

## RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

### Executive Summary: 2009 Proposed Budget – DPW-Parking

1. The 2009 Parking Fund's operating expenditures total \$13,876,000, a slight increase (\$59,000) from the \$13,817,000 provided in the 2008 Budget (Pages 1, 2, 3 and 4)
2. The new contract with Duncan Solutions, formerly Professional Account Management (PAM), will become effective on January 1, 2009, is in the final stages of negotiation. There are several changes both fiscally and operationally in the new contract that will enhance the City's citation issuance, processing and collection services and towing management operations. (Pages 2 & 3)
3. The 2009 Budget includes a \$17 million transfer from the Parking Fund to the General Fund, the same amount as 2008. (Pages 5, 6 & 7)
4. The 2009 estimated parking citation revenue is \$19.0 million, a \$600,000 decrease (Page 7)
5. As of mid-August, 2008, there was approximately \$60.7 million in outstanding parking citations. Of that amount, DPW estimates that approximately \$23.8 million is collectable. DPW is continuing to implement new strategies for collecting outstanding parking citations. (Pages 8, 9, & 10)
6. Assuming that 35,000 vehicles will be towed in 2009, DPW anticipates the Tow Lot will continue to generate \$1.2 million in "excess" revenue over its 2009 operating costs. (Pages 11 & 12)
7. The approximately \$2.9 million 2009 Proposed Capital Budget includes \$1.3 million for additional multi-space parking meters. (Pages 12 & 13)

## **RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU**

### **2009 Proposed Budget Summary: DPW - Parking**

<b>Expense Category</b>	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>% Change</b>	<b>2009 Proposed</b>	<b>% Change</b>
Operating Expenditures	\$ 40,955,812	\$ 43,040,922	5%	\$ 43,552,163	1%
Capital*	\$ 595,000	\$ 2,700,000	354%	\$ 2,936,000	453%
Positions	128	129	1%	129	0%

*\*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.

## **2009 PROPOSED CHANGES & BUDGET ISSUES**

### **Personnel**

The 2009 Proposed Parking Fund Budget provides funding for 129 Parking Fund positions, the same number of positions as funded in 2009.

### **Vacancies**

There is currently one Communications Assistant III position vacant. It is anticipated to be filled by the end of October 2008.

### **Operating Expenditures**

The 2009 Parking Fund's operating expenditures total \$13,876,000, a slight increase (\$59,000) from the \$13,817,000 provided in the 2008 Budget

### **Professional Services**

The 2008 Proposed Budget includes \$7.1 million for Professional Services. The \$7.1 million is a \$700,000 decrease from the \$7.8 million provided for this account in the 2008 Budget. The 2009 budget for this account reflects 2007

experience. Cost adjustments were made for vehicle registration holds (batch hold process implemented in 2007). In addition, the 2008 budget was developed utilizing a higher citation issuance level, higher processing costs and higher secondary collection costs for TRIP. The 2009 budget accounts for lower processing and collection costs anticipated through the new parking citation processing contract.

Duncan Solutions, formerly Professional Account Management (PAM), receives the majority (\$5.25 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 database, maintaining the tow management system, placing vehicle registration holds, mailing overdue notices, certifying individuals with the Department of Revenue for the Tax Refund Intercept Program (TRIP), maintaining and supporting the kiosks and leasing the AutoCITES (AutoCITES are hand held computers used for issuance of parking citations)

The new contract with Duncan Solutions, which will become effective on January 1, 2009, is in the final stages of negotiation. There are several changes both fiscally and operationally in the new contract that will enhance the City's citation issuance, processing and collection services and towing management operations. These include the following:

- Incorporates lower citation processing fees, from \$2.30 per citation to \$1.85 per automated citation, and \$1.89 per manually issued citation.
- Incorporates lower secondary collection fees for citations collected after 80 days from the date of issuance, from 29% to 27% for non-TRIP collections, and 20% for TRIP collections.
- Provides an account-based citation processing system to support easy real-time access, review and payment of all records, including tows, parking, traffic and municipal citations and parking permits.
- Provides handheld ticket writers that have the capability to communicate wirelessly, integrate with the new multi-space parking meters, and provide digital camera images and audio recordings.
- Incorporates performance standards that will be monitored through web-based dashboard files accessible by DPW staff at any time.
- Provides for a comprehensive records management system to include any record or correspondence associated with the citation.
- Provides for expanded online, web-based customer applications including review of citation and images, provides for scheduling of citation reviews and allows for requests and inquiries.
- Provides for an increase in convenience fees for payments made through the web, IVR and automated payment centers from \$1.00 to \$2.00.

- Expands the parking permit system to include daytime permit records, including commuter impacted and non-conforming residential day use permits.
- Implements a payment plan module for the creation of installment plans for administrative review.
- Enhances the tow management system and automates many of the activities performed by the Tow Lot staff.

The 2009 proposed Parking Fund's Professional Services Account also includes funding for the management of four City-owned parking structures (\$1.35 million), Division of Motor Vehicles for vehicle registration holds (\$350,000), coin counting/meter services and armored vehicle security services (\$75,000) and credit card transaction fees (\$325,000) paid to credit card companies when citizens use credit cards to pay for parking citations, to purchase night parking permits, and to pay for on- and off- street parking.

### **Other Operating Expenditure Changes**

*Other Operating Services* increases from \$3,500,000 to \$3,950,000. This account reflects 2007 experience. Towing costs for illegally parked and abandoned vehicles significantly increased by nearly \$400,000 to account for an additional 4,600 vehicles towed in 2007 than in 2006. The 2009 budget is based on 35,000 vehicles towed. In addition, \$40,000 was provided to purchase (inventory) parts for the multi-space meters and to service/clean the meters in 2009 as staff will be redirected to completing phase 3 of the installation project. (See, page 13).

*General Office Expense* increases from \$100,000 to \$122,000. This account reflects 2007 experience, but was adjusted to fund replacement space markers as well as to purchase/place stickers on the new multi-space parking meters installed in 2009.

*Tools & Machinery Parts* decreases from \$13,000 to \$2,000. This account reflects 2007 experience.

*Energy* increases from \$385,000 to \$429,000. This account reflects 2007 experience and is adjusted for increases in fuel and electrical energy.

*Other Operating Supplies* increases from \$67,000 to \$87,000. This account reflects 2007 experience and is adjusted to fund receipt paper for the multi-space parking meters.

*Facility Rental* increases from \$137,000 to \$141,000. This account reflects a 3% COLA adjustment to the base rent for the parking enforcement facility located at 123 N. 25<sup>th</sup> Street.

*Vehicle Rental* decreases from \$17,000 to \$10,000. This account reflects 2007 experience.

*Non-Vehicle Rental* increases from \$25,000 to \$30,000. This account reflects 2007 experience.

*Infrastructure Services* increases from \$48,000 to \$63,000. This account primarily funds the plowing operations of City-owned parking lots and the purchase of salt for parking facilities. The increase reflects 2006 and 2007 actual costs and an anticipated increase in the cost of a new plowing and salting contract. The contract to plow snow and salt parking lots will be bid this fall. DPW anticipates that higher fuel costs and including the provision to salt the lots will increase the cost of the previous bid.

*Property Services* increases from \$510,000 to \$630,000. This account reflects 2007 experience and is adjusted for the wireless communication costs for the additional multi-space meters installed as well as the communication costs for the Personal Digital Assistants (PDAs) for parking enforcement, and to purchase modems for the meters installed in phase 3.

## **Replacement Equipment**

- The 2009 Proposed Budget includes \$108,000 for the replacement of four jeeps. Currently, there are 47 jeeps in service. The four jeeps being replaced are 10 years old and the average mileage per jeep is 101,500.
- The 2009 Proposed Budget includes \$65,000 for the replacement of the Parking Fund's meter repair truck. DPW-Fleet Services estimates the cost to replace the current panel truck is \$65,000. The new truck will be equipped with proper lighting, shelving, and electrical equipment. The current truck is a 1988 step van and has 137,669 miles (as of August 2008). The truck has a number of maintenance issues and is not large enough to carry all the equipment needed.
- The 2009 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 24/7/365 operations. Their office furniture, particularly the office chairs, has to be frequently replaced due to intensive use.
- The 2009 Proposed Budget includes \$2,000 for digital video cameras. The video cameras will replace the current cameras that are used 24/7/365. The exterior of every vehicle is currently video-taped when it arrives on the Tow Lot. Photographic evidence is used to defend the City when vehicle damage claims or theft claims are filed against the City.

## **Special Funds**

### **Payment to Debt Service (\$3,300,000)**

The 2009 Proposed Budget includes a \$3.3 million debt service payment for parking related debt. Approximately \$1.2 million of the Parking Fund's 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.

### **Payment in Lieu of Taxes (\$1,020,000)**

The Parking Fund provides a payment in lieu taxes (PILOT) for the Fund's parking structures, parking lots and the tow lot. The 2009 PILOT is \$1,020,000.

### **Contingent Fund (\$425,000)**

The 2009 Proposed Budget includes \$425,000 for the Parking Fund's Contingent Fund. This is the same amount that was included in the 2008 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. Since it was established, the Contingent Fund has not been utilized. 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 2009 Budget includes a \$17.0 million transfer from the Parking Fund to the General Fund, the same amount as in 2008. The transfer to the General Fund reflects revenues in excess of expenditures, most of which is generated from parking citations and a withdrawal from the Fund's Retained Earnings (cash reserves). For 2009, there is a \$4,195,779 withdrawal from the Fund's Retained Earnings, an increase of \$176,656 from the 2008 reserve withdrawal.

It is important to note that the withdrawal from reserves only represents ¼ of the General Fund transfer. The remainder reflects revenues in excess of expenditures, most of which is generated from parking citations. The issuance of parking citations has leveled off in the last few years reflecting greater compliance with parking regulations and changes to parking regulations. Consequently, citation collections have remained flat and are not expected to change substantially in the future. All other parking revenue is expected to remain flat other than towing revenue, which is expected to exceed projections in 2008. In addition, expenditures are not expected to change dramatically either, except for debt service, which is declining due to a stable capital improvement funding plan.

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 2:1 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 from 2003 through 2007.

Analysis Parking Fund's Cash Reserves 2003-2007 (000's)					
Category	2003	2004	2005	2006	2007
Cash and Cash Equivalents	19,328	\$24,092	\$22,001	23,024	\$21,633
General Obligation Debt Payable – Current	\$3,622	\$3,767	\$2,080	\$2,079	\$2,218
Accounts Payable	\$828	\$2,106	\$1,052	\$988	\$1,294
Accrued Expenses	\$441	\$ 664	\$636	\$675	\$743
Current Liabilities	\$4,891	\$6,537	\$3,768	\$3,742	\$4,246
Cash Less Liabilities	\$14,437	\$17,555	\$18,223	\$19,282	\$17,387
Current Ratio: Current Assets/Current Liabilities	3.95	3.68	5.84	6.15	5.09
Source: 2003 2004, 2005, 2006 & 2007 CAFR					

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 grew to 5.84.

In 2006, the cash and cash equivalents grew by \$1 million to approximately \$23.0 million. This was due to higher than projected revenues and lower than anticipated expenditures whose total exceeded the 2006 budgeted withdrawal of \$5,158,736.

In 2007, total cash and cash equivalents declined by \$1.4 million as excess revenue and expenditure authority was not sufficient to fully offset the 2007 budgeted withdrawal of \$3.8 million

Assuming 2008 revenues and expenditures meet projections, DPW estimates a cash reserve balance of approximately \$17.6 million at the end of 2008 (including the budgeted 2008 withdrawal of approximately \$4 million).

The table below compares DPW's projected 2009 Parking Fund reserves with what the projection would be at a current ratio of 2.0.

<b>Category</b>	<b>2009 Projected</b>	<b>2009 Projected (with a 2.0 current ratio)</b>
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>	<b>\$13,418,000</b>	<b>\$8,000,000</b>
<b>Total Current Liabilities</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>
<b>Current Ratio (Current Assets/Current Liabilities)</b>	<b>3.3</b>	<b>2.0</b>
Source: CAFR & DPW projections		

As shown in the table above, if the Parking Fund's 2009 projected current ratio is 2.0, the Fund's cash or cash equivalents would be \$8 million or approximately \$5.4 million less than the \$13.4 million in cash projected to be available in 2009. The Administration intends to use the projected \$5.4 million "excess" to maintain the level of payments to the General Fund through 2010. DPW indicates that if excess revenue and expenditure authority can offset a portion of the annual withdrawal from reserves each year through 2010, then it may be feasible to sustain the withdrawal in 2011. Unless there is a significant change in parking revenue (booting legislation), it is very unlikely there will be sufficient reserves after 2011 to fund a \$17 million transfer to the general fund.

## Parking Fund Revenues

### Parking Citation Revenue

The 2009 estimated parking citation revenue is \$19.0 million, a decrease of \$600,000 from 2008. The decline in revenue is the result of the decline in the number of citations issued which is due to greater compliance and a relaxing of parking regulations such as allowing night time parking on both sides of the street on a greater number of the City's streets.

<b>PARKING CITATION DATA</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Total # Issued</b>	<b>1,002,920</b>	<b>1,113,6111</b>	<b>913,605</b>	<b>935,000</b>	<b>909,988</b>
<b>Citation Revenue</b>	<b>\$19,829,137</b>	<b>\$21,731,894</b>	<b>\$20,166,976</b>	<b>\$20,452,840</b>	<b>\$19,306,468</b>



The tables below show the yearly number of night parking violations and meter violations for the years 2002 through 2006.

<b>Night Parking Violations</b>					
	2003	2004	2005	2006	2007
# Of Violations	590,914	640,100	501,940	518,330	512,879
% of Total Violations	58.59%	57.62%	54.98%	55.43%	56.58%

<b>Meter Violations</b>					
	2003	2004	2005	2006	2007
# of Violations	160,879	190,754	153,299	139,857	120,242
% of Total Violations	16.0%	17.17%	16.79%	14.95%	13.27%

### **Citation Collection Effort**

As of mid-August, 2008, there was approximately \$60.7 million in outstanding parking citations. Of that amount, DPW estimates that approximately \$23.8 million is collectable. Most of the remaining \$36.9 million in parking citation delinquencies are for citations issued to vehicles with out of state plates, and citations issued to vehicles with Wisconsin plates, but without a registered owner.

In recent years, the Department of Public Works has implemented new strategies for handling the large number of parking scofflaws. After several years of DPW working with WisDOT regarding vehicle registration holds, WisDot has agreed to make the following changes. In July 2007, the State of Wisconsin's Department of Motor Vehicles (DMV) allowed the City to bundle outstanding parking citations under one license plate hold. However, subsequent citations incurred can not be added to an existing bundle requiring an additional hold to be placed. In addition, the DMV lowered the registration hold fee from \$5 to \$2.50. Further, the DMV does provide the City driver's license numbers as part of the registered owner information for owners who have outstanding citations.

In the past, the City placed a registration hold on the oldest citation. The consequences of being able to bundle outstanding parking citations under one vehicle registration hold means the statute of limitations to adjudicate all the citations increases 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. Being able to bundle outstanding parking citations under one vehicle registration hold will reduce the number of holds placed by the City. In 2008, to reflect this reduction and the reduced cost of a hold, DPW adjusted funding for vehicle registration holds to its current level of \$350,000 from the \$600,000 budgeted 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 owners who have outstanding citations. In August 2006, the City began receiving driver's license numbers from the DMV on individuals who have unpaid parking citations. This information is received along with the vehicle registration 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. Since the DMV has provided the City with the driver's license numbers as part of the vehicle registration data, many more certifications are taking place with a much smaller error rate. Prior to receiving the driver's license numbers, the certification rate was 47% of those eligible. Data shows that from September 1, 2006 through August 31, 2007, the certification rate of parking citations sent to the DOR is 89%. Most of this improvement is due to receiving the driver's license number information from the DOT, but also some improvement can be associated with Duncan Solutions implementing improved data scrubbing and skip tracing routines.

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. Over the years, DPW has reduced the balance of unpaid parking citations a violator can accumulate before a TRIP certification occurs to the current balance of \$45.

From 2003 (beginning of participation in TRIP) through 2007, 576,148 citations have been certified with the Department of Revenue totaling approximately \$26.9 million of which 174,677 citations have been paid totaling over \$8.7 million. This represents a collection rate of 32%. Under the TRIP, the debt remains certified until fully paid. Consequently, \$18.2 million in outstanding debt still remains certified, which will likely be collected over many years.

In 2006, 59,326 citations with a total value of \$2,580,484 were intercepted through TRIP. In 2007, 45,870 citations with a value of \$2,017,670 were collected through TRIP. Between January and July 31, 2008, 62,539 citations with a value of \$2,912,843 were collected. The significant increase in TRIP collections in 2008 was due to lowering the amount of outstanding debt for certification to \$45. This is a one-time increase in TRIP collections that will not be sustained over time.

The utilization of a summons and complaint form at the Tow Lot is another strategy used to reduce the number of scofflaws. If a vehicle is towed and there

are outstanding parking citations, the vehicle owner is served a "summons and complaint". This has proven to be a very effective tool in requiring people to pay or adjudicate outstanding parking citations. In 2007, the Tow Lot staff issued 4,025 summons for 34,754 citations valued at \$1,502,109. For the first 6 months of 2008, 1,527 summons were issued for 12,003 citations valued at \$636,862.

### Secondary Collections

Secondary collections represent citations paid after 80 days. Citations become past due when unpaid after 10 days. Secondary Collections represent approximately 31% of total collections. The table below shows the secondary revenue collected by Duncan Solutions since 2002. The increase in 2006 and 2008 collections reflect a reduction in the balance of unpaid parking citations a violator can accumulate before a TRIP certification occurs to \$75 and \$45 respectively. Typically when the TRIP amount is lowered a one-time increase in collections will occur.

2002	2003	2004	2005	2006	2007	2008 Through 7/31/08
\$6,423,426	\$7,050,508	\$6,966,074	\$6,845,031	\$7,250,807	\$6,130,539	\$6,684,326

### 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. If the person fails to comply with any of these provisions, the person is deemed to have entered a plea of no contest. The court must accept the plea of no contest, find the person guilty and enter judgment. The court would be required to mail the person a copy of the judgment along with a*

*statement setting forth the actions the court may take if the judgment is not paid.*

Legislation allowing municipalities to tow/boot legally and illegally parked vehicles with 3 or more unpaid parking citations was inserted in the 2007-08 state budget bill at the request of State Representative Krusick on behalf of the City of Milwaukee. The provision was vetoed by Governor Doyle. Subsequently, AB 618 was introduced by Representative Krusick, which was passed by the Assembly Committee on Urban and Local Affairs; however, the bill did not make it to the floor prior to the end of the session. DPW has requested this legislation be included in the City's legislative package for the 2009-2010 legislative session. In addition to the DPW request the Judiciary and Legislation Committee approved, on September 29, 2008, a resolution (File #080753) directing the Intergovernmental Relations Division – Department of Administration to seek introduction of state legislation to allow for the towing/booting and impounding of vehicles for unpaid parking citations and refusal to release the vehicles until all outstanding citations are paid or adjudicated.

Other legislation, establishing a time frame to adjudicate parking citations for cities of the first class, was drafted and circulated by Rep. Krusick on behalf of the City of Milwaukee. The Municipal Judges' Association opposed the legislation. DPW disagrees with the judges, believing their reasoning was flawed. DPW has also requested this legislation be included in the City's 2009-2010 legislative package. DPW intends to work with Rep. Krusick and the Municipal Judges Association to find a resolution that is amenable to all parties.

### **Towing Operations**

The Tow Lot's 2007 actual revenues exceeded operating expenditures by approximately \$1.5 million. The "excess" revenue can be attributed to the higher than anticipated revenue from the increase in the number of vehicles towed and higher retrieval rates.

In 2007, 36,274 vehicles were towed, an increase of 4.617 from the 31,657 vehicles towed in 2006. The increase is primarily due to the implementation of the unregistered vehicle ordinance. DPW expects to tow 35,000 in 2009.

Due to a number of reasons, the percentage of vehicles retrieved by their owners has increased dramatically over the last few years. In 2003, the retrieval rate was 42%. In 2007, the retrieval rate was 75% and through July 2008, the retrieval rate is over 78%. The significant increase in retrieval rates from 2006 also reflects the implementation of a City ordinance that prohibits a vehicle from parking on City streets without displaying valid registration and the City towing illegally parked cars with 4 or more open citations. The average number of days before a vehicle is released to its owner has dropped from 3.75 in days in 2003 to 2.3 days in 2007.

Assuming that 35,000 vehicles will be towed in 2009, DPW anticipates the Tow Lot will continue to generate \$1.2 million in "excess" revenue over its 2009

operating costs. The 2009 Proposed Budget includes \$4,800,000 for the Tow Lot's total operating expenditures. DPW-Administration estimates that the Tow Lot will generate \$6,000,000 in revenue from the towing and disposal of 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 recovery of towing and storage fees, and further states that outstanding storage charges may not exceed 20 days of such storage. Failure to pay this amount may result in a vehicle registration hold placed on the owner's other vehicles, not just the unclaimed vehicle and certification with TRIP.

In addition to contributing to the increase in the vehicle retrieval rate, Act 201 has generated additional revenue. Since 2005 (through July 31, 2008), the Tow Lot has collected \$904,700 from people who did not retrieve their vehicle from the Tow Lot, but paid the towing and storage fees as allowed by law.

## **Other Parking Fund Revenue**

### **Structures**

The 2009 estimated revenue for the Parking Fund's structures is \$7.1million. This primarily reflects 2007 actual revenues. The most notable revenue change is the 1000 N. Water structure whereby revenue increased by approximately \$240,000, which was the result of increased occupancy in the 1000 N. Water Building.

### **Overnight Parking Permits**

The revenue from the sale of overnight parking permits is estimated to be \$2.9 million. This estimate reflects 2007 actual revenues.

### **On-Street Parking Meters**

The 2009 on-street meter revenue is estimated to be \$3.8 million, similar to 2007 actual revenue.

## **Capital**

The 2009 Proposed Budget includes \$2,936,000 for the following Parking Fund Capital Projects:

### **Miscellaneous Structural/Mechanical/Electrical Maintenance-\$250,000**

This program provides for necessary repairs of a non-emergency nature that when left uncorrected lead to structural, mechanical or electrical deterioration. By grouping smaller planned repair or renovation projects into a single capital account, DPW can adjust priorities and individual scopes during the budget year. It also allows staff to bid similar work across various structures to obtain lower prices.

**MacArthur Square Renovation-\$290,000**

In 2009, the east level of the 7<sup>th</sup> Street level will be repainted. This has not been done since 1992. The paint is peeling and dirty, providing an unsafe appearance. White glossy paint will be applied to provide increased lighting levels and brighten the structure's entire appearance.

**1000 N. Water Parking Structure Repairs-\$560,000**

In 2009, water-repellant sealer will be applied to the concrete deck slabs to prevent chloride contamination, rebar corrosion, and concrete delamination on all nine of the structure's levels.

**Multi-space meters- \$1,300,000**

The 2009 Proposed Parking Fund Capital Budget provides \$1.3 million for the 3<sup>rd</sup> Phase of the installation of multi-space parking meters. Upon completion of Phase 2 of the multi-space meter installation, there will be a total of 177 multi-space meters installed, encompassing approximately 1,862 parking spaces. The 2009 proposal for \$1.3 million is sufficient to purchase approximately 89 units, although an exact number is unknown at this time until the price is determined for the new model. These 89 units are expected to provide for approximately 700-800 parking spaces.

These multi-space meters will be installed in the remaining areas of Downtown/3<sup>rd</sup> Ward that currently do not have multi-space meters. The meter's manufacturer has developed a lower power model so that the meter's batteries will not have to be recharged with electrical power. This will allow the DPW to install the meters in areas with hollow-walk sidewalks that are located the 3<sup>rd</sup> Ward and some parts of downtown.

**Tow Lot Office Expansion - \$536,000**

Until 2006, approximately 50% of all towed vehicles were retrieved by owners. In recent years, the percentage of retrieved vehicles has increased to 75% and the total number of tows has also increased. In 2007, over 36,000 vehicles were towed and of that over 27,000 were retrieved by owners. In addition to providing towing related services, tow lot clerks also sell night permits, issue summons and complaints and take citation payments. Currently the tow lot has only 3 service windows to assist the public. This office remodeling will increase the number of customer service windows, provide additional office space and expand the lobby area for customers.

James Carroll 286-8679  
LRB-Research & Analysis Section  
October 9, 2008