

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Ron Ahlers, Finance Director *RA*
By: Irmina Lumbad, Budget and Finance Manager *Ijfl*

DATE: October 22, 2013 (City Council Meeting of November 6, 2013)

SUBJECT: Consider Approval to Write Off Delinquent Non-Sufficient Fund (NSF) Accounts Receivable Issued Prior to July 1, 2011

SUMMARY

Pursuant to the City Council Policies Resolution No. 2013-3176, Policy 5.4: Accounts Receivable Collection of the (City Council Policy 5.4) adopted on June 6, 2013, staff is recommending adjustment of delinquent Non-Sufficient Fund (NSF) invoices totaling \$7,007.22.

DISCUSSION

As of September 30, 2013, the City's total outstanding NSF receivable is \$12,440.87; which reflects NSF fee and applicable penalties as prescribed by the City Council Policy 5.4 (Attachment 1). This total includes \$7,007.22 or 66 invoices issued prior to July 1, 2011. Between October 2006 and February 2009, the City assigned \$3,611.17 or 37 accounts to the collection agency, Financial Credit Network. Final Notice has been sent to the remaining 29 accounts. Since then, we have seen minimal progress in collection and any further actions would not be cost effective to the City. Staff is recommending to write-off \$7,007.22 (Attachment 2). Therefore, the outstanding NSF receivable will be reduced to \$5,433.65 (\$12,440.87 less \$7,007.22).

One NSF invoice in the amount of \$1,000.00 for a construction inspection deposit in 2008 is not included in the write-off at this time. Staff believes it may be recoverable because the grading permit issued for the affected property may not have been finalized.

In order to improve collections, Finance staff immediately advises operating departments of returned check items, as soon as notification is received from the bank.

Operating departments are directed to suspend any future services until the customer brings their account to current.

FISCAL IMPACT

Except for Agency Fund (6000), Allowance for Doubtful Accounts (ADA) were established in the respective governmental funds in fiscal year 2010/2011 and the balances were adjusted during the annual audit process. As such, the \$7,007.22 adjustment will be absorbed by the ADA; a corresponding decrease in the deferred revenue will be recorded; and no additional expenditure is anticipated.

Below is the list of funds affected by this adjustment:

FUND	FUND TITLE	NSF WRITE OFF
1000	General Fund	\$5,686.34
1010	Library Fund	\$34.40
2200	Community Development Fund	\$1,051.18
6000	Fiduciary General Deposit	\$235.30
	Total	<u>\$7,007.22</u>

STAFF RECOMMENDATION (Roll Call Vote)

Authorize staff to write off \$7,007.22 outstanding non-sufficient fund (NSF) accounts receivable issued prior to July 1, 2011.

Attachments:

1. City Council Policies Resolution No. 2013-3176 Policy 5.4-
Accounts Receivable Collection
2. NSF Listing

Resolution No. 2013-3176
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Treasurer designee. In the absence of the City Manager, the City Manager may authorize the City Treasurer to sign and the Deputy City Manager to countersign demand warrants less than or equal to \$2,500.00.

Policy 5.4: Accounts Receivable Collection

The City of Moorpark has the need to issue invoices for various types of services such as, but not limited to, false alarms, rent for City owned facilities, grant reimbursements, not sufficient funds (NSF) checks and emergency response (DUI and property damage). The City's Accounts Receivable Collection Policy shall be as follows:

1. The first notice to a debtor of an amount due is the issuance of the City of Moorpark invoice.
2. Past due accounts will be sent a past due statement at 30 and 60 days by the Finance Department. A one-time penalty fee in the amount of ten percent (10%) and a ten percent (10%) annual finance charge shall be added each month to any fee imposed in the event the fee is not paid within thirty (30) days after the billing date. The 60-day notice will state that the account will be turned over to a collection agency unless it is immediately cleared by the date specified.
 - A. Where appropriate, debtor contact by telephone will be used during the collection process. The date and discussion will be noted on internal records.
 - B. If the debtor responds, the Finance Department will make every effort to work out a solution for payment (such as an installment plan for larger amounts due).
 - C. If the account is paid off or cleared by other means, the correspondence will be retained in the Finance Department customer files for such time period as required by applicable law.
3. When Finance has exhausted regular means of collections, accounts will be turned over to a collection agency in a final attempt to collect before the invoice is adjusted. Documentation required for the collection agency must include a copy of the original invoice or a list of charges. Other available information such as address and driver's license number will also be sent to the collection agency, if available.
4. Finance will send a Final Notice to the debtor noting that the account will be turned over to an appropriate external collection agency and collection costs may be charged if arrangements to pay are not made within 15 days. Note: If additional charges appeared for an account that has already been turned over to a collection agency, the new final notice should be for the same collection agency.
5. If the collection agency is not successful, further action will be considered as follows:

- A. Amounts between \$500.00 and \$5,000.00 will be presented to the City Manager for review and possible filing of a small claims court action, which may be instituted without further Council approval.
 - B. Amounts in excess of \$5,000.00 will be presented to the City Attorney by the City Manager for review and possible legal action, which may be instituted without further Council approval.
6. The Finance Department will keep the City Manager informed of any collection issues as part of the monthly report process. Should adjustments be necessary, after all attempts have been made to collect and the Finance Director has determined that it is not cost effective to continue with the collection process, he/she has the authority to authorize up to \$100.00 per adjustment. A report of any adjustments authorized by the Finance Director shall be provided to the City Manager on a monthly basis. Any amount over \$100.00 up to \$1,000.00 may be approved for adjustment by the City Manager. A report of any adjustments made by the Finance Director and City Manager shall be provided to the City Council on a quarterly basis. Any amount over \$1,000.00 must be presented semi-annually to the City Council for consideration of an adjustment or other action. Documentation of all adjustments will be kept in a separate file for year-end audit purposes.
 7. Each department will be immediately informed, in writing, by the Finance Department of NSF check issues each time an NSF check is received. Backup documentation showing the name, date and type of service that the NSF check covered will be sent to the respective department. It will be the responsibility of each department to determine if service is continuing to be provided and should be ceased for the individual and/or company that submitted a NSF check until payment for the NSF check is collected. Only cash, cashier's check or money orders will be accepted as payment to satisfy NSF checks.

Policy 5.5: Landscape and Lighting Assessment District Capital Reserve Fund Balance

The Finance Director shall work with the responsible department head and assessment engineer to calculate annual operating costs and the Capital Reserve Account balance for each landscape and lighting assessment district in conjunction with preparation of the City's annual fiscal year budget. The Capital Reserve Account fund balance to be maintained for each landscape or lighting assessment district shall not exceed one year of projected current operating budget for each such district.

Policy 5.6: Investments

Consistent with applicable State law, the City Council shall adopt an Investment Policy by separate resolution and review and update said policy by December 31 of each year. The Finance, Administration, and Public Safety Committee shall review the Investment Policy resolution on an annual basis prior to consideration by the City Council.

NON SUFFICIENT FUND (NSF) ADJUSTMENT LISTING

Invoice Date	Invoice Number	Customer #	Name	Type	NSF Fees	Original Charges	Total Balance	Status
3/18/2004	NSF0000158	0000000469	KIMBERLY LEE	Parking Citations	25.00	40.00	65.00	FCN
3/18/2004	NSF0000161	0000000471	TIMMY L. SHELLENBERGER	Parking Citations	25.00	40.00	65.00	FCN
3/18/2004	NSF0000156	0000000474	NOAH CULP	AVRC Classes	25.00	130.00	155.00	FCN
4/23/2004	NSF0000163	0000000482	CESAR SASO	Adult Sports/AVRC Classes	25.00	69.00	94.00	FCN
4/23/2004	NSF0000162	0000000483	JESSICA DIAZ	Parking Citations	25.00	40.00	65.00	FCN
5/26/2004	NSF0000169	0000000494	MICHAEL A BARTON	Parking Citations	25.00	280.00	305.00	FCN
11/9/2004	NSF0000177	0000000498	HANNAH CHACON	Parking Citations	25.00	-	25.00	FCN
11/9/2004	NSF0000181	0000000527	MICHELLE M. JUAREZ	Parking Citations	25.00	-	25.00	FCN
11/23/2004	NSF0000069	0000000537	DATHAN NEAL	Parking Citations	25.00	-	25.00	FCN
1/21/2005	NSF0000118	0000000547	JANN MARIE PERKINS	Hometown Holiday	25.00	36.00	61.00	FCN
2/11/2005	NSF0000070	0000000545	HAROLD EISENSTAT	Bus Registration	25.00	30.00	55.00	FCN
5/12/2005	NSF0000187	0000000557	TRACEY WEBER LYON	Parking Citations	25.00	40.00	65.00	FCN
6/21/2005	NSF0000175	0000000258	TRANSITION BOARD SHOP	Zone Clearings	25.00	50.00	75.00	FCN
6/21/2005	NSF0000188	0000000569	TK CONSTRUCTION	Bus Regist/ Bldg Pmt	25.00	80.00	105.00	FCN
6/30/2005	NSF0000193	0000000570	KATHLEEN FOLSOM	Bus Regist/Home Occup pmt	25.00	130.00	155.00	FCN
6/30/2005	NSF0000191	0000000571	SONORA GHOST	Youth Sports	25.00	132.00	157.00	FCN
9/9/2005	NSF0000197	0000000613	ROBBYN WHEELLOCK	Parking Citations	25.00	40.00	65.00	FCN
9/9/2005	NSF0000198	0000000614	FIGUEROA ENTERPRISE	Bus Registrations	25.00	30.00	55.00	FCN
9/28/2005	NSF0000200	0000000617	KAREENE L PELEGRINO	Parking Citations	25.00	40.00	25.00	FCN
4/14/2006	NSF0000212	0000000667	ERIC HALUB	Parking Citations	25.00	50.00	75.00	FCN
4/14/2006	NSF0000214	0000000669	MONIQUE REYES	AVRC Classes	25.00	42.00	67.00	FCN
6/29/2006	NSF0000219	0000000686	GEVORK ALACHADZHIAN	Parking Citations	25.00	50.00	75.00	FCN
8/2/2006	NSF0000223	0000000691	PACIFIC VALLEY LANDSCAPE	Bus Regist/ Bldg Pmt	25.00	262.19	33.25	FCN
8/16/2006	NSF0000224	0000000320	PASHA PARAN	Parking Citations	25.00	40.00	72.04	FCN
11/9/2006	NSF0000228	0000000719	ZAIDA RODRIGUEZ	Park Use Fee	25.00	135.00	177.33	FCN
1/17/2007	NSF0000233	0000000724	RUDY PEREZ JR	Park Use Fee	25.00	65.00	99.75	FCN
8/31/2007	NSF0000245	0000000762	PEDRO A. ACOSTA	Adult Sports	25.00	250.00	26.60	FCN
8/31/2007	NSF0000246	0000000763	JENNIFER A. HERRERA	Park Use Fee	25.00	265.00	321.42	FCN
9/21/2007	NSF0000255	0000000769	JACK GERSH	Parking Citations	25.00	40.00	72.04	FCN
9/21/2007	NSF0000256	0000000772	DIRECT LAND TRANSPORTATION L	Parking Citations	25.00	40.00	72.04	FCN
10/11/2007	NSF0000257	0000000778	TRANS-CARE TRANSMISSION, INC	Adult Sports	25.00	380.00	448.88	FCN
11/30/2007	NSF0000259	0000000789	RIGHT CHOICE TRUCKING	Parking Citations	25.00	50.00	83.13	FCN
12/31/2007	NSF0000262	0000000792	JEFF HAIGHT	Parking Citations	25.00	40.00	72.04	FCN
9/11/2008	NSF0000276	0000000820	RICK ANDERSON	Parking Citations	50.00	50.00	110.83	FCN
9/11/2008	NSF0000282	0000000825	TODD TOLLIVER	Parking Citations	25.00	40.00	32.04	FCN
9/11/2008	NSF0000286	0000000830	J. T. S. TRUCKING	Parking Citations	25.00	40.00	72.04	FCN
9/11/2008	NSF0000287	0000000831	C. NATHALIC ELLEN MILLKEN	Library Fees	25.00	28.00	58.74	FCN
10/22/2008	NSF0000288	0000000833	ERNESTO J ACOSTA	Parking Citations	25.00	40.00	25.00	Final
10/22/2008	NSF0000294	0000000838	MARC MITTELMAN INC	Bldg Permit#19570 Address: 4721 Penrose Ave	25.00	120.00	160.71	Final
11/19/2008	NSF0000295	0000000842	MICHAEL SCHONEMAN	Bus Registrations	25.00	30.00	55.00	Final
11/19/2008	NSF0000298	0000000845	HEATHER FULLER-POLENO	Park Use Fee	25.00	155.00	80.00	Final
12/2/2008	NSF0000301	0000000848	PETER BUILT ROOFING	Bldg Permit#19995 Address: 4209 Tierra Rejada Rd	25.00	160.73	185.73	Final
2/5/2009	NSF0000305	0000000821	JENNIFER BERGMAN	Parking Citations	50.00	2.71	52.71	Final
2/5/2009	NSF0000307	0000000856	JOHN & KRISTIE GENESI	Adult Sports	25.00	325.00	350.00	Final
3/5/2009	NSF0000310	0000000876	TIMOTHY LEYBA	Parking Citations	25.00	40.00	25.00	Final
4/9/2009	NSF0000312	0000000881	CHRISTINE M. OTT	Library Printing Fees	25.00	2.40	27.40	Final
5/19/2009	NSF0000318	0000000889	ROBERT L JAMES	Bingo Bash	25.00	24.00	49.00	Final
5/19/2009	NSF0000317	0000000890	DAVID M HARRIS	Parking Citations	25.00	40.00	25.00	Final
7/14/2009	NSF0000323	0000000897	A & M TILES	Bus Registrations	25.00	90.00	115.00	Final
11/3/2009	NSF0000334	0000000910	G. MATEKO	Parking Citations	50.00	80.00	130.00	Final
12/1/2009	NSF0000339	0000000917	DAWN PERKINS	Bus Regist/Home Occup pmt	25.00	190.00	215.00	Final
12/29/2009	NSF0000341	0000000919	NATASHA ENSENKT	Parking Citations	25.00	40.00	65.00	Final
2/23/2010	NSF0000348	0000000932	AUDREY MARIE SALGADO	Animal License	25.00	75.00	100.00	Final
5/1/2010	NSF0000351	0000000935	ELIZABETH BUZA	Animal License	25.00	75.00	100.00	Final
5/1/2010	NSF0000352	0000000936	RAQUEL SOLAREZ	Animal License	25.00	20.00	45.00	Final
5/1/2010	NSF0000353	0000000937	HANDY WONDER WOMEN GOURG	BR#034455/ZC#2010-096 HOP# 2622 Address: 7020 Hogan St	60.00	328.50	388.50	Final
7/28/2010	NSF0000357	0000000951	ANNETTE RUTH FULLERTON	Animal License	25.00	40.00	65.00	Final
11/1/2010	NSF0000370	0000000981	ALEX ANTHONY CHAVEZ	Adult Sports	25.00	100.00	125.00	Final
11/16/2010	NSF0000373	0000000993	RANDY T MADDEN	Admin Citation	25.00	200.00	225.00	Final
12/1/2010	NSF0000374	0000000994	RANDALL KING	Parking Citations	25.00	55.00	80.00	Final
3/23/2011	NSF0000388	0000001007	MARIBEL GOMEZ	Library Fees	25.00	4.00	29.00	5nd
3/23/2011	NSF0000387	0000001008	LYNDA JIMENEZ	Parking Citations	25.00	65.00	90.00	2nd
5/3/2011	NSF0000397	0000000913	MARCELLA L RAMOS	Parking Citations	35.00	58.00	93.00	BK

NON SUFFICIENT FUND (NSF) ADJUSTMENT LISTING

Invoice Date	Invoice Number	Customer #	Name	Type	NSF Fees	Original Charges	Total Balance	Status
6/1/2011	NSF0000406	0000001026	DOUGLAS PAULSEN	Parking Citations	60.00	116.00	60.00	2nd
6/30/2011	NSF0000407	0000001038	WEST COAST & SONS	Business Registrations	25.00	90.00	115.00	Final
6/30/2011	NSF0000409	0000001044	EXECUTIVE BUSINESS CENTER	AVRC Classes	25.00	295.00	320.00	2nd
				TOTAL	2,050.00	6,484.13	7,007.22	