



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**

FROM: **Vicky Carlsen, Finance Director**

BY: **Cindy Wilkins, Fiscal Specialist**

CC: **Mayor Ekberg**

DATE: **September 11, 2023**

SUBJECT: **Cancellation of Accounts Receivable**

ISSUE

Each year a resolution comes before the Council for the cancellation of uncollectable accounts receivable. For 2023, these items include:

• Fire Department invoices	\$6,723.17
• Police False Alarms	35,450.00
• Public Works invoices	26,995.72
• Parks & Recreation invoice	<u>1,666.66</u>
GRAND TOTAL:	\$70,835.55

BACKGROUND

The process for tracking accounts receivable is quite thorough. The steps below are followed prior to preparation of the attached write-off resolution.

- The Finance Department sends an invoice to a customer, payable in 30 days.
- If payment is not received within 30 days, the receivable is forwarded to our collection agency, Armada Corp., and placed into pre-collect status.
- Next, Armada sends a Delinquency Notice to debtor notifying them of the past-due status of the receivable and asks them to contact the City to make payment. Payments can still be made directly to the City while in pre-collect status.
- Once 30 days in pre-collect status have passed, the receivable then rolls over to active collections. At the onset of active collections, a letter is sent to the debtor notifying them of the change in status from pre-collect to active collections and advising that payments must now be made through the collection agency.
- When in active collections status, the debtor is contacted both by phone and letter. A search is made for assets with which the debt could be satisfied. Once the debt has been in active collections for 45 days, it is then reported to the national credit bureaus.
- The last process in the collections cycle is the pursuit of legal action. This includes attaching checking accounts, garnishments, and lawsuits.
- It should be noted that while a debt may be written off our books, it is still active in Armada’s collection process.

DISCUSSION

The proposed amount of the 2023 Cancellation of Accounts Receivable is \$70,835.55. This is an annual housekeeping item.

FINANCIAL IMPACT

The financial impact of cancelling \$70,835.55 will be to reduce our accounts receivable balance by this amount. Please note that while we are writing off the accounts receivable for accounting purposes, the accounts are still being actively worked on for collection purposes except for those accounts where a responsible party cannot be identified. Accounts covered by bankruptcy law cannot be pursued.

RECOMMENDATION

The Council is being asked to approve the annual resolution authorizing the cancellation of Accounts Receivable and to forward this item to the Regular Meeting Consent Agenda of September 18, 2023.

ATTACHMENTS

Proposed Draft Resolution
Attachment A – 2023 AR Write-Offs
Attachment B – Historical Write-Offs

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ORDERING THE CANCELLATION OF PAST DUE ACCOUNTS RECEIVABLES

WHEREAS, certain receivables and checks have been deemed uncollectable after efforts by both the City and a collection agency have been unsuccessful; and

WHEREAS, the City will continue to pursue these receivables when practical;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Miscellaneous Accounts Receivable. The total of \$70,835.55 (per Attachment A) is deemed uncollectable.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2023.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC
City Clerk

Cynthia Delostrinos Johnson
Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

Attachment A: 2023 AR Write-Offs

Attachment A - 2023 Write-Offs

* Outstanding invoices from Eden were re-keyed into Finance Enterprise creating new invoice numbers.

Customer ID	Customer Name	Eden Inv Date	Eden Inv #	Invoice Date	Invoice	Description	GL Account	Total
C00569	PACIFIC NW IRONWORKERS APPRENTICESHIP #8	12/18/21	FF21-0186	01/07/2022	FD000018	12/18/2021 FIRE FALSE ALARM	FD011100-342800	250.00
C00470	PIERCE CO EMERGENCY MGMT	12/31/20	FI-00255	01/01/2022	FD000025	9/2020 OR WILDFIRE DEPLOYMENT	FD011100-342210	6,473.17
C00270	AAIC FIARWAY LLC	11/17/21	PD-00690	01/03/2022	PD000002	POLICE FALSE ALARM #6-8	PD010100-342800	750.00
C00273	ABAS MOHAMMED	04/28/21	PD-00479	01/03/2022	PD000005	POLICE FALSE ALARM #7-16	PD010100-342800	2,500.00
C00274	ACCESS TRIPS INC	12/29/21	PD-00790	01/03/2022	PD000006	POLICE FALSE ALARM #2-3	PD010100-342800	500.00
C00312	ALSIDE SUPPLY CENTER	11/18/21	PD-00741	01/03/2022	PD000008	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00315	ASHLEY FURNITURE PARTNERS LLC	04/02/21	PD-00463	01/03/2022	PD000011	POLICE FALSE ALARM #9-16	PD010100-342800	2,000.00
C00315	ASHLEY FURNITURE PARTNERS LLC	11/17/21	PD-00707	01/03/2022	PD000012	POLICE FALSE ALARM #18-19	PD010100-342800	500.00
C00315	ASHLEY FURNITURE PARTNERS LLC	12/29/21	PD-00768	01/03/2022	PD000013	POLICE FALSE ALARM #20-21	PD010100-342800	500.00
C00316	AZ TRADING INC	09/23/21	PD-00624	01/03/2022	PD000015	POLICE FALSE ALARM #2-3	PD010100-342800	500.00
C00317	BANK OF AMERICA NA	12/29/21	PD-00777	01/03/2022	PD000017	POLICE FALSE ALARM #4	PD010100-342800	250.00
C00321	BLEAKLEY SWANTE R	09/27/21	PD-00638	01/03/2022	PD000021	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00325	BURLINGTON COAT FACORY OF WA	12/29/21	PD-00767	01/03/2022	PD000026	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00326	CANYON ESTATE CONDOMINIUMS	11/17/21	PD-00700	01/03/2022	PD000027	POLICE FALSE ALARM #4	PD010100-342800	250.00
C00327	CASH AMERICA WEST INC	11/18/21	PD-00728	01/03/2022	PD000028	POLICE FALSE ALARM 37-9	PD010100-342800	750.00
C00330	CHOP IT UP BARBERSHOP	06/17/21	PD-00516	01/03/2022	PD000029	POICE FALSE ALARM #2	PD010100-342800	250.00
C00344	CONTINENTAL WESTERN GROUP	06/15/21	PD-00504	01/03/2022	PD000035	POLICE FALSE ALARM #2-3	PD010100-342800	500.00
C00347	CORE GROUP WESTERN FOOD SVC	09/23/21	PD-00631	01/03/2022	PD000036	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00347	CORE GROUP WESTERN FOOD SVC	11/18/21	PD-00738	01/03/2022	PD000037	POLICE FALSE ALARM 3-5	PD010100-342800	750.00
C00392	DOLLAR TRES STORES INC	08/27/21	PD-00551	01/03/2022	PD000041	POLICE FALSE ALARM #2	PD010100-342800	250.00
PC002849	DOLLAR TREE	11/17/21	PD-00726	01/03/2022	PD000042	POLICE FALSE ALARM #3-4	PD010100-342800	500.00
C00400	EVERGREEN HOBBIES INC	09/09/21	PD-00573	01/03/2022	PD000047	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00401	FAIRWAY CENTER	06/15/21	PD-00506	01/03/2022	PD000048	POLICE FALSE ALARM #2-3	PD010100-342800	500.00
C00402	FANZZ GEAR INC	04/02/21	PD-00464	01/03/2022	PD000049	POLICE FALSE ALARM #3	PD010100-342800	250.00
C00403	FARGO ELECTRIC INC	09/09/21	PD-00571	01/03/2022	PD000050	POLICE FALSE ALARM #2	PD010100-342800	500.00
C00403	FARGO ELECTRIC INC	09/22/21	PD-00599	01/03/2022	PD000051	POLICE FALSE ALARM #4	PD010100-342800	250.00
C00403	FARGO ELECTRIC INC	11/17/21	PD-00676	01/03/2022	PD000052	POLICE FALSE ALARM #5	PD010100-342800	250.00
C00405	FORWARDER SERVICES	12/29/21	PD-00785	01/03/2022	PD000053	POLICE FALSE ALARM #3	PD010100-342800	250.00
C00406	FOSTER CREEK APARTMENTS LLC	12/28/21	PD-00761	01/03/2022	PD000054	POLICE FALSE ALARM #3	PD010100-342800	250.00
C00407	FRANKS, LINDA R	09/23/21	PD-00620	01/03/2022	PD000055	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00414	HOMESTREET BANK	08/26/21	PD-00537	01/03/2022	PD000066	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00415	HORYAAL RESTAURANT LLC	06/15/21	PD-00507	01/03/2022	PD000067	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00415	HORYAAL RESTAURANT LLC	08/27/21	PD-00540	01/03/2022	PD000068	POLICE FALSE ALARM #3	PD010100-342800	250.00
C00415	HORYAAL RESTAURANT LLC	09/09/21	PD-00574	01/03/2022	PD000069	POLICE FALSE ALARM #4	PD010100-342800	250.00
C00428	INTL GATEWAY EAST LLC	12/29/21	PD-00778	01/03/2022	PD000070	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00424	HOWARD S WRIGHT	12/29/21	PD-00787	01/03/2022	PD000073	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00432	KEY BANK NATIONAL ASSN	11/17/21	PD-00724	01/03/2022	PD000077	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00432	KEY BANK NATIONAL ASSN	12/29/21	PD-00772	01/03/2022	PD000078	POLICE FALSE ALARM #2	PD010100-342800	250.00

Attachment A - 2023 Write-Offs

* Outstanding invoices from Eden were re-keyed into Finance Enterprise creating new invoice numbers.

Customer ID	Customer Name	Eden Inv Date	Eden Inv #	Invoice Date	Invoice	Description	GL Account	Total
C00444	LAKLARA INC	11/17/21	PD-00708	01/03/2022	PD000087	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00447	LEO STELLA LLC	11/17/21	PD-00684	01/03/2022	PD000089	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00451	MACY'S FURNITURE GALLERY	11/17/21	PD-00711	01/03/2022	PD000092	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00455	MANSHA ALLAH LLC	04/02/21	PD-00461	01/03/2022	PD000096	POLICE FALSE ALARM #2-6	PD010100-342800	1,250.00
C00455	MANSHA ALLAH LLC	06/15/21	PD-00505	01/03/2022	PD000097	POLICE FALSE ALARM #17-18	PD010100-342800	500.00
C00461	MATEVOSOV	09/22/21	PD-00602	01/03/2022	PD000101	POLICE FALSE ALARM 2-3	PD010100-342800	500.00
C00474	MUTUAL MATERIALS COMPANY	12/29/21	PD-00795	01/03/2022	PD000105	POLICE FALSE ALARM 2-3	PD010100-342800	500.00
C00474	MUTUAL MATERIALS COMPANY	12/29/21	PD-00796	01/03/2022	PD000106	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00482	NEW CINGULAR WIRELESS PCS LLC	04/28/21	PD-00484	01/03/2022	PD000108	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00482	NEW CINGULAR WIRELESS PCS LLC	06/15/21	PD-00510	01/03/2022	PD000109	POLICE FALSE ALARM #3-4	PD010100-342800	500.00
C00482	NEW CINGULAR WIRELESS PCS LLC	09/27/21	PD-00647	01/03/2022	PD000110	POLICE FALSE ALARM #5	PD010100-342800	250.00
C00482	NEW CINGULAR WIRELESS PCS LLC	11/17/21	PD-00702	01/03/2022	PD000111	POLICE FALSE ALARM #6	PD010100-342800	250.00
C00506	NW GARDEN SUPPLY LLC	09/22/21	PD-00606	01/03/2022	PD000115	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00506	NW GARDEN SUPPLY LLC	09/27/21	PD-00641	01/03/2022	PD000116	POLICE FALSE ALARM #3	PD010100-342800	250.00
C00485	O & E LIQUOR LLC	04/02/21	PD-00460	01/03/2022	PD000118	POLICE FALSE ALARM #2-3	PD010100-342800	350.00
C00485	O & E LIQUOR LLC	04/28/21	PD-00477	01/03/2022	PD000119	POLICE FALSE ALARM #4	PD010100-342800	250.00
C00485	O & E LIQUOR LLC	11/17/21	PD-00678	01/03/2022	PD000120	POLICE FALSE ALARM #5	PD010100-342800	250.00
C00481	OLD NAVY LLC	11/17/21	PD-00706	01/03/2022	PD000123	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00478	OPTION CARE ENTERPRISES INC	09/09/21	PD-00582	01/03/2022	PD000124	POLICE FALSE ALARM #4-9	PD010100-342800	1,250.00
C00476	PERFORMANCE PRO SUPPLY SEATTLE	11/17/21	PD-00685	01/03/2022	PD000125	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00473	PETSMART INC #377	08/27/21	PD-00546	01/03/2022	PD000128	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00473	PETSMART INC #377	09/09/21	PD-00583	01/03/2022	PD000129	POLICE FALSE ALARM #3	PD010100-342800	250.00
C00468	PRO GOLF DISCOUNT INC	08/27/21	PD-00545	01/03/2022	PD000130	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00459	ROYAL BISTRO INC	11/17/21	PD-00697	01/03/2022	PD000134	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00457	RUDY CUBE LLC	12/29/21	PD-00766	01/03/2022	PD000135	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00454	RYDER TRUCK RENTAL INC	09/23/21	PD-00614	01/03/2022	PD000146	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00436	SEATTLE'S BEST FLOORS LP	11/17/21	PD-00692	01/03/2022	PD000147	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00446	SANFT, LOUIE	12/31/19	PF-04000	01/03/2022	PD000148	INV ADJ - BAL DUE ONLY	PD010100-342800	600.00
C00256	SEATTLE CHAR LLC	11/17/21	PF-04120	01/03/2022	PD000152	POLICE FALSE ALARM #3-4	PD010100-342800	500.00
C00423	SINGH, TARAN DG FOODS	09/23/21	PD-00622	01/03/2022	PD000160	POLICE FALSE ALARM #2-6	PD010100-342800	1,250.00
C00423	SINGH, TARAN DG FOODS	09/27/21	PD-00656	01/03/2022	PD000161	POLICE FALSE ALARM #7-10	PD010100-342800	1,000.00
C00423	SINGH, TARAN DG FOODS	11/17/21	PD-00720	01/03/2022	PD000162	POLICE FALSE ALARM #11	PD010100-342800	250.00
C00421	SOMGRO INC	12/28/21	PD-00756	01/03/2022	PD000163	POLICE FALSE ALARM #3-6	PD010100-342800	1,000.00
C00420	SOPHIYA MINI MARKET LLC	11/17/21	PD-00693	01/03/2022	PD000164	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00417	SP PLUS CORPORATION	09/27/21	PD-00636	01/03/2022	PD000168	POLICE FALSE ALARM #3	PD010100-342800	250.00
C00412	SRG SOUTHCENTER LLC	12/29/21	PD-00770	01/03/2022	PD000171	POLICE FALSE ALARM #4	PD010100-342800	250.00
C00404	SRS DISTRIBUTION INC	11/18/21	PD-00735	01/03/2022	PD000172	POLICE FALSE ALARM #5	PD010100-342800	250.00
C00395	TUKWILA SCHOOL DISTRICT-SHOWALTER	12/29/21	PD-00789	01/03/2022	PD000176	POLICE FALSE ALARM #4	PD010100-342800	250.00
C00383	UPS SUPPLY CHAIN SOLUTIONS	11/17/21	PD-00677	01/03/2022	PD000180	POLICE FALSE ALARM 2-3	PD010100-342800	500.00

Attachment A - 2023 Write-Offs

* Outstanding invoices from Eden were re-keyed into Finance Enterprise creating new invoice numbers.

Customer ID	Customer Name	Eden Inv Date	Eden Inv #	Invoice Date	Invoice	Description	GL Account	Total
C00381	US HEALTHWORKS MED GRP OF WA P	11/17/21	PD-00716	01/03/2022	PD000182	POLICE FALSE ALARM #3	PD010100-342800	250.00
C00381	US HEALTHWORKS MED GRP OF WA P	12/29/21	PD-00771	01/03/2022	PD000183	POLICE FALSE ALARM #4	PD010100-342800	250.00
C00378	VERA WHOLE HEALTH INC	09/28/21	PD-00663	01/03/2022	PD000185	POLICE FALSE ALARM #19-23	PD010100-342800	1,250.00
C00374	VIDEO ONLY	06/15/21	PD-00514	01/03/2022	PD000188	POLICE FALSE ALARM #2-3	PD010100-342800	500.00
C00361	WELLS FARGO BANK NATL ASSOCIATION	12/29/21	PD-00780	01/03/2022	PD000192	POLICE FALSE ALARM #2	PD010100-342800	250.00
C00352	XAYAMOUNGCHANH, HENRY	11/18/21	PD-00744	01/03/2022	PD000194	POLICE FALSE ALARM #2	PD010100-342800	250.00
								35,450.00
C00322	BNSF RAILWAY COMPANY	07/02/19	GR-00238	01/03/2022	PW000004	BNSF INTERMODAL FAC ACCESS PRO	PW104100-367120	6,532.60
C00441	KING LASIK INC PS	11/02/21	PM-00164	01/01/2022	PW000022	WSDOT REIMB	PW401800-343405	5,384.16
C00384	TUKWILA VILLAGE PHASE 2 OPPORT	07/20/21	PM-00153	01/01/2022	PW000027	SW CHGS FOR TAX PARCELS	PW412380-343100	11,626.08
C00379	VALHALLA BREWING & BEVERAGE CO	08/05/21	PM-00158	01/01/2022	PW000028	Q3 2021 UB DISCHARGE	PW402800-343505	3,452.88
								26,995.72
C00439	SEATTLE KING CO PUBLIC HEALTH			01/01/2022	RC000006	BSK-KPL DEC 2021	PR007100-333933	1,666.66
								1,666.66

Total AR Write-Offs: \$ 70,835.55

Attachment B - Historical Write-Offs

Resolution 1805	2013	\$ 30,702.97
Resolution 1843	2014	\$ 36,240.62
Resolution 1865	2015	\$ 27,887.91
Resolution 1893	2016	\$ 47,680.46
Resolution 1916	2017	\$ 9,005.25
Resolution 1948	2018	\$ 12,832.35
Resolution 1969	2019	\$ 53,109.56
Resolution 2001	2020	\$ 17,285.74
Resolution 2031	2021	\$ 5,492.03
Resolution 2051	2022	\$ 34,324.45