



CITY OF PHILADELPHIA

DEPARTMENT OF REVENUE
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FRANK BRESLIN, CPA
Revenue Commissioner
Chief Collections Officer

May 7, 2018

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke:

This letter is in response to questions raised at the April 17, 2018 hearing before the Committee of the Whole on the Fiscal Year 2019 proposed budget for the Philadelphia Water Department. At this hearing, the following questions were asked:

Councilman Allan Domb: How many individual accounts make up the \$360 million in delinquent water debt?

The \$360 million represent total Water Receivables, excluding accounts for City-owned properties, as of June 2017. Of this amount, \$261 million are delinquent. 216,270 accounts are delinquent.

Councilman Allan Domb: Why do we write off debt after 15 years, especially for commercial accounts?

Pursuant to the Philadelphia Code section 19-1605(1), Water Revenue waives and removes unpaid water, sewer, and storm water charges after 15 years. This waiver is applied to all customers, residential and commercial. The City believes it is good policy so that very old (and presumably uncollectable) water debt does not make properties effectively unmarketable.

Councilman Allan Domb: Of the \$360 million in delinquent water debt, how much is for non-owner-occupied properties? Since water debt relief programs are available to all residential customers, in contrast to real estate tax relief programs that are limited to owner-occupants, water debt is most frequently classified as residential vs. nonresidential. As stated previously, the \$360 million is the total Water Receivable not the amount of receivables that are delinquent. As of June 2017 month end, the delinquent portion of the receivable is \$261 million. Approximately \$61 million is for nonresidential properties and \$200 million is for residential properties. Additional analysis would be required to calculate the delinquency attributable to owner occupants. We will be happy to perform such analysis if you feel it would be helpful.

If you have any additional questions, please feel free to contact my office.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Frank Breslin'.

Commissioner Frank Breslin
Chief Collections Officer

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