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**FINANCE & RECORDS**

## **MEMO**

To: Gregg Mandsager, City Administrator  
From: Nancy A. Lueck, Finance Director  
Date: March 5, 2012  
Re: Accounts Receivable Balance – E.S.I.

### **Background:**

As noted in recent annual audits of the City, E.S.I. has been and continues to be in arrears in their account with the City at the Transfer Station. Their current balance is \$515,304.54 which includes the amount billed today for the month of February. This balance goes back to earlier years when the average billed amount to ESI was over \$70,000 per month. In more recent years the average monthly bills have been \$58,654 in 2004/2005, \$51,756 in 2005/2006, \$44,574 in 2006/2007, \$56,012 in 2007/2008, \$48,680 in 2008/2009, \$25,117 in 2009/2010, and \$13,813 in 2010/2011. In the first eight months of 2011/2012 the average monthly bill has been \$19,402.

There have been several agreements with ESI in prior years in an effort to incrementally reduce the balance owed to the City. As of June 30, 2009 the balance owed by E.S.I was \$691,025. It was reduced to \$482,546 as of 6-30-10 and \$481,116 as of 6-30-11. The balance now, however, has increased to \$515,305 and payments are not being received on any type of regular basis. Telephone calls are being made to E.S.I. at least twice per month checking on when the next payment will be received. This in the past had been somewhat successful, but has not been successful in recent months.

### **Recommendation:**

It is requested that this issue be discussed with City Council at their March 8, 2012 In Depth meeting. The City Attorney is also reviewing this information and will provide the City Council with additional information. Please contact me if you have any questions or need additional information.