

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2007 Proposed Budget – DPW-Parking

1. In the 2007 Proposed Budget, one Parking Meter Technician position is eliminated due to the installation of multi-space meters. (Page 1)
2. The 2007 Parking Fund operating budget totals approximately \$26.9 million (not including the payment to the General Fund), which is approximately \$900,000 less than the 2006 budget. The primary reason for the decrease is a \$1.1 million reduction in debt service. (Pages 1, 2, 3, 4 and 5)
3. The 2007 Budget includes a \$15.8 million transfer from the Parking Fund to the General Fund. This is approximately \$600,000 more than the 2006 transfer. (Pages 5, 6 & 7)
4. The 2007 estimated parking citation revenue is \$19.6 million, a \$600,000 increase from 2006. The increase in the 2007 estimated revenue reflects a proposed increase in the second parking citation late fee from \$5 to \$10. (Page 7)
5. According to the Department of Public Works (DPW), there is approximately \$64.4 million in delinquent parking citations. Of the \$64.4 million in delinquent citations, DPW considers approximately \$25 million to be reasonably collectable. DPW is continuing to implement new strategies for collecting outstanding parking citations. (Pages 9, 10 & 11)
6. DPW continues to enhance its parking operations to better serve the public and make enforcement more productive through technological investments that make paying for parking more convenient. (Page 13)
7. The 2007 Proposed Budget includes \$595,000 for capital improvements for the City-owned parking structures (Pages 13 & 14).

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

2007 Proposed Budget Summary: DPW - Parking

Expense Category	2005 Actual	2006 Budget	% Change	2007 Proposed	% Change
Operating Expenditures	\$ 41,463,326	\$ 42,191,593	2%	\$ 42,454,606	1%
Capital*	\$ 1,200,000	\$ 2,080,000	73%	\$ 595,000	-72%
Positions	128	129	1%	128	-1%

*Capital is the amount included in the budget and does not include \$5 million for capital improvements to be financed from the Permanent Reserve Fund. The Permanent Reserve Fund provides contingent borrowing authority to the Parking Fund.

HISTORICAL INFORMATION

1. The 2000 City of Milwaukee Budget transferred 45 parking checkers plus 21 tow desk positions from the Police Department to the Department of Public Works (DPW). The primary reason for the transfer was to focus the efforts of the parking checkers on parking enforcement. The 2001 Budget added 20 additional parking checker positions.
2. The 2001 Budget transferred budget authority for the City's citation processing/cash management contract from DPW Administrative Services Division to the Parking Fund. The budget thus consolidated all of the City's parking operations in the Parking Fund.

2007 Executive Budget Issues & Highlights

Personnel Changes

In the 2007 Proposed Budget, one Parking Meter Technician position is eliminated due to the installation of multi-space meters.

The 2007 Proposed Budget also reflects the reclassification of the Parking Operations Coordinator to Parking Operations Supervisor. The Common Council has approved this reclassification.

Vacancies

One Meter Technician position is vacant. It is anticipated this position will be eliminated in the 2007 Budget due the installation of the multi-space meters.

Operating Expenditures

The 2007 Parking Fund operating budget totals approximately \$26.9 million (not including the payment to the General Fund), which is approximately \$900,000 less than the 2006 budget. The primary reason for the decrease is a \$1.1 million reduction in debt service.

Professional Services

The 2007 Proposed Budget includes \$7,925,000 for Professional Services. The \$7,925,000 is a \$372,000 increase from the approximately \$7,553,000 provided for in the 2006 Budget.

Rather than compare the 2007 Proposed Budget with the 2006 Budget DPW indicates that it would be more appropriate to compare the 2007 proposed professional services' budget with 2005 actual expenditures of \$7.231 million, for a difference of nearly \$700,000.

Most of this difference (approximately \$390,000) is due to the costs of placing vehicle registration holds for unpaid parking citations. In 2005, DOT suspended this activity due to database problems; however, this activity has resumed in 2006.

Approximately \$300,000 of the difference is attributable to increased costs for citation processing and collection due to increased collections projected through the Tax Refund Intercept Program (TRIP) and a higher citation issuance rate (estimated to total 1 million in 2007 versus 913,000 in 2005).

Professional Account Management (PAM) receives the majority (\$5.76 million) of the Professional Services Account funding for processing citations (parking, municipal and traffic), including staffing three payment centers, processing primary and secondary collections, scheduling reviews with both the Citation Review Manager and Municipal Court, maintaining the night parking permit and towing databases, placing vehicle registration holds, mailing overdue notices, certifying individuals with the Department of Revenue for the Tax Refund Intercept Program, maintaining and supporting the kiosks and leasing the AutoCITES.

The 2007 proposed Parking Fund's Professional Services Account also includes funding for the management of four City-owned parking structures (\$1.25 million), Division of Motor Vehicles for vehicle registration holds (\$600,000), coin counting/meter services (\$68,000) and armored vehicle security services (\$12,200).

The contract for the management of four City-owned parking structures was bid out in September. Because the amount of the previous contract was never increased over a 5-year period, DPW anticipates the costs will be approximately \$100,000 more in 2007.

Other Operating Expenditure Changes

- *Tools & Machinery Parts* decreases from \$10,000 to \$5,000 – The reduction is based on 2005 experience plus tools for new multi-space meters.

- *Energy* increases from \$330,000 to \$344,000 – The increase includes a 10% increase in 2006 and 2007 over 2005 experience.
- *Other Operating Supplies* decreases from \$105,000 to \$90,000 – The decrease is based on 2005 experience.
- *Facility Rental* decreases from \$133,000 to \$130,000 – The reduction is based on 2005 experience plus inflationary adjustment required by lease.
- *Property Services* decreases from \$616,200 to \$510,000- The reduction reflects a change in the way security is provided at the Tow Lot. Off-peak hour security services for the Tow Lot were decreased due to a lack of consistent and reliable security services. Instead, an additional Tow Lot Attendant is assigned to work the night shift to process vehicles. This position not only assists in the processing but also provides enhanced surveillance because of their presence at the Tow Lot.
- *Infrastructure Services* decreases from \$35,000 to \$25,000 – The decrease is based upon 2005 experience.
- *Vehicle Repair Services* increases from \$2,000 to \$8,000 – The increase is based upon 2005 experience.

Replacement Equipment

- The 2007 Proposed Budget includes \$81,000 for the replacement of 3 jeeps. Currently, there are 55 jeeps in service. All three jeeps proposed to be replaced were inherited from the Police Department when enforcement was transferred to DPW. One is a 1992 vehicle currently out-of-service but being used for parts and the remaining two are 1993 vehicles. DPW indicates that all three are in extremely poor condition. The mileage of each vehicle is 65,967, 57,111, and 115,019, respectively. However, the two vehicles with the lower mileage have had very high repair costs totaling approximately \$20,000 and \$27,000, respectively, since 1999.
- The 2007 Proposed Budget includes \$58,000 for two Riding Type Power Sweepers. One of the power sweepers will be assigned to the parking structures where there are currently two power sweeper/scrubbers and one power sweeper. The parking structure management firm is required to sweep all four garages regularly. It is important to have one sweeper at each structure so that they can be swept consistently. In addition, these vehicles are not permitted to ride on the street and must be hauled between the structures, which is inefficient. The two sweeper-scrubbers are shared among the four structures as scrubbing is required to be performed less frequently, approximately a few times per month. In addition, the sweeper-scrubbers are more expensive.

The other power sweeper will be used by both the Tow Lot and the parking enforcement facility. Sweeping is necessary as debris from towed vehicles is unsightly and can cause flat tires on City-owned vehicles and on the tow contractor's trucks. This sweeper will replace an old sweeper the Tow Lot inherited from the parking structures several years ago. However, it no longer works and needs to be replaced as determined by DPW's Fleet Operations Section due to high repair costs.

- The 2007 Proposed Budget provides the following snow removal equipment:
 - \$5,000 for one Salt Hopper
 - \$29,000 for Pickup Truck w/ plow & salt hopper
 - \$5,500 for a Power Blade

The pick-up truck with plow and salt hopper will be used primarily by the Tow Lot, but it will also be used by Parking Enforcement at their facility on N. 25th Street. The salt hopper and plow blade will be installed on a truck currently utilized by the Tow Lot. Due to the 24/7 utilization of both facilities and the need to clear snow and salt from the pavement immediately, it is necessary to purchase this equipment. Previously, both facilities had to wait for Sanitation forces to plow and salt, which often occurred much later. In addition, the additional pick-up truck will serve many other purposes, most importantly for customer service at the Tow Lot, which has increased dramatically.

- The 2007 Proposed Budget includes \$5,000 for the replacement of furniture at the Parking Enforcement and the Parking Information Desk. Parking Enforcement and the Parking Information Desk are 24/7 operations. Their office furniture, particularly the office chairs, has to be frequently replaced due to their intensive use. Storage cabinets are also needed to file records generated by the Parking Enforcement section.

Special Funds

Payment to Debt Service (\$4,000,000)

The 2007 Proposed Budget reflects that approximately \$1 million of the Parking Fund's approximately \$4 million debt service payment is used as a source of non-property tax revenue to pay costs associated with the City's share of Miller Park. The Miller Park payments will continue through 2028.

DPW is exploring, either refinancing the existing debt or paying off all remaining debt on 1000 N. Water Street and the 4th and Highland parking structures. Several developers have expressed interest in acquiring long-term parking in these structures, which would be difficult to provide due to the rules for tax-exempt bonds. The 1000 N. Water parking structure has \$600,000 and 4th and Highland has \$850,000 in outstanding debt. Converting the tax-exempt debt to taxable debt or paying off all existing tax-exempt debt associated with these structures would provide the City more flexibility in meeting the parking needs of the various development projects in the Park East corridor.

Contingent Fund (\$425,000)

The 2007 Proposed Budget includes \$425,000 for the Parking Fund's Contingent Fund. This is the same amount that was included in the 2006 Budget for the Contingent Fund. DPW –Administration indicates this funding level will be sufficient to fund any unanticipated expenditures.

The 2003 Budget established a "Contingent Fund" within the Parking Fund that mirrored other City Enterprise Funds such as Water Works and the Sewer Fund. Like other Enterprise Funds, if expenditures exceed revenues, a transfer from the Fund's Contingent Fund would need to be implemented. Before the establishment of the Contingent Fund, the Parking Fund had to make withdrawals from its cash reserves to fund unanticipated expenditures. Any excess funds in the Contingent Fund that are available at year-end revert to the Parking Fund's cash reserve.

Transfer to the General Fund

The 2007 Budget includes a \$15.8 million transfer from the Parking Fund to the General Fund, a \$600,000 increase from the 2006 transfer. The transfer to the General Fund was increased to reflect a proposed increase in the second late fee for parking citations (See Pages 7 & 8).

The 2007 transfer from the Parking Fund to the General Fund includes a \$3,830,218 withdrawal from the Fund's Retained Earnings (cash reserves).

It is important for the Parking Fund to have adequate reserves, since unanticipated expenditures or revenue shortfalls in any Parking Fund activity could result in a General Fund subsidy. Regular General Fund subsidies of the Parking Fund could, in turn, increase the levy and adversely affect state aid associated with the expenditure restraint program.

One measure used to determine the adequacy of an entity's reserves is the current ratio. The current ratio is calculated by dividing current assets by current liabilities, and a ratio of approximately 2 is considered to be acceptable.

The table on page 6 provides an analysis of the Parking Fund's cash reserves and shows the Fund's current ratio for 2001 through 2005.

Analysis Parking Fund's Cash Reserves 2000-2005 (000's)					
Category	2001	2002	2003	2004	2005
Cash and Cash Equivalents	\$7,539	\$12,342	19,328	\$24,092	\$22,001
General Obligation Debt Payable – Current	\$3,510	\$3,746	\$3,622	\$3,767	\$2,080
Accounts Payable	\$923	\$774	\$828	\$2,106	\$1,052
Accrued Wages	\$393	\$448	\$441	\$ 664	\$636
Current Liabilities	\$4,826	\$4,968	\$4,891	\$6,537	\$3,768
Cash Less Liabilities	\$2,713	\$7,374	\$14,437	\$17,555	\$18,223
Current Ratio: Current Assets/Current Liabilities	1.56	2.48	3.95	3.68	5.84
Source: 2001, 2002 2003 , 2004 & 2005 CAFR					

As the table above shows, the Fund's available cash (cash less liabilities) was only approximately \$2.7 million at the end of 2001. This balance was the result of an additional \$4 million transfer, in 2001, from the Fund's reserves to the City's General Fund. As a result of the reduction in the Fund's available cash, the Fund's current ratio declined from 2.49 at end of 2000 to 1.56 at the end of 2001, significantly below the goal of 2.00.

In 2002, the Parking Fund's cash reserve increased to approximately \$12.3 million, a \$4.8 million increase from the 2001 level of \$7.5 million. The increase in cash reserves is a result of \$1.6 million in less than anticipated expenditures and over \$3 million increase in revenues over projections. As a result of the increase in the Fund's available cash, the Fund's current ratio increased from 1.56 to 2.48.

In 2003, the Parking Fund's cash reserves increased to \$19.3 million, a \$7 million increase from the 2002 level of \$12.3 million. The increase in cash reserves was a result of higher than anticipated revenues plus revenue from the Grand Avenue Parking Structure (\$1 million) and lower than anticipated expenditures.

In 2004, higher than anticipated revenues (\$5 million) and lower than anticipated expenditures (\$1.2 million) increased the Parking Fund's cash reserves to \$24.1 million, a \$4.8 million increase from the 2003 level.

In 2005, revenues increased by \$2.6 million and expenditures were lower than anticipated by over \$500,000. At the end of 2005, the Parking Fund had \$22 million in cash-on-hand after a withdrawal from reserves of over \$4.8 million. Coupled with lower liabilities due to decreases in debt service and accounts payable the ratio has grown to 5.84.

Assuming 2007 revenues and expenditures meet projections, DPW estimates a cash reserve balance of \$13.2 million at the end of 2007 (including the budgeted withdrawal of \$3.8 million).

The table below compares DPW's projected 2007 Parking Fund reserves at the end of 2007 with what the projection would be at a current ratio of 2.0.

Category	2007 Projected	2007 Projected (with a 2.0 current ratio)
Current Assets		
Cash and Cash Equivalents	\$13,200,000	\$8,000,000
Total Current Liabilities	\$4,000,000	\$4,000,000
Current Ratio (Current Assets/Current Liabilities)	3.3	2.0
Source: 2004 CAFR & DPW projections		

As shown in the table above, if the Parking Fund's 2007 projected current ratio is 2.0, the Fund's cash or cash equivalents would be \$8 million or approximately \$5.2 million less than the \$13.2 million in cash projected to be available at the end of 2007. The Administration intends to use the projected \$5.2 million "excess" to maintain the level of payments to the General Fund in at least 2008. However, DPW projects that in 2009 and thereafter, the general fund transfer will not be sustained as reserves are not being replenished at the same rate as they are being withdrawn.

Parking Fund Revenues

Parking Citation Revenue

The 2007 estimated parking citation revenue is \$19.6 million, a \$600,000 increase from 2006. The increase in the 2007 estimated revenue reflects a proposed increase in the second parking citation late fee from \$5 to \$10. This is estimated to generate an additional \$600,000 annually based on past payment patterns.

The proposed increase reflects a graduated fee schedule: the first late fee is \$5, the second late fee would be increased by \$5, from \$5 to \$10 (for a total of \$15) and the third late fee is \$15 (for a total of \$30). The late fees have not been adjusted since 1982. The Common Council would have to adopt a change to the Milwaukee Code of Ordinances in order to implement this fee increase.

The following are examples of parking citation late fees charged by other municipalities:

Pittsburgh, PA - \$23 increase after 12 days, additional \$15 increase after 21 days.

Fairfax, VA- \$20 increase after 29 days

St. Louis – If a ticket is not paid within 15 days of issuance, it increases by 100%. After 45 days, it increases by 300%.

Cleveland, OH- If payment is not received in 15 days, the fine increases \$5. If not received in additional 45 days, an additional \$5 increase is levied. Twenty days after second notice, a judgment is issued.

Denver, CO Citations not paid within 20 days double. After 40 days a notice is sent adding a collection fee of \$20 to \$40 depending on the original amount of the ticket. If not paid within 15 days of notice, credit bureaus are notified.

Scottsdale, AZ- A late payment of \$45 (minimum) is added to all unpaid tickets after 30 days.

The table below shows the total number of parking citations issued and citation revenue from 2001 through 2005.

PARKING CITATION DATA					
	2001	2002	2003	2004	2005
Total # Issued	1,217,226	1,075,260	1,002,920	1,113,611	913,605
Citation Revenue	\$19,633,861	\$20,121,593	\$19,829,137	\$21,731,894	\$20,166,976

An analysis of the data in the table above shows that based on the data for 2001-2005, the yearly average number of total citations issued is 1,064,524 and the yearly average parking citation revenue is \$20.3 million. Because of a higher than anticipated number of parking checker vacancies and a longer than anticipated time it took DPW to receive an eligible list from DER, the number of citations issued in 2005 and the parking citation revenue were less than the 5-year average. DPW indicates that for 2006 it is on pace to issue 1 million citations.

The tables below show the yearly number of night parking violations and meter violations for the years 2000 through 2005.

Night Parking Violations					
	2001	2002	2003	2004	2005
# Of Violations	723,865	617,383	590,914	640,100	501,940
% of Total Violations	59.4%	57.4%	58.59%	57.62%	54.98%

Meter Violations					
	2001	2002	2003	2004	2005
# of Violations	206,950	172,545	160,879	190,754	153,299
% of Total Violations	17.0%	16.0%	16.0%	17.17%	16.79%

Citation Collection Effort

As of August 22, 2006 there was approximately \$64.4 million in delinquent parking citations. Of the \$64.4 million in delinquent citations, DPW considers approximately \$25 million to be reasonably collectable. Most of the

approximately \$39 million in parking citation delinquencies that DPW considers not collectable are for citations issued to vehicles with out of state plates, and citations issued to vehicles with Wisconsin plates, but without a registered owner.

The Department of Public Works is continuing to implement new strategies for handling the large number of parking scofflaws. DPW is currently working with the State of Wisconsin's Department of Motor Vehicles (DMV) to get the DMV to allow the City to bundle several citations together under one license plate hold.

Currently the City places a registration hold on the oldest citation. The consequences of this change will mean the statute of limitations to adjudicate a citation will increase from 2 years to 6 years. This is important in light of an order by the Municipal Court to not adjudicate any citation that is outstanding by more than 2 years and does not have a registration hold.

DPW's citation processing/collection contractor has been given test access to directly place registration holds on DMV records. There are still several issues with the DMV computer program that need to be addressed, so the process is being implemented slowly. However, DPW anticipates that by January 2007, holds will be placed on as many vehicle registrations as were done previously. DPW has budgeted \$600,000 for this activity in 2007.

The Department of Public Works has also worked with the State of Wisconsin's Department of Transportation to allow the City to obtain driver's license numbers for the owners that have outstanding citations. As of August 10, 2006, the City has been receiving driver's license numbers from WisDOT on individuals who have unpaid parking citations. This information is received along with the vehicle registration information. Milwaukee is the first and currently only municipality to receive this information. The purpose of the City receiving driver's license numbers is to share this information with the Department of Revenue for Tax Refund Intercept Program (TRIP) certification purposes. The Wisconsin Department of Revenue requirements for a social security number or driver's license number to certify debt had limited Tax Refund Intercept Program (TRIP) certifications.

When someone's name is certified on the Wisconsin Department of Revenue (WISDOR) interception list, it remains on the list until the debt has been paid. Debt is paid to the City when there is a refund due and after any other municipalities who may have registered with the WISDOR prior to the City doing so have been paid.

The City began participating in TRIP in the fall of 2002 for unpaid parking citations for those people with balances over \$300. In 2003, violators with outstanding balances of over \$100 were registered under this program. In 2004 \$1.8 million was intercepted and in 2005 over \$1.3 million was intercepted. In 2006, violators with outstanding balances of \$75 or more are being certified under TRIP. Through July 31, 2006, over \$2.5 million has been intercepted.

In addition to the vehicle registration hold and TRIP collection strategies, DPW continues to use other strategies for reducing the number of parking scofflaws. The strategies, which were implemented in the fall of 2003, include utilizing the notice of appearance form and issuing a summons and complaint form at the Tow Lot.

To address scofflaws who miss a scheduled appointment with the Citation Review Manager, the City utilizes a notice of appearance form. If the scofflaw wants to reschedule a court appearance to contest a parking citation(s), the scofflaw must now show identification and sign a notice of appearance form, which requires them to accept responsibility for all the citations listed if they fail to appear in Court. The form contains the date the scofflaw must appear in Municipal Court and information on all outstanding parking citations. If the court date is missed a default judgment of guilty may be rendered and a warrant may be issued for the scofflaw's arrest.

DPW believes that although 50% of parking scofflaws who schedule an appointment with the Citation Review Manager miss the appointment, many are attempting to reschedule. The consequences of missing a court appearance are much more severe, thereby forcing the number of parking scofflaws into the Municipal Court system to adjudicate their outstanding parking citations that they would not have previously done. By going to Municipal Court, parking scofflaws can participate in a payment plan and keep their vehicle registration current. In 2005, 4,139 notices were issued.

The utilization of a summons and complaint form at the tow lot is another strategy used to reduce the number of scofflaws. When a scofflaw retrieves his/her vehicle at the tow lot and there are eligible outstanding citations (5 or more that are over 30 days old), a summons and complaint form is personally served on the parking scofflaw by the tow lot staff. The summons and complaint form has an assigned Municipal Court date as well as a summary of outstanding parking citations. In 2005, the tow lot staff issued 1,102 summons for 14,807 citations valued at \$612,571. By the end of July 2006, 1,102 summons have been issued for 11,323 citations valued at \$484,880.

Secondary Collections

Secondary collections represent citations paid after 80 days. Citations become past due when unpaid after 10 days. The significant increase in secondary collections in 2002 reflected the large increase in citation issuance in 2001. Secondary collections increased in 2003 to approximately \$7 million, which was primarily due to the City's participation in TRIP (Tax Refund Intercept Program). The secondary collections remained stable in 2005 and continue to represent one-third of total collections.

The table on page 11 shows the secondary revenue collected by PAM since 2000.

SECONDARY COLLECTIONS

2000	2001	2002	2003	2004	2005	2006 (Through 7/31/06)
\$3,984,784	\$4,556,335	\$6,423,426	\$7,050,508	\$6,966,074	\$6,845,031	\$5,586,398

Outstanding Debt Task Force

The Common Council Outstanding Debt Task Force issued its report on December 1, 2005 (File #051098). The Task Force reviewed monies owed the City and strategies for collection. On January 18, 2006, the Common Council adopted a resolution (File #051150) directing the Intergovernmental Relations Division to seek the introduction of state legislation necessary for implementing various recommendations of the Task Force. Two of the Task Force's recommendations related to the collection of outstanding parking citations:

- *Seek State legislation to allow for the towing/booting and impounding of vehicles for unpaid citations. This language is permissive whereby a city may tow or boot a legally parked or illegally parked vehicle for unpaid nonmoving violations.*
- *Seek State legislation to establish a time frame to adjudicate nonmoving traffic violations for cities of the first class. The language is permissive whereby the city may adopt an ordinance requiring a person who was issued a parking citation to, within 180 days after the parking citation was issued, either pay the citation or make arrangements with the city to contest the citation. In addition, this ordinance would allow the Municipal Court to enter a default judgment without requiring signed acceptance of responsibility by the vehicle owner or violator.*

DPW expects the legislation to be introduced during the next legislative session.

Towing Operations

The Tow Lot's 2005 actual revenues exceeded operating expenditures by approximately \$1.15 million. The "excess" revenue can be attributed to the higher than anticipated revenue for salvaged vehicles, higher retrieval rates and lower costs due to an agreement with Miller Compressing Company to process recycled vehicles.

DPW anticipates the Tow Lot will continue to recover over 100% of the Tow Lot's operating costs in 2007. The 2007 Proposed Budget includes \$4,175,000 for the Tow Lot's total operating expenditures. DPW-Administration estimates that the Tow Lot will generate \$4,900,000 in revenue from the towing and disposal of vehicles.

In 2007, DPW anticipates towing 30,000 vehicles. Of the 30,000 vehicles expected to be towed, DPW estimates that 17,500 vehicles will be returned to

their owners. The average pick-up time for vehicles retrieved by owners in 2005 was approximately 3 days.

As part of DPW's effort to recover 100% of the costs associated with towing, DPW entered into an agreement with Miller Compressing in October 2003 to lease a portion of the Tow Lot and to contract for the processing of recycled vehicles. The Miller Compressing contract reduces expenditures for recycling because expenses are fixed over the term of the contract and the City no longer pays for the tow to Miller Compressing. The Tow Lot also continues to receive rent for space leased by Miller Compressing to process recycled vehicles.

The enactment of 2003 Wisconsin Act 201, which took effect on April 22, 2004, is assisting the City in recovering towing and storage fees. The legislation allows for a vehicle registration hold for the nonpayment of towing and storage fees. Due to the passage of this legislation, vehicle owners whose vehicles have been abandoned at the City Tow Lot are required to pay up to \$295 in towing and storage charges. Failure to pay this amount results in a vehicle registration hold on currently-owned vehicles.

Since the enactment of Act 201, there has been an increase in the vehicle retrieval rate. In 2004, 51% of the vehicles were retrieved compared to 57% in 2005 and 63% YTD in 2006. However, through July 31, 2006, the Tow Lot has collected \$129,431 from people who did not retrieve their vehicle from the Tow Lot, but paid the towing and storage fees allowed by law. In 2005, \$133,878 was collected, which is 7% of what was billed. Another \$824,000 was associated with vehicle registration holds.

Other Parking Fund revenue

Structures & Lots

The 2007 estimated revenue for the Parking Fund's structures and lots is \$6,585,125. This estimate reflects 2005 actual revenue.

Overnight Parking Permits

The revenue from the sale of overnight parking permits is estimated to be \$2,700,000. This estimate reflects 2005 actual revenues.

On- Street Parking Meters

The 2007 on-street meter revenue is estimated to be \$3,870,000, the same as the 2006 estimate. DPW estimates on-street parking meter revenue is reduced by \$200,000 due to the removal of meters related to the Marquette Interchange reconstruction project and the meters removed to facilitate the restoration of City Hall.

Parking Fund Enhancements

Service Enhancements

The DPW's plan was to install kiosks at Districts 3, 4 and 7. A kiosk was not installed in District 1 due to the low number of permits sold there and the fact that permits can be bought and parking citations can be paid at the Violation Bureau payment center, which is located in the Police Administration Building, across the hall from District 1.

New kiosks were installed in Districts 3 and 7 in March 2006. DPW anticipates that a kiosk will be installed in District 4 in March 2007. Second kiosks were installed in Districts 2, 5 and 6 this year as well.

Through the first three quarters of 2006, over 72,000 permits were sold through the kiosks totaling \$1.3 million. Of those permits sold, 79% were quarterly permits. Credit and debit cards were used to pay for 25% of all quarterly permits, an option not previously provided when the permits were sold manually by the MPD. Of the annual permits sold, 58% were paid for by credit and debit cards. In addition, parking citations can be paid at the kiosks. Over 16,000 citations valued at \$436,000 were paid, in which 36% were paid using credit and debit cards. Further, the kiosks take payments for WE Energy bills. The City receives \$0.50 for each transaction. Since its inception in mid-2005, 862 utility bills have been paid at the kiosks.

Enforcement Enhancements

- In the spring of 2006, new hand-held AutoCites (Series X3) were leased to replace the existing AutoCites that have been utilized since 1998. They have the same functionality as the existing AutoCites, but have expanded memory that allows for full integration of the scofflaw, stolen vehicle and night parking permit databases. The new X3 units have allowed parking enforcement to be more aggressive in citing and towing vehicles for unpaid parking citations.
- The current single-space Duncan electronic parking meters require the use of communicators to audit the revenue in each meter. This equipment/technology is very old and is no longer supported by the meter manufacturer. New technology is being developed, that if successful, will allow the DPW parking meter shop and collectors to utilize the same model hand-held computer to audit the meters as is used by Parking Enforcement to issue parking citations. It is anticipated that this equipment may be commercially available in the second quarter of 2007.

Capital

Deferred Structural Maintenance - \$125,000

The 2001 Budget provided funds for a structural and mechanical systems condition assessment of the five city-owned parking structures. The assessments

provided the basis for comprehensive long-term capital maintenance, repair and renovation plan for the parking structures. The assessment indicated a significant amount of deferred structural repair work is required at each facility. This annual capital funding is to address necessary structural repairs of a non-emergency nature, that when left uncorrected, could lead to structural deterioration. \$125,000 is provided in 2007 Proposed Budget for this capital account.

Deferred Mechanical Maintenance - \$100,000

The mechanical needs assessment identified a significant amount of deferred facility, mechanical and electrical work at all of the structures.

\$100,000 is provided in 2007 Proposed Budget to correct the deficiencies. This capital project is annual, on going and represents an attempt to proactively manage structure maintenance. Funding is still provided within the Fund's operating budget to meet small emergency repair needs. Grouping smaller planned repair and renovation projects into a single project allows the Fund to adjust priorities and individual project scopes during a budget year. This funding allows the Fund to be able to explore bidding similar work across structures to attract lower prices for what would otherwise be small projects.

Deferred projects can result in higher future capital costs, and expose the City to risk from customer claims. In addition larger capital projects often cause sections of the structures to be closed for longer periods of time, thus reducing parking revenues.

MacArthur Square Parking Structure Renovation - \$370,000

The 2007 Proposed Budget includes \$370,000 for the replacement of the membrane in the parking levels at MacArthur Square Parking Structure. Replacement of the membrane prevents chlorides from seeping into the concrete and causing structural damage.

Multi-Space Meter Update

The 2006 Proposed Budget included \$1.3 million for the installation of multi-space parking meters in Milwaukee's central business district (downtown). DPW estimates that over 100 multi-space parking meters will replace approximately 1,500 parking meters in downtown Milwaukee

On September 26, 2006, the Common Council approved a resolution (File #06041) authorizing DPW to issue an RFP and enter into a contract for the purchase and installation of multi-space parking meters. DPW anticipates entering into a contract with the winning proposer in December for installation in the spring of 2007.

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