



Department of Public Works
Administration

Ghassan Korban
Commissioner of Public Works
Preston Cole
Director of Operations

TO: Thomas Woznick, Parking Operations Manager
FROM: Dawn Crowbridge
DATE: July 14, 2016
RE: Items for today's work group discussion

- Demographics of debtors owing monies to the City:

DPW-General Accounting does not maintain debt by demographics. It may be possible to query the PeopleSoft system for this information. If the Owed Debt Work Group would direct us to attempt that, a City-Wide query should be considered instead of limiting the query to DPW.

Kohn Law Firm also does not maintain the debt information by demographics.

- Breakdown of how much is billed by each department compared to how much is collected:

In 2015, DPW-General Accounting invoiced \$5,855,320. At the end of 2015, \$44,500 was outstanding.

Also, Kohn had \$792,858 on the books in 2015. Kohn collected \$354,145 in net collections.

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**PARKING
SERVICES
CITY OF MILWAUKEE**



Report on towing, booting, payment of unpaid citations and adjudication:

1. Re-initiate a process which allowed City staff at the Tow Lot to schedule a court date for customers who wish to adjudicate past due citations. Although it has been several years since Tow Lot staff have actively used this tool, we do have the ability to schedule a court date and are moving forward with the necessary steps to provide this option for customers.
2. Continue to pursue changes to the Wisconsin State Statutes to authorize cities to tow and/or boot any vehicle with 3 or more unpaid parking citations (currently we only have the ability to tow illegally parked vehicles), which is currently part of our State Legislative Package.
3. Recommend the creation of a work group with representation of DPW, Municipal Court, City Attorney Office, and the Common Council be formed to determine the recommended adjudication time frame to be included as part of an ordinance proposal for this purpose. City Attorney Office has raised questions related to process – court process, staffing considerations, changes required to citations (specifically dates) – which need further evaluation.
4. Recommend consideration of an ordinance to boot illegally parked vehicles as booting may be a more effective method of creating compliance and potentially less inconvenient for customers.
5. Evaluate options for current debt which is deemed as reasonably uncollectible (\$16.9M).
6. Consider adding a collection fee to past due parking tickets (Duncan Solutions proposal attached).



City of Milwaukee - DPW

Adding a Collection Fee to Past Due Parking Tickets

Background

Revenue from parking ticket fines and late fees averages \$21 million per year in the City of Milwaukee. This includes payments made off the windshield (payment prior to any notice mailing or late fee escalation) and payments made later in the lifecycle up to and including through secondary collections.

Ticket Lifecycle:

- Day 1: Ticket is issued
- Day 10: Notice 1 is mailed and a \$5.00 late fee is applied
- Day 28: Late notice 2 is mailed and a \$10.00 late fee is applied
- Day 58: A DMV registration hold is placed and a \$15.00 late fee is applied
- Day 81: The ticket enters the secondary collection program and is collected for a contingency fee (27% for standard collection and 20% for a TRIP intercept)

In calendar year 2014, Duncan will collect \$5.8 million in past due parking tickets through the secondary collection program. Through blended standard and TRIP collection activity, the City will pay Duncan \$1.4 million in collection fees.

Adding a Collection Fee

We propose that the City add the collection fee onto the delinquent parking debt when it enters the secondary collection program.

The collection fee cannot be applied to accounts already delinquent, but can only be applied to new debt. Therefore the full savings of the program will be phased over a 4-year period (over 90% of the value will be realized in the first 2 years). Payments made on accounts already in collection will still incur the current contingency fee.

Based on our current recovery and estimated future data, we estimate the following annual savings:

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gross Collected | \$5,643,228 | \$5,643,228 | \$5,643,228 | \$5,643,228 | \$5,643,228 | \$5,643,228 | \$5,643,228 | \$5,643,228 |
| Fee City Pays | \$1,185,359 | \$332,477 | \$114,704 | \$23,674 | \$0 | \$0 | \$0 | \$0 |
| Fee Violator Pays | \$338,329 | \$1,191,210 | \$1,408,984 | \$1,500,014 | \$1,523,688 | \$1,523,688 | \$1,523,688 | \$1,523,688 |

Benefits:

- The City will save \$1.5 million in collection expense.
- Rather than have every City resident bear the cost of the collection program, it is funded only by those violators responsible.
- Other agencies (Washington DC) experienced a 1.7% decrease in the number of accounts sent to collection after the additional fee was imposed. Based on 740,000 citations issued per year, that's 11,800 more violators paying before collection action.

Additional Benefits of an Increased Fee

The fee could be set at the current 27% or it could be increased. Whatever amount above the 27%, Duncan will use to offset other City expenses which include:

- Postage for over 1 million notices each year