



City of Houston Citywide ARC Project

Budget & Fiscal Affairs Committee

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Finance Department

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Agenda

- I. Incremental Revenue Update from ARC
- II. New Revenue Collection Opportunities and Sources
- III. Next Steps – AR Datamart



I. Incremental Revenue Update from ARC

Key Accomplishments of the Accounts Receivable Division

- Achieved the 4 year goal of increasing incremental revenues by \$20MM in 2.5 years with total incremental revenue collected at **\$22MM**
- Implemented the Champion Challenger Model, which is a competitive challenge model between two vendors to collect on accounts receivables. The goal is for one vendor to outperform the other to become the champion. The Champion Challenger model drives vendor performance and strives to improve collections.
- Implemented Secondary Collections for several revenue streams. Secondary Collections is a process that moves receivables of a certain age to a secondary vendor. This allows the expand primary collection vendor to continue to collect quickly on new accounts.



Incremental Revenue on ARC Revenue Streams

Revenue Category	Incremental Increase <i>(as of Apr 2013)</i>	Incremental Increase <i>(Apr 13-Nov 14)</i>	Funds Collected since Project Inception
			Total Incremental Increase <i>(as of Nov 2014)</i>
ARA - Burglar Alarm Penalties	\$347,671	\$96,060	\$443,731
ARA – Parking Citations	\$943,513	\$0	\$943,513
FIN – EMS Transports	\$3,462,984	\$13,652,540	\$17,115,524
HFD– Fire Alarm Permits	\$143,665	\$0	\$143,665
HPL – Library Fines	\$109,013	\$0	\$109,013
MCD – Municipal Courts	\$258,372	\$0	\$258,372
PWE – Utility Billing	\$0	\$365,917	\$365,917
Business Permitting Project	\$1,643,682	\$1,002,357	\$2,646,039
Total	\$6,908,900	\$15,116,874	\$22,025,774



II. New Revenue Collection Opportunities and Sources

Revenue Category	Go Live Date	Cumulative Revenue as of 1/31/15	Key Accomplishments
FIN – MuniServices (Sales tax audit services)	Nov 2011	\$3,713,280	<ul style="list-style-type: none"> Implemented sales tax audit recovery contract resulting in revenue of \$3.7MM Enhanced vendor and State Comptroller reporting and validation Additional \$1MM increase projected by 2nd Qtr FY16
FIN/HITS – Public Safety Radio	Feb 2013	\$484,000	<ul style="list-style-type: none"> Customized new A/R vendor interface module for Radio Billing via SAP – (MCM vendor) 30+ contracted agencies with \$484,000 in actual to date Automated accounting processes and interfaces for automated invoicing Continued expansion of services to local, state and federal agencies.
EMS - Secondary Collections	Dec 2014	\$102,313	<ul style="list-style-type: none"> Secondary collections implemented Jan. 2015
ARA – Parking (Liquated Damages and Credit Bureau Reporting)	May 2013	\$785,000	<ul style="list-style-type: none"> Monitor & evaluate the process of the vendor
HFD– Fire Alarm Penalties	June 2014	In progress	<ul style="list-style-type: none"> Change to new vendor Negotiated lower commission rate Redesigned billing activities to more closely align with City Ordinance
Champion Challenger	Oct 2013 Dec 2014	In progress	<ul style="list-style-type: none"> Public Works Water Parking Management



III. Next Steps – AR Datamart

- Initiated AR Data Mart project as result of the Accounts Receivable & Collections (ARC) Project:
 - Previously collection metrics, and the necessary supporting data, was not available to monitor and improve collections
 - AR Data Mart was created to house transactional data from revenue streams for reporting, payments tracking, and monitoring the collections performance of vendors and internal operations
- Results to Date
 - Receiving updated receivable and financial transactions data from major revenue streams
 - Finished data modeling for Parking, False Burglar Alarm and Fire Alarm Penalties, and EMS Billing
- Next Steps:
 - Import Library Fines data into AR Data Mart model by end of FY15
 - Update front-end reporting and visualization tools to new city standards supported by HITS and Finance
 - Enterprise Risk Management (ERM) Project
 - Citywide accounts receivable process documentation and evaluation of controls

