



FINANCE DEPARTMENT

To: Mayor and City Council
Cliff Moore, City Manager

From: Steve Groom, Finance Department
Kathy Miles, Financial Services

Date: May 21, 2019

Subject: Accounts Receivable Status Report - 1st Quarter 2019

This report presents the status of general receivables (non-utility billing) accounts as of March 31, 2019 that are billed centrally by the Finance Department. The report that follows summarizes activity and balances of general accounts and Local Improvement District (LID) assessment accounts.

Summary

- Total general accounts ending balance increased by \$21,932 or 2.1% from prior quarter. Accounts in collection total \$163,823, or 15.5% of total ending balance.
- Total LID accounts ending balance decreased by \$15,833 or 11.1% from prior quarter.
- The collections process is managed continuously and reviewed monthly
- Past due accounts are placed monthly with the city's collection agency

Collection Processes

Collection requirements vary between types of billing. For example, the City uses a collection agency to collect significantly past due accounts in categories such as traffic, miscellaneous, and parks, whereas unpaid sewer contracts become a lien against the real property. Collection activity of delinquent LID accounts are coordinated with the City's legal department.

Accounts are sent to the City's collection agency when the balance is more than 90 days past due. After collection efforts are exhausted, uncollectible accounts are reported annually to the City Council for write-off approval.

Downtown Yakima Business Improvement District - Annually/Quarterly (DYBID)

DYBID funds provide downtown services including cleaning, maintenance, landscaping, safety and business development activities. There are two types of billings, quarterly to all property/ business owners and annual billings to all individual businesses:

Annual Charges - The \$17,487 in the collection column is for 92 accounts.

Quarterly Charges - The \$9,320 in the collection column is for 22 accounts.

Fire Inspections

The Fire Department is currently doing about 500 inspections and compliance re-inspections per month; there are currently 349 accounts in collection for a total of \$51,214.

Front Street Business Improvement Assessment (FSBI)

Originally created in 2006, this program was created for the purpose of assisting trade, economic viability and livability within the FSBI area. A total of 14 accounts are in collection, totaling \$4,553.

Fruitvale Canal Billing

A separate irrigation fee for customers connected directly to the Fruitvale Canal, which is not owned by the City. The City buys water through shares to serve City customers. There are 50 accounts billed annually. A total of 2 accounts are in collection, totaling \$100.

Miscellaneous Billing

Recurring billings in this category include transit bus passes for non-governmental entities, refuse charges, rents and retiree premiums for health benefits. A total of 30 accounts are in collection, totaling \$11,445, primarily for Police event services and 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. Generally considered collectible, balances are normally only a result of the timing of payments.

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. A total of 9 accounts are in collection totaling \$4,136.

Airport

The majority of the \$2,744 the collection column is for two vendors. Most of these charges are for a delinquent lease, which is still incurring charges. The City continues to seek resolution. The \$2,615 in the legal column pertains to a land lease that the cities Legal department is looking into.

The Water/Wastewater Invoices and Connections

A total of 22 accounts are in collection, totaling \$47,103, mainly for Wastewater pretreatment and strong water fees, Water permits and Water and Wastewater equipment.

Gambling Tax

The power to impose a Gambling Tax was adopted by ordinance in the City of Yakima in 1974. The largest part of these taxes come from card games, with Punch boards, pull tabs and amusement games making up for the rest.

This quarter the City received \$255,104 in gambling tax revenue, year to date, this represents 24.3% of the budgeted amount for the year (\$1,050,690), a decrease of 0.7%.

Gambling Tax Delinquencies - Exhibit II details the status of delinquent gambling tax accounts. The beginning and ending balances are primarily comprised of two delinquent accounts. One, totaling \$15,719, has been sent to collection and the second, totaling \$4,555, is making payments, coordinating with the City's Legal Department. The City informs the Gambling Commission of the status of these accounts and keeps them informed of any changes to further any collection efforts. According to RCW 9.46.070, the Gambling Commission has the authority to revoke or suspend a gambling licenses for violation of any provisions of the rules and regulations adopted in the code.

LID ASSESSMENT DETAIL

Exhibit III

Local Improvement District (LID)

LID assessments are generally for improvements made to a parcel related to the Wastewater system. There are currently six LIDs that the City is collecting assessments on, improvements all done previous to 2009. Delinquent amounts are unpaid installments for prior years plus interest. At of the end of the quarter, the delinquent principal balance is \$89,602. When accumulated interest of \$28,690 is added, the total amount past due is \$118,292. The City's Legal Department is involved with collection efforts.

RECURRING RECEIVABLES SUMMARY

Exhibit I

Recurring Receivables Detail	Approximate Billings			1st Quarter Activity				Status				
	M	Q	A	Beginning Balance	New Inv Billed	Write-offs	Ending Balance	Current - 90 Days	Over 90 Days	Over 120 Days	Collection	Legal
Downtown Yak Bus Imp Dist												
Annual (DYBIDA)	—	—	280	\$ 18,837	\$ 28,700	\$ 18,624	\$ 28,913	\$ 10,526	\$ —	\$ 900	\$ 17,487	\$ —
Quarterly (DYBID)	—	700	—	22,718	34,486	32,943	24,261	3,529	—	11,412	9,320	—
Fire Inspections	500	—	—	97,384	49,275	44,406	102,253	25,723	7,400	17,916	51,214	—
Front St Business Impr (FSBI)	—	60	—	6,087	1,184	1,850	5,421	434	—	434	4,553	—
Fruitvale Canal Billing (FC)	—	—	100	125	—	—	125	—	—	25	100	—
Miscellaneous	75	—	—	19,364	63,421	38,716	44,068	31,628	—	995	11,445	—
Intergovernmental	350	25	35	446,908	933,921	927,515	453,314	443,296	75	9,943	—	—
Traffic Eng./ Engineering	5	—	—	1,520	150	150	1,520	150	50	1,320	—	—
Parks & Recreation (WEED)	—	20	5	15,553	—	9,555	5,998	—	1,837	25	4,136	—
Airport	280	—	—	34,048	167,742	159,807	41,984	30,282	230	6,112	2,744	2,615
Water/WW Inv & Connections												
City of Yakima	90	—	10	244,140	413,569	495,657	162,052	84,328	—	30,621	47,103	—
Terrace Heights/Union Gap	5	—	—	110,313	330,931	271,875	169,370	169,370	—	—	—	—
Sub-total Receivables	1,305	805	430	1,016,997	2,023,379	2,001,098	1,039,279	799,266	9,592	79,703	148,102	2,615
Gambling Tax	—	12	—	20,624	255,104	255,454	20,274	—	—	—	15,719	4,555
Total	1,305	817	430	\$ 1,037,621	\$ 2,278,483	\$ 2,256,552	\$ 1,059,553	\$ 799,266	\$ 9,592	\$ 79,703	\$ 163,821	\$ 7,170

Installment Receivables	Approximate Billings			Original Principal Balance	Beg Principal Balance	1st Quarter Activity			Ending Principal Balance	Delinquent		
	M	Q	A			Principal	Interest	Total Payments		Principal	Interest & Penalties	Total Past Due
LID Assessments	—	—	60	\$ 1,773,787	\$ 142,955	\$ 15,833	\$ —	\$ 15,833	\$ 127,122	\$ 89,602	\$ 28,690	\$ 118,292

Legend: M = Monthly Q = Quarterly A = Annually

Note: Amounts shown net of prepayments

GAMBLING TAX DETAIL

Exhibit II

Account(s) sent to Collection:	1st Quarter Balance
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)	4,555
 Total	<u><u>\$ 20,274</u></u>

LID ASSESSMENT DETAIL

Exhibit III

LID # - Description	# of Accts	1st Quarter Activity			Delinquent		
		Beginning Balance	Payments	Ending Balance	Principal	Interest	Total Past Due
1052 - Willow Area Water Main	1	\$ 286	—	\$ 286	\$ 285	\$ 28	\$ 313
1056 - S. 7th, 8th , & 9th Avenue Sewer	1	1,229	548	681	682	20	702
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	15,625	448	15,177	324	204	528
1061 - Simpson Lane Sewer	45	99,663	14,837	84,826	62,159	16,825	78,984
Total	58	\$ 142,955	\$ 15,833	\$ 127,122	\$ 89,602	\$ 28,690	\$ 118,292