

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF OBTAINING THE) RESOLUTION NO. 03- 3379
APPROVAL OF THE METRO COUNCIL)
TO ADJUST AND WRITE OFF CERTAIN) Introduced by Chief Operating Officer
ACCOUNTS RECEIVABLE OF) Michael J. Jordan, with the concurrence of
CHRISTOPHERSON EXCAVATING) Council President David Bragdon

WHEREAS, Metro Code Section 5.02.060(g) provides that the Department of Administrative Services may adjust accounts receivable and reverse finance charges in accordance with prudent credit practices and further provides that adjustments over \$10,000 shall require the approval of the Metro Council; and

WHEREAS, Pursuant to Metro's solid waste credit policy, Christopherson Excavating opened solid waste account No. 6899 for the purpose of making certain solid disposal charges; and

WHEREAS, The solid waste account of Christopherson Excavating has become delinquent in the amount of \$11,986.21, and Christopherson Excavating has refused to make payment on such delinquent account; and

WHEREAS, On August 8, 2003, Metro, through its Administrative Services Department, forwarded this delinquent account to Metro's collection agency for further collection efforts;

WHEREAS, the staff of the Administrative Services Department recommends that the delinquent account of Christopherson Excavating now be closed and that the amount of the delinquent account be approved for adjustment in the form of an accounting write-off as a bad debt; now therefore

BE IT RESOLVED that the Metro Council approves the accounting adjustment of writing off as a bad debt the delinquent account of Christopherson Excavating, Account No. 6899, in the amount of \$11,986.21.

ADOPTED by the Metro Council this 13th day of November, 2003.



David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 03-3379, FOR THE PURPOSE OF COUNCIL APPROVAL FOR AN ACCOUNTS RECEIVABLE ADJUSTMENT

Date: October 9, 2003

Prepared by: Bill Stringer

BACKGROUND

The proposed resolution is presented in compliance with Metro Code section 5.02.060 (g). The history of the delinquent Solid Waste account for Christopherson Excavating, account# 6899, is provided below:

Account #6899 established in October 2000

1. Charge of \$2,373.74 in January 2001 – paid in full within terms
2. Charge of \$103.75 in May 2001 – paid in full within terms
3. Charge of \$296.88 in May 2002 – paid in full within terms

Delinquent charges

May 2003 \$ 10,298.57

June 2003 \$ 1,358.30

Finance charges \$329.34

On July 16, 2003 Metro asked Christopherson Excavating for the full payment of their May past due balance. When the customer did not pay, in adherence to proscribed policy, Metro placed the account on a cash only basis on July 18, 2003. Metro called the customer weekly, starting on July 16, in order to collect the debt and warned that the account would be turned over to the collection agency, NACM, if not paid. On August 22, 2003 Metro informed the customer that their past due account had been turned over to NACM who allows Metro a grace period of 10 weekdays in which the account can be pulled out of collections should the customer pay. Again, Metro asked Christopherson Excavating to pay \$2,000 by September 5, 2003, and they were offered a payment plan. However, the customer stated that they could not pay before September 25, 2003, because they have not been able to collect outstanding receivables from their customers. At that time the balance would have been 120 days old and the risk to lose the entire amount too great. Metro informed the customer that the account would be collected by NACM if they were unable to follow through with a payment plan. Christopherson Excavating clearly stated that they could not bring their Solid Waste account current and made no payments to Metro. NACM is now charged with collection of the past due balance and would retain 35% of the amount remitted.

ANALYSIS/INFORMATION

1. **Known Opposition** None
2. **Legal Antecedents** Metro Code section 5.02.060 (g)
3. **Anticipated Effects** Writing off this item will reduce the revenue balance and balance receivables. Payments received from NACM will be recorded as recovered debt and increase the revenue balance.
4. **Budget Impacts** None

RECOMMENDED ACTION

Approve writing off the past due balance of \$11,986.21 on the Christopher Excavating account #6899.