

Item: 3

Alternatives for Revenue Collection

INFORMATION ITEM

Project Name: Alternatives for Revenue Collection	Date: 06/23/2006
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Prepared for: July 6, 2006 Budget Board Committee	

BACKGROUND:

Since its inception, the Authority has collected revenue using its own equipment and processed currency internally.

This process has served the Authority well. However, staff believes there is merit in exploring private sector alternatives to these aspects of its revenue operations. Numerous armored car services provide cash transport for businesses such as grocery stores, fast food outlets and other retail establishments throughout the metropolitan area. The Authority's intent is to determine if there is interest from these services to leverage this capacity and permit the Authority to outsource these tasks.

BUDGET IMPACT:

The Expressions of Interest will be evaluated to determine if there are potential efficiencies that may translate into cost savings. Follow-on actions will be dependent upon the results of the evaluation.

ACTIONS TAKEN:

Authority staff has visited several transit properties to determine their revenue collection/processing procedures. Some bus systems, principally New York City, do not accept \$1 currency as payment of fare. Most operate a system similar to the Authority where employees prepare the currency for processing by high speed bill counting equipment. In the property review, it was noted that one system sells a portion of its uncounted currency. After separating out larger denomination bills, the remaining, unprocessed \$1 bills are sold by the pound to outside contractors at a fixed price per pound.