

Revenue Collection Strategic Plan

March 9, 2010

Item # 3.2

Accounts Receivable Billing

Total Accounts Receivable Billings since
FY 2006-2007: \$227.6 million

City of San José	
Accounts Receivable Billing	
Fiscal Year	Billed Amount
2006-2007	\$49,774,840
2007-2008	59,960,404
2008-2009	83,122,896
2009-2010 (Jul - Dec 2009)	34,725,235
Total	\$227,583,375

Delinquent Accounts Receivable

41.7% reduction in delinquent accounts receivable in the past 2 ½ years, equal to \$8.5 million to the City.

City of San José Delinquent Accounts Receivable Balance

	<u>FY 2009-10 2nd Quarter as of 12/31/09</u>	<u>FY 2006-07 4th Quarter as of 6/30/07</u>
91 – 120	\$420,451	\$3,360,491
121 – 365	2,902,892	3,936,836
366 – 730	2,052,910	1,339,324
731 – 999	6,572,184	11,851,635
Total	\$11,948,437	\$20,488,286

Revenue Collection Strategic Plan

Proactive Revenue Collection Strategic Plan
generated over \$30 million since January 2007

City of San José Finance Department			
Revenue Collection Strategic Plan			
Fiscal Year	Budgeted Revenue Target	Actual Revenue Collected	% of Target
2006-2007 (Jan - June 2007)	N/A	\$5,276,942	N/A
2007-2008	\$2,650,000	10,805,301	408%
2008-2009	2,650,000	11,221,254	423%
2009-2010 (Jul - Dec 2009)	2,650,000	2,741,323	103%
Total	\$7,950,000	\$30,044,820	378%

Collection Results

- Delinquency and Compliance Programs Generated Over \$30 million from 2007 to 2009
- Average Return on Investment for these Programs equals \$8.81 Collections to each \$1 in Costs from 2007 to 2009

**City of San José Finance Department
Revenue Collection Strategic Plan
Collection Results**

Fiscal Year	Business Tax Delinquencies	Accounts Receivable Delinquencies	Compliance & Monitoring	Total
2006-2007 (Jan - June 2007)	\$543,139	\$3,584,591	\$1,149,212	\$5,276,942
2007-2008	2,339,478	6,300,801	2,165,022	10,805,301
2008-2009	1,859,794	6,291,195	3,070,265	11,221,254
2009-2010 (Jul - Dec 2009)	901,063	1,236,980	603,280	2,741,323
Total	\$5,643,474	\$17,413,567	\$6,987,779	\$30,044,820

Recommendation

- Accept the FY 2009-10 First Quarter Revenue Collection Strategic Plan Report; and
- Approve the list of bad debt write-offs representing 126 accounts in the amount of \$1,702,757.42