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**FINANCE & RECORDS**

**MEMO**

To: Gregg Mandsager, City Administrator  
From: Nancy A. Lueck, Finance Director  
Date: April 10, 2015  
Re: Request to Write Off Transfer Station Accounts Receivable

**Introduction and Background:**

L&M Waste was a customer at the Transfer Station through January 2009. Attempts at working with L&M for timely payment of their charges were unsuccessful and the City discontinued providing services to L&M as of February 1, 2009. For several years the City used L&M for waste pick up at a few City facilities and those relatively small "payments" were applied to the amount owed to the City. That practice was discontinued in October 2012 at which time their balance due to the City was \$267,930.92. The City had set up an "allowance for uncollectible accounts" for this amount.

The City began working with the City Attorney in 2012 in an attempt to collect on this account and the City began legal proceedings in 2014. As part of the legal proceedings, the City Attorney's staff met with the owner of L&M and it was determined that they had very limited resources. A settlement amount of \$26,597.09 was agreed to by L&M Waste and the City Council in the fall of 2014. The City received payment of this amount on April 2, 2015.

**Recommendation:**

At this time it is requested that City Council take action to officially write-off the balance of \$241,333.83 on the L&M Waste account. After this action, the Finance department will make the necessary accounting entries which will involve writing off the accounts receivable balance and reducing the allowance for uncollectible accounts which had been set up in previous years.

Please contact me if you have any questions or need additional information.