



BOARD OF COUNTY COMMISSIONERS

DATE: August 19, 2014

AGENDA ITEM NO. *5c.*

Consent Agenda

Regular Agenda

Public Hearing

[Signature]
County Administrator's Signature:

Subject:

Department of Environment and Infrastructure Water and Sewer Write-Offs.

Department:

Office of Management and Budget
Department of Environment and Infrastructure

Staff Member Responsible:

Linda Benoit, Manager
Robert Powell, Director, Water and Sewer Division

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE DEPARTMENT OF ENVIRONMENT AND INFRASTRUCTURE (DEI) WATER AND SEWER ACCOUNTS RECEIVABLE WRITE-OFFS FOR ACCOUNTING PURPOSES IN THE AMOUNT OF \$32,363.21.

Summary Explanation/Background:

On April 5, 2005, the Board approved a Write-off Policy for Accounting Purposes. The policy delegates the authority for accounts receivable write-offs for accounting purposes of less than \$10,000 to the County Administrator. The DEI Water and Sewer account write-off is \$32,363.21 from the City of St. Petersburg (City) for the period of May 1, 2010 to September 30, 2012. During this time, billing revenue for the City customers was \$15,053,455.26. The write-off of this account does not forgive the debtor of their obligation, but moves the item off the County's balance sheet.

Items for write-off are unpaid sewer charges to residents of the City. The City acts as the billing agent for sewer services provided to their residents by Pinellas County and enforces collections by discontinuance of water service and/or not providing service until accounts are paid in full, within the limits of the laws/statutes. By statute, the City cannot hold uncollectable tenant charges against the owner. In the three year period represented above, 258,632 accounts were billed, with only 1,198 accounts not collected. The write-off amount is less than one percent (1%) of the total billed.

Fiscal Impact/Cost/Revenue Summary:

Approval of this action authorizes the write-off of \$32,363.21 in uncollectible accounts receivable from the Sewer Operating Fund.

Exhibits/Attachments Attached:

Table of Write-Offs for the City of St. Petersburg
Resolution No. 05-61

City of St. Petersburg Write-Offs

FY	Revenue Billed	Write-offs	%	Timeframe of Write-Offs presented to OMB	# of Accounts on Write-off Reports	# of Accounts on Billing Report
FY10	\$ 1,993,612.43	\$ 4,542.05	0.2278%	May-Aug 2010	174	24,096
FY11	\$ 5,940,498.60	\$ 14,059.67	0.2367%	Sep-Aug 2011	505	112,614
FY12	\$ 7,119,344.23	\$ 13,761.49	0.1933%	Sep-Sep 2012	519	121,922
Totals	\$ 15,053,455.26	\$ 32,363.21			1,198	258,962

RESOLUTION NO. 05-61

A RESOLUTION TO BE ENTITLED:

A RESOLUTION ADOPTING A UNIFORM WRITE-OFF POLICY FOR ACCOUNTING PURPOSES IN SITUATIONS WHERE ALL REASONABLE EFFORTS HAVE BEEN MADE TO COLLECT THE DEBTS AND WHERE THE PROBABILITY OF ACTUAL COLLECTION IS DOUBTFUL OR THE COST OF TAKING THE ACTIONS NECESSARY TO RECOVER THE DEBTS IS GREATER THAN THE AMOUNT TO BE RECOVERED. PROVIDING FOR THE DESIGNATION OF A COUNTY WRITE-OFF COORDINATOR, PROVIDING FOR CONCURRENCE OF OUTSIDE AUDITORS AND ANNUAL REPORTING TO THE BOARD OF COUNTY COMMISSIONERS BY THE ADMINISTRATOR REGARDING THE AMOUNTS WRITTEN OFF.

WHEREAS, Pinellas County Government, through its various agencies provides services to individuals and businesses and sets charges for these services; and

WHEREAS, some of these individuals and businesses fail to pay the amounts owed and the charges become delinquent; and

WHEREAS, Florida Law prohibits the County to forgive debt unless compromising claims for reasons involving legal right to recovery; and

WHEREAS, it is desirable for accounting purposes to move debt off the County's balance sheets where there is no reasonable chance of recovery, and to provide for a uniform process of compromising claims where under the legal circumstances presented such compromises are allowed and in the County's best interest; and

WHEREAS, the Board of County Commissioners sitting as the Emergency Medical Services Authority has adopted a write off policy for that Department in Resolution 2000-95; and

WHEREAS, the Board of County Commissioners wishes to have a uniform process in place to handle such accounting procedures and compromises and to delegate the management of this process to the County Administrator subject to reasonable reporting back to them; and

WHEREAS, the County Administrator has recommended a write-off policy:

NOW THEREFORE BE IT RESOLVED as follows:

The following write-off policy is adopted:

- 1.) The County Administrator, or his delegate, for accounting purposes, may write-off those claims not exceeding \$10,000 where upon consultation with the County Attorney, it appears that the legal basis for recovery is not certain or under the circumstances of the case there are insufficient assets to pay the claim and due to the legal situation there will not be sufficient assets to pay the amount owed in the future.

- A. Write-offs will be submitted for approval after all collection efforts have been exhausted. Part of this process includes leaving the receivables on the books for a period of time of no less than one year before presenting to the County Administrator or Board for write-off.
 - B. The above represents a minimum time frame; therefore each account may be handled according to its own circumstances.
 - C. The County Administrator will designate a County Write-Off Coordinator.
 - D. Every October and/or March each department with write-off activity will forward the amount and related detail to the County Write-Off Coordinator. Departments with no activity for the year should advise the County Write-Off Coordinator of this in writing.
 - E. The County Write-Off Coordinator will review and collate all department information and prepare the related approval request memo and documentation incorporating the totals of each individual department.
 - F. The County's external auditors will be contacted and arrangements made for them to review a sampling of transactions from all write-offs. The number and mix of transactions to be reviewed will be at the auditor's discretion. The auditor will review the selected items against the related department's established collection efforts. The results of this review will be forwarded to the County Write-Off Coordinator for incorporation into the approval request memo and documentation.
 - G. The completed write-off documentation will be forwarded to County Administration for review and approval. In the case of receivables in excess of \$10,000 the request and documentation shall be placed on the Board's meeting agenda for approval.
 - H. The County Administrator shall report to the Board the amount of the write-offs approved under this resolution for each prior year's period and such reports, if necessary, shall be made no later than January 1st and July 1st of each year.
 - I. Once County Administrator or Board approval has been obtained, items requiring an accounting adjustment will be forwarded to the Clerk's Finance Division with related backup for posting. The Finance Division will coordinate with the affected departments to assure appropriate record keeping.
- 2.) This Resolution supersedes Resolution 2000-95.

Commissioner Latvala offered the foregoing Resolution and moved its adoption, which was seconded by Commissioner Welch, and upon roll call the vote was:

AYES: Morroni, Welch, Stewart, Harris, Seel, Latvala, and Duncan.

NAYS: None.

ABSENT AND NOT VOTING: None.