



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 18-00413

City Council

12/13/2018

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

WRITE-OFF OF UNCOLLECTIBLE PORT ACCOUNTS RECEIVABLE

RECOMMENDATION:

That City Council approve the write-off of \$33,055.52 in unpaid storage fees due from Dantzler, LLC, retroactive to September 30, 2018.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Dantzler, a global distributor of wood products and building materials, utilized warehouse storage space at the Port of Pensacola in excess of the 30 days' free storage time exporters are allotted to assemble shipments and was invoiced storage charges per the port tariff. To date, \$33,005.52 in storage fees remain unpaid and outstanding. Multiple attempts to collect this balance have been made, including issuance of demand letters by the City Attorney's Office.

Dantzler claims they were told by their shipping line, Sapphira Shipping, that the Port had waived storage fees. The Port did not provide any such waiver and Sapphira Shipping denies offering it. Although Dantzler has been unable to provide any written documentation of a fee waiver, they continue to refuse to pay the fees. As a result, Dantzler's credit terms with the Port have been revoked and, in the event they desire to ship via the Port of Pensacola in the future, they will be required to remit full payment of the outstanding amounts owed as well as payment in advance for all estimated Port charges for the new activity.

It is management's opinion that collection is unlikely and approval to write off the customer's balance is being sought. The City's Financial Planning and Administrative Policy provides that all non-utility accounts receivable in excess of \$1,000 and in which a lien has not been filed be submitted to City Council for approval before being written off.

PRIOR ACTION:

None

FUNDING:

N/A

FINANCIAL IMPACT:

Current past due storage fees total \$33,005.52. The write-off receivables will not have an impact in FY 2018 or FY 2019 revenues for the Port. The amount was recorded as a bad debt expense in FY 2016.

CITY ATTORNEY REVIEW: Yes
11/16/2018

STAFF CONTACT:

Christopher L. Holley, City Administrator
Amy Miller, Port Director
Richard Barker, Jr., Chief Financial Officer

ATTACHMENTS:

- 1) Accounts Receivable Customer Aging Detail Report

PRESENTATION: No