



AGENDA ITEM SUMMARY FORM

MEETING DATE: 1/9/2024

PREPARED BY: Phill Conner

AGENDA CONTENT: Discussion and possible action on writing off utility accounts that are 3 years or more past due.

AGENDA ITEM SECTION: Regular Agenda

BUDGETED AMOUNT: N/A

FUNDS REQUESTED: N/A

FUND: N/A

EXECUTIVE SUMMARY:

Currently the City budgets for and writes off about \$70,000 each year in bad debt. As of 1/3/24, there were \$591,977 in unpaid utility bills over 1 year old. That amount drops to \$489,442 for more than 2 years old and \$419,995 for more than 3 years. The chances of collecting anything from the accounts over 3 years old are very small. However, writing off everything over 3 years old at one time will significantly affect fund balance in the Water Fund.

We can write these unpaid utility bills off in stages so the impact on fund balance is manageable. For example, we can continue budgeting and expensing \$70,000 each year plus an extra \$105,000 each year for the next four years.

RECOMMENDATION:

Staff recommends writing off \$105,000 each year for the next 4 years.