

City of Yakima  
FINANCE DEPARTMENT

**STAFF REPORT**

February 19, 2019

**SUBJECT:**                      **Accounts Receivable Status Report  
4th Quarter 2018**

**SUBMITTED BY:**            **Finance Department**

**CONTACT PERSON:**        **Steve Groom, Director of Finance & Budget**

The Accounts Receivable Status Report presents the status of General and Installment Accounts Receivable as of December 31, 2018 that are billed through the City's Central Billing office.

**ACCOUNTS RECEIVABLE**

Exhibit I contains two charts summarizing activity and balances as of December 31, 2018. The first chart depicts general accounts receivable listed by the type or category of bill. The second depicts LID assessment accounts in total. The reports display the frequency of billing, the number of customers, the balance at the beginning of the reporting period, the amount billed and payments received during the quarter and the ending balance. Information as to the status and age of the general accounts receivable is also provided.

Various categories of accounts may have different collection requirements. For example, unpaid sewer contracts become a lien against the real property. For categories such as traffic, miscellaneous, and parks the City uses a collection agency to collect significantly past due accounts.

Accounts in Collection status have been placed with the City's collection agency. Accounts are classified as uncollectable when the original bill date is beyond the statute of limitations for collection; the agency cannot locate the party; or the customer has been declared bankrupt or is deceased. At year end, uncollectable general accounts are recommended to the City Council for write-off, typically at the first meeting in December. Once an item has been billed it takes Council action to remove it from the City's records.

Note that this report does not include regular Utility Account or Municipal Court Receivables.

## RECURRING RECEIVABLES

***Downtown Yakima Business Improvement District-Annually/Quarterly (DYBID)*** – This assessment began in December 2008 and was renewed in 2012. It replaced the Parking & Business Improvement Area (PBIA). There are two types of billings, quarterly to all property/business owners and annual billings to all individual businesses located in this area.

*Annual Charges* – The \$17,737 in the collection column is for 95 accounts.

*Quarterly Charges* – The \$10,588 in the collection column is for 25 accounts.

***Fire Inspections*** – This new revenue source began in January, 2017. There are 346 accounts in collection for a total of \$47,974.

***Front Street Business Improvement Assessment (FSBI)*** – A total of 13 accounts are in collection, totaling \$4,603.

***Fruitvale Canal Billing*** – There is a separate irrigation fee for customers connected directly to the Fruitvale Canal. 50 accounts are billed annually. The \$100 in the collection column represents two accounts.

***Miscellaneous Billing*** – Recurring billings in this category include transit bus passes, refuse charges and retiree premiums for health benefits, along with other truly miscellaneous one-time charges. The \$11,445 in the collection column represents 30 accounts that are primarily refuse bin charges.

***Intergovernmental*** – This category includes billings to other governmental agencies, including state agencies, counties, cities, school districts, and local police and fire departments.

***Traffic Engineering / Engineering Billing*** – This account is generally for sidewalk safety repairs, and currently has nothing in collection.

***Parks and Recreation Billing*** – This account includes billings for pool and field rentals, along with other program charges. The \$4,136 in the collection column is for nine accounts.

***Airport*** – The majority of the \$2,744 the collection column is for one vendor at the Airport, which is for a delinquent lease in the amount of \$2,285, with further charges pending. There is only one other vendor in collection for the Airport at this time. The \$2,615 in the legal column pertains to a land lease that is outstanding.

***The Water/Wastewater Invoices and Connections*** – The \$27,879 in collection is for 19 Water/Sewer invoices/contracts and fire hydrant meter charges, damages to Water/Sewer equipment, and utility back billings.

### **Gambling Tax**

This quarter the City received \$242,978 in gambling tax revenue, year to date, this represents a decrease of 4.4%, as the budgeted amount for the year is \$1,033,379.

*Gambling Tax Delinquencies* – Exhibit II details the status of delinquent gambling tax accounts. One delinquent account, totaling \$15,719, has been sent to collection. Another account with taxes owing of \$4,905 has made payment arrangements coordinated by the Legal department.

We have informed the Gambling Commission of the status of these accounts and keep them informed of any changes in their status. When a judgment is granted the Gambling Commission can revoke the company's license.

### **INSTALLMENT ACCOUNTS**

*Local Improvement District (LID)* –Exhibit III summarizes the status of outstanding LID receivables. The delinquent amounts are unpaid installments for prior years plus interest. As of the end of the quarter, the delinquent principal balance is \$81,035. When accumulated interest of \$27,890 is added, the total amount past due is \$108,925.

## CENTRAL BILLING ACCOUNTS RECEIVABLE

(as of December 31, 2018)

## GENERAL ACCOUNTS

Recurring Receivables	Approximate Billings			Quarterly Activity				Status				
	M	Q	A	Beginning Balance	New Inv Billed	Payments/ Write-offs	Ending Balance	Current to 90 Days	Over 90 Days	Over 120 Days	Collection	Legal
Downtown Yak Bus Impr Dist												
Annual (DYBIDA)	-	-	280	\$ 20,612	\$ -	\$ 1,775	\$ 18,837	\$ -	\$ -	\$ 1,100	\$ 17,737	\$ -
Quarterly (DYBID)	-	265	-	22,953	33,052	33,287	22,718	1,867	-	10,264	10,588	-
Fire Inspections	-	425	-	89,166	39,220	31,002	97,384	24,745	10,550	14,115	47,974	-
Front Street Business Impr (FSBI)	-	25	-	5,603	1,134	650	6,087	634	-	850	4,603	-
Fruitvale Canal Billing (FC)	-	-	50	125	-	-	125	-	-	25	100	-
Miscellaneous	110	-	-	22,418	48,621	51,674	19,364	6,924	-	995	11,445	-
Intergovernmental	525	20	30	435,089	894,184	882,365	446,908	37,560	397,886	11,463	-	-
Traffic Eng./ Engineering	3	-	-	1,570	150	200	1,520	100	100	1,320	-	-
Parks & Recreation (WEED)	10	-	-	4,161	21,882	10,490	15,553	11,392	-	25	4,136	-
Airport	400	-	-	28,267	177,371	171,591	34,048	22,736	94	5,859	2,744	2,615
Water/WW Invoice & Connections												
City of Yakima	90	-	5	219,505	596,605	571,970	244,140	124,113	10,850	81,299	27,879	-
Terrace Heights/Union Gap	4	4	1	135,493	346,809	371,990	110,313	110,313	-	-	-	-
<b>Sub-total Receivables</b>	<b>1,142</b>	<b>739</b>	<b>366</b>	<b>984,962</b>	<b>2,159,028</b>	<b>2,126,992</b>	<b>1,016,998</b>	<b>340,382</b>	<b>419,480</b>	<b>127,315</b>	<b>127,207</b>	<b>2,615</b>
Gambling Tax	-	20	-	21,424	242,978	243,778	20,624	-	-	-	15,719	4,905
<b>Total</b>	<b>1,142</b>	<b>759</b>	<b>366</b>	<b>\$1,006,386</b>	<b>\$2,402,006</b>	<b>\$2,370,770</b>	<b>\$1,037,622</b>	<b>\$ 340,382</b>	<b>\$419,480</b>	<b>\$127,315</b>	<b>\$ 142,926</b>	<b>\$ 7,520</b>

## INSTALLMENT ACCOUNTS

Installment Receivables	Approximate Billings			Original Principal Balance	Beginning Prinicipal Balance	Quarterly Activity			Ending Principal Balance	Delinquent		
	M	Q	A			Principal	Interest	Total Payments		Principal	Interest & Penalties	Total Past Due
LID Assessments	-	-	175	\$1,773,787	\$ 145,187	\$ 2,232	\$ -	\$ 2,232	\$142,955	\$ 81,035	\$ 27,890	\$ 108,925

Legend: M = Monthly Q = Quarterly A = Annually

Note: Amounts shown net of prepayments

EXHIBIT II

SUMMARY OF GAMBLING TAX DELINQUENCY

(as of December 31, 2018)

Account(s) sent to Collection:

Michael's Tavern (1st - 4th Qtr 13)	\$ 11,938
Michael's Tavern (1st - 2nd Qtr 14)	3,781
	<u>15,719</u>

Account currently at with payment arrangements per Legal:

Brews & Cues (1st - 4th Qtr 14)	5
Brews & Cues (1st - 4th Qtr 15)	4,900
	<u>4,905</u>

<b>Total</b>	<b><u>\$ 20,624</u></b>
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EXHIBIT III

LID ASSESSMENT RECEIVABLES

(as of December 31, 2018)

LID # - Description	# of Accts	Quarterly Principal Activity			Delinquent		
		Beginning Balance	Payments	Ending Balance	Principal	Interest	Total Past Due
1052 - Willow Area Watermain	1	\$ 286	\$ -	\$ 286	\$ 285	\$ 28	\$ 313
1056 - S. 7th, 8th , & 9th Avenue Sewer	1	1,229	-	1,229	1,230	174	1,404
1057 - N. 84th Avenue & Hawthorne Drive Sewer	3	18,131	-	18,131	18,131	7,933	26,064
1058 - N. 95th Avenue, 94th Place, W. Yakima Avenue Sewer	2	8,021	-	8,021	8,021	3,680	11,701
1060 - N. 85th Avenue & Kail Drive Sewer	6	16,035	410	15,625	772	204	976
1061 - Simpson Lane Sewer	45	101,485	1,822	99,663	52,596	15,871	68,467
<b>Total</b>	<b>58</b>	<b><u>\$ 145,187</u></b>	<b><u>\$ 2,232</u></b>	<b><u>\$ 142,955</u></b>	<b><u>\$ 81,035</u></b>	<b><u>\$ 27,890</u></b>	<b><u>\$ 108,925</u></b>