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City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 14 Ordinance/Resolution# 15-092

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of November 17, 2014
 (Adoption Date)

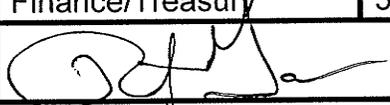
Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION AUTHORIZING THE WRITE-OFF OF UNCOLLECTIBLE MISCELLANEOUS ACCOUNTS RECEIVABLE FROM FISCAL YEAR 2010 IN THE AMOUNT OF \$54,688.55.

PURPOSE(S) OF ACTION:

Authorize the write-off of uncollectible 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 July 2009 to June 2010 totaling \$82,735.59. Of this total, the City is pursuing collection of \$28,047.04 and considers \$54,688.55 uncollectible.

The uncollectible invoices consist primarily of charges for solid waste services, 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) to reflect a truer picture of outstanding A/R in financial reports; and b) to allow 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 or other reasons. 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.

(Continue on additional sheets as required)

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.
4. Attachment "B", Summary By Category and Fund

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 Council meeting.

(Continue on additional sheets as required)

REFERENCE INFORMATION:

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

(Continue on additional sheets as required)

RESOLUTION NO. 15-092**A RESOLUTION AUTHORIZING THE WRITE-OFF OF UNCOLLECTIBLE MISCELLANEOUS ACCOUNTS RECEIVABLE FROM FISCAL YEAR 2010 IN THE AMOUNT OF \$54,688.55.**

The City Council is informed that:

WHEREAS, the City has uncollectible miscellaneous accounts receivable totaling \$54,688.55 from fiscal year 2010, listed and attached hereto as Exhibit "A"; and

WHEREAS, the uncollectible amounts consist primarily of charges for solid waste services, 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 year 2010, listed in Exhibit "A", attached hereto and made a part of this resolution, totaling \$54,688.55, 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 _____, 2014.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

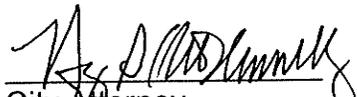
Moved by: _____

Seconded by: _____

VOTE:

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

APPROVED AS TO FORM:



City Attorney

<u>Year</u>	<u>Bill</u>	<u>Account</u>	<u>Customer</u>	<u>Unpaid Bal</u>
2010	15944	21037	6 RIVER CONSTRU	\$ 37.60
2010	16214	21037	6 RIVER CONSTRU	128.93
2010	16797	220	AB ELECTRICAL C	360.08
2010	16485	800027	ADVENTURE AVIAT	15.02
2010	14984	13319	ALAN, LERMA	5,372.10
2010	14131	10597	ALM, TERRANCE	125.00
2010	14407	12377	AUI INC.	0.03
2010	14718	4579	AUI INC.	40.15
2010	16234	4579	AUI INC.	16.32
2010	17288	12377	AUI INC.	0.02
2010	17549	12377	AUI INC.	0.02
2010	17380	23597	BALDERRAMA, OMA	125.00
2010	16357	21151	BIXLER, TERESA	125.00
2010	15599	13091	BUILDING ABATEM	510.13
2010	15847	13091	BUILDING ABATEM	508.55
2010	17357	930000	CATALYST PAPER	152.41
2010	14130	10596	CHAN-CEME, PABL	125.00
2010	14521	12341	CHARLOS HOMES	405.71
2010	15501	12341	CHARLOS HOMES	429.63
2010	17223	12341	CHARLOS HOMES	341.96
2010	15089	13718	CORRALES, TANYA	125.00
2010	15654	1020625	CRAMER MARGARET	226.23
2010	14758	12790	CRC PAVING AND	1,291.47
2010	15070	299855	DUE DATE - ROWA	437.50
2010	15075	13645	DUE DATE/CLASSI	2,050.64
2010	17582	11252	DURAN CONSTRUCT	428.18
2010	17292	12490	EMMANUEL CONSTR	5.04
2010	16375	21330	FLORES, LUIS	1,690.36
2010	14034	10559	FOX, KANDICE	60.00
2010	16096	19452	FRANKLIN, BILLY	1,653.53
2010	14260	400343	FRANK'S EXCAVAT	245.56
2010	16803	1022708	GARCIA SANTOS J	126.95
2010	16790	22121	GARCIA, JASON C	415.24
2010	17311	950102	GAYLORD CONSTRU	18.48
2010	17295	12901	GAYLORD CONTRUC	73.42
2010	17555	12901	GAYLORD CONTRUC	9.63
2010	17522	18766	GAYLORD UTILITY	20.83
2010	14615	12280	GECK, RUBEN M.	1,680.22
2010	14733	20019	GERALD MARTIN,	16.32
2010	853	299938	GOODSTART INDUS	400.00
2010	15080	60010	GREENE, ROBERT	250.85
2010	17375	23468	GRINDE, GORDON	778.21
2010	16366	21255	JAURIQUI, VICTO	3,915.02
2010	14122	12313	JAYNES CORP GEN	0.01
2010	15808	2759	JR HERNANDEZ CU	72.68
2010	14608	12268	JULIAN, MARISA	2,424.46
2010	17229	20325	LOOMIS, CHARLES	199.16
2010	16498	111686	LOPEZ VERONICA	2,104.80
2010	16792	22133	MACIAS, HECTOR	1,781.83
2010	14614	12279	MARTINEZ, MARY	1,974.72
2010	17382	23601	MEISTER, SPENCE	125.00

<u>Year</u>	<u>Bill</u>	<u>Account</u>	<u>Customer</u>	<u>Unpaid Bal</u>
2010	16488	21498	MEJIA, JOSE	221.35
2010	15593	11888	MELGAR, CINDY	162.28
2010	16378	21338	MUNSELLE, DAVID	1,593.44
2010	17128	300003	NM DIVISION OF	17.50
2010	15088	13716	PEREZ, APRIL	125.00
2010	16354	21147	PORTILL, BENNY	125.00
2010	17387	23608	PORTILLO, RICAR	62.50
2010	17384	23604	PUNKE, KRISTIN	125.00
2010	14585	980096	QUINONES, ROCIO	304.24
2010	17385	23605	QUINTANAR, RICH	125.00
2010	17089	22627	REYES, ROBERT O	161.15
2010	15358	116145	RON SCOTT CONST	641.83
2010	16500	12382	RUMIE'S EXCAVAT	64.46
2010	17135	12382	RUMIE'S EXCAVAT	64.00
2010	17403	12382	RUMIE'S EXCAVAT	64.00
2010	14385	500263	RUMIES EXCAVATI	192.00
2010	14736	500263	RUMIES EXCAVATI	49.36
2010	15131	500263	RUMIES EXCAVATI	19.33
2010	15168	500263	RUMIES EXCAVATI	300.00
2010	14540	8605	RUSTAN EDWIN	200.76
2010	17386	23606	SANCHEZ, SERGIO	125.00
2010	17390	23611	SANDOVAL, PRISC	125.00
2010	15104	3024	SCHAEFER GROUP	68.88
2010	16791	22129	SIDDIQUI RODRIG	1,889.90
2010	15090	13719	SILVA, RAMON	125.00
2010	15578	18416	SNIDER, JUSTIN	1,902.73
2010	14251	10509	SOTO, VICENTA	2,089.68
2010	15600	13385	SUNRISE CUSTOM	195.61
2010	14594	1035756	THORNLEY DONALD	152.41
2010	17586	18351	VAN DOREN, DIAN	120.53
2010	15921	19000	VASQUEZ, JOSE G	3,859.41
2010	17400	23714	VILLA, JOHAN	2,120.92
2010	17413	980055	YOUNG PECAN CO	0.03
2010	14609	12269	ZACHARY, SCHEME	3,875.25
	Total			\$ 54,688.55

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

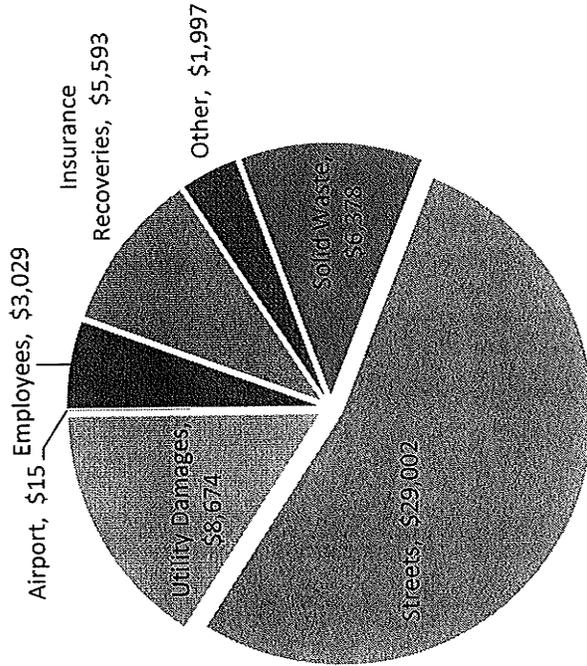
If the finance officer of a municipality states:

- 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.

Category	Write-off Amt
Airport	\$ 15
Employees	\$ 3,029
Insurance Recoveries	\$ 5,593
Other	\$ 1,997
Solid Waste	\$ 6,378
Streets	\$ 29,002
Utility Damages	\$ 8,674
Grand Total	\$ 54,689

Miscellaneous A/R Write-off: 7/1/2009 - 6/30/2010



Fund	Write-off Amt
1000	\$ 38,122
1010	\$ 15
1015	\$ 359
5200	\$ 300
5250	\$ 983
5300	\$ 8,114
5500	\$ 4,989
5510	\$ 1,380
5530	\$ 10
5920	\$ 18
7480	\$ 400
Grand Total	\$ 54,689