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City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 3 Ordinance/Resolution# 13-164

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of June 17, 2013
 (Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION AUTHORIZING THE WRITE-OFF OF UNCOLLECTIBLE MISCELLANEOUS ACCOUNTS RECEIVABLE FROM FISCAL YEARS 2007 AND 2008 IN THE AMOUNT OF \$57,307.24.

PURPOSE(S) OF ACTION:

Authorize the write-off of uncollected accounts receivable.

| | | |
|--|---|----------------------------------|
| 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:

The City has uncollected general billing invoices from 1/1/2007 to 6/30/2008. They consist primarily of charges for traffic accident damages and utility line damages. Staff has made every reasonable effort to collect the balance due. A write-off 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.

(Continue on additional sheets as required)

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

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. 13-164**A RESOLUTION AUTHORIZING THE WRITE-OFF OF UNCOLLECTIBLE MISCELLANEOUS ACCOUNTS RECEIVABLE FROM FISCAL YEARS 2007 AND 2008 IN THE AMOUNT OF \$57,307.24.**

The City Council is informed that:

WHEREAS, the City has uncollectible miscellaneous accounts receivable totaling \$57,307.24 from fiscal years 2007 and 2008, listed and attached hereto as Exhibit "A";
and

WHEREAS, the uncollectible amounts consist primarily of charges for traffic accident damages and utility line 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 fiscal years 2007 and 2008, listed in Exhibit "A", attached hereto and made a part of this resolution, totaling \$57,307.24, 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 _____, 2013.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

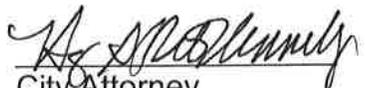
Moved by: _____

Seconded by: _____

VOTE:

- Mayor Miyagishima: _____
- Councillor Silva: _____
- Councillor Smith: _____
- Councillor Pedroza: _____
- Councillor Small: _____
- Councillor Sorg: _____
- Councillor Thomas: _____

APPROVED AS TO FORM:



City Attorney

| <u>Year</u> | <u>Bill</u> | <u>Account</u> | <u>Customer</u> | <u>Unpaid Bal</u> |
|-------------|-------------|----------------|-----------------|-------------------|
| 2007 | 5818 | 5947 | ABBOTT, EVA | 161.96 |
| 2007 | 6011 | 12498 | BARBED WIRE TRA | 3.68 |
| 2007 | 6630 | 701617 | BERESFORD, TIM | 229.00 |
| 2007 | 400360 | 78 | CASTANEDA, ROSE | 100.00 |
| 2007 | 6763 | 950047 | CRAIG BENAVIDEZ | 15.33 |
| 2007 | 7059 | 950047 | CRAIG BENAVIDEZ | 71.40 |
| 2007 | 7426 | 950047 | CRAIG BENAVIDEZ | 78.71 |
| 2007 | 5819 | 5948 | ESCALANTE, JERR | 114.89 |
| 2007 | 7033 | 12704 | FERRALES LANDSC | 3.68 |
| 2007 | 6641 | 5954 | FERRALEZ, ROBER | 278.87 |
| 2007 | 7369 | 12410 | GONZALES JESSIE | 29.15 |
| 2007 | 6025 | 12673 | GRIZZLY LANDSCA | 31.80 |
| 2007 | 6957 | 299894 | HERRERA, KRISTI | 140.62 |
| 2007 | 7403 | 12715 | HINKLE CONSTRUC | 218.34 |
| 2007 | 6666 | 20962 | HINKLE, BOYD CO | 102.84 |
| 2007 | 7024 | 12649 | INSPIRATION SCA | 19.70 |
| 2007 | 6169 | 12675 | JUAN MENDOZA E. | 14.81 |
| 2007 | 6026 | 12675 | JUAN, MENDOZA E | 3.68 |
| 2007 | 6915 | 299893 | MADRID, MARTIN | 1,897.22 |
| 2007 | 6638 | 5953 | MANUEL, CASILLA | 168.51 |
| 2007 | 400357 | 75 | NEVAREZ, MARK | 125.00 |
| 2007 | 6740 | 12694 | RICHARD MURILLO | 211.83 |
| 2007 | 7387 | 12564 | SOUTHWEST INFIN | 35.92 |
| 2007 | 5945 | 4533 | TEXAS CIMMARON | 16.32 |
| 2007 | 6444 | 4533 | TEXAS CIMMARON | 16.32 |
| 2007 | 6791 | 4588 | TITAN COMMUNICA | 22.33 |
| 2008 | 8870 | 4505 | ALY CONSTRUCTIO | 55.36 |
| 2008 | 9148 | 4505 | ALY CONSTRUCTIO | 16.32 |
| 2008 | 9623 | 4505 | ALY CONSTRUCTIO | 16.32 |
| 2008 | 9757 | 4505 | ALY CONSTRUCTIO | 16.32 |
| 2008 | 9061 | 12363 | ARMARC LANDSCAP | 27.16 |
| 2008 | 7701 | 950047 | BENAVIDEZ CRAIG | 35.70 |
| 2008 | 8124 | 950047 | BENAVIDEZ CRAIG | 62.58 |
| 2008 | 8269 | 4510 | BLACK MOUNTAIN | 17.82 |
| 2008 | 8872 | 4510 | BLACK MOUNTAIN | 17.82 |
| 2008 | 9625 | 4510 | BLACK MOUNTAIN | 16.32 |
| 2008 | 9759 | 4510 | BLACK MOUNTAIN | 16.32 |
| 2008 | 10480 | 5970 | BRAINARD, DAVID | 145.71 |
| 2008 | 9705 | 299872 | CANTU, KRISTINE | 36.63 |
| 2008 | 7903 | 117 | CHULA VISTA BUI | 3,567.53 |
| 2008 | 7649 | 12467 | CONTRERAS TILE | 14.74 |
| 2008 | 9739 | 253 | CUNNINGHAM, BRI | 125.00 |
| 2008 | 10483 | 5971 | DANIEL FERNANDE | 249.91 |
| 2008 | 9596 | 183 | DELAO, DANIEL | 4,919.49 |
| 2008 | 9594 | 181 | DELAROSARIO, MA | 1,330.03 |
| 2008 | 10225 | 15101 | DELGADILLO, OMA | 395.27 |
| 2008 | 9153 | 4537 | DOUBLE K EXCAVA | 16.32 |
| 2008 | 10506 | 4537 | DOUBLE K EXCAVA | 25.33 |
| 2008 | 9589 | 177 | DURAN, RAYMOND | 245.04 |
| 2008 | 7908 | 86 | ESPARZA, LUZ | 50.76 |
| 2008 | 9946 | 474 | FERGUSON, LEE | 2,208.15 |
| 2008 | 8849 | 5967 | FLORES, DENNIS | 290.57 |
| 2008 | 10174 | 12739 | FOUR LEAF CONST | 11.01 |
| 2008 | 8840 | 4035 | FRANK'S EXCAVAT | 1,685.30 |

CLC Accounts Receivable Eligible for Write-off 3/1/2007 - 6/30/2008

| <u>Year</u> | <u>Bill</u> | <u>Account</u> | <u>Customer</u> | <u>Unpaid Bal</u> |
|-------------|-------------|----------------|-----------------|-------------------|
| 2008 | 9047 | 4035 | FRANK'S EXCAVAT | 3.68 |
| 2008 | 10876 | 12558 | GARCIA LANDSCAP | 3.67 |
| 2008 | 7592 | 111 | GARCIA, MATTHEW | 1,444.78 |
| 2008 | 9970 | 299900 | GENTILE, GINA A | 84.06 |
| 2008 | 29990006 | 299900 | GENTILE, GINA A | 10.00 |
| 2008 | 29990007 | 299900 | GENTILE, GINA A | 10.00 |
| 2008 | 29990008 | 299900 | GENTILE, GINA A | 10.00 |
| 2008 | 29990009 | 299900 | GENTILE, GINA A | 10.00 |
| 2008 | 29990011 | 299900 | GENTILE, GINA A | 10.00 |
| 2008 | 29990012 | 299900 | GENTILE, GINA A | 10.00 |
| 2008 | 29990013 | 299900 | GENTILE, GINA A | 10.00 |
| 2008 | 29990014 | 299900 | GENTILE, GINA A | 10.00 |
| 2008 | 9977 | 5969 | GOMEZ, GREGORIO | 47.43 |
| 2008 | 7645 | 12410 | GONZALES JESSIE | 6.80 |
| 2008 | 10933 | 12265 | GRECO ENTERPRIS | 16.32 |
| 2008 | 9740 | 254 | HERNANDEZ, ANNE | 125.00 |
| 2008 | 7577 | 20962 | HINKLE, BOYD CO | 107.12 |
| 2008 | 8245 | 20962 | HINKLE, BOYD CO | 32.14 |
| 2008 | 8815 | 20962 | HINKLE, BOYD CO | 128.55 |
| 2008 | 9128 | 20962 | HINKLE, BOYD CO | 32.14 |
| 2008 | 8498 | 135 | HOHNSTREITER, M | 106.20 |
| 2008 | 8499 | 136 | JACKSON, TIM | 1,910.02 |
| 2008 | 8186 | 12723 | JENNINGS ASPHAL | 51.20 |
| 2008 | 8643 | 12428 | JOBSITE CLEANIN | 17.39 |
| 2008 | 9070 | 12428 | JOBSITE CLEANIN | 15.37 |
| 2008 | 10665 | 12593 | L C EARTHWORKS | 34.18 |
| 2008 | 8552 | 5911 | LANDCORE DEVELO | 42.85 |
| 2008 | 7898 | 116 | LORD, JOHN | 1,749.90 |
| 2008 | 9380 | 5960 | LUCERO, DANIEL | 341.40 |
| 2008 | 7574 | 5961 | M AND M CONSTRU | 167.67 |
| 2008 | 8249 | 5961 | M AND M CONSTRU | 37.49 |
| 2008 | 9421 | 5961 | M AND M CONSTRU | 610.61 |
| 2008 | 9817 | 12497 | M AND M LANDSCA | 47.94 |
| 2008 | 10156 | 12497 | M AND M LANDSCA | 56.46 |
| 2008 | 10278 | 12497 | M AND M LANDSCA | 52.38 |
| 2008 | 9713 | 192 | MARQUERA, MIGUE | 10,725.00 |
| 2008 | 7582 | 400364 | MOLINA, ANDRES | 1,129.80 |
| 2008 | 9087 | 12735 | MOUNTAIN VIEW C | 16.54 |
| 2008 | 8819 | 153 | NATHAN RYAN GON | 4,026.05 |
| 2008 | 9590 | 178 | PADILLA, VIRGIN | 2,242.00 |
| 2008 | 7638 | 12311 | PARADISE VIEW C | 7.32 |
| 2008 | 8151 | 12311 | PARADISE VIEW C | 22.12 |
| 2008 | 8634 | 12311 | PARADISE VIEW C | 10.04 |
| 2008 | 9595 | 182 | PINO, NANCY | 2,782.04 |
| 2008 | 9737 | 251 | RAMIREZ, GUADAL | 125.00 |
| 2008 | 10468 | 850014 | SALAS, GABRIEL | 181.68 |
| 2008 | 7657 | 12564 | SOUTHWEST INFIN | 5.07 |
| 2008 | 10745 | 2999888 | SPAULDING, AARO | 497.31 |
| 2008 | 9592 | 180 | TOMESKY, JOAQUI | 4,241.19 |
| 2008 | 9947 | 475 | TRIVIZ, DANIEL | 1,391.59 |
| 2008 | 7530 | 300012 | VALUE OPTIONS N | 2,825.00 |
| Total | | | | 57,307.24 |