

City of Milwaukee

Outstanding Receivables Report



**Aycha Sawa
Comptroller**

July 2021

Table of Contents

	<u>Page</u>
I. Introduction	1
II. Total Accounts Receivable at Year End 2020	2
III. Outstanding Receivable Trends, 2016 – 2020	3-4
IV. Parking Fund Receivables Aging, 2016 – 2020	5
V. Outstanding Miscellaneous Receivable Trends, 2016-2020	6
VI. 2020 Miscellaneous Receivable Aging	7
VII. 2020 Miscellaneous Receivable Annual Activity	8
VIII. 2020 Departmental Collections Rates	9
IX. Appendix – Invoices billed & collected in 2020 only	10

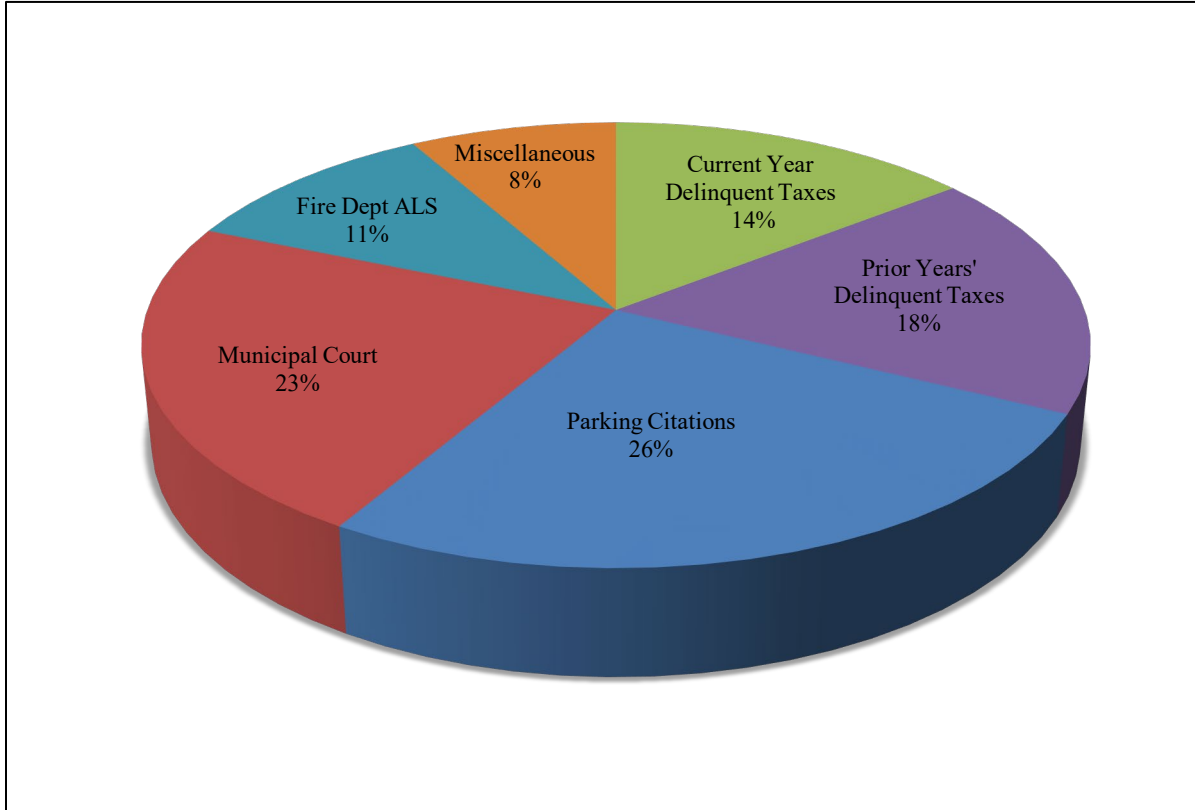
I. Introduction

The Comptroller's 2021 Report on Outstanding Receivables as of December 31, 2020, (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 2020.

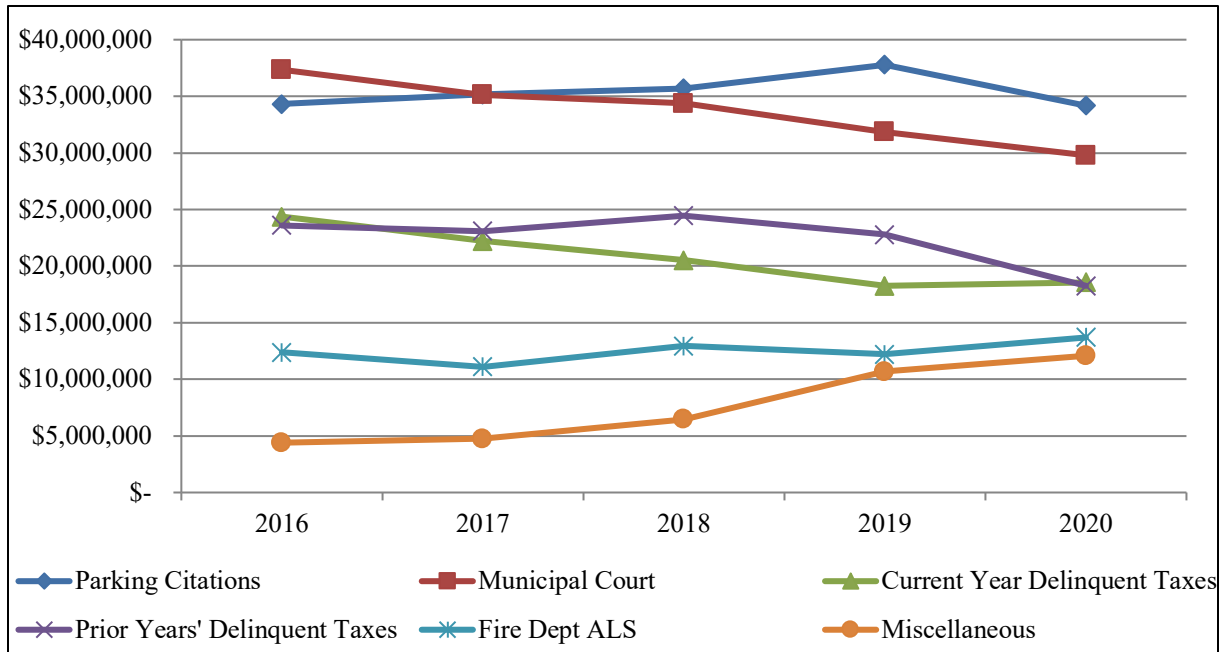
Resolution 160845 directs City departments to provide annual collection rate data to be included as an appendix to the Comptroller's annual Outstanding Receivables report. Section VII of this report presents collection rate data provided by City departments for 2020. Section VIII, the Appendix, provides detailed reports in support of the summary in Section VII.

II. Outstanding Receivables as of December 31, 2020



Outstanding receivables for the City of Milwaukee as of December 31, 2020, total \$130.7 million. The largest category of outstanding receivables is Delinquent Taxes, totaling 32%. Current Year Delinquent Taxes (2019 taxes for 2020 purposes) account for 14% of this total, while Prior Years' Delinquent Taxes (2018 taxes and prior) total 18%. Parking Citations and Municipal Court outstanding judgements are the next largest categories at 26% and 23%, respectively. Fire Department Advanced Life Support (ALS) Billings total 11% while Miscellaneous Accounts Receivable is the smallest category totaling 8%.

III. Outstanding Receivables at Year End 2016 – 2020



	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Parking Citations	\$ 34,321,000	\$ 35,158,000	\$ 35,694,000	\$ 37,775,000	\$ 34,172,000
Municipal Court	37,345,000	35,126,000	34,367,000	31,847,000	29,789,000
Current Year Delinquent Taxes	24,373,000	22,214,000	20,523,000	18,259,000	18,897,000
Prior Years' Delinquent Taxes	23,612,000	23,086,000	24,453,000	22,767,000	23,386,000
Fire Department ALS Billings*	12,373,000	11,093,000	12,932,000	12,201,000	13,695,000
Miscellaneous	4,399,000	4,751,000	6,472,000	10,678,000	10,723,000
Total	\$136,423,000	\$131,428,000	\$134,441,000	\$133,527,000	\$130,662,000

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

Outstanding receivables, by category from 2016 through 2020, are shown in the chart and table above. Total 2020 receivables decreased \$2.8 million compared to 2019.

Current year delinquent taxes increased \$638 thousand from 2019 to 2020, while prior years' delinquent taxes increased \$619 thousand.

Municipal Court receivables decreased \$2.1 million from 2019 to 2020. Municipal Court has experienced a decline since 2016.

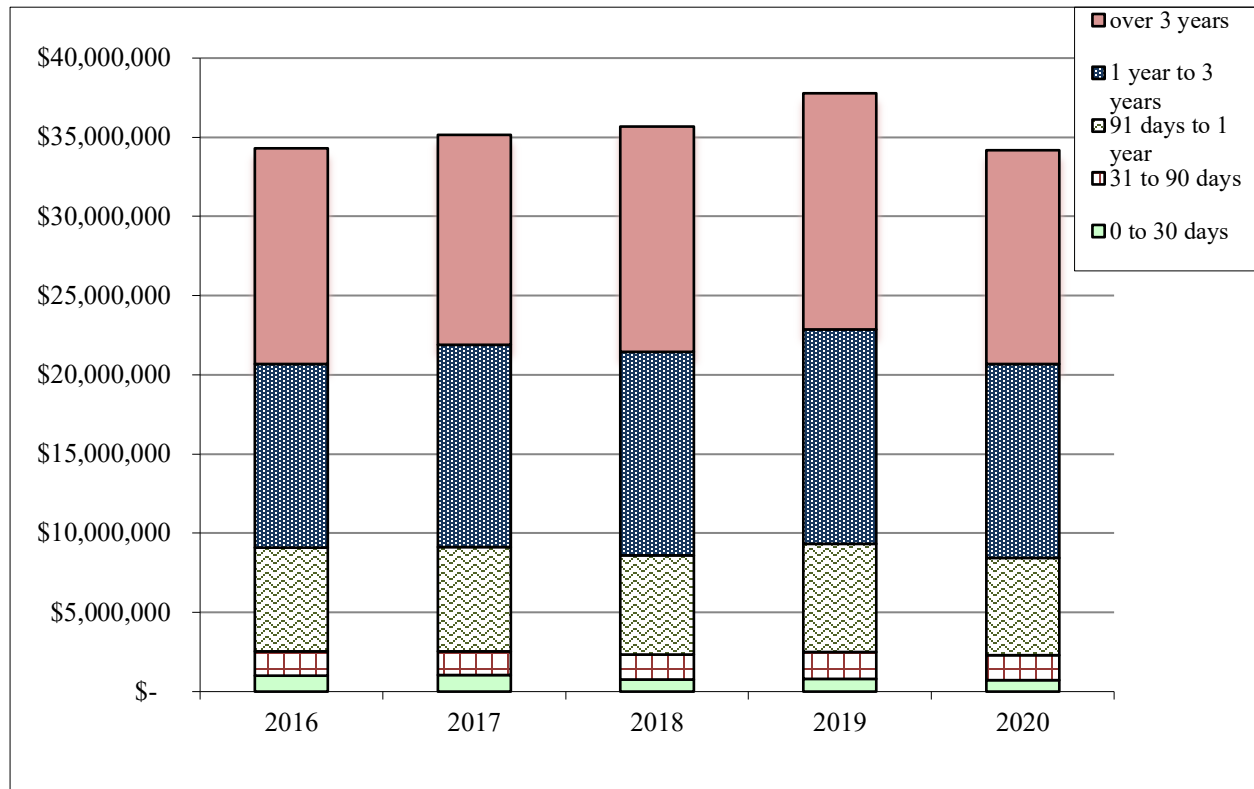
Parking citations decreased from \$37.8 million in 2019 to \$34.2 million in 2020, a \$3.6 million decrease.

The balance of Fire Department ALS billings increased by \$1.5 million between 2019 and 2020.

Miscellaneous accounts receivable, which includes billings from various general city departments, remained at \$10.7 million for 2020.

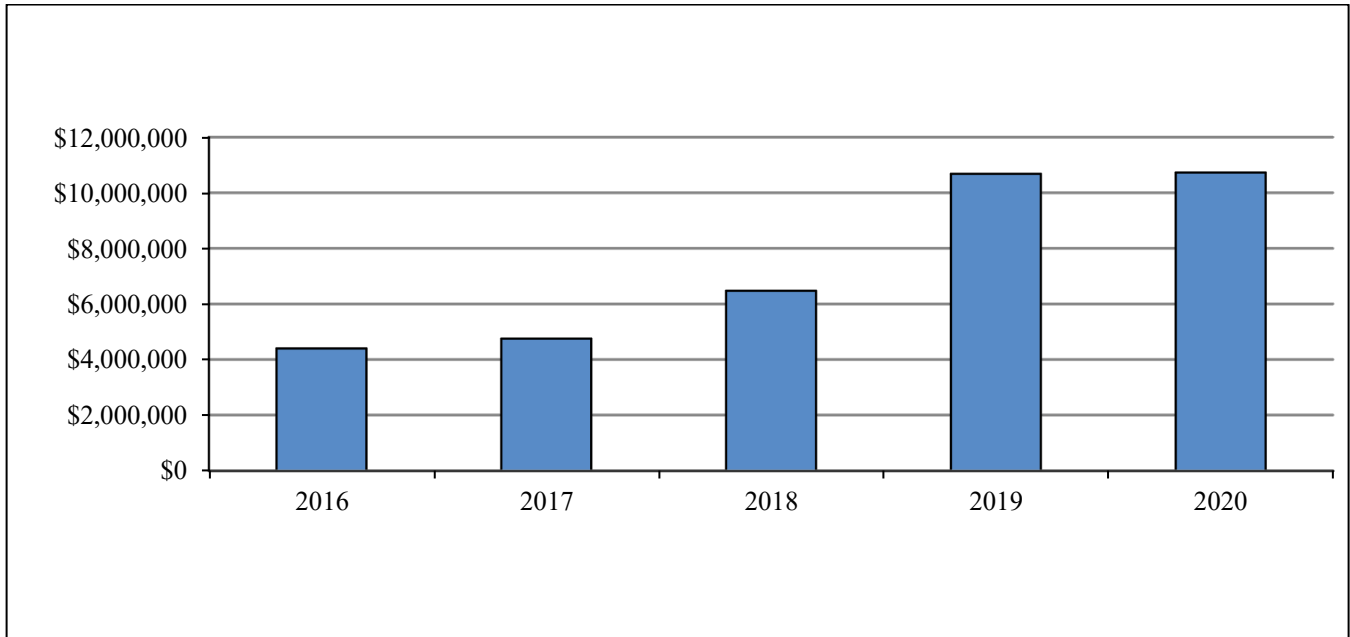
The Parking Fund writes off delinquencies that are six years or older, due to the statute of limitations rendering these uncollectible. Miscellaneous receivables and tax delinquencies of \$5,000 or more may be cancelled or adjusted through Common Council action. An interdepartmental process is followed 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.

IV. Parking Citation Receivables Aging



The chart above shows the aging of parking citation outstanding receivables from 2016 to 2020. Of the current outstanding balance, \$25.7 million or 75%, has been outstanding for one year or longer.

V. Outstanding Miscellaneous Accounts Receivable (MAR)



	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City Clerk	\$ 99,000	\$ 70,000	\$ 95,000	\$ 57,000	\$ 139,000
City Attorney	41,000	41,000	206,000	88,000	\$ 124,000
City Development	8,000	8,000	-	-	\$ -
Comptroller	4,000	28,000	3,000	3,000	\$ 11,000
Employee Relations	1,029,000	580,000	383,000	277,000	\$ 838,000
Dept of Administration	87,000	94,000	105,000	63,000	\$ 174,000
Fire Department	318,000	265,000	183,000	109,000	\$ 109,000
Health Department	9,000	34,000	28,000	47,000	\$ 66,000
Police Department	4,000	-	-	-	\$ -
Port of Milwaukee	1,073,000	1,137,000	1,518,000	1,873,000	\$ 2,245,000
Public Works (Admin)	1,722,000	2,490,000	3,466,000	7,658,000	\$ 6,721,000
Public Works (Parking)*	-	-	485,000	503,000	\$ 296,000
Treasurer	5,000	4,000	-	-	\$ -
TOTAL	<u>\$ 4,399,000</u>	<u>\$ 4,751,000</u>	<u>\$ 6,472,000</u>	<u>\$ 10,678,000</u>	<u>\$ 10,723,000</u>

*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 \$6.3 million from 2016 to 2020.

VI. Miscellaneous Accounts Receivable Aging

	<u>0 to 30 Days</u>	<u>31 to 90 Days</u>	<u>91 Days to 1 Year</u>	<u>1 Year to 3 Years</u>	<u>Over 3 Years</u>	<u>Total</u>
City Clerk	\$139,000	-	-	-	-	\$139,000
City Attorney	-	\$32,000	\$37,000	\$55,000	-	124,000
Comptroller	-	-	8,000	-	\$3,000	11,000
Employee Relations	211,000	1,000	626,000	-	-	838,000
Dept of Administration	145,000	-	-	28,000	1,000	174,000
Fire Department	-	7,000	2,000	19,000	81,000	109,000
Health Department	47,000	-	15,000	2,000	2,000	66,000
Port of Milwaukee	1,656,000	195,000	131,000	48,000	215,000	2,245,000
DPW- Admin	615,000	284,000	1,168,000	4,426,000	228,000	6,721,000
DPW- Parking*	4,000	25,000	57,000	153,000	57,000	296,000
Total	\$2,817,000	\$544,000	\$2,044,000	\$4,731,000	\$587,000	\$10,723,000

* Non-Parking Citation Invoices

The table above shows the MAR aging schedule of outstanding balances as of December 31, 2020. Of the current outstanding balance, \$5.3 million or 50%, has been outstanding for a year or longer.

VII. 2020 Miscellaneous Annual Activity

	<u>2019</u> <u>Ending Bal.</u>	<u>Billed</u>	<u>Late</u> <u>Fee</u>	<u>Paid</u>	<u>Write-Off</u>	<u>2020</u> <u>Ending Bal.</u>
City Clerk	\$ 57,000	\$ 233,000	\$ -	\$ 149,000	\$ 2,000	\$ 139,000
City Attorney	88,000	425,000	10,000	399,000	-	124,000
City Development	-	-	-	-	-	-
Comptroller	3,000	730,000	3,000	725,000	-	11,000
Employee Relations	277,000	3,864,000	1,000	3,304,000	-	838,000
Dept of Administration	63,000	150,000	3,000	42,000	-	174,000
Fire Department	109,000	20,000	-	11,000	9,000	109,000
Health Department	47,000	256,000	1,000	232,000	6,000	66,000
Police Department	-	-	-	-	-	-
Port of Milwaukee	1,873,000	9,787,000	40,000	7,217,000	2,238,000	2,245,000
Public Works (Admin)	7,658,000	2,469,000	21,000	2,279,000	1,148,000	6,721,000
Public Works (Parking)*	503,000	1,246,000	7,000	1,367,000	93,000	296,000
Treasurer	-	4,000	-	4,000	-	-
TOTAL	\$ 10,678,000	\$ 19,184,000	\$ 86,000	\$ 15,729,000	\$ 3,496,000	\$ 10,723,000

* Non-Parking Citation Invoices

The table above shows the 2019 year end balance and the current year changes to the MAR by City departments. In 2020 City departments billed \$19.2 million, including late fees, and received payments of \$15.7 million. The total write offs account for a decrease of \$3.5 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.

VIII. 2020 Department Collection Rates

<u>Department</u>	<u>Amount Invoiced in 2020</u>	<u>Payments Received in 2020 for 2020 Invoices</u>	<u>Collection Percentage</u>
Parking Citations	\$ 8,530,862	\$ 4,501,392	52.77%
Municipal Court*	4,587,524	311,814	6.80%
Tax Levy Collections	874,024,271	853,857,798	97.69%
Fire Department ALS	11,644,925	7,842,867	67.35%
<u>Miscellaneous</u>			
City Clerk	197,973	148,974	75.25%
City Attorney	428,521	359,665	83.93%
Comptroller	733,361	725,009	98.86%
Employee Relations	3,864,848	2,005,042	51.88%
Dept of Administration	64,871	41,543	64.04%
Fire Department	20,309	11,401	56.13%
Health Department	249,302	214,732	86.13%
Port of Milwaukee	9,128,648	6,735,540	73.78%
Public Works (Admin)	2,841,109	740,381	26.06%
Public Works (Parking)**	1,251,002	1,107,692	88.54%
Treasurer	4,238	4,238	100.00%

*This represents one discrete year of collection activity for overdue judgments that were placed with Professional Account Management - Duncan Solutions during 2020.

** Non-Parking Citation Invoices

As determined by the Outstanding Debt Work Group and approved via resolution #160845, the table above provides the 2020 departmental collection rates for the City of Milwaukee and MAR. Within Appendix A, you will find the individual department's submittal of the information summarized in the table above. In the event a report was not provided, the Comptroller's Office queried results from the City's financial billing system.

IX. APPENDIX*

*Amounts included in the following data reflect payments received as of December 31, 2020. Additional payments for 2020 billings received in 2021 are not reflected.

2020 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
2020	Parking Violators	Multiple	Parking Citations	\$8,530,862	\$4,501,392	\$278,955	\$4,780,347	2020

2020 Collection Percentage	52.77%
-----------------------------------	---------------

Office of the City Treasurer							
2020 General Accounts Receivable Summary							
Date Issued	Billed To	Invoice Number	Item	Invoice Amount	Amount Paid	Date Paid	Collection Rate
01/24/2020	Milwaukee County	2210000074	Property Tax Forms - CT-200	\$ 4,195.20	\$ 4,195.20	03/02/2020	100%
				\$ 4,195.20	\$ 4,195.20		100%

Office of the City Treasurer		
2019 Property Tax Levy Collection Summary as of December 31, 2020		
<i>(After just the first phase of tax enforcement, in-house collection)</i>		
Total Levy:	Collected Y-T-D through 12/31/2020:	Collection Rate as of 12/31/2020:
\$874,024,270.83	\$853,857,798.18	97.69%

City of Milwaukee, WI - Municipal Court Collections - December 2020

Parking - History Report						
Month / Year	Assignments		Collections To Date	Net Liq. %	Open Accounts	
	#	Net Placement Amount			#	Amount
2020	453	\$ 75,686	\$ 17,657	23%	287	\$ 58,210

Traffic - History Report						
Month / Year	Assignments		Collections To Date	Net Liq. %	Open Accounts	
	#	Net Placement Amount			#	Amount
2020	20,589	\$ 2,684,745	\$ 197,260	7%	18,827	\$ 2,487,485

Municipal - History Report						
Month / Year	Assignments		Collections To Date	Net Liq. %	Open Accounts	
	#	Net Placement Amount			#	Amount
2020	4,750	\$ 1,391,741	\$ 24,107	2%	4,561	\$ 1,367,634

Summons - History Report						
Month / Year	Assignments		Collections To Date	Net Liq. %	Open Accounts	
	#	Net Placement Amount			#	Amount
2020	322	\$ 435,352	\$ 72,790	17%	261	\$ 362,562
Total	26,114	\$ 4,587,524	\$ 311,814	7%	\$ 23,936	\$ 4,275,891

Municipal Court Collection Percentage	6.80%
--	--------------

2020 Advanced Life Support Collection Percentage



Year of Transaction	Month of Transaction	Count of Accounts Received	Gross Collectables	Amount of Trip Payments	Agency Collections	Gross Collections	SOL Write Off	Deceased Write Off	All other Write Offs	Balance
2020	February	13,750	\$8,673,794.98	\$30,399.07	\$10,601.20	\$41,000.27				\$ 8,632,794.71
2020	March	46	\$38,261.39	\$29,716.24	\$21,213.55	\$50,929.79	\$457,811.82	\$64,362.04	\$267,974.66	\$ (802,816.92)
2020	April			\$33,731.39	\$13,069.47	\$46,800.86	\$2,409.00	\$98,601.43	\$45,784.77	\$ (193,596.06)
2020	May	1,741	\$1,105,237.22	\$11,522.72	\$10,323.91	\$21,846.63	\$568.00	\$31,106.53	\$25,767.57	\$ 1,025,948.49
2020	June			\$14,362.67	\$3,940.44	\$18,303.11				\$ (18,303.11)
2020	July	476	\$346,034.47	\$24,520.13	\$20,013.54	\$44,533.67	\$340,680.05	\$48,287.14	\$12,495.68	\$ (99,962.07)
2020	August	342	\$240,915.59	\$11,120.32	\$12,811.40	\$23,931.72				\$ 216,983.87
2020	September	229	\$172,066.22	\$7,271.19	\$13,064.56	\$20,335.75	\$259,716.24	\$104,166.53	\$16,920.71	\$ (229,073.01)
2020	October	294	\$243,366.37	\$6,718.98	\$5,353.11	\$12,072.09		\$956.32		\$ 230,337.96
2020	November	313	\$290,908.47	\$5,566.72	\$7,961.08	\$13,527.80	\$238,251.61	\$42,499.50	\$36,056.61	\$ (39,427.05)
2020	December	268	\$250,729.79	\$4,548.62	\$8,829.59	\$13,378.21	\$118,423.82	\$27,389.27	\$5,466.13	\$ 86,072.36
2020 TOTALS		17,459	\$11,361,314.50	\$179,478.05	\$127,181.85	\$306,659.90	\$1,417,860.54	\$417,368.76	\$410,466.13	\$ 8,808,959.17

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)
2020-01	1307	\$1,484,336.27	\$879,267.24	\$605,069.03	\$195,060.95	\$368,553.33	\$41,454.75	2020-01	\$385,271.10	(6,524.31)	\$378,746.79	0	\$0.00
2020-02	1163	\$1,319,766.48	\$766,071.44	\$553,695.04	\$200,488.28	\$313,917.04	\$39,289.72	2020-02	\$299,671.27	(5,872.87)	\$293,798.40	0	\$0.00
2020-03	1087	\$1,226,921.49	\$655,419.13	\$571,502.36	\$202,738.64	\$305,142.97	\$63,620.75	2020-03	\$258,295.60	(5,912.61)	\$252,382.99	0	\$0.00
2020-04	924	\$1,032,084.80	\$545,341.78	\$486,743.02	\$176,257.09	\$244,273.14	\$66,212.79	2020-04	\$346,100.10	(7,187.29)	\$338,912.81	0	\$0.00
2020-05	1041	\$1,164,920.83	\$575,300.75	\$589,620.08	\$239,387.41	\$270,167.57	\$80,065.10	2020-05	\$345,578.94	(7,848.07)	\$337,730.87	1744	\$1,109,912.78
2020-06	1153	\$1,370,637.33	\$697,941.57	\$672,695.76	\$262,449.21	\$304,229.52	\$106,017.03	2020-06	\$271,613.02	(4,689.15)	\$266,923.87	239	\$181,423.83
2020-07	1193	\$1,452,996.18	\$756,913.57	\$696,082.61	\$155,316.82	\$305,345.64	\$235,420.15	2020-07	\$301,927.83	(8,486.82)	\$293,441.01	240	\$168,261.80
2020-08	1156	\$1,414,103.48	\$721,918.03	\$692,185.45	\$1,414.72	\$297,636.55	\$393,134.18	2020-08	\$218,478.18	(6,637.60)	\$211,840.58	343	\$242,141.56
2020-09	1190	\$1,452,676.14	\$736,629.58	\$716,046.56	\$3,848.94	\$292,814.81	\$419,382.81	2020-09	\$391,714.79	(5,283.38)	\$386,431.41	230	\$171,945.53
2020-10	1336	\$1,647,730.03	\$800,164.70	\$847,565.33	\$0.00	\$301,766.25	\$545,799.08	2020-10	\$330,311.37	(6,494.73)	\$323,816.64	294	\$244,320.20
2020-11	1583	\$1,971,615.25	\$933,411.04	\$1,038,204.21	\$0.00	\$316,312.62	\$721,891.59	2020-11	\$320,972.33	(6,736.19)	\$314,236.14	311	\$283,837.28
2020-12	1434	\$1,657,543.62	\$169,547.62	\$1,487,996.00	\$0.00	\$58,512.48	\$1,429,483.52	2020-12	\$460,413.77	(5,125.67)	\$455,288.10	268	\$250,729.79
Total 2020	14567	\$17,195,331.90	\$8,237,926.45	\$8,957,405.45	\$1,436,962.06	\$3,378,671.92	\$4,141,771.47	Total 2020	\$3,930,348.30	(76,798.69)	\$3,853,549.61	3669	\$2,652,572.77

	Billable	Gross Collections	Outstanding Balance
Kohn	\$2,687,519.52	\$2,552,355.33	\$135,164.19
Digitech	\$8,957,405.45	\$5,290,511.67	\$3,666,893.78
Total	\$11,644,924.97	\$7,842,867.00	\$3,802,057.97
2020 Collection Rate			67.35%

City Clerk - 2020 Collection Percentage

Total Invoices	197,972.67
Total Interest Charged	-
Total Payments	148,974.24
Total Written Off	-
2020 Collection Percentage	75.25%

City Attorney- 2020 Collection Percentage

Total Invoices	424,420.43
Total Interest Charged	4,100.64
Total Payments	359,665.34
Total Written Off	-
2020 Collection Percentage	83.93%

Comptroller - 2020 Collection Percentage

Total Invoices	730,394.49
Total Interest Charged	2,967.77
Total Payments	725,008.16
Total Written Off	1.22
2020 Collection Percentage	98.86%

Department of Employee Relations - 2020 Collection Percentage

Total Invoices	3,863,860.24
Total Interest Charged	987.78
Total Payments	2,005,041.72
Total Written Off	-
2020 Collection Percentage	51.88%

Department of Administration 2020 Collection Percentage

Total Invoices	62,763.71
Total Interest Charged	2,106.81
Total Payments	41,543.03
Total Written Off	-
2020 Collection Percentage	64.04%

MFD - 2020 Collection Percentage

Total Invoices	20,093.64
Total Interest Charged	215.72
Total Payments	10,564.52
Total Written Off	836.03
2020 Collection Percentage	56.13%

Health Department - 2020 Collection Percentage

Total Invoices	248,233.00
Total Interest Charged	1,068.97
Total Payments	209,579.16
Total Written Off	5,153.30
2020 Collection Percentage	86.13%

Port - 2020 Collection Percentage

Total Invoices	9,102,373.92
Total Interest Charged	26,274.40
Total Payments	6,735,414.88
Total Written Off	124.65
2020 Collection Percentage	73.78%

DPW Administration - 2020 Collection Percentage

Total Invoices	2,827,967.26
Total Interest Charged	13,141.61
Total Payments	724,763.48
Total Written Off	15,617.70
2020 Collection Percentage	26.06%

DPW Parking - 2020 Collection Percentage

Total Invoices	1,245,389.92
Total Interest Charged	5,611.78
Total Payments	1,078,796.93
Total Written Off	28,895.19
2020 Collection Percentage	88.54%