

interoffice

MEMORANDUM

to: Terrence D. Mahr, City Attorney
cc: FILE
from: Dawn M. Wilson, Legal Secretary
re: Bankruptcy Procedure for Legal Department
date: July 26, 2000

Due to my experience with Bankruptcy notices, I have come to the conclusion that it actually costs the City money for them to be processed. I have worked for the City for about 4 years now. I have about 9 years of experience working with Bankruptcy notices when one includes my job experience prior to the City of Newberg.

In my job prior to the City of Newberg, I remember receiving about three (3) checks in the amount less than Three Dollars (\$3.00) each. During my time at the City of Newberg, we have received one check for about \$1,200.00 for payment of water/sewer. Judy Peterson (Water Dept.) was as surprised as I was to actually receive payment let alone this enormous amount. In general, when payment is dispersed to creditors, it is in annual payments of a couple of dollars.

Further, it takes approximately one half hour to gather the debt information, complete the claim form, send it in to the Bankruptcy Court, and keep record of it per Bankruptcy notice.

Therefore, it is my belief that this costs the City money in the long run to process the claim forms due to the really low payment rate.

I would like to request a policy that Bankruptcy notices not be processed unless the City has a total debt of \$300.00 or more for the Debtor.

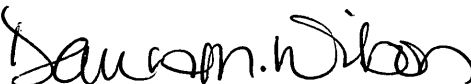
from the desk of...

Dawn M. Wilson
Legal Secretary
City of Newberg
414 East First Street, PO Box 970
Newberg, OR 97132

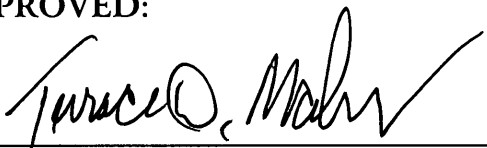
503-537-1206
Fax: 503-537-1277
e-mail: nlegal@ci.newberg.or.us

I will continue to notify the Water Department and Municipal Court when such Bankruptcy notices are received, so that they may continue their process (i.e. Water Department must write-off this amount and Municipal Court cannot collect the debt until further notice from the Bankruptcy Court).

(I have checked with Kathy Tri, Finance Director, to see if there is an existing debt/claim settlement policy. She is not aware of such a thing for the City of Newberg.)

 07/26/00
Dawn M. Wilson, Legal Secretary Date

APPROVED:

by  Date 7/27/00
Terrence D. Mahr, City Attorney

PASSED BY THE NEWBERG FINANCE COMMITTEE at the

July 31, 2000 Meeting:

 Date 8/4/00
Chuck Cox, Mayor