

WHEN EXPERIENCE, REPUTATION AND PERFORMANCE MATTER



PERDUE BRANDON
FIELDER COLLINS & MOTT LLP
ATTORNEYS AT LAW

GT GreenbergTraurig

CITY OF HOUSTON

Delinquent Ad Valorem
Tax Attorney Services

July 30, 2024

www.pbfcm.com



DELINQUENT BASE TAX OWED TO CITY

\$1,000,202,207.66

SOURCE: Harris County Tax Office – July 1, 2024



WHY WE ARE HERE

➤ Get The City More \$

- 2012: City Reviewed All Outstanding Receivables, Assessment Of Collectability & Identified Need To Enhance Collections
- Report Identified A Significant Amount Of Debt Over Two Years Old
- Report Concluded The Older The Debt, The Ability To Collect Significantly Decreases
- Report Recommended To Enhance Goals & Metrics To Focus Collections & Develop Standard Procedures For Measuring Results
- City Determined To Increase Competition By Adopting Champion Challenger Model – Compare Collection Results, Award More Accounts Accordingly

HOW ARE WE GOING TO DO IT

ASSIGNMENT OF ACCOUNTS

Contract Extension & Champion Challenger Model

The contract expired under its primary term on June 30, 2022. It was extended for two 1-year terms and was recently extended for one additional 1-year term, expiring June 30, 2025.

City of Houston Contract Criteria

Perdue Brandon's negotiated contract with the City of Houston states:

"To be eligible for additional collection areas or Reassigned Accounts, the Contractor's aggregate Collection Percentage, as defined below, must exceed that of any other tax collection service provider for the then-current Agreement Year through January 31." (Section F, second paragraph)

- **Perdue Brandon consistently outperforms Linebarger**
- **Our Methodology – Collect It Now, Personal Approach**

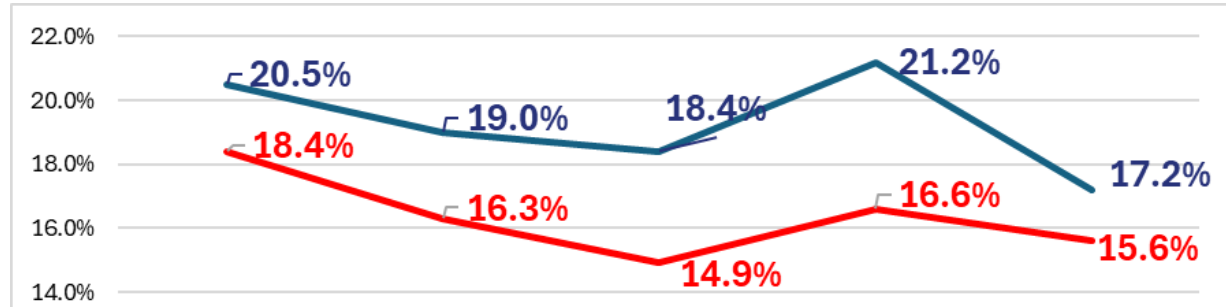


PROVEN RESULTS

RESULTS FOR SEVEN MONTHS OF COLLECTIONS

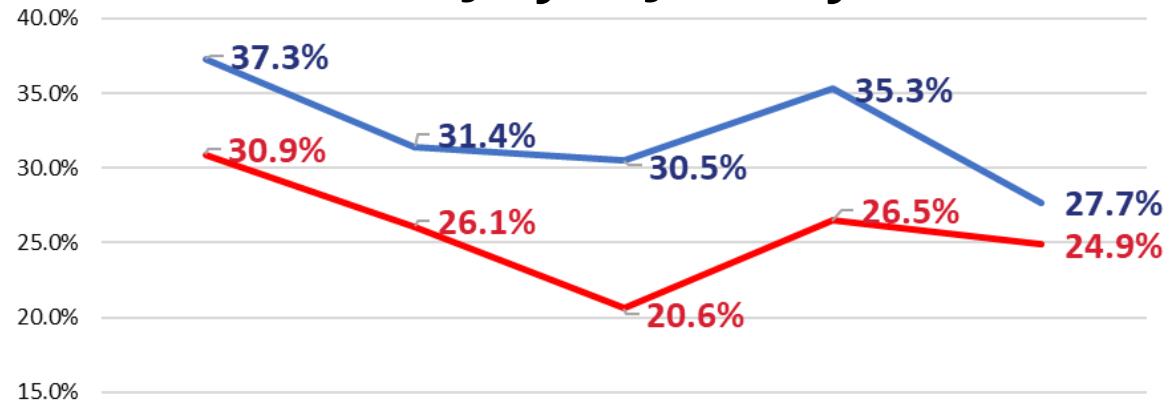
All Year Collections - July to January Collection Period

Contractually
required
calculation



All Year Collections	7/1/19 - 1/31/20	7/1/20 - 1/31/21	7/1/21 - 1/31/22	7/1/22 - 1/31/23	7/1/23 - 1/31/24
PBF	20.5%	19.0%	18.4%	21.2%	17.2%
LGBS	18.4%	16.3%	14.9%	16.6%	15.6%

First Year Collections - July to January Collection Period



First Year Collections	7/1/19 - 1/31/20	7/1/20 - 1/31/21	7/1/21 - 1/31/22	7/1/22 - 1/31/23	7/1/23 - 1/31/24
PBF	37.3%	31.4%	30.5%	35.3%	27.7%
LGBS	30.9%	26.1%	20.6%	26.5%	24.9%

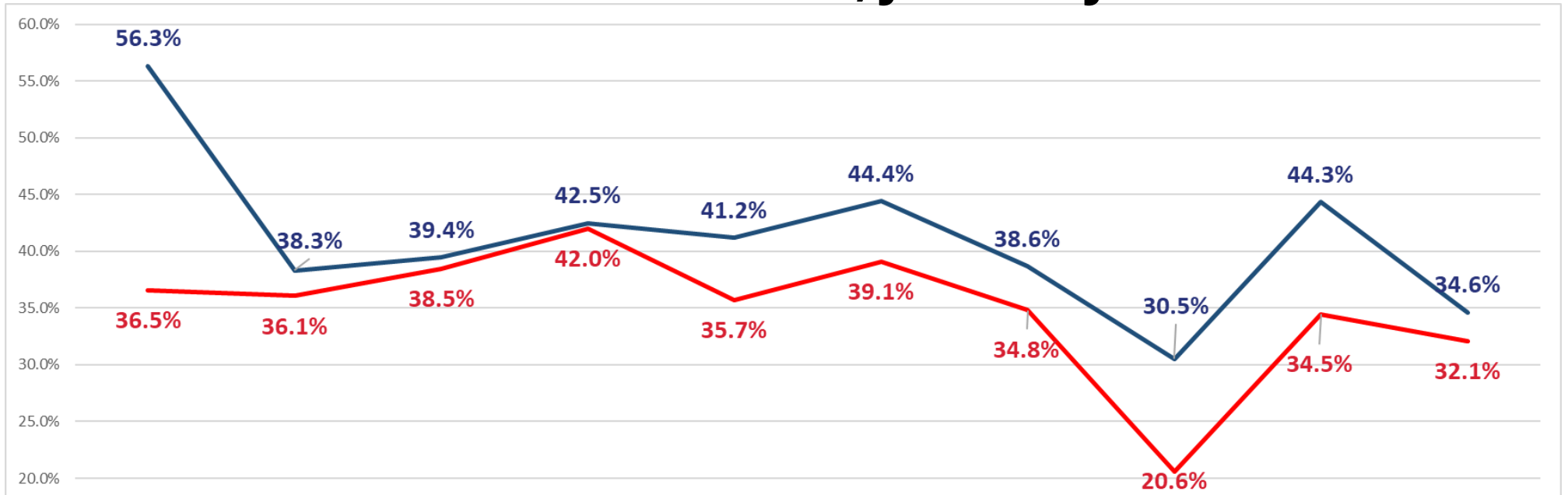


COLLECTION STATISTICS - FIRST YEAR COLLECTION RESULTS

12 MONTH COLLECTION CYCLE, JULY TO JUNE

PBFCM

LGBS



		July 2014 to June 2015	July 2015 to June 2016	July 2016 to June 2017	July 2017 to June 2018	July 2018 to June 2019	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	July 2023 to June 2024	All Years Total
	Tax Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
PBFCM	Curr Year Turnover	\$ 1,171,173	\$ 1,828,287	\$ 3,728,468	\$ 4,195,664	\$ 4,671,657	\$ 4,488,754	\$ 5,711,486	\$ 5,132,125	\$ 5,200,245	\$ 6,989,966	\$ 43,117,825
	Payments	\$ 659,801	\$ 700,605	\$ 1,470,650	\$ 1,782,274	\$ 1,923,903	\$ 1,993,608	\$ 2,207,481	\$ 1,566,412	\$ 2,304,412	\$ 2,418,153	\$ 17,027,299
	Coll %	56.3%	38.3%	39.4%	42.5%	41.2%	44.4%	38.6%	30.5%	44.3%	34.6%	39.5%
LGBS	Curr Year Turnover	\$ 20,245,888	\$ 22,399,852	\$ 23,024,814	\$ 21,107,234	\$ 23,258,476	\$ 21,265,185	\$ 28,127,942	\$ 30,593,034	\$ 26,837,086	\$ 33,897,796	\$ 250,757,307
	Payments	\$ 7,397,872	\$ 8,075,990	\$ 8,858,273	\$ 8,859,046	\$ 8,295,337	\$ 8,314,654	\$ 9,794,052	\$ 6,295,993	\$ 9,247,498	\$ 10,870,175	\$ 86,008,890
	Coll %	36.5%	36.1%	38.5%	42.0%	35.7%	39.1%	34.8%	20.6%	34.5%	32.1%	34.3%

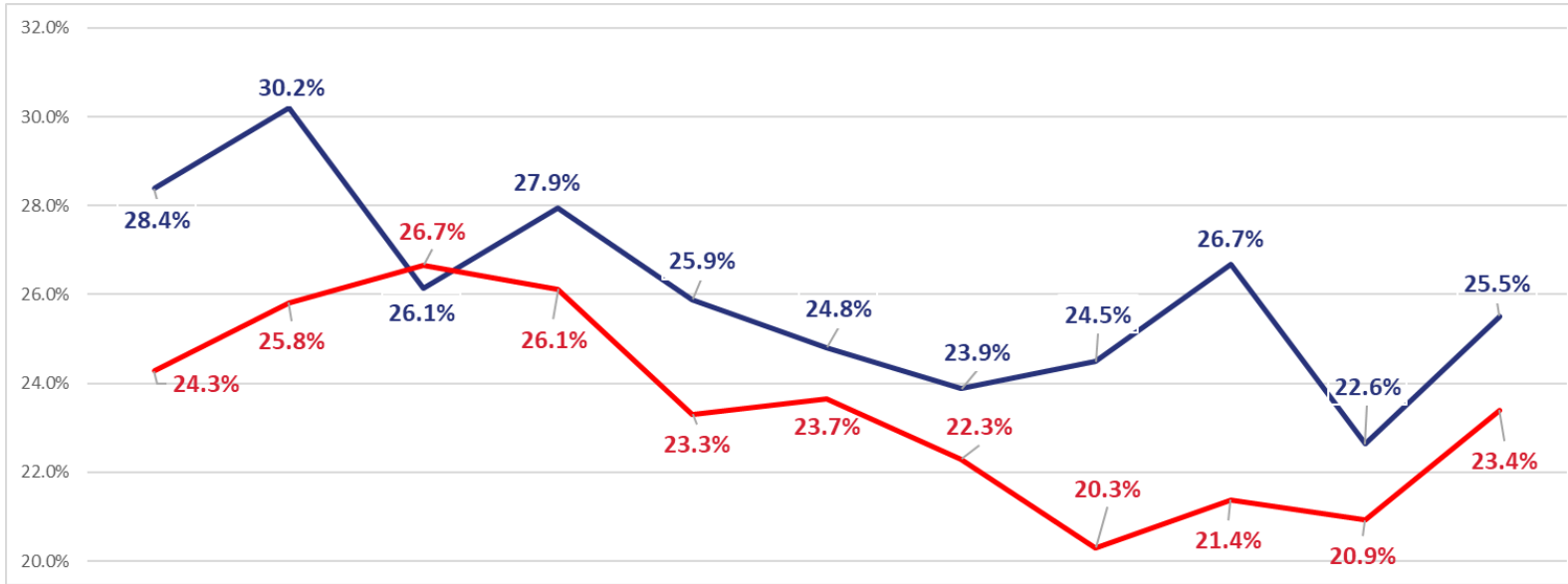


COLLECTION STATISTICS - ALL YEARS COLLECTION RESULTS

12 MONTH COLLECTION CYCLE, JULY TO JUNE

PBFCM

LGBS



		July 2014 to June 2015	July 2015 to June 2016	July 2016 to June 2017	July 2017 to June 2018	July 2018 to June 2019	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	July 2023 to June 2024	All Years Total
PBFCM	All Years Turnover	\$ 3,842,951	\$ 4,299,459	\$ 7,845,585	\$ 9,622,361	\$ 10,924,714	\$ 10,274,278	\$ 11,685,623	\$ 11,197,484	\$ 11,423,954	\$ 13,755,279	\$ 94,871,688
	Payments	\$ 1,090,790	\$ 1,298,544	\$ 2,050,346	\$ 2,688,768	\$ 2,828,306	\$ 2,549,170	\$ 2,790,906	\$ 2,742,209	\$ 3,047,102	\$ 3,113,240	\$ 24,199,381
	Coll %	28.4%	30.2%	26.1%	27.9%	25.9%	24.8%	23.9%	24.5%	26.7%	22.6%	25.5%
LGBS	All Years Turnover	\$ 69,880,835	\$ 65,570,685	\$ 58,935,483	\$ 53,402,478	\$ 58,197,819	\$ 50,250,452	\$ 58,189,997	\$ 64,612,625	\$ 62,549,842	\$ 70,048,319	\$ 611,638,535
	Payments	\$ 16,966,995	\$ 16,923,805	\$ 15,713,627	\$ 13,951,528	\$ 13,559,982	\$ 11,885,301	\$ 12,972,456	\$ 13,112,336	\$ 13,370,138	\$ 14,655,742	\$ 143,111,910
	Coll %	24.3%	25.8%	26.7%	26.1%	23.3%	23.7%	22.3%	20.3%	21.4%	20.9%	23.4%

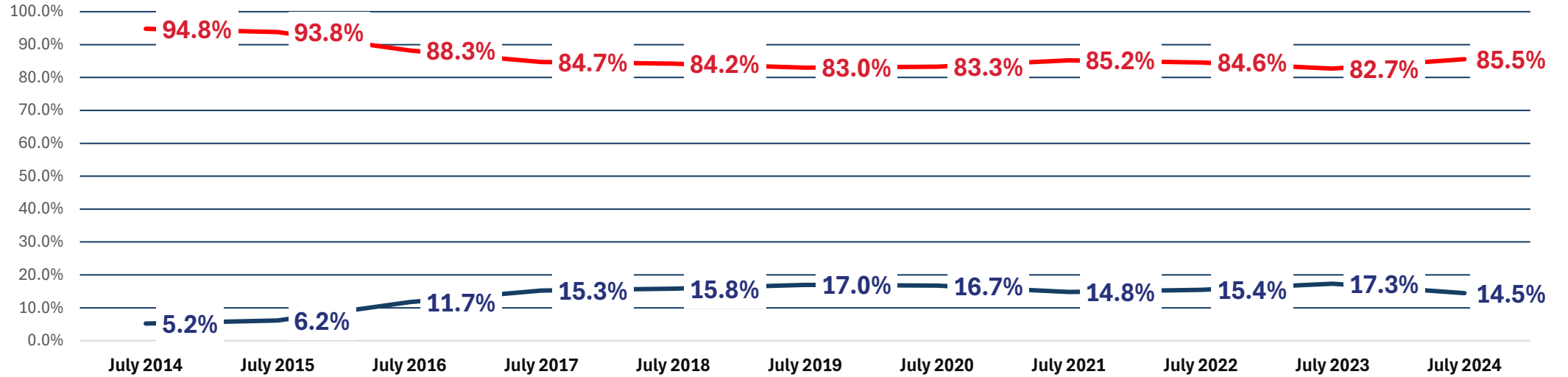
Since inception of contract, additional City of Houston revenue if the entire City of Houston was collected at the average PBFCM collection rate:

\$12,901,694



NO REASSIGNMENT IN 4 YEARS AND ONLY 1 IN 8 YEARS!

LGBS



PBCFM

Start Date	Total COH	LGBS		PBCM		PBCFM is assigned the delinquent taxes due to the City
		Total \$	%/Ttl	Total \$	%/Ttl	
July 2014	\$ 73,723,786	\$ 69,880,835	94.8%	\$ 3,842,951	5.2%	Clear Creek, Humble, Spring Branch
July 2015	\$ 69,870,144	\$ 65,570,685	93.8%	\$ 4,299,459	6.2%	Added Alief, Pasadena
July 2016	\$ 66,781,068	\$ 58,935,483	88.3%	\$ 7,845,585	11.7%	Added Ft Bend, Galena Park
July 2017	\$ 63,024,839	\$ 53,402,478	84.7%	\$ 9,622,361	15.3%	No Additional Accounts Assigned
July 2018	\$ 69,122,533	\$ 58,197,819	84.2%	\$ 10,924,714	15.8%	No Additional Accounts Assigned
July 2019	\$ 60,524,730	\$ 50,250,452	83.0%	\$ 10,274,278	17.0%	No Additional Accounts Assigned
July 2020	\$ 69,875,620	\$ 58,189,997	83.3%	\$ 11,685,623	16.7%	Added Klein, Multi ISDs
July 2021	\$ 75,810,109	\$ 64,612,625	85.2%	\$ 11,197,484	14.8%	No Additional Accounts Assigned
July 2022	\$ 73,973,796	\$ 62,549,842	84.6%	\$ 11,423,954	15.4%	No Additional Accounts Assigned
July 2023	\$ 84,704,061	\$ 70,048,319	82.7%	\$ 14,655,742	17.3%	No Additional Accounts Assigned
July 2024	\$ 100,202,028	\$ 85,720,393	85.5%	\$ 14,481,635	14.5%	No Additional Accounts Assigned



THIS IS WHAT WE CURRENTLY HAVE

CURRENT ASSIGNMENT - AS OF 07/01/2024

COH Assign	ISD Names	Turnover As of 07/01/2024	Levy %
LGBS	Houston ISD	\$ 76,796,155.04	76.6%
LGBS	Aldine ISD	\$ 5,633,511.81	5.6%
PBFCM	Spring Branch ISD	\$ 4,586,059.98	4.6%
PBFCM	Alief ISD	\$ 3,669,118.89	3.7%
PBFCM	Pasadena ISD	\$ 2,402,972.10	2.4%
LGBS	Cy-Fair ISD	\$ 1,912,054.09	1.9%
LGBS	Katy ISD	\$ 998,820.84	1.0%
PBFCM	Ft Bend ISD	\$ 965,389.59	1.0%
PBFCM	Humble ISD	\$ 963,567.25	1.0%
PBFCM	Clear Creek ISD	\$ 861,935.02	0.9%
PBFCM	Galena Park ISD	\$ 699,639.34	0.7%
LGBS	Huffman ISD	\$ 242,588.74	0.2%
PBFCM	Multi-Juris	\$ 211,124.22	0.2%
PBFCM	Klein ISD	\$ 121,828.68	0.1%
LGBS	New Caney ISD	\$ 82,716.23	0.1%
LGBS	Spring ISD	\$ 32,859.06	0.0%
LGBS	Deer Park ISD	\$ 12,210.99	0.0%
LGBS	Sheldon ISD	\$ 3,220.57	0.0%
LGBS	La Porte ISD	\$ 1,963.60	0.0%
LGBS	Tomball ISD	\$ 1,638.83	0.0%
LGBS	Goose Creek ISD	\$ 1,222.20	0.0%
LGBS	Stafford MSD	\$ 713.95	0.0%
LGBS	Channelview ISD	\$ 395.78	0.0%
LGBS	Crosby ISD	\$ 252.69	0.0%
LGBS	Waller ISD	\$ 68.17	0.0%
Total	City of Houston	\$ 100,202,027.66	

LGBS TOTAL	\$	85,720,392.59	85.5%
PBFCM TOTAL	\$	14,481,635.07	14.5%
COH TOTAL	\$	100,202,027.66	100.0%



THIS WILL GET YOU MORE MONEY

CITY PROPOSED ASSIGNMENT AS OF 07/01/2024

COH Assign	ISD Names	Turnover As of 07/01/2024	Levy %
LGBS	Houston ISD	\$ 76,796,155.04	76.6%
PBFCM	Aldine ISD	\$ 5,633,511.81	5.6%
PBFCM	Spring Branch ISD	\$ 4,586,059.98	4.6%
PBFCM	Alief ISD	\$ 3,669,118.89	3.7%
PBFCM	Pasadena ISD	\$ 2,402,972.10	2.4%
LGBS	Cy-Fair ISD	\$ 1,912,054.09	1.9%
LGBS	Katy ISD	\$ 998,820.84	1.0%
PBFCM	Ft Bend ISD	\$ 965,389.59	1.0%
PBFCM	Humble ISD	\$ 963,567.25	1.0%
PBFCM	Clear Creek ISD	\$ 861,935.02	0.9%
PBFCM	Galena Park ISD	\$ 699,639.34	0.7%
LGBS	Huffman ISD	\$ 242,588.74	0.2%
PBFCM	Multi-Juris	\$ 211,124.22	0.2%
PBFCM	Klein ISD	\$ 121,828.68	0.1%
LGBS	New Caney ISD	\$ 82,716.23	0.1%
LGBS	Spring ISD	\$ 32,859.06	0.0%
LGBS	Deer Park ISD	\$ 12,210.99	0.0%
LGBS	Sheldon ISD	\$ 3,220.57	0.0%
LGBS	La Porte ISD	\$ 1,963.60	0.0%
LGBS	Tomball ISD	\$ 1,638.83	0.0%
LGBS	Goose Creek ISD	\$ 1,222.20	0.0%
LGBS	Stafford MSD	\$ 713.95	0.0%
LGBS	Channelview ISD	\$ 395.78	0.0%
LGBS	Crosby ISD	\$ 252.69	0.0%
LGBS	Waller ISD	\$ 68.17	0.0%
Total	City of Houston	\$ 100,202,027.66	

LGBS TOTAL	\$ 80,086,880.78	79.9%
PBFCM TOTAL	\$ 20,115,146.88	20.1%
COH TOTAL	\$ 100,202,027.66	100.0%



THIS WILL MAXIMIZE COLLECTIONS

PERDUE BRANDON PROPOSED ASSIGNMENT AS OF 07/01/2024

COH Assign	ISD Names	Turnover As of 07/01/2024	Levy %
LGBS	Houston ISD	\$ 76,796,155.04	76.6%
PBFCM	Aldine ISD	\$ 5,633,511.81	5.6%
PBFCM	Spring Branch ISD	\$ 4,586,059.98	4.6%
PBFCM	Alief ISD	\$ 3,669,118.89	3.7%
PBFCM	Pasadena ISD	\$ 2,402,972.10	2.4%
PBFCM	Cy-Fair ISD	\$ 1,912,054.09	1.9%
PBFCM	Katy ISD	\$ 998,820.84	1.0%
PBFCM	Ft Bend ISD	\$ 965,389.59	1.0%
PBFCM	Humble ISD	\$ 963,567.25	1.0%
PBFCM	Clear Creek ISD	\$ 861,935.02	0.9%
PBFCM	Galena Park ISD	\$ 699,639.34	0.7%
PBFCM	Huffman ISD	\$ 242,588.74	0.2%
PBFCM	Multi-Juris	\$ 211,124.22	0.2%
PBFCM	Klein ISD	\$ 121,828.68	0.1%
PBFCM	New Caney ISD	\$ 82,716.23	0.1%
PBFCM	Spring ISD	\$ 32,859.06	0.0%
PBFCM	Deer Park ISD	\$ 12,210.99	0.0%
PBFCM	Sheldon ISD	\$ 3,220.57	0.0%
PBFCM	La Porte ISD	\$ 1,963.60	0.0%
PBFCM	Tomball ISD	\$ 1,638.83	0.0%
PBFCM	Goose Creek ISD	\$ 1,222.20	0.0%
PBFCM	Stafford MSD	\$ 713.95	0.0%
PBFCM	Channelview ISD	\$ 395.78	0.0%
PBFCM	Crosby ISD	\$ 252.69	0.0%
PBFCM	Waller ISD	\$ 68.17	0.0%
Total	City of Houston	\$ 100,202,027.66	

LGBS TOTAL	\$ 76,796,155.04	76.6%
PBFCM TOTAL	\$ 23,405,872.62	23.4%
COH TOTAL	\$ 100,202,027.66	100.0%

Reassignment Of Accounts:

Based upon the foregoing information, **Perdue Brandon** respectfully requests the reassignment of all accounts, other than HISD, to **Perdue Brandon**. This still would leave 76.6% of the delinquent accounts with Linebarger.



WHO WE ARE

- 54 Years Of Experience Exclusively Collecting Government Receivables
- Over 2,500 Governmental Clients; Including 1,700+ For Delinquent Tax Collection Services
- Performance History Of High Collection Rates



Michael J Darlow
Partner



Jason Bailey
Partner

Perdue Brandon

57 Attorneys * 425+ Staff * 15 Locations
Collection Center * Bankruptcy Department
Litigation Department



Otilia Gonzales
Partner



Roland Garcia
*Shareholder,
Greenberg Traurig*

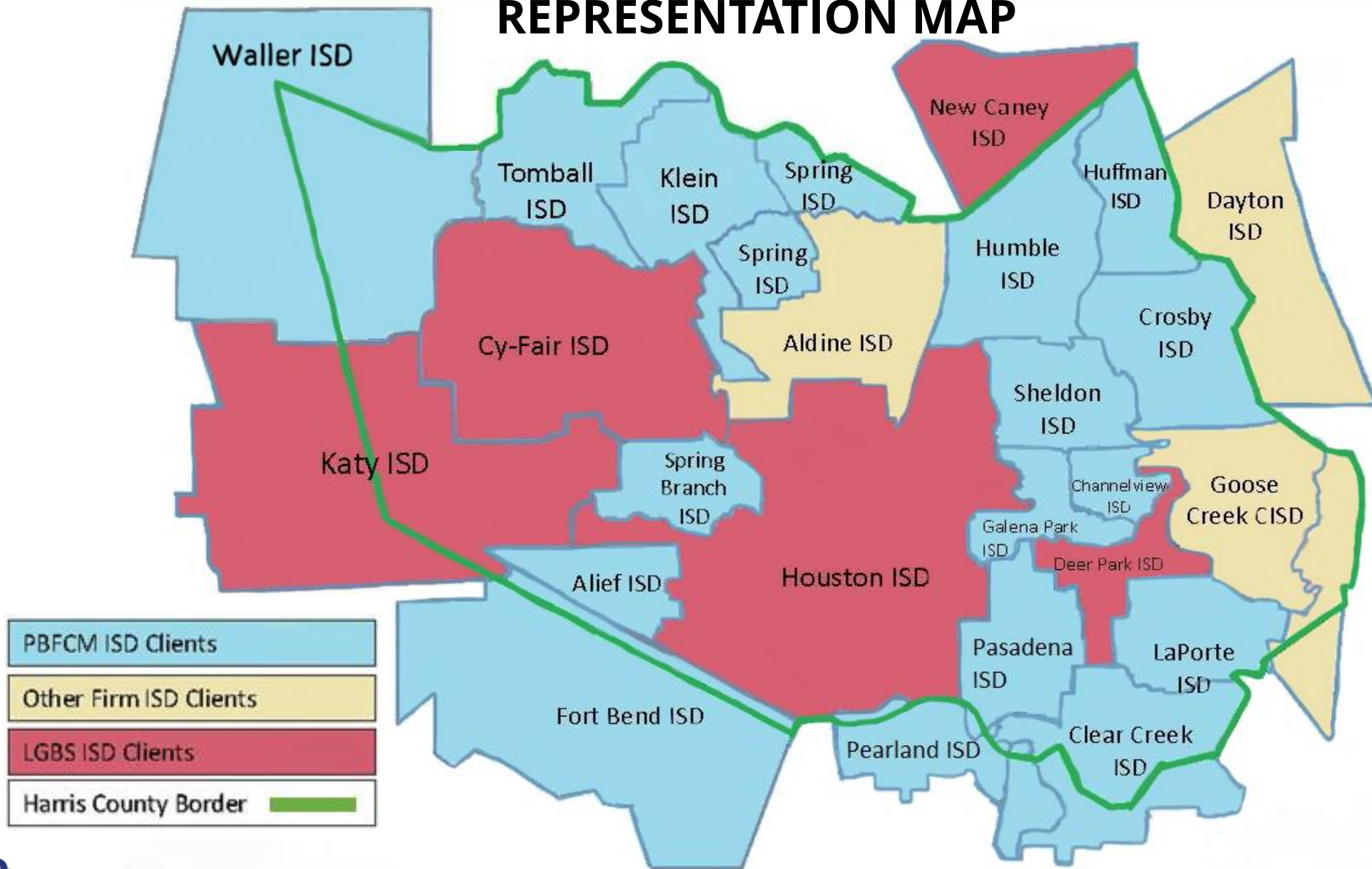
Greenberg Traurig

2,750 Attorneys * 47 Locations
* Multiple Practice Areas



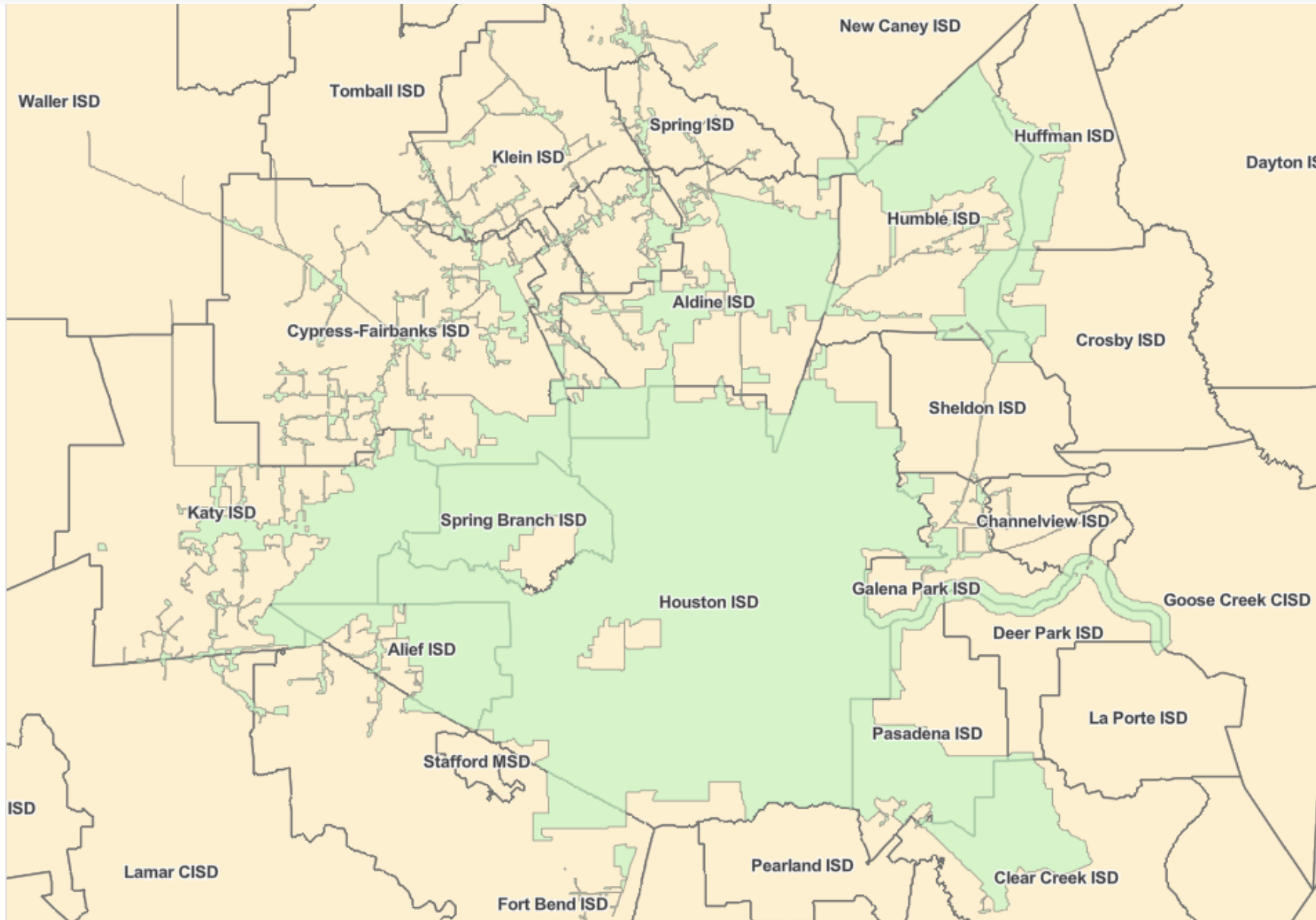
WHERE WE ARE

REPRESENTATION MAP



WHERE WE ARE

Green = City of Houston



HOW WE DO IT

CUSTOMIZED COLLECTION PROGRAM



One-On-One Approach



Taxpayer Assistance, Payment Plans



Specialized Proprietary Software, *Tax Trakker*®



Nationwide Locator Services



Customizable Letters, Scripts, Reports



Real & Business Personal Property Visits

HOW WE DO IT

LITIGATION SERVICES

- ✓ Title Research & Tax Roll Analysis
- ✓ Strategic Litigation Plan
- ✓ Pre/Post-Judgment Collection Program
- ✓ Bankruptcy Representation
- ✓ Automated Document Generation
- ✓ Digital File Management



HOW WE DO IT

PROPERTY TAX SALE SERVICES



- On-Site Inspection
- Placement of Sale Notices
- Online Posting of Sales And Resales
- Interactive Mapping
- Coordination With Constable's Office

HOW WE DO IT

SECURE, CONFIDENTIAL DATA



All Data Is Confidential And Held In A Secure Environment



Strict Firm Confidentiality Policies And Procedures, PCI and SOC II Compliant



External & Internal Restricted Access



Specialized Proprietary Computer Software System, *Tax Trakker*®



Utilize Advanced Security Systems, High-End Disaster Recovery Replication, Third-Party Security Breach Testing And Data Encryption



PERDUE BRANDON MISSION & VISION

Mission Statement

Anchored in trust, our law firm pursues excellence with a relentless dedication to reliability, respect and results, creating partnerships that fuel success.

Vision Statement

To ensure every community has the resources to prosper.



PERDUE BRANDON CORE VALUES



PEOPLE FIRST – Engage with people in a respectful way, showing compassion and sincerity



INTEGRITY – Be honest and ethical



ABOVE THE LINE – Exercise Ownership, Accountability and Responsibility



EXCELLENCE – Commit to methods and practices that achieve success



TENACITY – Thrive through determination, grit and resilience

DEBUNKING THE MYTH

Linebarger Claims:

- HISD Is Harder To Collect

We Say:

- This Is Irrelevant: Not Part Of Contract
- We Collect In Districts With Disadvantaged Students
- We Have Proven Superior Results
- If HISD Is So Hard To Collect, Assign HISD To Perdue Brandon

No Excuses, Just Results



IN SUMMARY



The City Needs More \$

We Collect More \$ When Awarded More Accounts

No New Accounts Awarded In The Last 4 Years

Only 1 Reassignment Of Accounts In The Last 8 Years

More Accounts For Perdue Brandon = More \$ For The City

WHEN EXPERIENCE, REPUTATION
AND PERFORMANCE MATTER

THANK YOU!

