



CITY COUNCIL STAFF REPORT

ITEM NO. 5.12

DATE: July 28, 2025
TO: Honorable Mayor and City Council
FROM: Tina Olson, Administrative Services Director
SUBJECT: Resolution authorizing write-off of accounts receivable balance

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution authorizing the write-off of an accounts receivable balance of \$320,480 for outlet mall police safety services.

SUMMARY

The City reviewed past due accounts receivable balances and determined the receivable for outlet mall police safety services is uncollectible. Per Administrative Regulation 2.0, write-off of an account with an outstanding balance due in excess of \$100,000 must be approved by City Council resolution.

DISCUSSION

Invoices are issued for services or items provided by the City. These invoices are required to be prepared and authorized by the originating service area in a timely manner. It is the policy of the City to actively pursue collection of past due accounts receivable, regularly review the status of past due accounts and write-off amounts determined to be uncollectible.

Beginning in 2015, the City and Livermore Premium Outlets, LLC ("LPO") engaged in discussions regarding public safety and security at the San Francisco Outlets ("Center"). In 2018, the City and LPO entered into an agreement stipulating that LPO would pay an annual assessment to the City for supplemental public safety services at the Center. The annual assessment was paid in Fiscal Years 2018-19 and 2019-20. When invoices were issued by the police department in Fiscal Years 2020-21 and 2021-22, the balances due of \$320,480 were booked to accounts receivable but not paid by LPO. The City sought payment for these invoices, but LPO disputed the obligation to pay for services rendered over that time period.

During the same time period, LPO purchased an adjacent parcel of land to construct a parking facility and sought reimbursement from the City for the cost of the public improvements. To address the considerations of both parties, the City and LPO engaged in collaborative negotiations resulting in the

execution of a settlement agreement (Resolution 2024-214.) Per the agreement, LPO will fund public safety services at the Center beginning July 1, 2025.

In accordance with the City's Administrative Regulation 2.0 (Billing, Collection, and Write-Off of Uncollectible Accounts), accounts eligible for write-off include those for which a legal settlement has been reached with the responsible party and a determination has been made as to the amount owed to the City. Under this criterion, the LPO accounts receivable booked for Fiscal Years 2020-21 and 2021-22 are eligible for write-off. The Administrative Regulation 2.0 policy dictates that write-off of an account with an outstanding balance due in excess of \$100,000 must be approved by City Council resolution.

FISCAL AND ADMINISTRATIVE IMPACTS

The total LPO accounts receivable balance is \$320,480. In Fiscal Year 2022-23, it was determined that it was probable the LPO accounts receivable would not be collected, and half of the total accounts receivable balance (\$160,240) was booked to allowance for doubtful accounts and bad debt expense. Adoption of the resolution will result in a write-off of the other half of the accounts receivable balance and bad debt expense of \$160,240 will be booked in Fiscal Year 2024-25.

COMMUNITY PILLAR

5: A City That Works

GOAL

17: Ensure effective use of public resources

ATTACHMENTS

- 1. [Resolution](#)
- 2. [Exhibit A - Administrative Regulation 2.0](#)

Prepared by: Ann Furtado
Accounting Supervisor

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director