

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2024-28

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE WRITE-OFF OF
VARIOUS ACCOUNTS RECEIVABLE

WHEREAS, the accounts listed in the attached schedule are deemed to be uncollectible due to inadequate addresses, businesses having left town, lack of legal recourse, timeliness or lack of sufficient documentation; and

WHEREAS, it is not economically prudent to continue collection efforts on these accounts.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the Finance Director to write off the receivables as specified in the attached schedules showing the following totals:

Ports	\$38.38
Business Personal Property Tax	<u>\$6,715.56</u>
Total	\$6,753.94

BE IT FURTHER RESOLVED that the Unalaska City Council authorizes the Finance Director to revive said accounts if collection or payment should occur.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on June 25, 2024.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Estkarlen P. Magdaong
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Patricia Soule, Finance Director
Through: Marjie Veeder, Acting City Manager
Date: June 25, 2024
Re: Resolution 2024-28: Authorizing the Write-Off of Various Accounts Receivable

SUMMARY: The past due accounts receivable contained on the list attached to Resolution 2024-28 are deemed uncollectible and should be removed from the City's list of accounts receivable.

PREVIOUS COUNCIL ACTION: No previous action has been taken on these specific accounts. In previous years, the City Council has written off debts considered uncollectible. The table below shows totals written off in previous years.

FY12	FY13	FY14	FY16	FY18	FY19	FY20	FY22	FY24 Proposed
\$17,092	\$1,847	\$12,127	\$19,187	\$73,063	\$38,695	\$3,354	\$3,069	\$6,754

BACKGROUND: City practice has been to annually acquire City Council approval of bad debt write offs via resolution. City Code does not require council approval for writing off uncollectible accounts.

DISCUSSION: Periodically the City must make a determination on whether to pursue further collection efforts on amounts owed to the City. The Finance Department has compiled the attached list of uncollectible accounts receivable. The amount proposed to be written off (\$6,754) is approximately eight one thousandths of one percent of the City's total annual revenue.

Staff has made multiple, ongoing attempts to collect the accounts listed, but the collection efforts have been unsuccessful. Recording the write-off does not forgive the debt; if circumstances change or more information becomes available, staff may reinitiate collection efforts on an account that has been written off.

ALTERNATIVES: Do not write off the listed accounts, which effectively requests staff to continue making collection efforts.

FINANCIAL IMPLICATIONS: The write off will result in \$6,754 being removed from the accounts receivable asset item on the balance sheet as of June 30, 2024. This will permit staff to focus their efforts on past due accounts that are likely to be collectible.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends approval of Resolution 2024-28

PROPOSED MOTION: I move to adopt Resolution 2024-28

CITY MANAGER COMMENTS: I support Staff's recommendation.

ATTACHMENT: List of accounts to be written off.

City of Unalaska
Accounts to be Written Off
Fiscal Year Ending June 30, 2024

Account Holder	Amount
Corvus Airlines, Inc.	\$ 3,336.65
Smokey Point Aleutian Concrete, LLC	\$ 3,378.91
BPPT Write-Off	<u>\$ 6,715.56</u>
Exodus	\$ 38.38
Ports Write-Off	<u>\$ 38.38</u>
Total	<u><u>\$ 6,753.94</u></u>

From: [Peggy McLaughlin](#) on behalf of [Peggy McLaughlin](#)
To: [Kelly Tompkins](#)
Cc: [Patricia Soule](#)
Subject: RE: Bad Debt FY24 - A/R (PORTS)
Sent: 6/17/2024 9:24:40 AM

Yes proceed with the \$38.88 for the exodus. I know of no other accounts we intend to write off at this time.

From: Kelly Tompkins <ktompkins@ci.unalaska.ak.us>
Sent: 17 June 2024 09:22
To: Peggy McLaughlin <pmclaughlin@ci.unalaska.ak.us>
Cc: Patricia Soule <psoule@ci.unalaska.ak.us>
Subject: FW: Bad Debt FY24 - A/R (PORTS)

Hi Peggy,

We are preparing the FY24 Bad Debt resolution for next week's council meeting.

Wilma had sent me an email that \$38.38 should be written off for the Exodus.

Can you confirm that is the only write off for Ports? Wilma had mentioned there were some other delinquent accounts but thought that you were still wanting to collect and not write off.

If I don't hear anything back by 5pm today, we will proceed with just the \$38.38.

Thanks,

Kelly

From: Wilma Marchadesch <wmarchadesch@ci.unalaska.ak.us>
Sent: Friday, June 14, 2024 10:56 AM
To: Kelly Tompkins <ktompkins@ci.unalaska.ak.us>
Subject: Bad Debt FY24 - A/R

Hi Kelly,

See below for account's detail. Bill number 98758. Thanks!

Bill Inquiry: Customer Account View [CITY OF UNALASKA]

- ← Back
- ✓ Accept
- 📂 Browse
- 📄 Output
- 🖨️ Print
- 👁️ Display
- 📄 PDF
- 💾 Save
- 📄 Excel
- 📄 Word
- ⚙️ Preferences
- 👁️ View Bill

Bill Inquiry [CITY OF UNALASKA] > Bill Inquiry: Customer Account View [CITY OF UNALASKA]

Account Information

Customer ID: EXODUS
 FRED HANKINS
 69570 LANTZ LN
 COVE OR 97824
 503-791-2887

Notes/Alerts

📁 Special Conditions/Notes

Effective Date

Due 06/14/2024

Account Bills

Refunds	Pmt/Crd	Prin/Fee/Pen Unpaid	Interest Due	Total Due Now	Due Date
0.00	0.00	0.00	0.00	0.00	04/30/2013
0.00	0.00	0.00	0.00	0.00	04/19/2013
0.00	0.00	0.00	0.00	0.00	04/15/2013
0.00	0.00	0.00	0.00	0.00	03/28/2013
0.00	0.00	38.38	0.00	38.38	04/29/2022
0.00	357.31	38.38	0.00	38.38	

From: [Estkarlen Magdaong](#) on behalf of [Estkarlen Magdaong](#)
To: [Kelly Tompkins](#)
Cc: [Alicia Aguilar](#)
Subject: RE: Bad Debt Write Off
Sent: 6/13/2024 6:04:57 PM

Kelly,

Here is the Clerk's department list for uncollectible accounts receivable:

Business Personal Property

- 9902454 Corvus Airlines, Inc. \$3,336.65 (penalty accrues .94 per day)
 - filed Chapter 11/Bankruptcy around April 2020. FY21 Assessment Notice went out by then, but we did not send the bill. No assessment nor bill was sent out for FY22 either, however since there was an active bill for the prior year, we weren't able to just delete the account per se, or inactivate it, and somehow when we processed the next year's bill, it generated an involuntary assessment that's why there was FY22 amount for this account.
- 9901913 Smokey Point Aleutian Concrete, LLC \$3,378.91 (penalty accrues 1.06 per day)
 - Has been on the involuntary tax roll since 2019 and have been paying the business personal property tax due. Business license expired on December 31, 2023. Does not wish to renew the license, and mentioned that there is no more business personal property in town. Refuses to pay 2023 tax bill because there is no personal property anyway.



Estkarlen P. Magdaong

City Clerk

(907) 581-1251 | emagdaong@ci.unalaska.ak.us

From: Kelly Tompkins <ktompkins@ci.unalaska.ak.us>
Sent: Thursday, June 13, 2024 1:02 PM
To: Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Subject: RE: Bad Debt Write Off

When you send the email with the list if you could just mention why you were unable to collect, I will work it into the main memo if need be.

Thanks!

From: Estkarlen Magdaong <emagdaong@ci.unalaska.ak.us>
Sent: Thursday, June 13, 2024 1:00 PM