633.71 (January 1, 2013 to March 31, 2013)

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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 January 1, 2013 through March 31, 2013.



# Memorandum

## City of Manhattan Beach

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

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

**DATE:** May 29, 2013

**SUBJECT:** Write-Offs for Ambulance Billing, Utility Billings and Miscellaneous Accounts Receivables – Covering Period: January 1, 2013 – March 31, 2013

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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 January 1, 2013 to March 31, 2013

|                                     | <u>Dollar Amount</u> | <u>Number of Accounts</u> |
|-------------------------------------|----------------------|---------------------------|
| - Ambulance Billing:                | \$ 20,599.25         | 12                        |
| - Miscellaneous Accounts Receivable | \$ 3,633.71          | 7                         |
| - Utility Billing (water & refuse)  | \$ 4,013.45          | 20                        |

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         | PHONE NUMBER |
|----------|--------|------------|--------------------|-----------------|---------------|------------------|------------------|------------------------------|--------------------|---------------------------|--------------|
| 15-02886 | 000808 | 9/13/2012  | \$ 855.00          | ✓               | ✓             | ✓                | ✓                | ✓                            | False Alarm        | Steven A. Thorpe          | 310-374-5344 |
| 15-02931 | 005481 | 10/19/2012 | \$ 190.00          | ✓               | ✓             | ✓                | ✓                | ✓                            | False Alarm        | <b>LEVEL ID</b>           | 310-279-7888 |
| 15-02902 | 005800 | 9/14/2012  | \$ 190.00          | ✓               | ✓             | ✓                | ✓                | ✓                            | False Alarm        | Lauren Schwake            |              |
| 16-02244 | 005903 | 7/13/2012  | \$ 215.00          | ✓               | ✓             | ✓                | ✓                | ✓                            | Fire Dept. Permit  | Central Productions       | 212-258-6000 |
| 15-02913 | 005956 | 10/12/2012 | \$ 568.93          | ✓               | ✓             | ✓                | ✓                | ✓                            | P.D. Cost Recovery | Stephanie Danielle Romero | 310-598-8521 |
| 15-02934 | 005961 | 10/30/2012 | \$ 497.81          | ✓               | ✓             | ✓                | ✓                | ✓                            | P.D. Cost Recovery | Henry Mendoza             | 323-403-7563 |
| 15-02935 | 005976 | 11/16/2012 | \$ 1,116.97        | ✓               | ✓             | ✓                | ✓                | ✓                            | P.D. Cost Recovery | Michael Anthony Delao     | 310-908-6683 |
|          |        |            | <b>\$ 3,633.71</b> |                 |               |                  |                  |                              |                    |                           |              |

Date: 5/30/13



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

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

| City of Manhattan Beach - Finance Department |             | Ambulance Bad Debt Collections |            |            |         |              |                 |       |          |        |       |
|--|-------------|--------------------------------|------------|------------|---------|--------------|-----------------|-------|----------|--------|-------|
| #  | Last Name   | First Name                     | Trip Date  | CMB        | Balance | Street       | City            | State | Zip Code | D.O.B. |       |
|  |             |                                |            | BATCH DATE |         |              |                 |       |          |        | Run # |
| 1  | AGUILAR     | JOSH                           | 7/19/2012  | 12226045   | 121763  | \$ 1,734.25  | TORRANCE        | CA    | 90504    |        |       |
| 2  | BREWER      | VIRGINIA                       | 7/17/2012  | 12212397   | 121756  | \$ 1,734.25  | MANHATTAN BEACH | CA    | 90266    |        |       |
| 3  | CARDENAS    | CHRITSIN                       | 9/14/2012  | 12288334   | 122243  | \$ 1,913.25  | MANHATTAN BEACH | CA    | 90266    |        |       |
| 4  | COLE        | JACQUELINE                     | 7/21/2012  | 12226136   | 121789  | \$ 1,768.25  | LOS ANGELES     | CA    | 90002    |        |       |
| 5  | HANSBOROUGH | LATHELL                        | 8/25/2012  | 12282871   | 122070  | \$ 1,806.75  | MANHATTAN BEACH | CA    | 90266    |        |       |
| 6  | MAKABROU    | PHILLIP                        | 6/9/2012   | 12174160   | 121383  | \$ 1,583.25  | MANHATTAN BEACH | CA    | 90266    |        |       |
| 7  | ROCHA       | JACQUELYN                      | 11/27/2010 | 10317773   | 102796  | \$ 1,024.00  | HERMOSA BEACH   | CA    | 90254    |        |       |
| 8  | SANTOS      | ANTHONY                        | 7/4/2012   | 12209146   | 121612  | \$ 1,910.25  | STEVENSON RANCH | CA    | 91381    |        |       |
| 9  | STAINASLE   | MARK                           | 9/15/2012  | 12288337   | 122254  | \$ 1,913.25  | MANHATTAN BEACH | CA    | 90266    |        |       |
| 10   | TAKAHASHI   | YUKKIHIRO                      | 4/7/2012   | 12107288   | 120801  | \$ 1,697.00  | LOS ANGELES     | CA    | 90057    |        |       |
| 11   | PYLE        | CHRISTOPHER                    | 6/4/2012   | 12185369   | 121423  | \$ 1,671.00  | REDONDO BEACH   | CA    | 90277    |        |       |
| 12   | SEPULVEDA   | VICTOR                         | 11/24/2011 | 11328450   | 112825  | \$ 1,843.75  | DOWNEY          | CA    | 90242    |        |       |
|  |             |                                |            |            |         | \$ 20,599.25 |                 |       |          |        |       |

Date: 5/30/13



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

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

| Account #     | Account Status | Primary Cust Name         | Prime Location Address | Main Address | City            | State | Zip Code   | Prime Customer Phone | Closed Date | Customer balance due |
|---------------|----------------|---------------------------|------------------------|--------------|-----------------|-------|------------|----------------------|-------------|----------------------|
| 20-0250113-02 | c              | DOW, MICHAEL              |                        |              | MANHATTAN BEACH | CA    | 90286      |                      | 12/15/2012  | 188.62               |
| 85-2038133-07 | c              | MENGUAL-PREDO, ROSA       |                        |              | WINDERMERE      | FL    | 34786      |                      | 1/15/2013   | 200.19               |
| 33-0046300-01 | c              | WAGNER, MARY F            |                        |              | MANHATTAN BEACH | CA    | 90286      |                      | 2/4/2013    | 136.02               |
| 84-1803010-07 | c              | FIVE STAR INDUSTRY        |                        |              | MANHATTAN BEACH | CA    | 90286-6107 |                      | 12/21/2012  | 379.92               |
| 75-0109067-08 | c              | KENNERSON, ALBERT         |                        |              | MANHATTAN BEACH | CA    | 90286-7160 |                      | 12/22/2013  | 189.25               |
| 75-0316012-05 | c              | CARELLA, STEFANO          |                        |              | MANHATTAN BEACH | CA    | 90286-7144 |                      | 1/9/2013    | 200.31               |
| 95-0173014-07 | c              | WIBLE, VICKI              |                        |              | MANHATTAN BEACH | CA    | 90286      |                      | 12/17/2012  | 100.12               |
| 97-0047012-11 | c              | BREAU, FELICIA            |                        |              | NEWHALL         | CA    | 91321      |                      | 1/30/2013   | 120.99               |
| 79-0896011-03 | c              | MARINO, ANTHONY           |                        |              | AUSTIN          | TX    | 78759-7029 |                      | 1/9/2013    | 1047.54              |
| 18-0220020-17 | c              | AUSTRIA, JEROME           |                        |              | MANHATTAN BEACH | CA    | 90286      |                      | 2/12/2013   | 87.18                |
| 48-0119020-07 | g              | CHABRIA, RAJU             |                        |              | MANHATTAN BEACH | CA    | 90286-6977 |                      | 2/12/2013   | 136.94               |
| 22-0414076-10 | g              | SHEPUT-GONZALEZ, EVELYN   |                        |              | IRVINE          | CA    | 92606      |                      | 12/3/2012   | 142.01               |
| 18-0140001-04 | c              | DECKER, JENNIFER          |                        |              | LOS ANGELES     | CA    | 90046      |                      | 12/5/2012   | 244.23               |
| 37-0478022-17 | c              | DUNNE, LISA               |                        |              | MANHATTAN BEACH | CA    | 90286      |                      | 12/13/2012  | 110.13               |
| 44-0872027-07 | c              | FRIEDERICH, ROLANDLEONA   |                        |              | KENT            | WA    | 98032      |                      | 12/31/2012  | 98.78                |
| 58-0536010-11 | c              | CANCELLIERI, MARISSA      |                        |              | REDONDO BEACH   | CA    | 90277      |                      | 2/25/2013   | 170.59               |
| 58-0566024-00 | c              | GERMAN, JENNIFER          |                        |              | MANHATTAN BEACH | CA    | 90286      |                      | 12/23/2012  | 111.66               |
| 58-0628019-06 | c              | VAN DESTOEP, EMILY        |                        |              | MANHATTAN BEACH | CA    | 90286-3916 |                      | 2/19/2013   | 112.44               |
| 24-0791076-16 | c              | SUN, LESLIE               |                        |              | NORTHRIE        | CA    | 91324      |                      | 1/3/2013    | 185.41               |
| 46-0187010-04 | c              | JUPISZEWSKI, KORY         |                        |              | MANHATTAN BEACH | CA    | 90286      |                      | 1/15/2013   | 40.12                |
| 29            |                | JAN - MAR 2013 COLLECTION |                        |              |                 |       |            |                      |             | 4913.45              |

Date: 5/30/13



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

Finance Manager: \_\_\_\_\_