

## Resolution 10-11

### The San Mateo County Harbor District

#### Bad Debt Write-Off Amounts due From Tenants at Pillar Point Harbor and Oyster Point Marina/Park

**Whereas**, on March 15, 2003 the Board of Commissioners of the San Mateo County Harbor District adopted Resolution 07-03 which revised policies associated with collections actions of the District; and,

**Whereas**, on March 16, 2003 the General Manager approved Procedures No. 4.8.1 titled Collections; and,

**Whereas**, Policy and Procedures No. 4.8.1 requires that the Director of Finance submit, at least annually, a Request for Bad Debt Write-Off for Board approval by resolution; and,

**Whereas**, the General Manager, in consultation with the Director of Finance and the Harbor Master from Pillar Point Harbor and Oyster Point Marina/Park, has determined that the accounts listed in the attached Staff Report are uncollectible.

**Therefore, be it resolved** that the Board of Harbor Commissioners of the San Mateo County Harbor District approves writing off the accounts listed in the attached Staff Report incorporated by reference herein, which total \$52,424.84.

Approved this 15th day of June 2011 at the regular meeting of the Board of Harbor Commissioners by a vote as follows:

For: Bernardo, Padreddii, Parravano, Tucker

Against: None

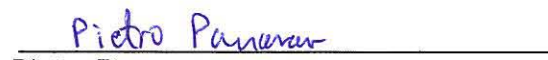
Abstaining: None

Absent: Campbell

Attested

  
Debbie Nixon  
Deputy Secretary

**BOARD OF HARBOR COMMISSIONERS**

  
Pietro Parravano  
President

## Staff Report

### RESOLUTION 10-11 AUTHORIZING BAD DEBT WRITE-OFFS OF \$52,424.84

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#### Recommendation

Adopt Resolution 10-11 to authorize the General Manager to remove a total of \$52,424.84 in accounts receivables: \$25,643.45 from Oyster Point Marina/Park's accounts receivables, and \$26,781.39 from Pillar Point Harbor's accounts receivables.

#### Background

The accounts being presented have been deemed not collectible by our designated collection agency due to vessel abandonment and/or lack of financial wherewithal on behalf of the account holder where all collection efforts have failed.

Historically, the average bad debt total at each harbor has been in excess of \$20 thousand, or \$40 thousand combined (see table of history attached). Last year's total was \$41,487.00. Despite increased training and staff supervision of past due accounts, for FY10-11, bad debt write-offs continue slightly above their historic average. One of the most significant contributors to this year's write-offs is the economic downturn.

#### Analysis

Write-offs in the Retail Sector tend to average 2% of gross sales. Each Harbor averages approximately \$1.5 million in annual gross sales. This would predict approximately \$30,000.00 annually in bad debt write-offs per harbor. Nineteen (19) accounts totaling \$52,424.84 are being presented for your consideration for write-off: eleven (11) accounts from Oyster Point Marina/Park totaling \$25,643.45, and eight (8) from Pillar Point Harbor totaling \$26,781.39 (see attached schedule). These amounts remain under the retail average for bad debt.

District staff and the collection agency have made every effort to recover these amounts owed.

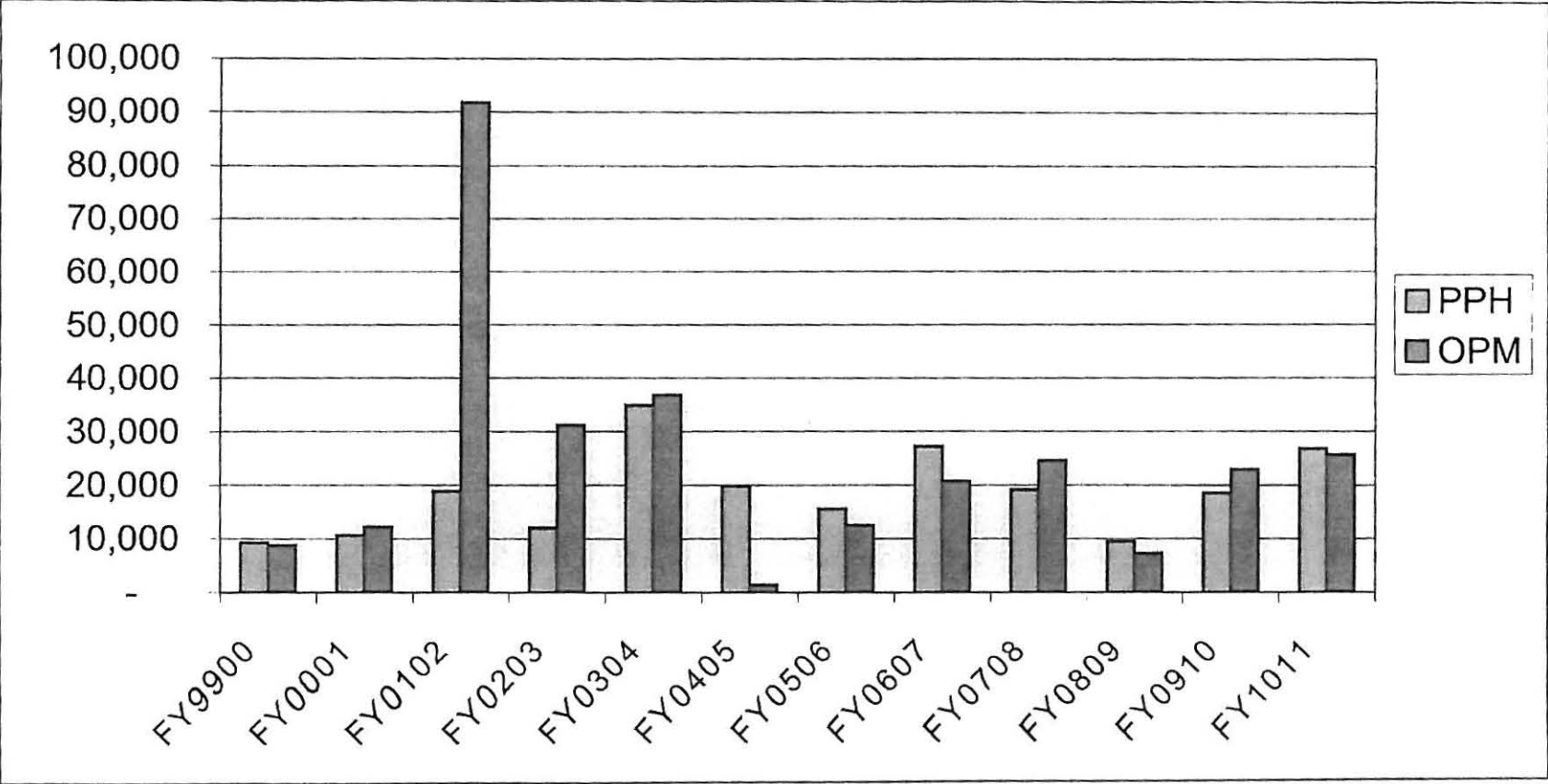
#### Fiscal Impact

A reduction of the receivables and allowance for doubtful accounts at Oyster Point by (\$25,643.45), at Pillar Point by (\$26,781.39) will occur, totaling (\$52,424.84).

#### Conclusion

The nineteen (19) requests for write-offs of accounts receivable have been properly prepared, documented and reviewed. Staff recommends the Board adopt Resolution 10-11 to authorize the General Manager to remove these uncollectible amounts.

SAN MATEO COUNTY HARBOR DISTRICT  
BAD DEBT WRITE-OFF HISTORY BY HARBOR



SAN MATEO COUNTY HARBOR DISTRICT  
SCHEDULE OF ACCOUNTS FOR WRITE-OFF

**Pending Write-Offs - As of 06/08/11**

**Oyster Point Marina**

<u>Acct #:</u>		<u>Amount:</u>
2818	\$	5,759.55
3365	\$	1,494.50
3399	\$	1,765.32
2746	\$	2,237.19
3389	\$	1,350.10
3398	\$	1,570.70
3433	\$	1,305.01
3047	\$	1,993.31
3432	\$	136.53
3165	\$	4,652.00
3024	\$	3,379.24
		<hr/>
<b>Total Oyster Point Marina</b>	<b>\$</b>	<b>25,643.45</b>

**Pillar Point Harbor**

<u>Acct #:</u>		<u>Amount:</u>
2988	\$	2,783.55
3296	\$	15,373.50
3338	\$	3,390.76
2553	\$	185.23
2902	\$	3,692.60
384	\$	555.23
2729	\$	284.18
3383	\$	516.34
		<hr/>
<b>Total Pillar Point Harbor</b>	<b>\$</b>	<b>26,781.39</b>
		<hr/>
<b>Total District</b>	<b>\$</b>	<b>52,424.84</b>

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Against:

Abstaining:

Absent:

Attested

**BOARD OF HARBOR COMMISSIONERS**

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Deputy Secretary

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President