



# Memorandum

**TO:** PUBLIC SAFETY, FINANCE, AND STRATEGIC SUPPORT COMMITTEE

**FROM:** Julia H. Cooper

**SUBJECT:** THIRD QUARTER FINANCIAL REPORTS FOR FISCAL YEAR 2017-2018

**DATE:** May 2, 2018

Approved

Date

5-7-18

## RECOMMENDATION

- (1) Accept the following Third Quarter (period ending March 31, 2018) Financial Reports for Fiscal Year 2017-2018 for the following programs:
  - (a) Debt Management
  - (b) [Investment Management](#)
  - (c) Revenue Collection;
- (2) Forward recommendation to the City Council to adopt a resolution authorizing the Director of Finance to write-off uncollectible debts in an amount up to \$496,681.64; and
- (3) Refer the Third Quarter Financial Reports for Fiscal Year 2017-2018 to the June 5, 2018, City Council meeting for full adoption.

## OUTCOME

Provide the quarterly update on debt management, investment management, and revenue collection work efforts.

## BACKGROUND

The attached Third Quarter Financial Reports for Fiscal Year 2017-2018 presents the Finance Department's quarterly activity for the City's Debt Management, Investment Management, and Revenue Collection programs (Attachment A). Additionally, the Third Quarter Investment Report has been distributed to the City Council via email and is available on the Finance Department web page at <http://www.sanjoseca.gov/index.aspx?NID=759>. As part of the ongoing effort to streamline work efforts within the Finance Department, these three reports are combined in one single report for submission to the Public Safety, Finance, and Strategic Support Committee (the "PSFSS Committee") for its review and acceptance. A brief narrative discussion is provided below for all three components of this quarterly report.

## **ANALYSIS**

This section of the report is divided into the following sections: Debt Management Program, Investment Management Program, and Revenue Collection Program which includes Marijuana Business Tax.

### **Debt Management Program**

This Third Quarter Debt Report focuses on the City's debt activities for the period ended March 31, 2018, and relates to the following elements of the City's Debt Management Program:

- Completed financings and current debt portfolio
- Debt issuance and management activities completed and anticipated to fiscal year end
- Current interest rate environments and credit ratings

The City's current general obligation bonds are rated Aa1/AA+/AA+ and lease revenue bonds are rated Aa2-Aa3<sup>1</sup>/AA/AA by the Moody's Investors Services Inc., Standard & Poor's Ratings Services, and Fitch Ratings, respectively. These ratings are based on the rating reviews through March 31, 2018.

### **Investment Management Program**

A quarterly investment report for the period ended March 31, 2018, was distributed separately to the Mayor and City Council and is posted on the Finance Department website<sup>2</sup>. Pursuant to the City's Investment Policy, verbal presentations in addition to the written reports are provided to the PSFSS Committee for the Second and Fourth Quarter Reports. The materials that are presented in this consolidated report provide a "snapshot" of the investment portfolio. The report will be agendized for acceptance by the City Council pursuant to the Investment Policy.

### **Revenue Collection Program**

The Revenue Collection report highlights the key aspects of the City's ongoing collection efforts. These efforts focus on reducing delinquent accounts receivable and enhancing revenue compliance through three primary collection programs: Business Tax, Accounts Receivable, and Revenue Compliance and Monitoring. This report provides the highlights of the Revenue Management Division's collection efforts and summarizes the progress towards meeting the annual delinquent account collection target of \$7.5 million. Actual collections through the third quarter of fiscal year 2017-18 are approximately \$10.3 million which represents 137.9% of the annual collection target. Additionally, supplemental information is provided on the bad debt

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<sup>1</sup> Moody's determines its lease revenue bond ratings in part based on "essentiality" of leased asset; bonds tied to an essential asset, like City Hall carries higher rating (Aa2) than bonds tied to a less essential asset such as Convention Center (Aa3)

<sup>2</sup> <http://www.sanjoseca.gov/index.aspx?NID=759>

write-off process as well as the extended community outreach effort related to the Business Tax Modernization changes that went into effect July 1, 2017.

### **Bad Debt Write-Off Process**

Overview of Collection Process – City departments issue invoices to debtors for various costs incurred by the City. The invoices are entered in Revenue Results, the City's Accounts Receivable system, either directly by City department staff or via interface from a department's proprietary program. Each department is responsible for mailing invoices to the appropriate party.

If an account has an unpaid balance after 30 days, a delinquency notice, which includes any additional interest, penalties, and applicable fees, is generated and mailed to the debtor. The account is then assigned to a City Investigator Collector, who begins the revenue collection process by contacting the debtor to attempt to collect the past due amount. After 60 days, a second collection notice, which includes any additional interest, penalties, and other fees, is mailed to the debtor. At this point, a collection cost recovery fee is added to each account. This cost recovery fee is reviewed and set on an annual basis. After approximately 120 days, a Senior Investigator Collector reviews each remaining delinquent invoice with Investigator Collectors to determine the appropriate action to take against the debtor to collect the outstanding balances.

Overview of Collection Agency Process – The following factors are used to determine the referral of accounts to a collection agency:

- 1) Cost/Benefit of staff time versus debt owed on an account;
- 2) City's ability to collect through alternate means; and
- 3) Sensitivity and complexity of services billed or amount of debt owed.

When accounts are sent to the collection agency, a collection agency collection fee is added to the account. The collection agency will standardize the addresses and names and send the accounts to 3-5 vendors for data scrubbing to ensure the best possible chance at locating debtors. Subsequently, a validation notice is sent to the debtor which permits the debtor an opportunity to dispute or pay within 30 days. After the validation period, approximately 30 days, targeted and customized notices continue on approximately 21-day intervals. Collection agency collectors immediately start phone contact, which is attempted every 3 days until successful contact is made. If the debtor has not contacted the collection agency to resolve the debt, the account can be sent to the credit reporting bureaus approximately 30 days after the date of assignment.

Overview of the Bad Debt Write-Off Process – In addition to proactively collecting the City's delinquent accounts, it is also important to write-off the City's uncollectible debts to ensure the accuracy of the City's financial statements. On a periodic basis, the Finance Department establishes reserves for bad debts to cover potential write-offs of uncollectable accounts. The bad debt reserves are funded as an estimate of total billings each year, in each revenue category billed. The accounts recommended for bad debt write-off will be offset by the bad debt reserves that have been established.

The annual analysis of the City's bad debt reserves is conducted by the Finance Department and reviewed by the City Manager's Budget Office during the budget development and Annual Report process. In addition, during the preparation of the City's annual financial statements, the City's external auditors review the City's bad debt exposure as well as the adequacy of the bad debt reserves.

The Director of Finance is authorized to write-off as uncollectible any account or claim not exceeding five thousand dollars (\$5,000) in amount. No account or claim of the City exceeding \$5,000 shall be written off as uncollectible without the express authorization of the City Council. As accounts are considered for write-off through the City's evaluation process, the following criteria is used to determine if an account should be written off as bad debt:

- Debtor has no assets, is out of business, or has no indication of future assets;
- Debtor is deceased and has no estate;
- Debtor is incarcerated for an extended or unknown period;
- Debtor has filed bankruptcy;
- Debtor has "skipped", moved, or sold property and has no forwarding information; or
- Statute of limitations has expired.

Recommended Bad Debt Write-Offs – The Finance Department recommends that the PSFSS Committee forward the attached list of delinquent accounts, with delinquent balances totaling \$496,681.64 (Attachment B), to the City Council for write-off approval. This request represents a total of 40 uncollectible accounts representing 39 individuals or businesses with delinquent balances ranging from \$5,000 to \$85,000.

Collection Efforts (Post Write-Off) – It should be noted that a write-off is not a relinquishment of the City's claim for debts due the City. After writing off accounts that are deemed uncollectible, the Finance Department will continue to pursue collection on these accounts to the extent legally possible.

### **Marijuana Business Tax ("MBT")**

MBT Revenue Collection – The MBT revenue collected this fiscal year through February 2018 is approximately \$7.6 million. This represents an 18.7% increase over the \$6.2 million in revenues collected through the same period in the prior fiscal year. The increase in revenue collected this fiscal year is attributable to an overall increase in marijuana business activity. One driver of the increase is the legalization of non-medical marijuana sales in California that went into effect January 1, 2018. With the enactment of Proposition 64, it is estimated that MBT revenues will increase by roughly 10% compared to last year's fiscal year January – June collections.

MBT Compliance – There are a total of 16 registered collectives in the City's marijuana regulatory program. All 16 are remitting MBT timely and are compliant with the MBT ordinance. As of March 31, 2018, there were seven non-registered MBT accounts which were

delinquent and required further staff collection efforts. The summary of staff collection efforts related to the seven delinquent accounts is as follows:

- Six of the non-compliant store fronts have been closed through Code Enforcement action.
  - Four are actively being pursued by City staff for collection of taxes owed;
  - One account remains with the City Attorney's Office for legal action; and
  - One account is currently in the settlement process with the City Attorney's Office.
- One newly identified non-registered store front has been contacted for an audit and is also with the City Attorney's Office for legal action.

### **Extended Outreach Plan for Business Tax Code Changes effective July 1, 2017**

The Business Tax Modernization Measure, approved by San José voters on November 8, 2016, went into effect July 1, 2017, and represents the first Business Tax increase since 1986. The City Council extended the community outreach plan and deadline to register residential landlords with one or two units until June 30, 2018, without incurring interest or penalties.

The Business Tax Modernization changes require outreach to the business community through a variety of mediums. Staff from the Finance Department, Office of Economic Development, and City Manager's Office have executed on the initial outreach plan and will continue to spread awareness of the change through the extended grace period. Specific examples of the completed and ongoing outreach efforts are as follows:

#### Direct Mailings

- Finance Department commenced a letter campaign targeting residential landlords, owning one or two units, that are now required to register and remit Business Tax. Through November 2017, 23,400 letters were mailed to potential residential landlords; and
- From March through May 2018, a second mailing of approximately 18,000 letters were mailed to potential residential landlords that have not yet responded.

#### Advertising

- An online advertisement was placed on the Silicon Valley Organization's website in October 2017 and will run through the end of November 2018; and
- Additional advertisements have commenced and been extended through June 30, 2018 with Radio KRTY/KLIV and San Jose Mercury News.

#### Outreach to Business Organizations

- Finance staff has distributed Business Tax Modernization flyers to the following organizations and associations for circulation: Santa Clara County Association of Realtors, San José Silicon Valley Chamber of Commerce, Hispanic Chamber of Commerce Silicon Valley, Blank Chamber of Silicon Valley, Silicon Valley Leadership Group, Silicon Valley Small Business Development Centers of Northern California,

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Subject: **Third Quarter Financial Reports for Fiscal Year 2017-2018**

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Building Owners and Managers Association Silicon Valley, California Apartment Association, and Silicon Valley SCORE.

Community Meetings

- Finance staff presented information regarding the Business Tax Modernization Measure at several community meetings including the Berryessa Business Association and Doing Business in San Jose Workshops.

Online Resources

- Finance Department has updated online resources with information regarding changes to the Business Tax Modernization, including translations of the direct mailing notification to Spanish and Vietnamese.

As of July 1, 2017, taxpayers can access an online payment portal to pay Business Tax and businesses can register online for Business Tax accounts at the Finance Department's website. Through April 16, 2018, the Finance Department has registered a total of 5,178 new residential landlords resulting from the Business Tax Modernization, resulting in just over \$1 million in ongoing future revenue to the City.

**EVALUATION AND FOLLOW-UP**

The Finance Department prepares this report on a quarterly basis for review and approval by the PSFSS Committee. Finance Department staff will be available to answer questions on the Third Quarter Financial Reports for Fiscal Year 2017-2018 at the PSFSS Committee meeting on May 17th, 2018.

**PUBLIC OUTREACH/INTEREST**

This memorandum will be posted on the City's website for the May 17, 2018, PSFSS Committee meeting and the June 5, 2018, City Council meeting.

**COORDINATION**

This memorandum has been coordinated with the City Attorney's Office and City Manager's Budget Office.



JULIA H. COOPER  
Director of Finance

For questions, please contact Lisa Taitano, Assistant Director of Finance, at (408) 535-7041.  
Attachment A: Third Quarter Financial Reports for Fiscal Year 2017-2018  
Attachment B: Citywide Write-Off Report April 2018

# **Third Quarter Financial Report for Fiscal Year 2017-2018**

**Public Safety, Finance and  
Strategic Support Committee**

**Prepared by the Finance Department  
May 17, 2018**

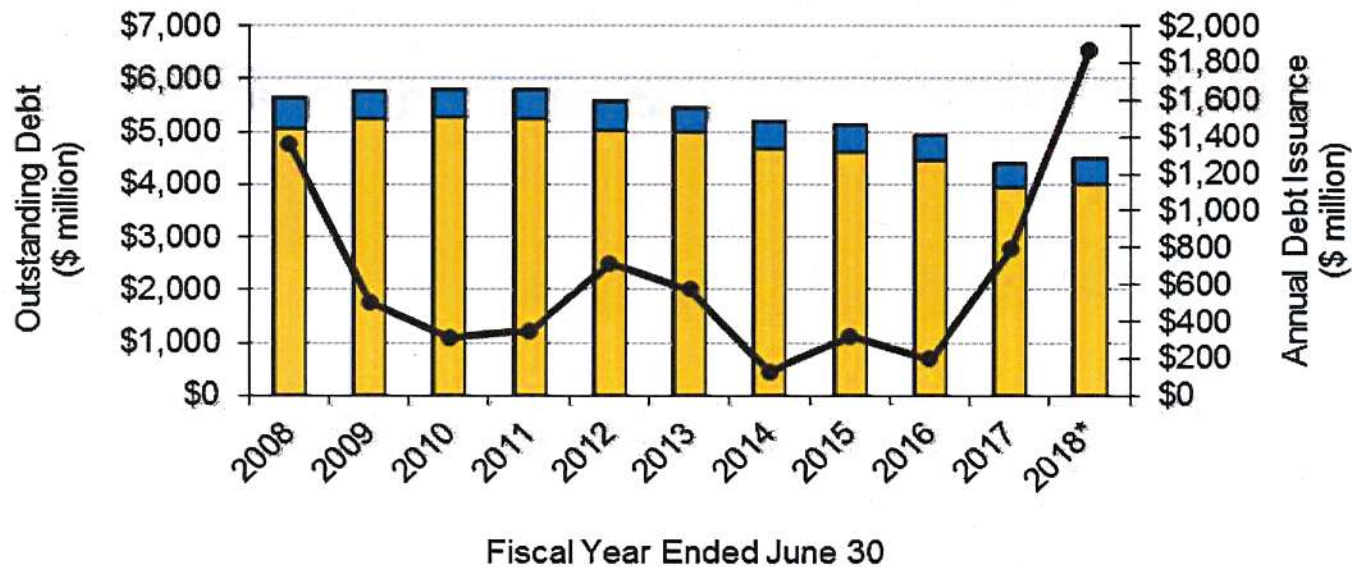
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# **Third Quarter Debt Management Report for Fiscal Year 2017-2018**



# Outstanding Debt Issued by All Agencies

Outstanding Debt as of March 31, 2018: \$4.5 Billion  
 FY 2017-18 Actual Debt Issuance: \$1,859.2 Billion

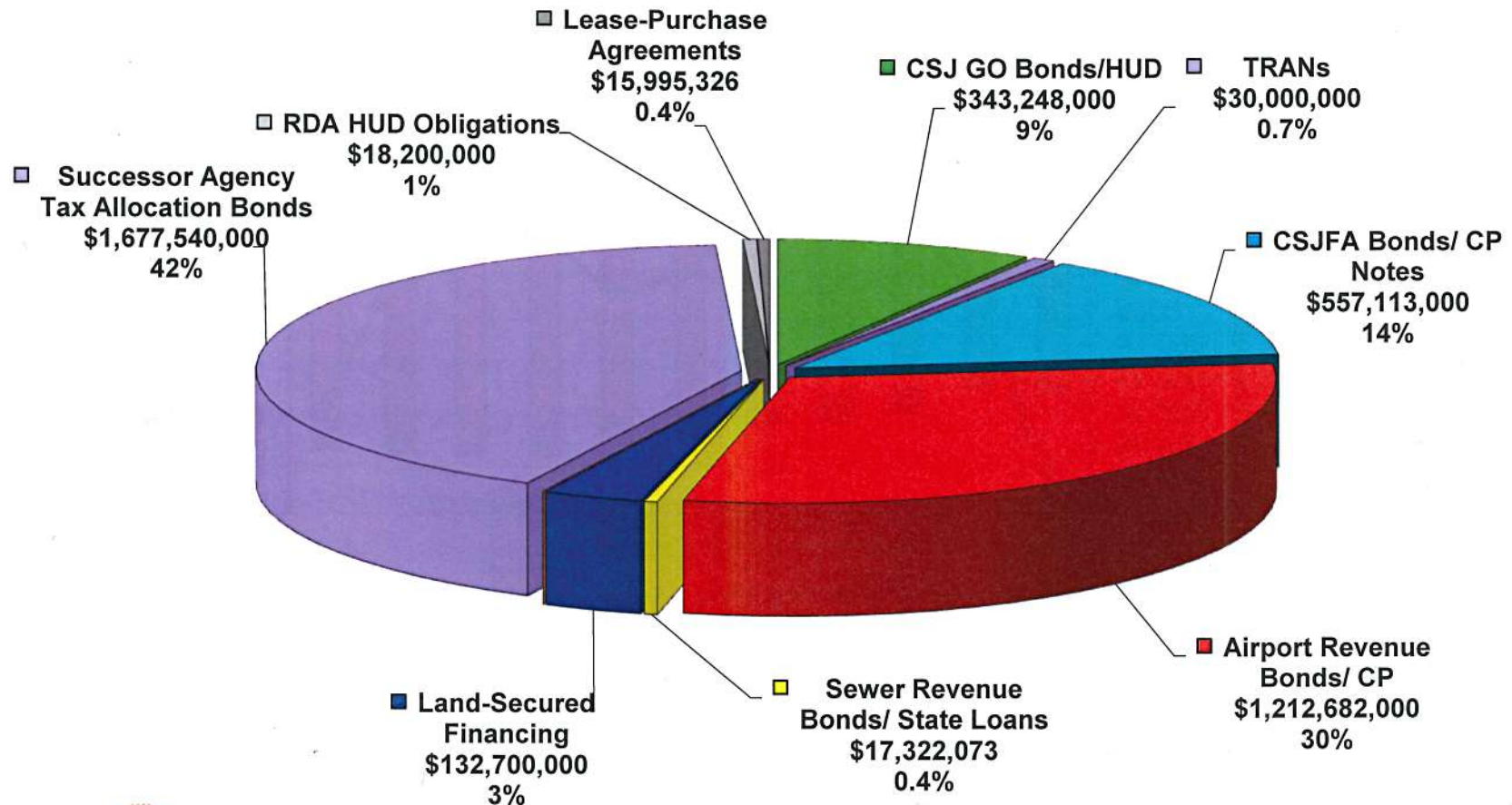


City and Related Entity Debt Outstanding
  Conduit Debt Outstanding
  Annual Debt Issuance

\* YTD Debt Issuance

# Outstanding Debt Issued by All Agencies Excluding Multifamily Housing Revenue Bonds

Outstanding Debt as of March 31, 2018: \$4,004,800,399\*



\* Excludes conduit debt, pension, OPEB, and other long-term liabilities of the City.

# Selected Debt Issuance and Debt Management Activities during 3<sup>rd</sup> Quarter

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- Debt Issuance
  - Council approved \$21 million in CP authorization for San José Flood Improvements
- Debt Management
  - Sale of Airport West / FMC Property – prepaid HUD 108 Loan (\$478,000) and redeemed CSJFA Series 2008F Bonds (\$37,050,000)
  - SARA 18-19 ROPS approved by Oversight Board (January 2018) and DOF (April 2018)
- Credit Support
  - Renewal of Letter of Credit Agreement (Barclay's) for the Airport's CP program that expired in February 2018 and renewed to February 2019
- Reporting
  - General Fund Debt Forecast FY2018-19 to FY2022-23
  - Completion of SB1029 Debt Transparency Report requirement due on January 31, 2018, as required by the State of California (CDIAC)

# Upcoming Debt Issuance and Management

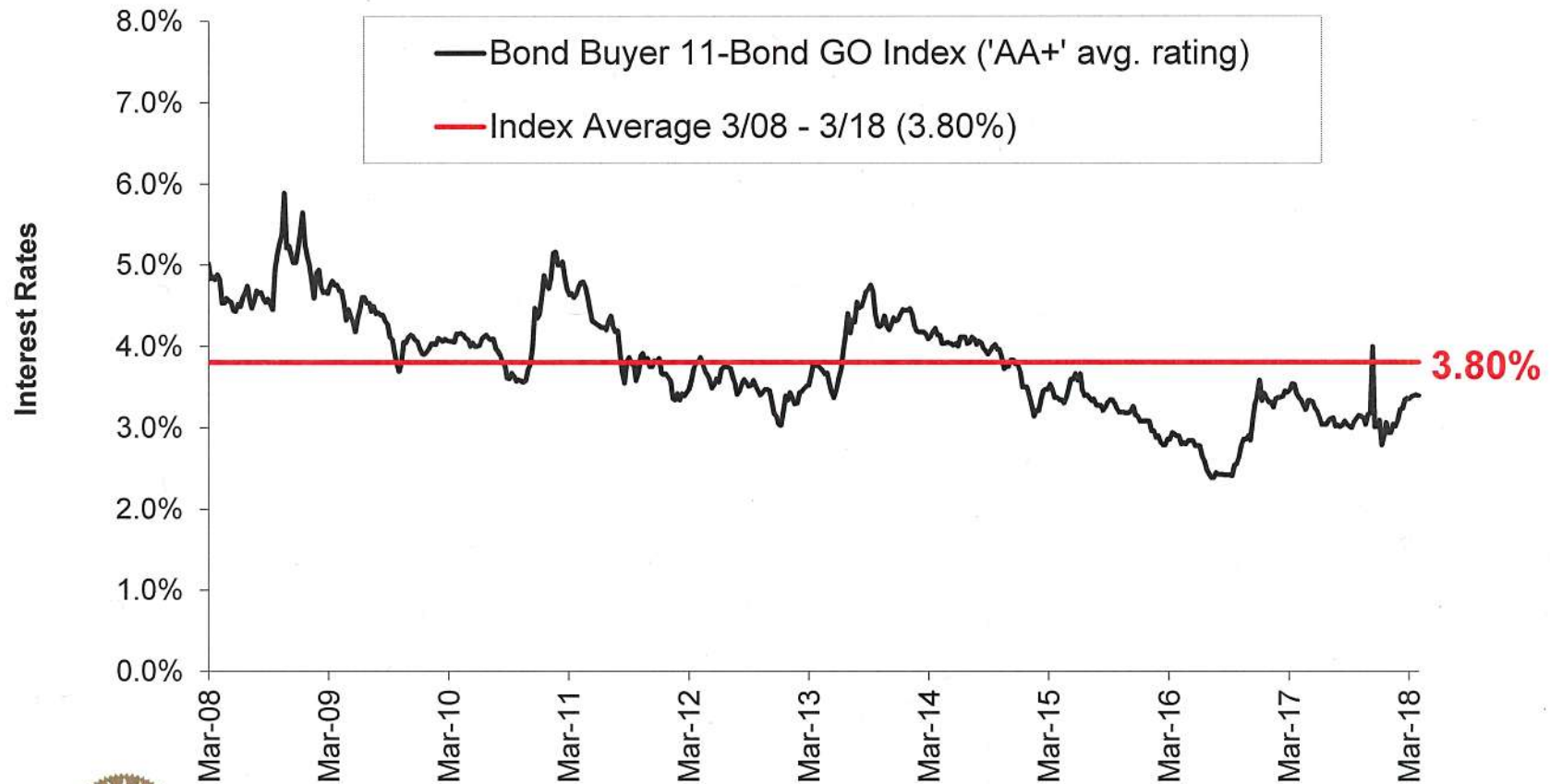
## April 1 - June 30, 2018

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- Debt Issuance
  - CSJFA lease revenue commercial paper notes for various projects include: San José Clean Energy startup costs - \$5 million (\$10 million authorized); Energy Conservation equipment (\$2.2 million remaining authorization); San José Flood improvements \$2.1 million (\$21 million authorized).
- Debt Management
  - RFP for Letter of Credit facilities for CSJFA CP program; the Airport's CP program; and the Clean Energy program
  - 2018 TRANs Issuance
- Credit Support
  - Renewal of direct placement for CSJFA Series 2008CD (Hayes Mansion)

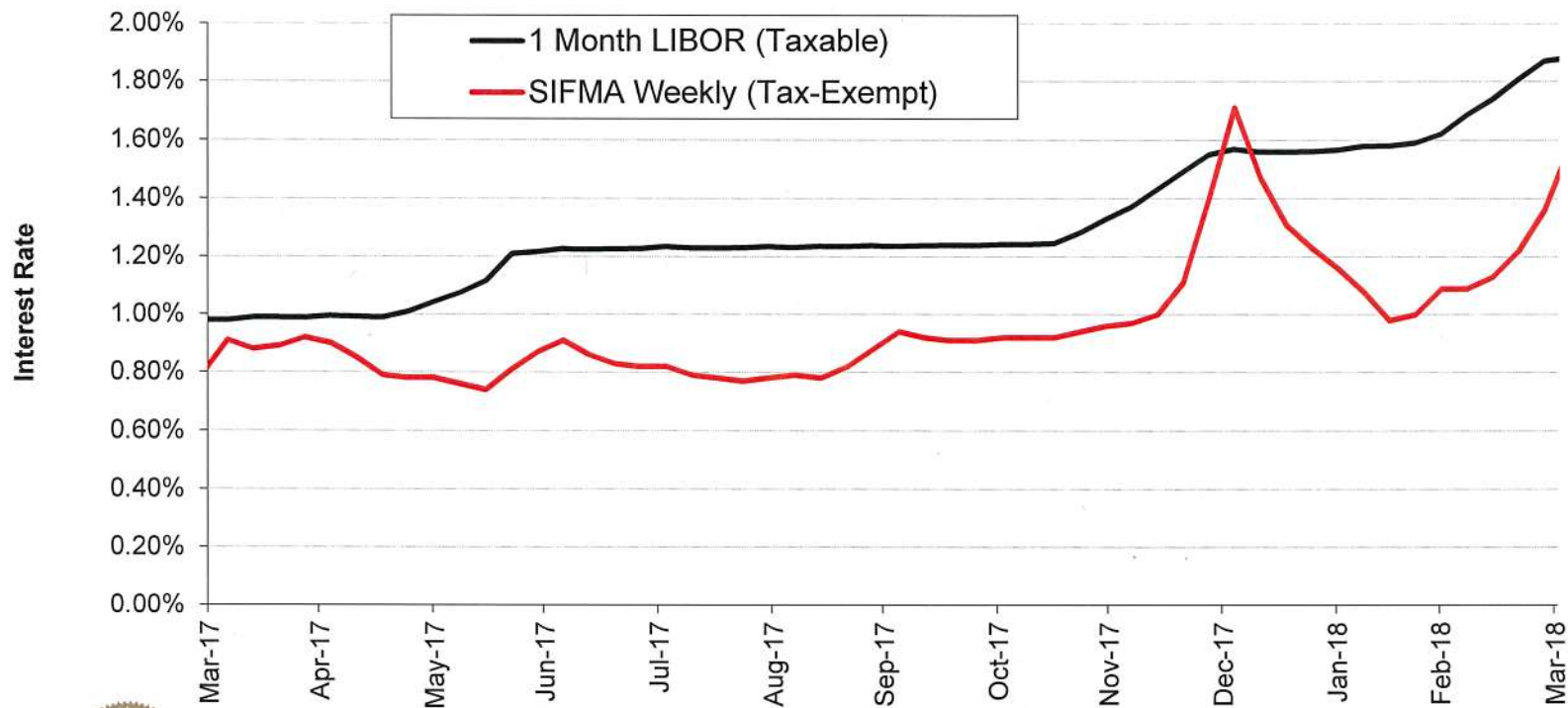
# Ten-Year Tax-Exempt Market Index (Fixed Rate)

- 10-year historic tax-exempt long-term interest rates averaged 3.80% and are currently at 3.35% (as of 04/12/18)



# Variable Taxable and Tax-Exempt Interest Rates

- Tax-Exempt SIFMA weekly interest rates paid by the City averaged 1.21% in Q3 and are currently at 1.72% (as of 04/11/2018)
- Taxable LIBOR monthly interest rates paid by the City averaged 1.66% in Q3 and are currently at 1.90% (as of 04/11/2018)



# City of San José – Credit Ratings<sup>1</sup>

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- City continues to maintain high general obligation (G.O.) credit ratings of Aa1/AA+/AA+ and lease revenue bond ratings of Aa2-Aa3<sup>2</sup>/AA/AA
  - City G.O. bonds continue to be rated higher than State of California (Aa3/AA-/AA-)
  - Santa Clara County G.O. bonds are rated lower by Moody's (Aa2), higher by S&P (AAA), and AA+ by Fitch
- SJC Airport bonds are rated A2/A-/A-
- SARA Senior Tax Allocation Bonds are rated AA by both S&P and Fitch and the Subordinate Tax Allocation Bonds are rated AA- by both S&P and Fitch<sup>3</sup>

<sup>1</sup> Ratings are listed in the following order by rating agency (unless noted otherwise): Moody's/S&P/Fitch.

<sup>2</sup> Moody's determines its lease revenue bond ratings, in part, based on "essentiality" of leased asset; bonds tied to an essential asset like City Hall carry a higher rating (Aa2) than bonds tied to a less essential asset like the Convention Center (Aa3).

<sup>3</sup> Successor Agency to the San Jose Redevelopment Agency Bonds are not rated by Moody's rating agency.



**Third Quarter  
Investment Management Report  
for Fiscal Year 2017-2018**





# Investment Policy (Council Policy 1-12)

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- Conforms to the California Government Code Sections 53600 et seq.
- Authorized investments only include high grade fixed income securities. (Long-term rating A or higher; Short-term rating A1/P1/F1)
- Policy is reviewed annually and shall be adopted by resolution of the City Council
- Investment Program is audited semiannually for compliance purposes

# Investment Objectives & Reporting

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- Manage investments to meet the City's objectives:
  - Safety
  - Liquidity
  - Yield
- Quarterly reports on-line, placed on PSF&SS Committee agenda and separately agendized for City Council acceptance

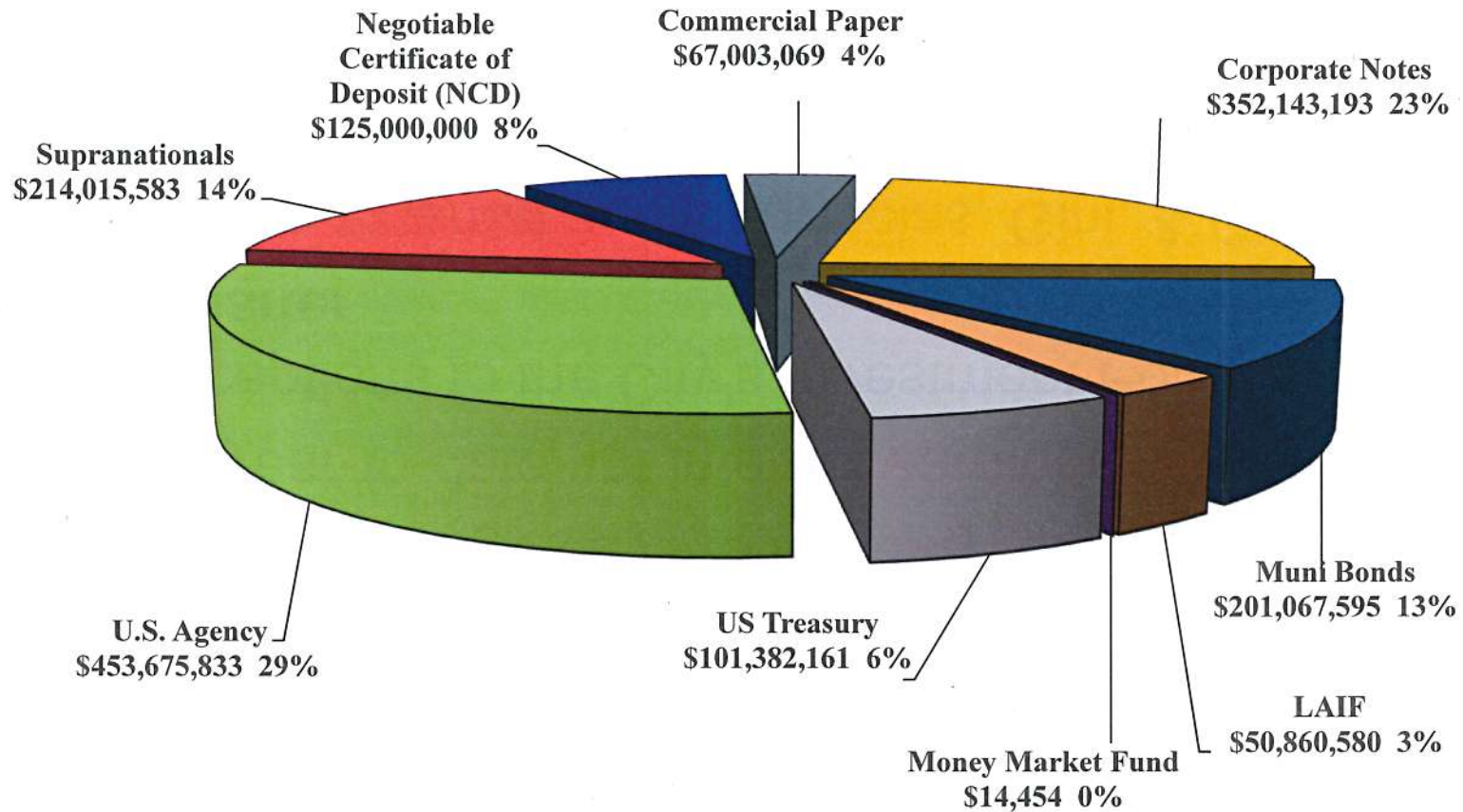
# Summary of Portfolio Performance

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- Size of total portfolio: \$1,565,162,468
- Earned interest yield: 1.566%
- Weighted average days to maturity: 524 days
- Fiscal year-to-date net interest earnings: \$16,555,339
- No exceptions to the City's Investment Policy during this quarter
- The City's external auditor, Macias, Gini, & O'Connell LLP, evaluated the City's investment program for the six-month period ended December 30, 2017. The report noted two findings and no exceptions to the Investment Policy.

# Portfolio Investment

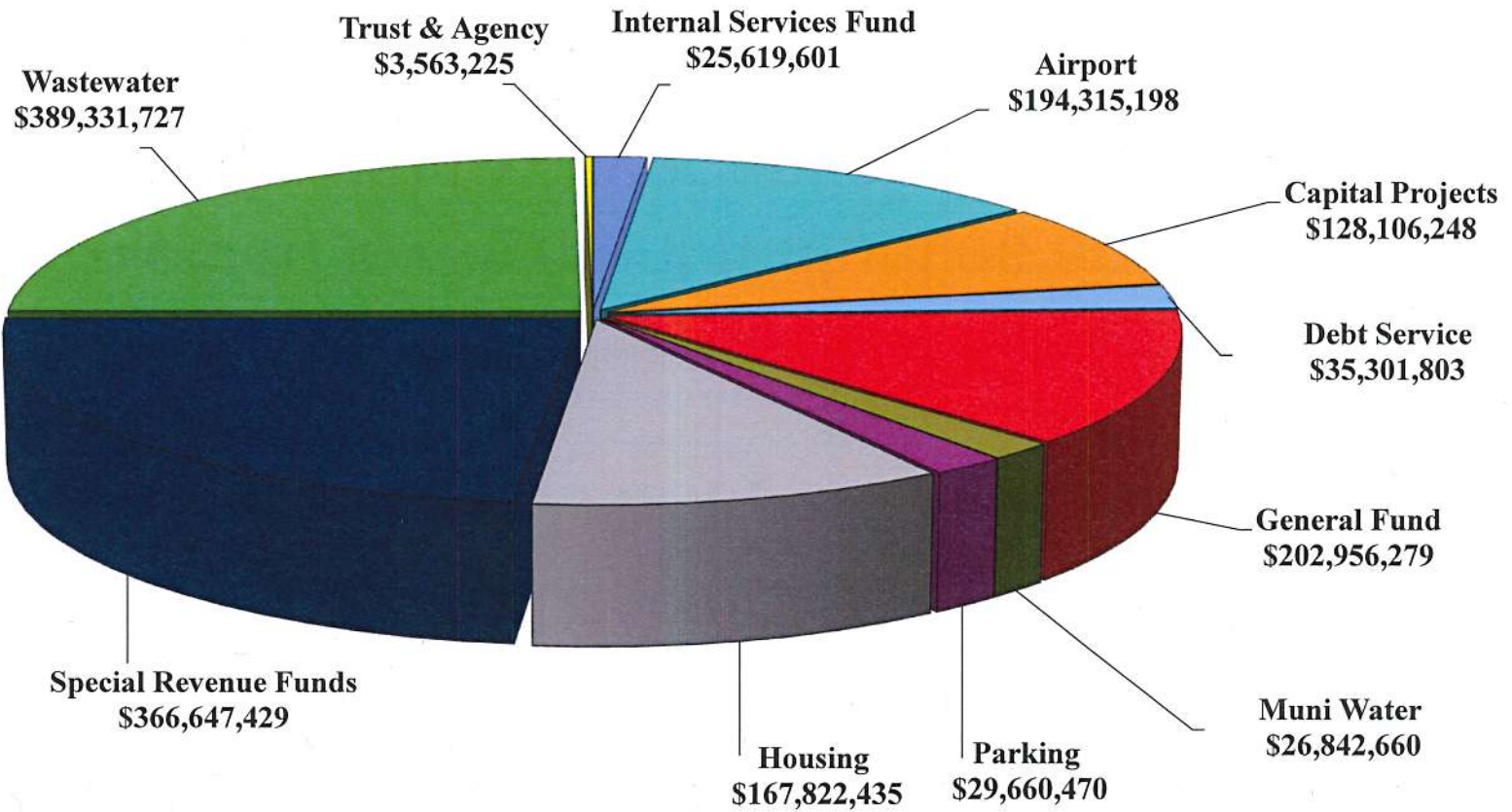
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Total Investment Portfolio = \$1,565,162,468

# Investment by Fund

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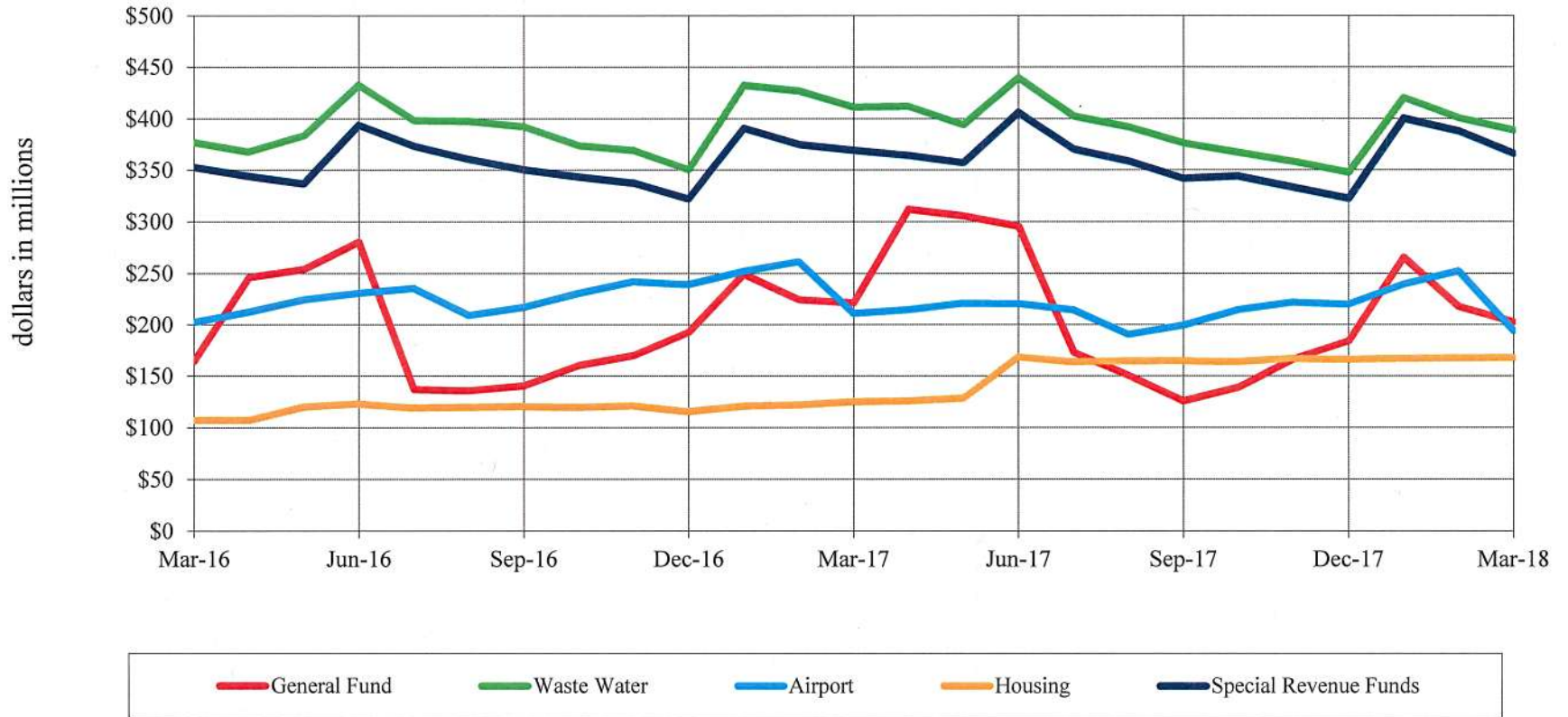


# General Fund Balances

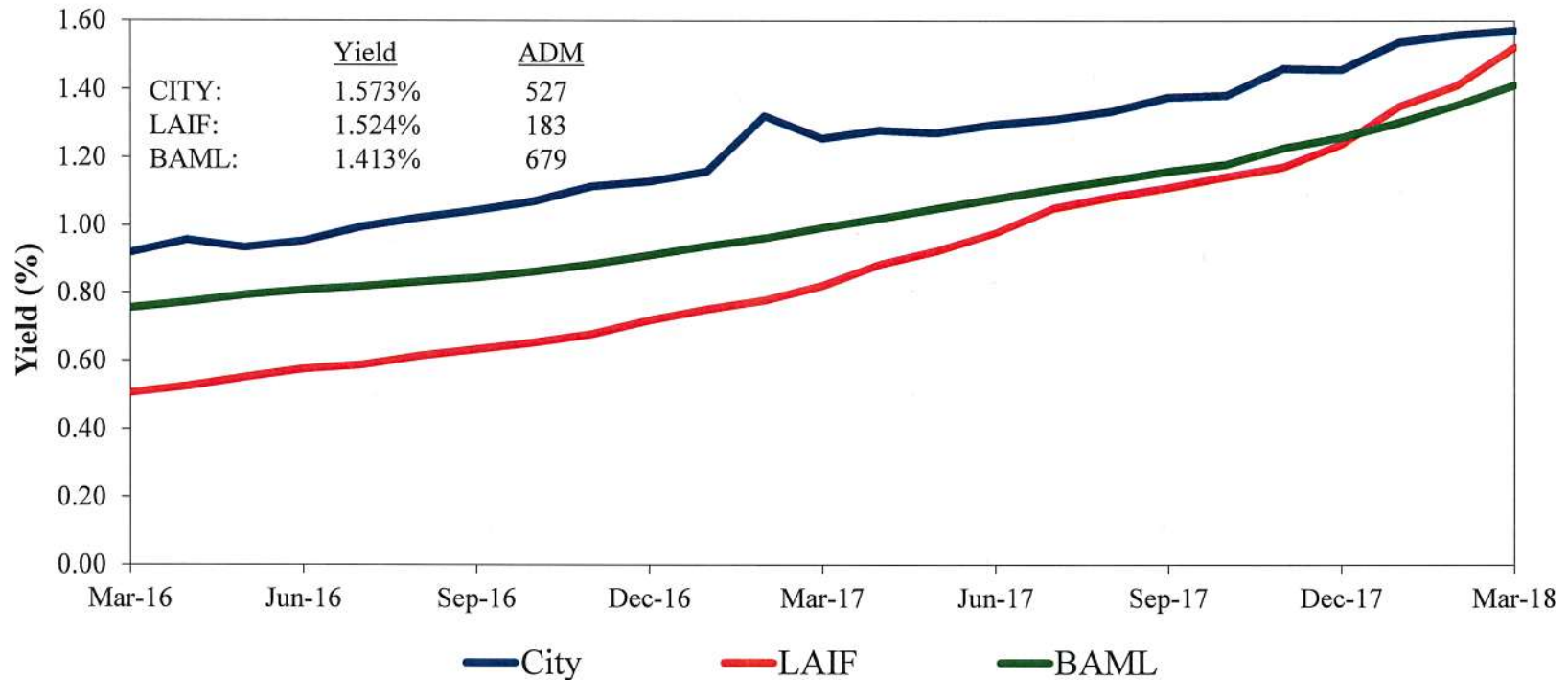
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- General Fund balances increased by approximated \$18.9 million to \$203 million this quarter, as overall revenues exceeded expenditures
- Projected investment maturities and revenue are sufficient to cover anticipated expenditures for the next six months

# Comparison of Cash Balances by Select Funds



# Benchmark Comparisons



Notes:

1. City refers to City's Fund 1 Portfolio, and the yield data are month end weighted average yields.
2. LAIF refers to the State of CA Local Agency Investment Fund and yield data are average monthly effective yields.
3. BAML refers to Bank of America Merrill Lynch 1-3 Year AAA-A US Corporate & Government Index and yield data are rolling 2-year effective yield



# Investment Strategy

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- Continue matching investment maturities with known expenditures within the 24-month horizon
- Extend a portion of the portfolio beyond two-year term, when appropriate, to provide income and structure to the portfolio
- Maintain the diversification of the portfolio
- Focus on core mandate of safety, liquidity, and yield

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# **Third Quarter Revenue Collection Report for Fiscal Year 2017-2018**

# Revenue Collection Program

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- Finance Department revenue collection efforts focus on reducing delinquent accounts receivable and enhancing revenue compliance in three primary collection programs:
  - Business Tax
  - Accounts Receivable
  - Revenue Compliance and Monitoring
- Efforts may span several reporting periods, and actual collections are reported when funds are received by the City
- Revenue and compliance activities related to Marijuana Business Tax are reported separately

# Revenue Collection Results – Prior Year Comparison

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## Collection Programs

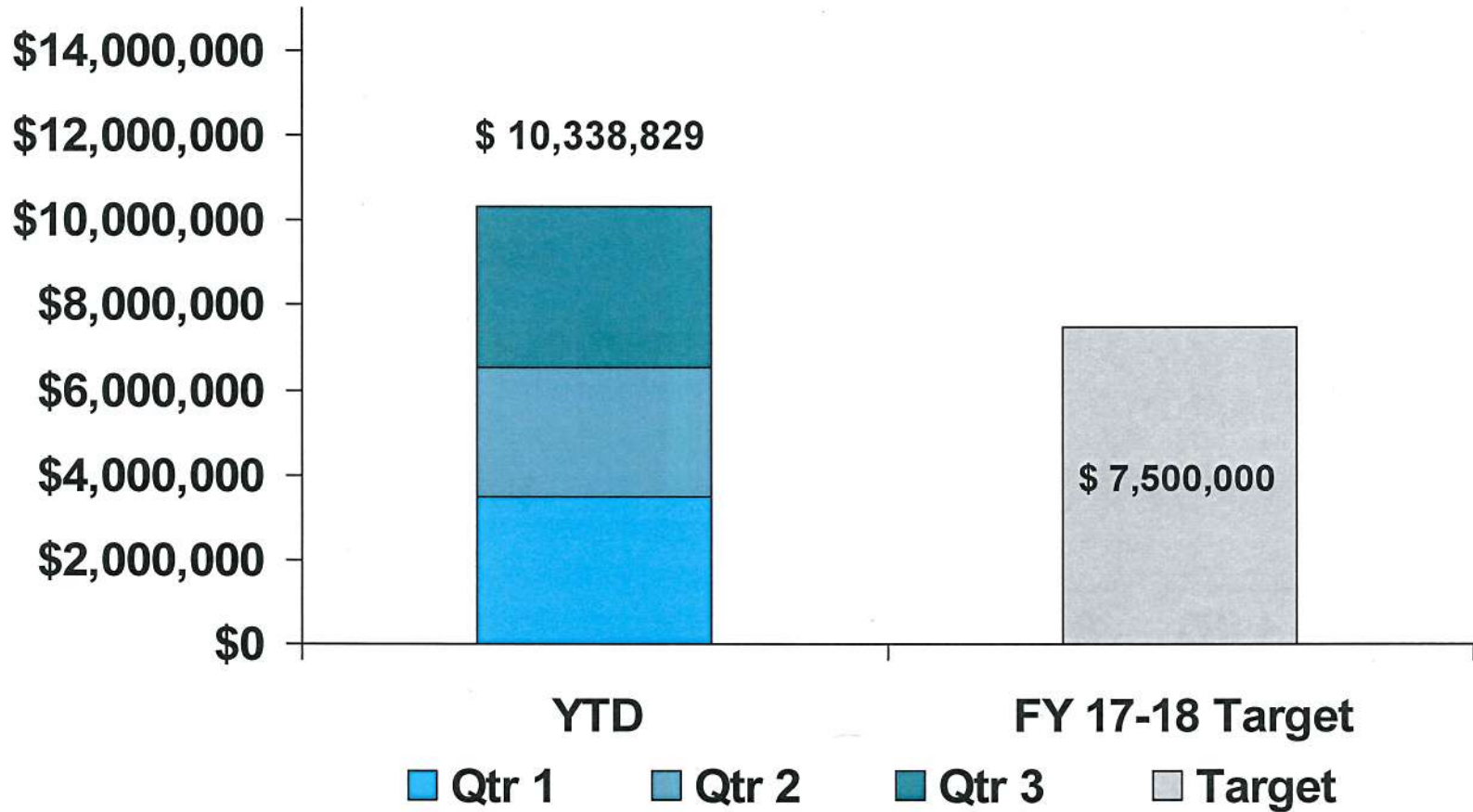
	<u>Q3 FY 2017-18</u>	<u>Q3 FY 2016-17</u>
Business Tax	\$ 1,024,199	\$ 770,450
Accounts Receivable	1,129,390	1,178,344
Revenue Compliance & Monitoring	1,674,577	577,113
<b>Total Program Collections</b>	<b>\$ 3,828,166</b>	<b>\$ 2,525,907</b>

# Return on Investment (ROI) – Prior Year Comparison

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	<u>Q3 FY 2017-18</u>	<u>Q3 FY 2016-17</u>
<b>Total Return on Investment</b>	<b>7.66</b>	<b>6.30</b>
<b>Return on Investment by Program</b>		
Business Tax Delinquencies	5.73	5.53
Accounts Receivable Delinquencies	6.96	7.34
Revenue Compliance & Monitoring	10.56	5.72

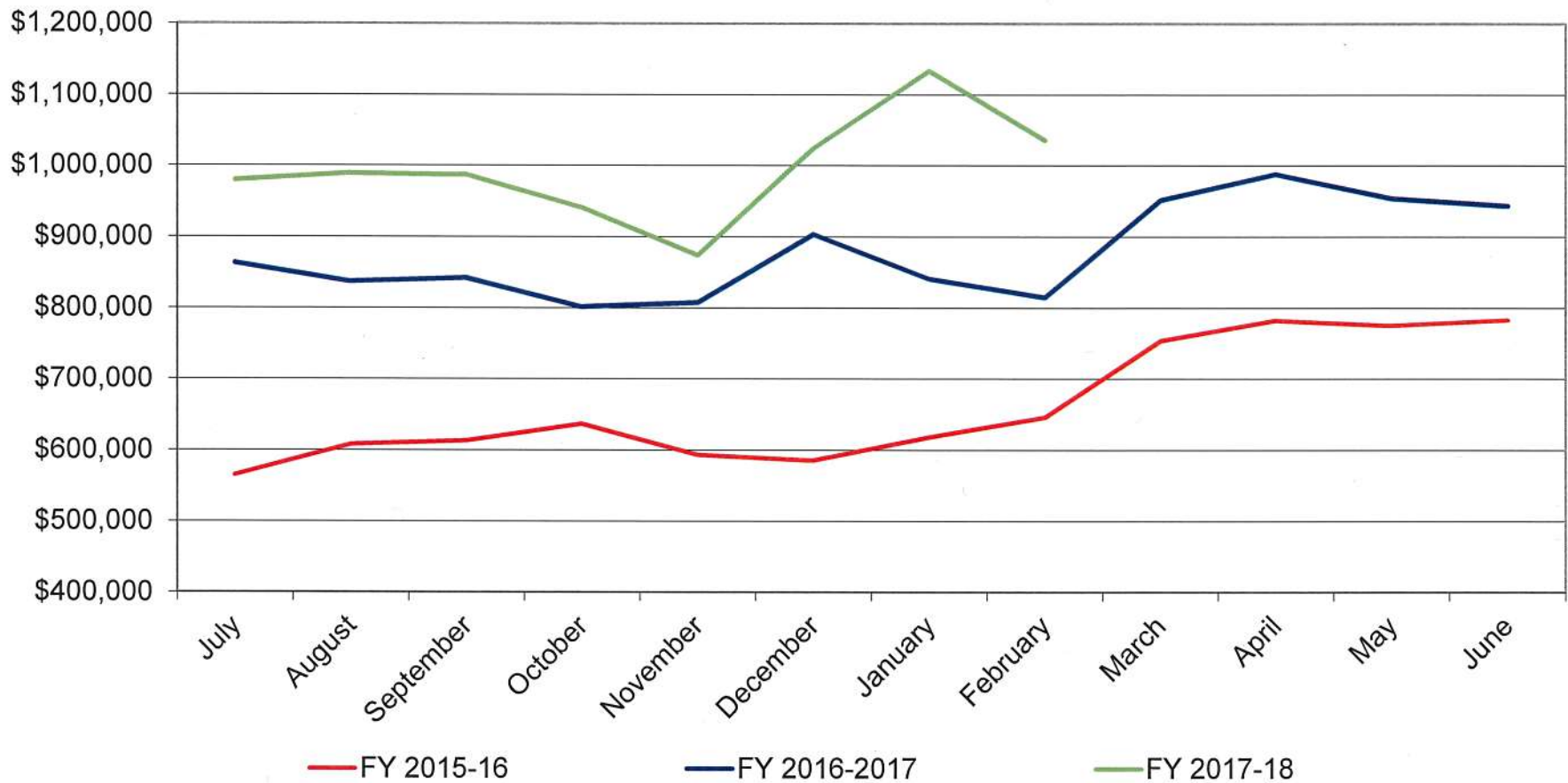
# FY17-18 YTD Collections: 137.9% of Target



# Accounts Receivable Balance

	<u>As of 3/31/18</u>	<u>As of 3/31/17</u>
<u>Current Receivables</u>		
0-60 Days	\$ 6,315,728	\$ 4,658,878
61-90 Days	635,624	602,811
Total Current Receivables	\$ 6,951,352	\$ 5,261,689
<u>Delinquent Receivables</u>		
91-365 Days	\$ 5,232,516	\$ 3,449,401
Over 1 Year	16,386,105	17,030,068
Total Delinquent Receivables	\$ 21,618,621	\$ 20,479,469
<b>Total Accounts Receivable</b>	<b>\$ 28,569,973</b>	<b>\$ 25,741,158</b>

# Marijuana Business Tax (MBT) Revenues





# Collection Efforts and Write-Off Process

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## Delinquency Notifications Sent to Debtor

- 30 Day Notice, 60 Day Notice, Final Notice

## Collection Agency Referral Analysis

- Cost Benefit Analysis of Staff Time vs. Debt Value
- City's Ability to Collect Through Alternate Means
- Type of Services Billed or Debt Value

## Analysis for Write-Off

- All Collection Efforts Exhausted
- Debtor: has no Assets, filed Bankruptcy, Expiration of Statute, deceased, incarcerated, or "skipped"

# Billing System Online Functionality

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Revenue Management is preparing to implement a new business tax billing systems

	Take Payments & Provide Receipt	Update Contact Information	Accept New Account Applications
<b>Business Tax System</b> Implementation to be completed in 2018	★	★	★

# Business Tax Code Change Outreach Efforts

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- Changes effective July 1, 2017; outreach and grace period extended to June 30, 2018 for residential landlords.
- Two rounds of direct mailings were distributed to residential landlords
  - Initial outreach campaign completed in November 2017 included 23,400 letters to potential residential landlords
  - Extended outreach between March and May includes an additional 18,000 mailings; covering potential landlords that have not responded
- Advertisements to the public were extended:
  - The Silicon Valley Organization
  - Radio KRTY/KLIV
  - The San Jose Mercury News
- Additional outreach to community groups through circulation of flyers to local business organizations and associations as well as presentations at community meetings was completed



## CITYWIDE WRITE-OFF REPORT - APRIL 2018

Name	Invoice Number	Invoice Type	Invoice/Permit amount	Date of Invoice	Amount owed (Write-Off Amount)	Reason for Write-Off
DUONG SANG PRINTING	433287	Delinquent Fire Permits	6,314.08	9/15/2004	6,314.08	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
ROAD KING MOTORS	409631 OLD-1	Delinquent Fire Permits	9,773.97	5/1/2005	9,773.97	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
AUTO AMERICA	410269	Delinquent Fire Permits	13,304.07	9/15/2005	13,304.07	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
TOGAMI AUTO REPAIR	403190	Delinquent Fire Permits	12,558.92	3/1/2006	12,558.92	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
GENESIS PRESCHOOL	410410 OLD-1	Delinquent Fire Permits	5,650.25	12/1/2007	5,650.25	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
LEGEND AUTO BODY	400554 OLD-1	Delinquent Fire Permits	7,781.32	5/1/2008	7,781.32	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
AAA AUTO REPAIR BODY	410800	Delinquent Fire Permits	9,630.72	5/1/2008	9,630.72	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
DESIGNER SIGN SYSTEMS	410432 OLD-1	Delinquent Fire Permits	5,724.52	12/1/2008	5,724.52	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
STEVE AUTO REPAIR	409877	Delinquent Fire Permits	10,002.52	12/1/2008	10,002.52	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
CNA AUTO SERVICE	411183 OLD-1	Delinquent Fire Permits	6,333.72	1/5/2009	6,333.72	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
GONZALEZ AUTO REPAIR & BODY	411268 OLD-1	Delinquent Fire Permits	5,493.12	11/4/2009	5,493.12	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
CAL AIR INC	402312 OLD-1	Delinquent Fire Permits	6,346.84	3/11/2010	6,346.84	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
CHOI A INVESTMENT INC	400632 OLD-1	Delinquent Fire Permits	6,497.52	4/2/2010	6,497.52	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
MC KEE BEACON	402315 OLD-1	Delinquent Fire Permits	6,742.80	6/7/2010	6,742.80	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
BRET HARTE CLEANERS	488313 OLD-1	Delinquent Fire Permits	5,965.90	9/1/2010	5,965.90	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
U-PLATE	407005	Delinquent Fire Permits	14,561.00	9/17/2010	14,561.00	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
PRO KRAFT AUTOWORKS	487318	Delinquent Fire Permits	6,272.52	12/3/2010	6,272.52	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
GALANTE BROTHERS GEN ENG I	407441 OLD-1	Delinquent Fire Permits	6,849.10	3/4/2011	6,849.10	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.

BETO'S AUTO CHECK	600885 OLD-1	Delinquent Fire Permits	\$ 5,069.52	5/25/2011	\$ 5,069.52	Out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
PHEO TRAN	1114021	Property Subrogation	7,586.95	04/19/2012	7,586.95	Statute of limitations Initial collection attempts by Finance Staff; Unable to locate responsible party
CESAR HERNANDEZ	1114336	Property Subrogation	6,616.06	05/01/2012	6,616.06	Statute of limitations Initial collection attempts by Finance Staff; Unable to locate responsible party
MAGDA VILLALON	1117412	Property Subrogation	7,725.98	07/20/2012	7,725.98	Statute of limitations Initial collection attempts by Finance Staff; Unable to locate responsible party
JOSEPH CLARK	1118138	Property Subrogation	8,210.51	09/27/2012	8,210.51	Statute of limitations Initial collection attempts by Finance Staff; Unable to locate responsible party
MAXRUN CORP DBA AAMCO	400322 OLD-1	Delinquent Fire Permits	6,074.82	3/1/2013	6,074.82	Franchisee out of Business and past statute of limitations; Initial collection attempts by Finance Staff; Unable to locate responsible party.
NIDIA DIAZ	1124060	Property Subrogation	9,569.92	09/11/2013	9,569.92	Vehicle was stolen at the time of the accident - vehicle owner not at fault
MATTHEW RYDZIK	1124163	Property Subrogation	16,485.11	09/26/2013	16,485.11	Statute of limitations Initial collection attempts by Finance Staff; Unable to locate responsible party.
CHASTITY WOODLIEF	1124301	Property Subrogation	8,177.60	10/08/2013	6,476.19	Settlement accepted; Remaining balance to be written off
ROZANNE RABY	1127213	Payroll Overpayment	6,191.77	03/27/2014	6,191.77	Statute of limitations Initial collection attempts by Finance Staff; Item was past statute when invoiced
R CIANFAGLIONE TRUSTEES	1055753	Administrative Remedies	35,008.61	05/29/2014	9,592.23	Received settlement; Remaining balance to be written off
ALL AUTO BODY & FRAME	600502 OLD-1	Delinquent Fire Permits	5,393.70	7/14/2014	5,393.70	Out of Business Initial collection attempts by Finance Staff; Unable to locate responsible party.
BONNIE L BAMBURG TRUSTEE	1069679	Administrative Remedies	23,836.38	12/16/2014	23,836.38	Received settlement on three outstanding invoices, of which one was paid in full; Remaining balances to be written off
T & H BODY SHOP INC	402638 OLD-2	Delinquent Fire Permits	5,723.12	2/9/2015	5,723.12	Out of Business Initial collection attempts by Finance Staff; Unable to locate responsible party.
MATTHEW SMITH	1133361	Payroll Overpayment	13,301.24	02/09/2015	13,301.24	Statute of limitations Initial collection attempts by Finance Staff; Item was past statute when invoiced.
GARY RESZ	1069005	Property Subrogation	13,390.72	02/09/2015	13,390.72	Statute of limitations Initial collection attempts by Finance Staff; Unable to locate responsible party.
BONNIE L BAMBURG TRUSTEE	1069680	Administrative Remedies	62,797.50	07/10/2015	62,797.50	Received settlement on three outstanding invoices, of which one was paid in full; Remaining balances to be written off
PROGRESSIVE WEST INSURANCE CO	1139169	Property Subrogation	88,755.74	01/05/2016	84,479.45	Insurance coverage limited to \$10,000 - Settlement accepted; Remaining balance to be written off
YONY GOMEZ	1140504	Property Subrogation	17,965.38	03/24/2016	9,125.98	Insurance coverage limited to \$10,000 - Settlement of \$8,839.40 received
THE BROKEN SPOKE WESTERN SALOON	602451	Delinquent Fire Permits	6,015.60	5/23/2016	6,015.60	Out of Business Initial collection attempts by Finance Staff; Unable to locate responsible party.
NEIGHBORHOOD HOUSING SERVICES SILICON VALLEY	1142100	Business Incentive Parking Program	37,216.00	06/09/2016	37,216.00	Out of Business Initial collection attempts by Finance Staff; Unable to locate responsible party.
<b>Total Number of Invoices</b>	<b>39</b>					
<b>Total Number of Parties</b>	<b>38</b>					
<b>Total Write-Off Amount</b>	<b>\$ 496,681.64</b>					