

**Carson City
Agenda Report**

Date Submitted: 4/9/13

Agenda Date Requested: 04/18/13

Time requested: Consent Agenda

To: Mayor and Supervisors

From: Al Kramer, Carson City Treasurer

Subject Title: For Possible Action: To authorize and accept a negotiated settlement of unpaid accrued landfill fees with Capital Drywall pursuant to City policy regarding a negotiated compromise in the amount of \$2,500.00 in satisfaction of a \$5,195.00 landfill agreement obligation.

Staff Summary: By City policy, the Treasurer with the concurrence of the City Manager can negotiate the reduction of monies owed the City under the condition that failure to reduce the amount owed may result in the City receiving nothing and that the maximum amount which can be removed from the accounts payable is \$5,000. Any such negotiated settlement must be then presented to the Board of Supervisors. Capital Drywall is in the process of going out of business. Their account was already, and still is, in a cash only status.

Type of Action Requested: (check one)

Resolution Ordinance

Formal Action/Motion Other

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to authorize and accept a negotiated settlement of unpaid accrued landfill fees with Capital Drywall pursuant to City policy regarding a negotiated compromise in the amount of \$2,500.00 in satisfaction of a \$5,195.00 landfill agreement obligation.

Explanation for Recommended Board Action: Policy Requirement.

Applicable Statute, Code, Policy, Rule or Regulation: Debt Collection Policy

Fiscal Impact: \$2,695.

Explanation of Impact: Reduction/write off of Accounts Payable

Funding Source: Landfill accounts, General Fund.

Alternatives: Reject or modify policy.

Supporting Material: Copy of policy, Copy of Agreement

Prepared By: Alvin P. Kramer, Carson City Treasurer

Reviewed By: Alvin P. Kramer Date: 4-9-13
(Treasurer)
[Signature] Date: 4/8/13
(City Manager)
Neil A. Rumbold Date: 4/9/13
(District Attorney)
Michael A. Smith Date: 4/9/13
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____ _____

(Vote Recorded By)



DEBT COLLECTION POLICY

This policy is to establish a method of acceptance, should the City be given an offer to settle for less than the full amount owed, for debts resulting from bankruptcy or other 'Out of Business' or uncollectable situations. On occasion the City has a situation where the debtor owes a debt that is either unsecured or the City is not in senior position such as when an IRS lien exists. The authority to dismiss or reduce the monies owed the City rests with the Board of Supervisors. Offers of a partial payment in lieu of the full amount due often have acceptance dates which expire before the issue could be heard by the Board. This policy allows the Treasurer and the City Manager to make the decision on a timely basis. The highest payment possible will be diligently pursued. Any 'write off' amount will be limited to \$5,000. Once an agreement for a reduced payment is finalized, the Board will be notified and asked to ratify the action taken at the next available Board of Supervisors meeting.

AGREEMENT TO COMPROMISE LANDFILL ACCOUNT

This Agreement is made and entered into between Capital Drywall and Carson City, Nevada.

I. RECITALS

1. As of March 1, 2013, Capital Drywall owes approximately \$5,195 to Carson City on its Carson City Landfill Account, Customer ID No. 848901.

2. Capital Drywall has requested a fee reduction to \$2,500 due to the company experiencing financial difficulties. Capital Drywall is working with its creditors, including Carson City, to get its debts reduced and paid. The alternative to reducing the subject \$5,195 debt to \$2,500 would likely be Capital Drywall going out of business and/or into a bankruptcy, leaving Carson City with little or nothing.

3. Carson City has a policy that gives the City Manager and Treasurer the authority to make such debt compromising decisions in cases where the agreed upon sum is less than \$5,000, with the requirement that such actions be subsequently reported to the Board of Supervisors.

II. SETTLEMENT TERMS

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES HEREINAFTER SET FORTH, IT IS AGREED BY AND AMONG THE PARTIES AS FOLLOWS:

4. Upon this Agreement being reported to the Carson City Board of Supervisors during one of its regularly scheduled meetings, Capital Drywall agrees to pay Carson City \$2,500 and Carson City agrees to accept the \$2,500 to satisfy Capital Drywall's Carson City Landfill Account, Customer ID No. 848901, in full.

5. Capital Drywall agrees that in its Carson City Landfill Account shall hereafter be kept current or it will lose its privileges to access the Carson City Landfill.

6. Capital Drywall agrees that its payment of \$2,500 shall be made forthwith upon the reporting of this Agreement to the Carson City Board of Supervisors at on of its regularly scheduled meetings.

7. By way of this Agreement, no party makes an admission or waives any right and this shall have no precedential value.

8. Except as set forth herein, this is the entire Agreement between the parties hereto and no promise, inducement or representation other than herein set forth has been made, offered or agreed upon. The terms hereof are contractual and not a mere recital. The parties agree that each has had an opportunity to have counsel review this Agreement and further agree that it shall be construed as if it was jointly drafted.

9. This Agreement shall be governed by the laws of the State of Nevada.

10. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. The persons signing this Agreement in a representative capacity acknowledge and warrant that they have full authority to do so.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and it shall become effective upon the date of the Carson City Board of

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Supervisors' meeting, during which this Agreement shall be formally reported to such body.

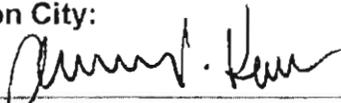
Carson City:



Larry Werner, City Manager

Date: 3-28-13

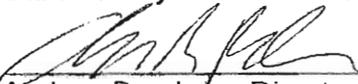
Carson City:



Al Kramer, Treasurer

Date: 3-28-13

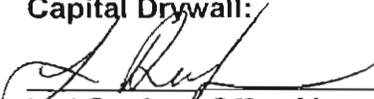
Carson City Public Works Department:



Andrew Burnham, Director

Date: 3-28-13

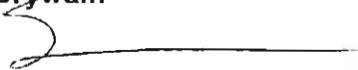
Capital Drywall:



Lori Renfroe, Office Manager

Date: 3/18/13

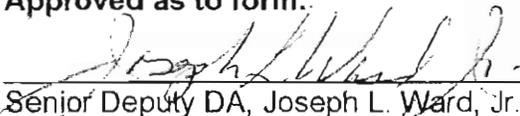
Capital Drywall:



Simon Avittan, Principal

Date: 3/18/13

Approved as to form:



Senior Deputy DA, Joseph L. Ward, Jr.

Date: 3/28/13