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City of Las Cruces[®]
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Council Action and Executive Summary

Item # 14 Ordinance/Resolution# 11-250

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of June 20, 2011
 (Adoption Date)

TITLE: A RESOLUTION AUTHORIZING THE WRITE-OFF OF UNCOLLECTIBLE MISCELLANEOUS ACCOUNTS RECEIVABLE FROM CALENDAR YEARS 2002 THROUGH 2006 IN THE AMOUNT OF \$118,605.93.

PURPOSE(S) OF ACTION:

To authorize the write-off of uncollected miscellaneous accounts receivable that are over four years old.

COUNCIL DISTRICT: N/A		
<u>Drafter/Staff Contact:</u> Paul Edwards	<u>Department/Section:</u> Finance/Treasury	<u>Phone:</u> 541-2091
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

Cities and other organizations typically "write-off" old accounts receivable (A/R) after all reasonable collection efforts have failed to collect the balance due. This practice accomplishes two primary purposes: a) reflect a truer picture of outstanding A/R in financial reports; and b) allows staff to focus their efforts on more recent bills where the probability of collecting is much higher.

New Mexico Statute, Section 3-37-7 NMSA 1978, authorizes the City Council, by resolution, to remove unsecured accounts that have been uncollectible for more than four years from the City's list of accounts receivable. See Attachment A for the specific conditions. The accounts listed are bills that have been sent to a collection agency or are uncollectible because the customer has filed for bankruptcy. The removal process does not extinguish a customer's debt owed to the City, and the City may proceed to collect the amount owed after it has been written off for accounting purposes, unless it has been discharged in bankruptcy.

A write-off of accounts receivable has no effect on revenues, expenses, or net assets.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", List of miscellaneous accounts receivable eligible for write-off.
3. Attachment "A", Section 3-37-7 NMSA 1978.

(Continue on additional sheets as required)

SOURCE OF FUNDING:

Is this action already budgeted? N/A		
	Yes	<input type="checkbox"/> See fund summary below
	No	<input type="checkbox"/> If No, then check one below:
		<input type="checkbox"/> Expense reallocated from: _____
		<input type="checkbox"/> Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/> Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue? N/A		
	Yes	<input type="checkbox"/> Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____.
	No	<input type="checkbox"/> There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will authorize staff to write off all uncollected bills listed in Exhibit A.
2. Vote "No"; this will continue to include bills on this list in gross accounts receivable for financial reporting and collection purposes.
3. Vote to "Amend"; this could exclude certain bills or groups of bills listed in Exhibit A from the write-off authorization.
4. Vote to "Table"; this would delay any write-offs until a future fiscal year.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

N/A

(Continue on additional sheets as required)

RESOLUTION NO. 11-250**A RESOLUTION AUTHORIZING THE WRITE-OFF OF UNCOLLECTIBLE MISCELLANEOUS ACCOUNTS RECEIVABLE FROM CALENDAR YEARS 2002 THROUGH 2006 IN THE AMOUNT OF \$118,605.93.**

The City Council is informed that:

WHEREAS, the City has uncollectible miscellaneous accounts receivable totaling \$118,605.93 from calendar years 2002, 2003, 2004, 2005, and 2006, listed and attached hereto as Exhibit "A"; and

WHEREAS, the uncollectible amounts consist primarily of charges for landfill, bulk water, utility line damages and extensions, and traffic accident damages; and

WHEREAS, City staff has made every reasonable effort to collect these accounts including, but not limited to, turning the accounts over to a collection agency; and

WHEREAS, these accounts have been uncollectible for a period of more than four (4) years; and

WHEREAS, it is the opinion of the City's Director of Financial Services that these accounts are uncollectible; and

WHEREAS, New Mexico Statute, Section 3-37-7 NMSA 1978 grants the City Council authority to remove such accounts from the City's list of accounts receivable; and

WHEREAS, New Mexico Constitution, Article IV, Section 32 prohibits the extinguishment of amounts owed to the City except by payment or by proper proceeding in court, and they may continue to be collected after they have been written off.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the uncollectible miscellaneous accounts receivable from calendar years 2002, 2003, 2004, 2005, and 2006, listed in Exhibit "A" attached hereto and made a part hereof, totaling \$118,605.93, be removed from the City's list of accounts receivable.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this ____ day of _____, 2011.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

VOTE:

Mayor Miyagishima:	_____
Councillor Silva:	_____
Councillor Connor:	_____
Councillor Pedroza:	_____
Councillor Small:	_____
Councillor Sorg:	_____
Councillor Thomas:	_____

APPROVED AS TO FORM:


City Attorney

<u>Bill</u>	<u>Account</u>	<u>Customer</u>	<u>Unpaid Bal</u>
4760	54	BUSTAMANTE, RIC	1,568.12
4762	56	TORRES, MICHAEL	1,814.66
5196	1011	MDH BUILDERS, I	25.33
5365	1011	MDH BUILDERS, I	17.82
118	1503	GRACE T. LACHAP	346.55
144	4562	DRAKE CONTRACTO	6.53
148	4574	INTERNATIONAL S	0.47
149	4576	UTILITY GENERAL	4,924.86
155	4586	CASA DE COLORES	120.56
157	4588	TITAN COMMUNICA	4,111.43
161	4610	SPREADER SERVIC	16.53
176	5020	CHAVA TRUCKING	322.24
177	5035	ARMANDO SANDOVA	130.00
181	5459	HERNANDEZ FENCI	934.93
187	5525	TLD ELECTRIC	174.66
191	5538	ENRIQUEZ MARIA	239.26
194	5563	FUENTES VIRGINI	582.00
198	5605	CARTER, STEVE	582.00
199	5608	YBARRA, LISA	167.38
200	5610	ROMERO, MR. ALB	687.98
201	5614	SCHOEPPNER STEV	130.00
206	5656	HINES CONSTRUCT	170.00
209	5665	ORDONEZ CONSTRU	130.00
210	5666	HILLISTER BYRON	10.00
215	5725	ORTIZ CONSTRUCT	131.92
221	5755	BELLA FINO	100.00
251	5914	PALMER THE PLUM	102.41
252	5920	CASA DE COLORES	180.49
254	5923	CHAVEZ DALE	140.92
258	5930	MADRID, MANUELA	52.28
4348	5934	DE LA O, DANIEL	90.12
4371	5938	MARY ANN, PORTI	56.31
4365	5941	RUIZ, RAQUEL	151.99
261	6193	BRUNSON RAY DBA	3.09
265	6867	GENESIS CONSTRU	678.00
267	8022	RAMOS MANNY	17.94
5635	11278	F AND F ENTERPR	16.73
283	12323	RONNIE'S CONCRE	750.63
305	12403	AGUERO PEDRO	3.00
310	12409	THREE AMIGOS CL	4.60
312	12413	SCENIC VIEW LAN	16.34
314	12423	A AND M LANDSCA	148.12
317	12432	INDEPENDENCE GE	2.72
321	12443	FLORES RICK	3.50
322	12445	CARLOS'S HOME I	3.50
323	12447	CREATIVE STONE	15.33
327	12469	SOUTHWEST LANDS	53.15
328	12484	PRIMAVERA LANDS	32.32
330	12487	DOMINGUEZ, JESS	19.16
338	12510	VALENZ LANDSCAP	6.66
339	12511	RAY'S SERVICES	16.29
346	12527	NICKOLAS ENVIRO	9,872.20

<u>Bill</u>	<u>Account</u>	<u>Customer</u>	<u>Unpaid Bal</u>
347	12528	BAEZA ROGELIO R	32.86
350	12544	MONTES DANIEL	57.29
351	12546	LANDMARK HOMES	76.44
353	12551	PADILLA AMADA	83.64
356	12563	JUNIOR'S LANDSC	42.34
358	12586	VALENZUELA JUAN	5.19
367	12618	GENUINE LANDSCA	47.02
370	12622	ACOSTA'S ROCK W	7.35
371	12623	MEDINA, RAY	3.68
385	12641	RON TREVINO LAN	3.68
4135	12641	RON TREVINO LAN	11.03
5090	12652	S AND J LANDSCA	16.58
5659	12662	DANNY NUNEZ CON	29.01
5663	12673	GRIZZLY LANDSCA	89.39
386	15000	AL'S PLUMBING	759.51
4978	15029	DANNY NUNEZ CON	247.22
4380	299996	CASARES, ALBERT	540.56
401	300502	MANDR BUILDERS	42.60
403	300506	GUILLEN CONSTRU	329.09
405	300513	BAUER CONSTRUCT	63.98
410	400001	ANDERSON PATRIC	128.54
411	400002	ARVIZU NEO	128.54
412	400003	ASTORGA PAUL	8,494.40
416	400014	CORSE MICHAEL J	257.04
418	400018	ESPINOZA OBEO	87.95
419	400019	FAJARDO DANIEL	461.15
420	400021	GANDARA LUIS	1,481.65
421	400023	GARCIA NICOLE	233.66
422	400026	GOMEZ TERESA	128.54
423	400029	HARGRAVES MABLE	226.12
424	400030	HOFFMAN DON	764.47
425	400031	JIMENEZ DANIEL	257.04
426	400033	KNOCH CHARLES	407.19
427	400035	LOPEZ MICHELLE	176.61
428	400039	MOLINA DANIEL	158.22
429	400040	MORRIS MARK	209.85
430	400044	ROBLES PATSY	128.54
431	400045	ROSALES LAURA	257.04
432	400046	RAMOS JAVIER	257.04
433	400048	SPEER JOHN	0.90
434	400049	SMITH EDWARD HO	480.84
435	400052	TARIN RUDULFO	8,668.73
436	400054	VILLAGRANA DAVI	257.04
437	400055	BAR-ANN TRUCKIN	100.48
438	400057	HERRERA DAVID L	122.93
439	400058	MORENO BUENAVEN	257.04
440	400061	ESQUIVEL CLAUDI	130.99
441	400062	DAY MICHAEL	73.37
442	400063	JACQUEZ RYAN	73.37
444	400070	RICKY FLORES	63.80
445	400071	VALERIE SHOWERS	127.60
446	400072	JESUS CANO	127.60

<u>Bill</u>	<u>Account</u>	<u>Customer</u>	<u>Unpaid Bal</u>
447	400079	ARROYOS SINAY A	179.70
448	400083	GALINDO JOHN	2,204.43
449	400084	AFFORDABLE PLUM	805.03
452	400093	VIRGINIA RIOS	118.42
453	400098	CHAVEZ CLAUDIA	2,029.64
454	400099	WYNNETT LOVATO	125.90
455	400100	ISMAEL VAZQUEZ	125.90
456	400103	JOSEPH ALVAREZ	125.90
457	400105	ARMANDO BENAVID	41.54
458	400107	JOEL LOPEZ	2,138.13
459	400108	MIGUEL MARTINEZ	176.27
3842	400108	MIGUEL MARTINEZ	1,238.56
460	400109	MANUEL M PADILL	2,457.11
461	400110	BRYSON GROVER	2,318.91
462	400111	ALFONSO CORDERO	2,003.71
463	400130	MCQUEEN CRAIG	478.37
465	400136	ROBERT COLEMAN	221.49
466	400138	CARL BENGE	4,295.67
467	400143	ANDY B. NEVAREZ	126.83
468	400146	JOSEPH RONY	126.83
469	400147	TIM PARRA	126.83
470	400148	KATE WILLIAMS	126.83
471	400149	ADAM SANCHEZ	126.83
472	400150	MARGARET QUIROG	128.81
473	400157	ISABEL ARAGON	126.83
474	400160	MANUEL M GONZAL	2,241.49
475	400162	CAROL M. GALLEG	547.90
476	400163	HENRY GARCIA	1,574.25
477	400165	EDUARDO SAENZ	3,261.18
478	400166	ERIC AGUIRRE	125.45
479	400169	DAVID AQUERO	125.90
480	400171	MARIO OROS	62.95
483	400175	ALICIA OROZCO	126.74
484	400177	RAMON ERMOSILLO	52.66
485	400178	KRISTINA CRUZ	125.90
486	400179	ANGEL SOLIS	62.95
487	400183	CHRISTOPHER LAM	125.90
488	400185	VINCENT LANCE C	125.90
489	400187	CHARLES ROBINSO	125.90
490	400188	SOCORRO MONTELO	125.90
491	400193	CARLA CASTILLO	62.95
492	400194	HELEN GARCIA	62.95
493	400195	CHRISTIAN J RAM	377.06
494	400196	JOSE GUILLEN	1,281.74
495	400199	WILL H WALLACE	127.58
497	400208	JOSEPH A. RODRI	127.91
498	400210	ANTHONY GARCIA	63.62
499	400211	CARMEN A. CLARK	63.62
500	400213	IRENE ORTEGA	127.28
501	400216	JACQUELINE TELL	127.61
502	400217	ARIANE HUENS	127.94
503	400218	ROBERT ROMERO	127.94

<u>Bill</u>	<u>Account</u>	<u>Customer</u>	<u>Unpaid Bal</u>
504	400219	MILLIORN, MCCUL	250.00
505	400220	FIDEL RAEL	1,009.68
506	400223	BENNY MENDOZA	127.64
507	400227	MARIA GALLEGOS	63.63
508	400232	CHRISTINA MENDE	126.65
510	400236	GONZALES LETICI	1,593.41
512	400278	MONTANEZ JESUS	5,365.13
513	400281	KIMBERLY FIGGS	1,701.55
515	400285	ANGON ISELA	126.32
516	400286	PRICE DAVID	126.32
517	400289	GRANADOS BRENDA	126.32
518	400290	PACO PEREZ	640.24
520	400298	ALDAS JOSE T.	125.99
521	400303	CAMPEAN, MIGUEL	125.66
522	400304	MONTOYA MARIA D	25.93
523	400308	LEONDRO PEREZ	1,925.23
526	400316	MARTINEZ JUAN	126.32
528	400318	PARKS LAWRENCE	125.99
529	400319	WOOLAVER BARRY	125.99
530	400321	RODRIGUEZ JOSE	125.99
536	400330	DUSTIN MOORE	125.66
540	400339	CORDERO, MARIA	115.00
541	400340	MENDOZA, IRENE	125.33
544	400345	MENDEZ, ANTONIO	125.00
545	400346	BAQUERA, RAMON	125.00
549	400350	MARTIN S. OCHOA	1,917.22
551	400352	VELEZ, SAUL	125.00
5033	400355	FANG, SHIH-JUNG	125.00
557	500031	MICHAEL ROMERO	63.41
558	500032	FRANK CHAVEZ	126.84
559	500036	OLIVIA INGALLS(126.36
561	500049	MARIA RODRIGUEZ	63.41
563	500211	UTILITY GENERAL	30.95
566	500234	STELLA RIVAS	14.91
568	500241	ETHEL BAILEY	14.91
569	500243	LA UNION STATIO	77.71
573	500335	WAY OUT WEST	476.00
645	701365	LUJAN LISA	107.65
70139003	701390	CAMPBELL WILLIA	25.00
652	701391	DELGADO, JESUS	423.81
675	701500	BROWN, GARRY	188.68
722	850000	JUAN SAENZ	621.19
723	850001	FRANK HOLGUIN	8,093.17
724	850004	HERRERA ELIZABE	435.74
725	850007	ROBERTSON JEFFE	160.00
841	950019	N W TREE ARB	4.41
843	950026	FRANK'S CLEANIN	151.41
844	950027	LAS CRUCES TREE	20.88
846	950030	SUNSHINE LANDSC	68.88
Total			118,605.93

NMSA 1978**3-37-7. Determination of uncollectable account; removal from accounts receivable.**

If the finance officer of a municipality states:

- A. the manner in which a utility account or any unsecured account has been incurred;
 - B. the efforts made to collect the utility account or unsecured account and to locate the debtor;
 - C. that the utility account or unsecured account has been uncollectable for a period of more than four years; and
 - D. that in his opinion the utility account or unsecured account is uncollectable,
- the governing body of a municipality may, by resolution, remove the uncollectable utility account or unsecured account from the list of accounts receivable of the municipality.