

**CITY OF MARIANNA  
COMMISSION AGENDA MEMO  
MARCH 1, 2022**

**ADMINISTRATIVE STAFF REPORT**

- Subject:** Charge off Uncollectable Utility Accounts
- Detail:** The last time the City approved a charge-off of uncollectable accounts was May 2019. The City has implemented the following to help reduce bad debts:
- (1) The City increased the deposits for customers who rent from \$200 to \$250.
  - (2) Customers' accounts that are turned off for non-payment are now closed and finaled within a month of the shut-off.
  - (3) All accounts that are not paid are turned over to a collection agency in a timely manner.
  - (4) The City requires a copy of a typed lease listing all adults that will be living in the home. If a former customer with an outstanding balance owed to the City is included on the lease, the outstanding balance must be paid before services are cut on.
- These measures do help reduce the amount of bad debts. Anytime natural gas prices increase the City does find the percentage of bad debts write-off's larger. The proposed amount of write-offs is \$76,259.32 and that is for a period of almost 3 years and considering the utility fund revenue that is generated each year, the bad debt is a very small percentage (less than 2%). The account balances will still be kept in the City's software system so collection can still be made if possible.
- Recommendation:** Approve Charge-Off of Uncollectable Utility Accounts
- Potential Motion:** I move to approve the Uncollectable Utility Accounts in the amount of \$76,259.32.

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Approved for agenda by: