Agenda Item

TO: Mayor and City Council

FROM: Barbara J. O'Connor, CMC, City Clerk

DATE: March 3, 2011

RE: **Annual Write-Off – Uncollectible Utility Accounts**

Issues

Council has the authority to write off bad debts. Staff has implemented an annual write off for uncollectible utility accounts. To that end, Ordinance 5189 was passed February 2005 allowing staff to write off for the first time a total past due of $406,740.83. The uncollectible utility accounts history is as follows:

2005	$406,740.83
2006	$32,504.38
2007	$60,914.42
2008	$81,513.21
2009	$94,628.65
2010	$32,216.41

Staff has again reviewed accounts and prepared the attached list for 2011 (totaling $32,023.08) for your consideration. The 2011 list contains accounts that are five (5) years old or older and have been sent to TransWorld System, Inc., a collection agency, for collection. Their efforts have not proven successful. TransWorld discontinues their efforts on accounts that have aged to this point.

In discussion with Staff, it is felt that the continued decreased dollar amount can be attributed to the increased customer deposit amounts [$150] which is applied to the delinquent accounts. This is the second year that the larger deposit has been in effect. Our diligent Staff and their hard work are certainly reflected in the decreased dollar amount that the City is writing off. In 2009, the number of "accounts" that were approved and written-off was 454, in 2010 there were 171 accounts written off and in 2011 the number has decreased again to 144.

Recommendation

Staff recommends approval of this bill following your review.

Bill 2011-18

AN ORDINANCE AUTHORIZING THE CITY OF CAMERON ACCOUNTING STAFF TO WRITE-OFF UNCOLLECTIBLE UTILITY ACCOUNTS FOR THE CITY OF CAMERON, CLINTON AND DEKALB COUNTIES, MISSOURI

WHEREAS, the City experiences uncollectible debts for various goods and services; and

WHEREAS, the City auditors allow for uncollectible accounts on an annual basis; and

WHEREAS, the Council is authorized to write-off uncollectible debt as needed; and

WHEREAS, the Council authorized with Ordinance 5189 on February 1, 2005 the first write off; and,

WHEREAS, Staff continues to review annually and has determined since the last annual write-off, $32,023.08 has accumulated as uncollectible utility accounts.

NOW, THEREFORE, BE IT ORDAINED by the City of Cameron, Clinton and DeKalb Counties, Missouri as follows:

Section 1. The accounting staff is hereby authorized to write-off $32,023.08 in uncollectible utility accounts.

Section 2. The Mayor is authorized to sign this Ordinance on behalf of the City of Cameron.

Section 3. The City Clerk is directed to attest to the Mayor's signature.

Section 4. This Ordinance shall be in full force and effect from and after the date of its passage and approval.

Read two times, passed and approved this 7th day of March 2011.

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Mayor Dennis M. Clark

ATTEST:

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City Clerk