



Pinellas County

Staff Report

File #: 21-204A, Version: 1

Subject:

Airport accounts receivable write-off.

Recommended Action:

Approval of the Airport accounts receivable write-off of \$12,000.00 for accounting purposes.

- Write-off items less than \$10,000.00 are delegated to the County Administrator for approval.
- Single write-off items greater than \$10,000.00 require approval by the Board.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

Summary:

In accordance with Resolution No. 05-61, attached is an item for write-off in the amount of \$12,000.00 from an Airport invoice to First Class Concessions to Recoup Capital Investment in Food & Beverage. The vendor is no longer operating at the Airport and multiple attempts have been made to collect this debt. It was referred to the County Attorney's Office for collection in October of 2020. It is the attorney's opinion that without litigation there is no likelihood of collection, and even if suit is filed, there is no guarantee of collection.

Background Information:

On August 25, 2008, the Board approved a Concession Agreement with First Class Concessions, Inc. to renovate and operate the exclusive terminal building food and beverage concession. The previous concessionaire operated a restaurant on the second floor of the terminal but had no presence in either of the gate areas. After the implementation of passenger screening and other mandated security requirements in 2000, the existing food and beverage model became obsolete.

The Airport re-bid the concession with the stipulation that the new concessionaire would be responsible to renovate the existing second floor restaurant as well as construct two additional food and beverage counters in the gate areas. Due to the airport's fluctuating history of passenger enplanements in the early 2000's, the Concession Agreement required the Airport to contribute funds towards the cost of the gate improvements. The Concession Agreement stipulated an annual payback amount of \$12,000.00 if the passenger counts exceeded 350,000 per year.

First Class Concessions was a tenant until May 31, 2019, when the new concessionaires (Hudson and SSP) were awarded the food/beverage/retail/gift/duty-free concessions, and moved into the terminal building.

On April 5, 2005, the Board approved Resolution No. 05-61, which established a Uniform Write-Off Policy for Accounting Purposes. This policy delegates the authority to the County Administrator to

write off those claims not exceeding \$10,000.00. The item attached is larger than \$10,000.00, requiring Board approval. The write-offs are for the period October 1, 2019 to September 30, 2020. During FY19, billing revenue for concession income was \$415,631.72.

Fiscal Impact:

Approval of this action authorizes the write-off of \$12,000.00 in uncollectible accounts receivable from the Airport Operating Fund. The write-off does not forgive the debtor of their obligation but moves the item off the County's balance sheet. This action does not reduce actual revenues or increase costs.

Staff Member Responsible:

Lori Sullivan, Financial Management & Budget Analyst, Office of Management and Budget

Partners:

Airport

Attachments:

Attachment 1 - Resolution No. 05-61

Attachment 2 - First Class Concessions Invoice

Attachment 3 - Airport Attorney Response