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Memorandum

Date: 08/29/2017
To: City of Lawrence
From: Christina Churchill
CC: Bryan Kidney
Subject: Miscellaneous Billing Review Project Update

As follow-up to items outlined in the April 2017 Rapid Assessment, the City of Lawrence engaged RSM's consulting team to facilitate a deeper dive into the data and the development of a comprehensive list of properties, contracts and billing records to be updated based upon City employee input and records. The following provides an update of the process.

- June 26th the survey was issued to 47 staff members, requesting assistance in gathering information related to any non-utility related billing. All departments responded to the survey.
- The survey generated the following results:
 - 112 Contractual Billing items (e.g. Properties, Franchises, Development & Economic Agreements)
 - 26 Non-Contractual billing items (e.g. Fire & Medical, Retiree Medical Billings, Hydrant & Inspection Fees)
 - 42 Items unrelated to Miscellaneous Billing and/or completed/expired contracts
- Of those items produced from the survey, the following steps were taken.
 - A master list was created of all received contracts including: term, billing amounts, renewal options and expiration dates
 - The City's billing team compared the data to the Miscellaneous Accounts Receivable (MAR) billing system, all variances were reviewed and verified with the appropriate Department Directors
 - Any changes to the billing terms, annual increases etc. were noted in the master list, if variances existed MAR was updated appropriately
 - The compiled list was sent to the survey participants for review and comments to collect any remaining items, as of the date of this memo, the process is not yet complete.
- Additionally, the City's billing team, reviewed the items identified in the assessment as needing additional review. Overall these items were found to be paid appropriately, variances appear to be due to the following:
 - Name variances between the lease extract and MAR, some accounts were merged with parent accounts, or purchased over time
 - Projects were cancelled, therefore not billed/collected
 - Extract included contract detail for items not actually related to accounts receivable.

- Updates to the rates based on annual increases, approved by appropriate parties
 - Normal customer turnover
- From the review the following corrective actions were identified:
 - Regular billing of land rental owed by Riverfront, LLC should be reinstated
 - Rent amounts for several airport hangar should be adjusted as outlined in the agreements between the City and the individual hangar lessee
 - The City should implement a centralized management system for all Right of Way agreements (fiber, cell tower and utility franchise)
- Next Steps:
 - Identify if confirmation letters to customers are warranted
 - Based on the master list of receivables a few outstanding items remain:
 - 8/30 - Fiber Team meeting to finalize questions
 - 8/30 – Finalizing hangar numbers
 - Issue confirmation letters (if warranted)
 - Review responses, update MAR as appropriate
 - Provide a summary of the specific findings and dollars to governing body
 - Future consideration of fiber, cell tower rentals, and private utilities franchise audits
 - Finalize policies and procedures related to the updated process