

City of Milwaukee

Outstanding Receivables Report



**Aycha Sawa
Comptroller**

November 2022

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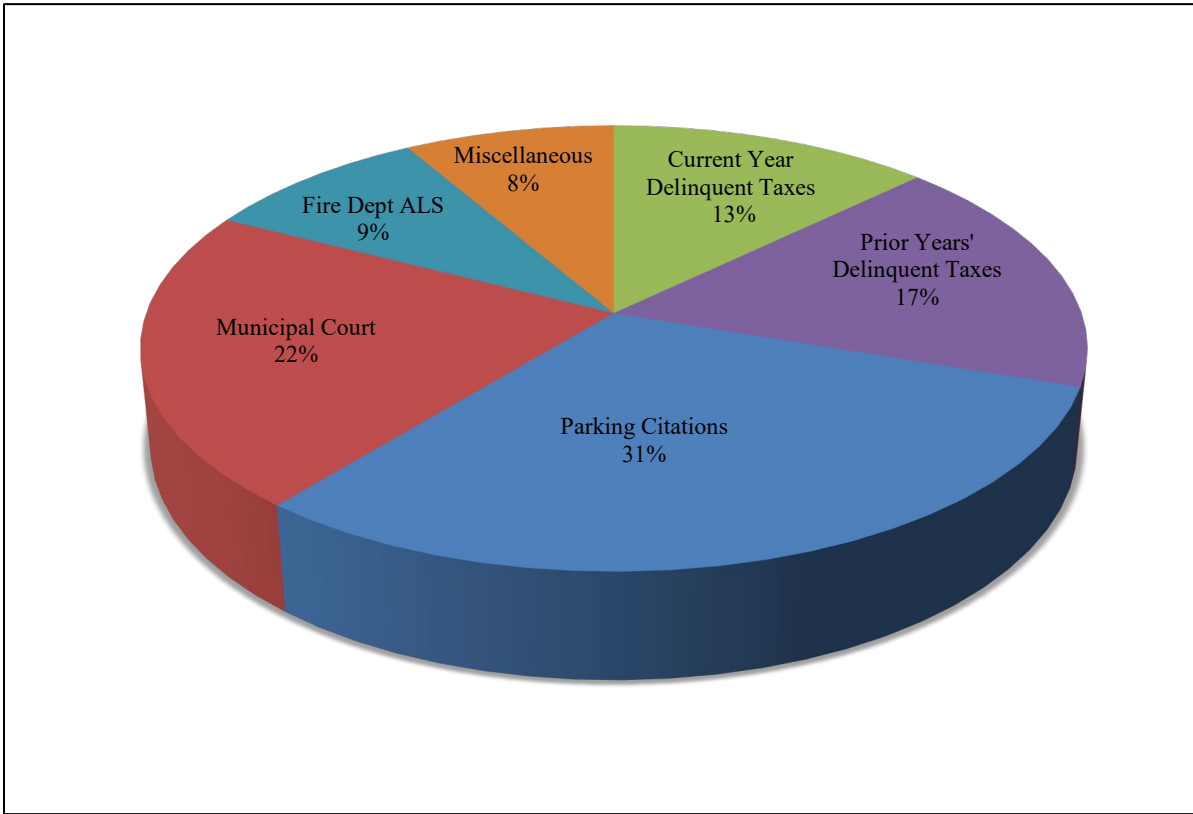
Introduction

The Comptroller's 2022 Report on Outstanding Receivables as of December 31, 2021, (unaudited) is being issued as required by Ordinances 304-3-3 and 304-1-5. Ordinance 304-1-5 requires the Comptroller to submit an annual report analyzing delinquent outstanding debt. Sections II through V of this report provide summary information on City outstanding receivables including Delinquent Taxes, Parking Fund Citations, Municipal Court Judgments, Miscellaneous Accounts Receivable, and the Fire Department Advanced Life Support (ALS) Billings.

Ordinance 304-3-3 requires the Comptroller to submit an annual report listing all cancellations and adjustments of City claims. Section VI of this report presents account cancellations and adjustments for 2021.

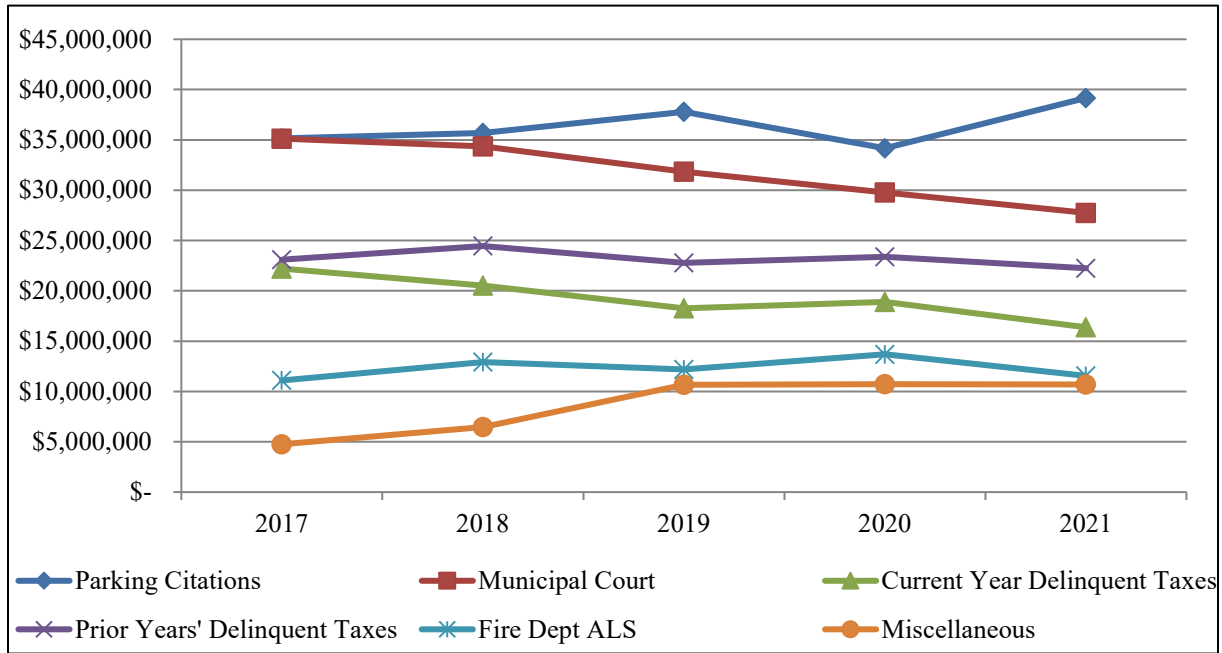
Resolution 160845 directs City departments to provide annual collection rate data to be included as an appendix to the Comptroller's annual Outstanding Receivables report. Section VII of this report presents collection rate data provided by City departments for 2021. Section VIII, the Appendix, provides additional reports in support of the summary in Section VII.

Outstanding Receivables as of December 31, 2021



Outstanding receivables for the City of Milwaukee as of December 31, 2021, total \$127.8 million. The largest category of outstanding receivables is Parking Citations, totaling 31%. Delinquent taxes is the next largest category with a total of 30%. Current Year Delinquent Taxes (2020 taxes for 2021 purposes) account for 13% of this total, while Prior Years' Delinquent Taxes (2019 taxes and prior) total 17%. Municipal Court outstanding judgements is the next largest category at 22%. Fire Department Advanced Life Support (ALS) Billings total 9% while Miscellaneous Accounts Receivable is the smallest category totaling 8%.

Outstanding Receivables at Year End 2017 – 2021



	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Parking Citations	\$ 35,158,000	\$ 35,694,000	\$ 37,775,000	\$ 34,172,000	\$ 39,165,000
Municipal Court	35,126,000	34,367,000	31,847,000	29,789,000	27,751,000
Current Year Delinquent Taxes	22,214,000	20,523,000	18,259,000	18,897,000	16,379,000
Prior Years' Delinquent Taxes	23,086,000	24,453,000	22,767,000	23,386,000	22,246,000
Fire Department ALS Billings*	11,093,000	12,932,000	12,201,000	13,695,000	11,560,000
Miscellaneous	4,751,000	6,472,000	10,678,000	10,723,000	10,680,000
Total	<u>\$131,428,000</u>	<u>\$134,441,000</u>	<u>\$133,527,000</u>	<u>\$130,662,000</u>	<u>\$127,781,000</u>

*Fire Department ALS Billings totals include Digitech and Kohn Law Firm reporting.

Outstanding receivables, by category from 2017 through 2021, are shown in the chart and table above. Total 2021 receivables decreased \$2.9 million compared to 2020.

Current year delinquent taxes decreased \$2.5 million from 2020 to 2021, while prior years' delinquent taxes decreased \$1.1 million.

Municipal Court receivables decreased \$2 million from 2020 to 2021. Municipal Court has experienced a decline since 2017.

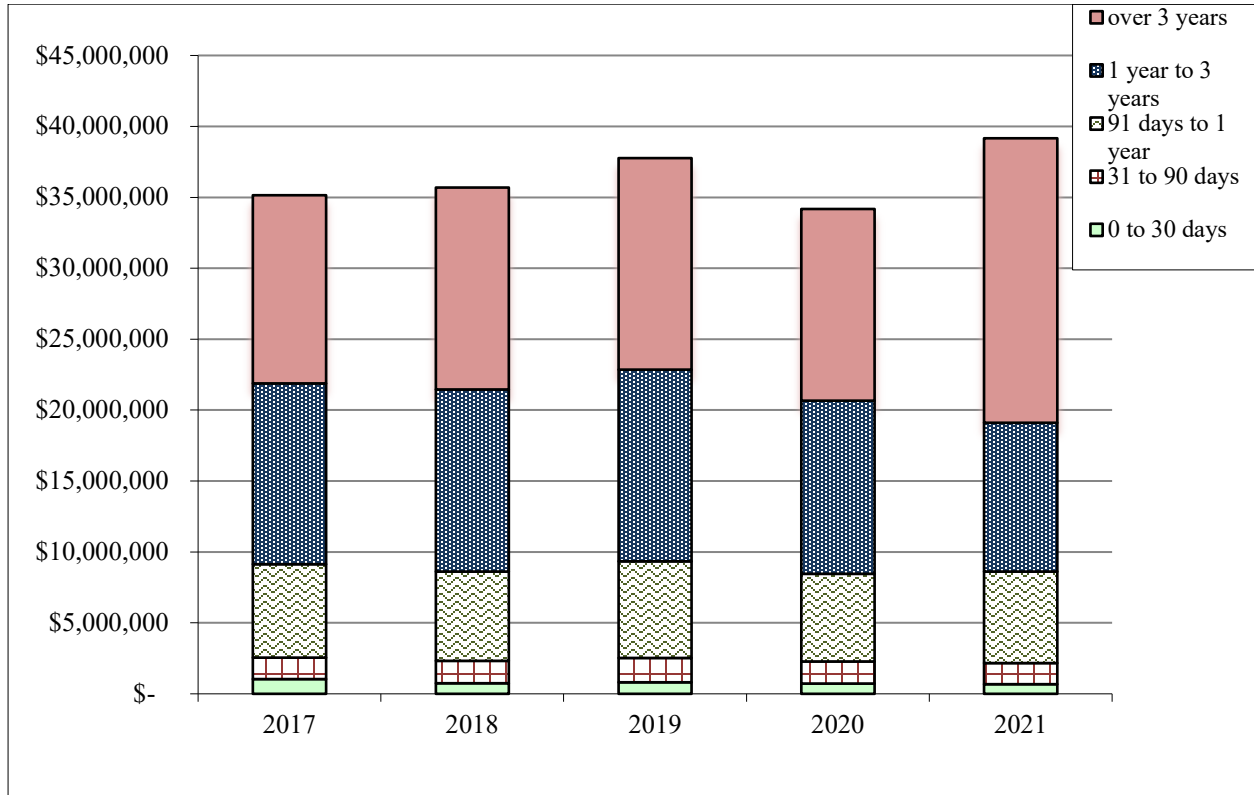
Parking citations increased from \$34.2 million in 2020 to \$39.2 million in 2021, a \$5 million increase.

The balance of Fire Department ALS billings decreased by \$2.1 million between 2020 and 2021.

Miscellaneous accounts receivable, which includes billings from various general city departments, remained at \$10.7 million for 2021.

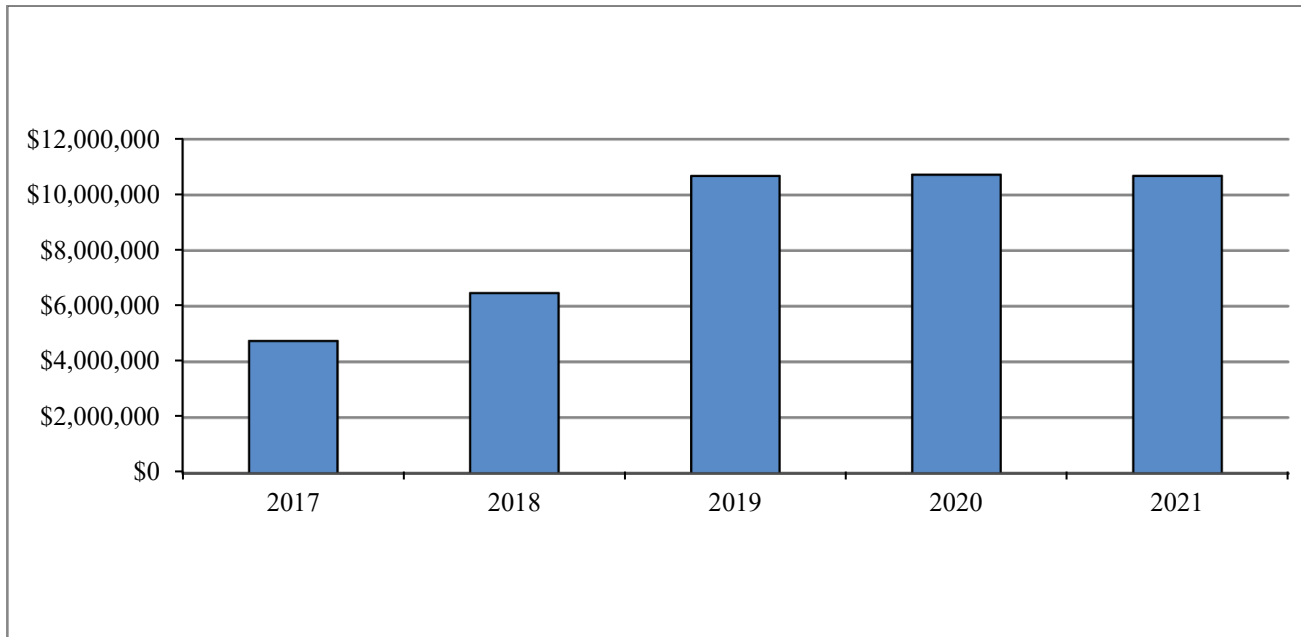
The Parking Fund writes off delinquencies that are seven years or older. Miscellaneous receivables and tax delinquencies of \$5,000 or more may be cancelled or adjusted through Common Council action. An interdepartmental process is followed for delinquencies less than \$5,000. Municipal Court judgments are settled either through cash fines, jail time or community service. Judgments that are at least seven years old may be written off pursuant to Common Council resolution authorizing such write-offs.

Parking Citation Receivables Aging



The chart above shows the aging of parking citation outstanding receivables from 2017 to 2021. Of the current outstanding balance, \$30.6 million or 78%, has been outstanding for one year or longer.

Outstanding Miscellaneous Accounts Receivable (MAR)



	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City Clerk	\$ 70,000	\$ 95,000	\$ 57,000	\$ 139,000	\$ 113,000
City Attorney	41,000	206,000	88,000	124,000	238,000
City Development	8,000	-	-	-	-
Comptroller	28,000	3,000	3,000	11,000	19,000
Employee Relations	580,000	383,000	277,000	838,000	290,000
Dept of Administration	94,000	105,000	63,000	174,000	179,000
Fire Department	265,000	183,000	109,000	109,000	73,000
Health Department	34,000	28,000	47,000	66,000	51,000
Port of Milwaukee	1,137,000	1,518,000	1,873,000	2,245,000	1,156,000
Public Works (Admin)	2,490,000	3,466,000	7,658,000	6,721,000	8,176,000
Public Works (Parking)*	-	485,000	503,000	296,000	385,000
Treasurer	4,000	-	-	-	-
TOTAL	\$ 4,751,000	\$ 6,472,000	\$ 10,678,000	\$ 10,723,000	\$ 10,680,000

*Non-Parking Citation Invoices

The above chart and table show outstanding Miscellaneous Accounts Receivable (MAR) by year for various City departments. MAR includes a variety of billings, such as damages to City property, leasing of City property, and employee health care costs to non-city agencies, such as the Wisconsin Center District. In total, the year-end balance for outstanding MAR increased \$5.9 million from 2017 to 2021.

Miscellaneous Accounts Receivable Aging

	<u>0 to 30</u> <u>Days</u>	<u>31 to 90</u> <u>Days</u>	<u>91 Days to</u> <u>1 Year</u>	<u>1 Year to 3</u> <u>Years</u>	<u>Over 3</u> <u>Years</u>	<u>Total</u>
City Clerk	\$113,000	-	-	-	-	\$113,000
City Attorney	\$20,000	\$81,000	\$1,000	\$123,000	\$13,000	\$238,000
Comptroller	-	\$2,000	\$5,000	\$9,000	\$3,000	\$19,000
Employee Relations	\$107,000	\$176,000	\$7,000	-	-	\$290,000
Dept of Administration	\$147,000	-	-	\$31,000	\$1,000	\$179,000
Fire Department	-	-	\$2,000	\$20,000	\$51,000	\$73,000
Health Department	\$39,000	\$2,000	-	\$7,000	\$3,000	\$51,000
Port of Milwaukee	\$843,000	\$77,000	\$32,000	\$93,000	\$111,000	\$1,156,000
DPW- Admin	\$878,000	\$1,011,000	\$913,000	\$3,416,000	\$1,958,000	\$8,176,000
DPW- Parking*	\$24,000	\$18,000	\$90,000	\$105,000	\$148,000	\$385,000
Total	\$2,171,000	\$1,367,000	\$1,050,000	\$3,804,000	\$2,288,000	\$10,680,000

* Non-Parking Citation Invoices

The table above shows the MAR aging schedule of outstanding balances as of December 31, 2021. Of the current outstanding balance, \$6.1 million or 57%, has been outstanding for a year or longer.

MAR Departmental Changes for 2021

	<u>2020</u>		<u>Late</u>		<u>2021</u>	
	<u>Ending Bal.</u>	<u>Billed</u>	<u>Fee</u>	<u>Paid</u>	<u>Write-Off</u>	<u>Ending Bal.</u>
City Clerk	\$ 139,000	\$ 240,000	\$ 1,000	\$ 267,000	\$ -	\$ 113,000
City Attorney	124,000	425,000	14,000	325,000	-	\$ 238,000
Comptroller	11,000	678,000	5,000	675,000	-	\$ 19,000
Employee Relations	838,000	3,545,000	-	4,092,000	1,000	\$ 290,000
Dept of Administration	174,000	186,000	3,000	184,000	-	\$ 179,000
Fire Department	109,000	23,000	1,000	21,000	39,000	\$ 73,000
Health Department	66,000	246,000	1,000	260,000	2,000	\$ 51,000
Port of Milwaukee	2,245,000	6,388,000	48,000	7,375,000	150,000	\$ 1,156,000
Public Works (Admin)	6,721,000	4,164,000	91,000	2,347,000	453,000	\$ 8,176,000
Public Works (Parking)*	296,000	1,969,000	12,000	1,858,000	34,000	\$ 385,000
Treasurer	-	4,000	-	4,000	-	\$ -
TOTAL	\$ 10,723,000	\$ 17,868,000	\$ 176,000	\$ 17,408,000	\$ 679,000	\$ 10,680,000

* Non-Parking Citation Invoices

The table above shows the 2021 year end balance and the current year changes to the MAR by City departments. In 2021 City departments billed \$17.9 million, including late fees, and received payments of \$17.4 million.

Write offs can be grouped into three categories; uncollectible, billing errors and rebilled. Accounts deemed uncollectible are due to bankruptcy, the cost of litigation exceeding the balance, attainment of a judgment, settlements, and the account being over 7 years old. Billing errors include wrong amount billed, incorrect responsible party and payment made in full prior to issuance of invoice.

City of Milwaukee Collection Rates for 2021

<u>Department</u>	<u>Amount Invoiced in 2021</u>	<u>Payments Received in 2021 for 2021 Invoices</u>	<u>Collection Percentage</u>
Parking Citations	13,231,356	7,709,963	58.27%
Municipal Court*	4,029,847	567,020	14.07%
Tax Levy Collections	934,013,335	916,752,839	98.15%
Fire Department ALS	13,521,309	6,833,490	50.54%
<u>Miscellaneous</u>			
City Clerk	260,518	218,662	83.93%
City Attorney	405,963	324,309	79.89%
Comptroller	682,778	675,709	98.96%
Employee Relations	3,545,384	3,255,105	91.81%
Dept of Administration	184,590	152,054	82.37%
Fire Department	23,988	21,851	91.09%
Health Department	251,244	232,543	92.56%
Port of Milwaukee	7,284,294	6,742,056	92.56%
Public Works (Admin)	4,998,807	1,463,316	29.27%
Public Works (Parking)**	1,977,176	1,832,248	92.67%
Treasurer	3,864	3,864	100.00%

*This represents one discrete year of collection activity for overdue judgments that were placed with Harris & Harris during 2021.

** Non-Parking Citation Invoices

As determined by the Outstanding Debt Work Group and approved via resolution #160845, the table above provides the 2021 departmental collection rates for the City of Milwaukee and MAR.

APPENDIX

*Amounts included in the following data reflect payments received as of December 31, 2021.
Additional payments for 2021 billings received in 2022 are not reflected.

2021 Parking Citation Payments

Fine Amount Issued each year and the fine and late fee amount paid in the year of issue

Date Invoiced (Issued)	Billed To	Invoice (Citation) Number	Item	Fine Amount Invoiced (Issued)	Fine Amount Paid	Late Fee Amount Paid	Pertains to 2020 Billings	Date Paid
2021	Parking Violators	Multiple	Parking Citations	\$13,231,356	\$7,709,963	\$1,241,515	\$8,951,478	2021

2021 Collection Percentage	58.27%
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Office of the City Treasurer
2021 General Accounts Receivable Summary

Date Issued	Billed To	Invoice Number	Item	Invoice Amount	Amount Paid	Date Paid	Collection Rate
01/19/2021	Milwaukee County	2210000075	Property Tax Forms - CT-200	<u>\$ 3,864.00</u>	<u>\$ 3,864.00</u>	03/03/2021	
				\$ 3,864.00	\$ 3,864.00		100%

Office of the City Treasurer
2020 Property Tax Levy Collection Summary as of December 31, 2021
(After just the first phase of tax enforcement, in-house collection)

Total Levy:	Collected Y-T-D through 12/31/2021:	Collection Rate as of 12/31/2021:
\$934,013,335.47	\$916,752,838.78	98.15%

City of Milwaukee, WI - Municipal Court Collections - December 2021

Parking - History Report

Month / Year	Assignments		Collections To Date	Net Liq. %	Cancelled		Open Accounts	
	#	Net Placement Amount			#	Amount	#	Amount
2021	205	\$ 37,679	\$ 5,668	19%	29	\$ 7,619	43	\$ 24,392

Traffic - History Report

Month / Year	Assignments		Collections To Date	Net Liq. %	Cancelled		Open Accounts	
	#	Net Placement Amount			#	Amount	#	Amount
2021	13,140	\$ 1,878,344	\$ 166,219	9%	446	\$ 52,611	11,515	\$ 1,659,514

Municipal - History Report

Month / Year	Assignments		Collections To Date	Net Liq. %	Cancelled		Open Accounts	
	#	Net Placement Amount			#	Amount	#	Amount
2021	4,553	\$ 1,310,052	\$ 40,926	3%	140	\$ 45,095	4,050	\$ 1,224,031

Summons - History Report

Month / Year	Assignments		Collections To Date	Net Liq. %	Cancelled		Open Accounts	
	#	Net Placement Amount			#	Amount	#	Amount
2021	503	\$ 803,772	\$ 130,374	16%	39	\$ 118,508	367	\$ 554,890
Total	18,401	\$ 4,029,847	\$ 343,187	9%	654	\$ 223,833	15,975	\$ 3,462,827

Municipal Court Collection Percentage	14.07%
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Milwaukee Fire EMS Charge Payment Analysis 10/2014

Year-Month of Service	Count of Accounts (DOS)	Gross Billable (DOS)	Adjustments (DOS)	Net Billable (DOS)	Write Offs (DOS)	Receipt of Accounts with Dates of Service in this Month	Balance Due	Year-Month of Close	Receipt of Accounts Collected in this Month (DOT)	Refunds Processed for the Month *2016 Forward	Net Revenue *2016 Forward	Accounts to Collection Count (DOT)	Accounts to Collection Amount (DOT)
2021-01	1414	\$1,811,415.57	\$980,931.54	\$830,484.03	\$417,273.32	\$394,293.43	\$18,917.28	2021-01	\$368,671.41	(6,179.35)	\$362,492.06	376	\$323,480.89
2021-02	1661	\$1,959,497.68	\$1,168,243.54	\$791,254.14	\$272,710.18	\$475,975.38	\$42,568.58	2021-02	\$338,322.72	(10,794.02)	\$327,528.70	277	\$338,923.13
2021-03	1768	\$2,214,742.84	\$1,307,472.90	\$907,269.94	\$384,014.21	\$502,396.49	\$20,859.24	2021-03	\$388,750.68	(9,126.57)	\$379,624.11	432	\$322,903.14
2021-04	1930	\$2,492,248.42	\$1,490,137.18	\$1,002,111.24	\$411,882.64	\$570,744.59	\$19,484.01	2021-04	\$622,086.68	(5,054.33)	\$617,032.35	358	\$334,313.89
2021-05	2124	\$2,697,965.94	\$1,597,726.53	\$1,100,239.41	\$430,149.97	\$597,756.39	\$72,333.05	2021-05	\$508,316.39	(3,909.23)	\$504,407.16	233	\$240,791.51
2021-06	1927	\$2,434,658.96	\$1,347,530.29	\$1,087,128.67	\$399,627.83	\$528,032.25	\$159,468.59	2021-06	\$283,719.71	(5,320.61)	\$278,399.10	365	\$373,661.99
2021-07	2100	\$2,591,723.33	\$1,468,111.78	\$1,123,611.55	\$189,786.42	\$571,545.01	\$362,280.12	2021-07	\$381,075.68	(2,025.66)	\$379,050.02	263	\$237,343.12
2021-08	2438	\$3,011,679.81	\$1,658,614.14	\$1,353,065.67	\$4,495.64	\$632,007.87	\$716,562.16	2021-08	\$540,005.61	(3,664.59)	\$536,341.02	346	\$296,260.84
2021-09	2396	\$2,924,217.56	\$1,614,238.51	\$1,309,979.05	\$3,076.39	\$614,108.49	\$692,794.17	2021-09	\$961,699.40	(3,571.21)	\$958,128.19	465	\$438,554.99
2021-10	2128	\$2,602,277.58	\$1,329,739.93	\$1,272,537.65	\$1,223.45	\$501,381.51	\$769,932.69	2021-10	\$593,954.20	(5,462.80)	\$588,491.40	462	\$430,822.57
2021-11	1499	\$1,904,775.59	\$895,279.16	\$1,009,496.43	\$899.72	\$299,074.09	\$709,522.62	2021-11	\$766,094.93	(10,955.62)	\$755,139.31	377	\$379,375.19
2021-12	1651	\$2,096,949.80	\$362,818.63	\$1,734,131.17	\$0.00	\$124,019.41	\$1,610,111.76	2021-12	\$606,862.94	(6,817.64)	\$600,045.30	358	\$342,530.65
Total 2021	23036	\$28,742,153.08	\$15,220,844.13	\$13,521,308.95	\$2,515,139.77	\$5,811,334.91	\$5,194,834.27	Total 2021	\$6,359,560.35	(72,881.63)	\$6,286,678.72	4312	\$4,058,961.91



Year of Transaction	Month	Accounts Received	Gross Collectables	Amount of Trip Payme	Agency Collections	Gross Collections	SOL Write Off	Deceased Write Off	All other Write Offs	Current Balance Due
2021	January	373	\$318,610.69	\$3,508.90	\$10,342.94	\$13,851.84			\$265.00	\$226,484.05
2021	February	277	\$272,577.24	\$4,132.04	\$10,193.07	\$14,325.11				\$211,117.69
2021	March	430	\$321,449.93	\$174,260.36	\$11,892.14	\$186,152.50	\$323,321.06	\$38,771.55	\$59,864.02	\$241,733.00
2021	April	358	\$334,313.89	\$63,604.27	\$10,258.50	\$73,862.77				\$265,982.32
2021	May			\$75,858.26	\$8,103.03	\$83,961.29		\$0.00	\$0.00	
2021	June			\$32,884.04	\$4,884.73	\$37,768.77	\$325,867.15	\$139,470.62	\$204,009.65	
2021	July			\$13,692.86	\$4,994.93	\$18,687.79		\$1,300.02		
2021	August			\$12,694.60	\$8,164.51	\$20,859.11	\$271,978.88	\$55,051.01	\$36,044.54	
2021	September			\$5,829.14	\$1,913.45	\$7,742.59		\$768.45	\$768.45	
2021	October			\$4,686.94	\$3,525.49	\$8,212.43	\$257,844.05	\$123,225.46	\$95,213.09	
2021	November			\$3,900.95	\$1,962.36	\$5,863.31		\$0.00	\$0.00	
2021	December			\$2,106.23	\$536.29	\$2,642.52	\$200,139.19	\$31,098.33	\$10,557.86	
2021 TOTAL		1438	\$1,246,951.75	\$397,158.59	\$76,771.44	\$473,930.03	\$1,379,150.33	\$389,685.44	\$406,722.61	\$945,317.06

Fire ALS 2021 Collection Percentage: 50.54%