



## REPORT

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# 9. Municipal Court, 2014

**Proposed Plan and Executive Budget Review**

## 9. Municipal Court

### I. EXECUTIVE SUMMARY.

**Table 9.1. Statement of Changes in Operating Budget, 2013 to 2014.**

2012 Actual Expenditures	\$3,359,290
2013 Adopted Budget	\$3,297,997
Personnel Costs	
Salaries & Wages	\$67,178
Fringe Benefits	\$12,955
Total Changes	\$80,133
Operating Expenses	\$19,500
Equipment Purchases	\$0
Special Funds	\$5,000
Total Changes	\$104,633
2014 Proposed Budget	\$3,402,630

**1. Total expenditures increased 3.2%.**

The 2014 Proposed Budget for the Municipal Court is \$3,402,630, an increase of \$104,633 (3.2%) from the 2013 budgeted amount of \$3,297,997.

**2. Operating expenditures increased 3.9%.**

Operating expenditures proposed for 2014 are \$524,000, \$19,500 more (3.9%) than the 2013 budgeted amount of \$504,500. The amount for Property Services which was decreased from \$104,000 to \$50,000 in 2013 (-48.1%), is further reduced to \$41,300 (-17.4%).

**3. Special Funds increased 14.3%.**

Special Funds are increased by \$5,000 (14.3%) in the 2014 Proposed Budget from \$35,000 to \$40,000; this increase is reflected in the Special Funds account for the Court Hardware Replacement Project.

**4. Charges for services decreased 0.4%.**

The 2014 Proposed Budget anticipates \$1,797,800 in revenue for Charges for Services, a \$7,700 reduction (-0.4%) from the amount budgeted in 2013.

**5. Collections of forfeitures decreased 7.3%.**

It is projected that the Municipal Court will collect \$4,755,400 in forfeitures, a reduction of \$373,600 (-7.3%) from the projected revenues of \$5,129,000 in the 2013 Adopted Budget.

**6. Collection contract renewed with Harris & Harris.**

The Harris & Harris collection agency contract for collection of unpaid Municipal Court judgments has been renewed for a 5-year period following a competitive process. Monthly reports from Harris & Harris indicate that collections in 2013 may not meet or exceed collections of nearly \$4.8 million in 2012.

**7. Funding for Special Purpose Accounts remains level.**

Funding for the Driver's License Recovery and Employability Program SPA of \$50,000 remains unchanged. This funding was initially removed from the 2013 Proposed Budget but restored by Common Council amendment. The Municipal Court Intervention Program SPA (MCIP) is budgeted for \$425,000, reflecting a nominal decrease of \$320 consistent with actual contract costs. The Clerk of Court-Witness Fees Fund remains unchanged \$9,000 in the 2014 Proposed Budget.

**8. Capital Requests:** Funding is provided (\$144,000) in the 2014 Proposed Capital Budget to replace the virtual server and SAN storage that hosts the Court's case management system.

## II. INITIATIVES AND PROGRAMS.

### 1. Municipal Court Electronic Case File Project.

The electronic case file conversion continues to create savings and promote efficiencies including staff reduction (3 positions eliminated in 2011 and 2012) and savings of an additional \$50,000 annually in the cost of paper jackets. In addition to these direct savings, Court Administration reports that benefits include:

- Total savings to date, including reduction in staffing and other efficiencies, which may be as high as \$400,000.
- Ability for all personnel to promptly locate case files.
- Online Internet capacity allowing the public to track the progress of cases.
- Decreasing required Court appearances or trips to make payments.
- Providing the Police Department with timely information on the status of warrants.
- Allowing Court “partner” programs to obtain limited case information without traveling to Court.

The Court reports that approximately 95% of all traffic citations and 93% of all municipal citations issued by MPD are filed digitally using the TraCs system. Since 2012, all DNS cases have been filed electronically.

The only remaining charging documents filed in paper form (and scanned into the system by Court staff) are DPW Parking Enforcement contested citations and summons and complaint cases. Discussions have continued in efforts to move this process forward.

### 2. Department of Neighborhood Services (DNS) “Board-up” Arraignment Pilot Program.

During the summer of 2011, the Court began to address a back-log of new “board-up” cases by initiating a pilot program allowing DNS arraignments to be heard by a Municipal Court Commissioner. The pilot program was successful and expanded in 2012 and 2013. It is expected that the program will handle as many as 4,000 case filings in 2013, a 10% increase over 2012 experience. The 2014 Proposed Budget maintains the program at current levels (maintaining the increase of approximately \$3,500 in 2013 to cover an estimated 75 additional hours of Court Commissioner costs).

### 3. Client Assistance.

The Court continues to support and participate in 2 significant programs of client assistance that have historically been supported by Special Purpose Account (SPS) funding.

- **Driver’s License Recovery and Employability Program (DLREP).**

The DLREP is a workforce development program directed toward low- and moderate-income citizens who do not have driver licenses as a result of failure to pay court-ordered judgments. This program targets referrals from agencies with clients who are job-ready or ready to begin apprenticeship or training programs but cannot proceed without drivers’ licenses. The project, previously coordinated by Justice 2000, is now administered by Wisconsin Community Services, Inc., with a 2014 projected budget of \$425,000. The City provides more than one-third of current funding, and the remaining

portion is funded by various agencies and foundations. The Milwaukee Area Technical College Downtown Campus donates space and equipment for the program which is staffed by case managers working in collaboration with Legal Action of Wisconsin.

Court Administration describes the objectives of the program as follows:

- To enhance the employability and economic stability of low-income City residents.
- To improve the quality of life through increased public safety, improved access to schools, day care and medical appointments.
- To reduce the number of cases coming to the Municipal Court.

Since 2011, the Center has also offered, in addition to individual case management, large-scale community information and advice programs in partnership with other community-based organizations.

- **Municipal Court Intervention Program.**

The Municipal Court Intervention Program (MCIP), proposed for continued SPA funding in 2014, is administered under contract with Justice 2000 Division of Community Advocates, Inc.

Chapter 800, Wis. Stats., provides that no defendant may be imprisoned for failure to pay a municipal court fine if the defendant is indigent unless the defendant fails to perform community service, attend an indigency hearing or fails to complete a treatment program that was ordered in lieu of a fine.

The purpose of the MCIP is to offer alternative dispositions to the Court so that persons who have been cited for ordinance violations and who are at risk of incarceration due to indigence, mental health conditions, or alcohol and other drug abuse (AODA) issues are not incarcerated solely due to the inability to pay fines.

Monthly and quarterly outcome reports are provided to the Municipal Court including: number of assessments, number of admissions, discharge status, time in the program and daily census. Monthly reports also include outcome indicators pertinent to the Milwaukee Promise: jail days avoided, community service hours completed, fines paid, compliance rates and incarceration costs avoided.

The program employs 8 persons: 4 case managers, one team leader/case manager, one director, one services coordinator and a 0.5 FTE administrative assistant

See Part VI, Special Purpose Accounts for further information.

### III. EXPENDITURES.

**Table 9.2. Changes in Expenditure Amounts by Account.**

Expenditure Account	2012 Actual	2013 Adopted Budget	% Change	2014 Proposed Budget	% Change
Salaries and Wages	\$1,917,861	\$1,861,822	-2.9%	\$1,929,000	3.6%
Fringe Benefits	\$910,420	\$893,675	-1.8%	\$906,630	1.4%
Operating Expenditures	\$496,881	\$504,500	1.5%	\$524,000	3.9%
Equipment Purchases	\$2,812	\$3,000	-6.7%	\$3,000	---
Special Funds	\$31,316	\$35,000	11.8%	\$40,000	14.3%
Total Operating Budget	\$3,359,290	\$3,297,997	-1.8%	\$3,402,630	3.2%

#### 1. Budget Summary.

The total 2014 Proposed Budget for the Municipal Court is \$3,402,630, an increase of \$104,633 (3.2%) from the 2013 budgeted amount of \$3,297,997.

#### 2. Personnel Costs.

Personnel costs in the 2014 Proposed Budget are \$2,835,630, an increase of \$80,133 (2.9%). Salaries and Wages increase \$67,178 (3.6%). Fringe benefits increase \$12,955 (1.4%).

#### 3. Operating Expenditures.

Operating Expenditures in the 2014 Proposed Budget are \$524,000, an increase of \$19,500 (3.9%) from the 2013 Adopted Budget amount of \$504,500.

- Increases and decreases in operating expenditures reflect actual 2012 experience with no changes in the 2014 Proposed Budget from the 2014 Requested Budget.
- Increases include \$5,600 in General Office Expenses, \$500 in Other Operating Services and \$32,500 in Information Technology Services (for scheduled IT maintenance and license renewal fees).
- Decreases include a total of \$3,500 in Other Operating Supplies, Equipment Repair and professional services, and
  - \$8,700 in Property Services which is reduced from \$50,000 to \$41,300 in 2014 following a reduction from \$104,000 in 2012.
  - \$6,900 in Reimburse Other Departments expenditures.

#### 4. Equipment Purchases.

Equipment purchases are \$3,000, the same amount as provided in the 2012 and 2013.

## 5. Special Funds.

The 2014 Proposed Budget provides \$40,000 in special funds, \$5,000 (14.3%) more than the \$35,000 provided in the 2012 and 2013 Adopted Budgets. \$31,316 was expended in 2012 in the 2 Appropriation Control Accounts described in Table 9.3.

**Table 9.3. Special Funds.**

Special Fund	2012 Actual Expenditures	2013 Adopted Budget	2013 Proposed Budget
Minor Projects	\$6,321	\$10,000	\$10,000
Court Hardware Replacement Project	\$24,995	\$25,000	\$25,000
<b>Total</b>	\$31,316	\$35,000	\$40,000

It should be noted that the capital project to develop and implement the Court's electronic filing system provided support for major hardware acquisition in previous years.

## IV. PERSONNEL.

### 1. Personnel Changes.

The total number of authorized positions in the department under the 2014 Proposed Budget is 43, one more than provided in the 2013 Adopted Budget.

- Although not included in the Court's Requested Budget for 2014, the 2014 Proposed Budget adds one position for a Network Analyst-Senior for \$50,000. This decision to include this additional position was based upon discussion with the Budget Office about critical back-up needs due to the reliance of the Court on 24/7 technical support. Many of the online and case management functions necessary to Court operations rely on consistent functioning of the Court's data and information systems.
- The pay for the position of Network Manager is reduced from \$87,978 in the 2013 Budget to \$68,000 in the 2014 Proposed Budget due to the promotion of the former Network manager to the position of Assistant Court Administrator. The 17-year tenure of the former Network Administrator accounts for the increase in the budgeted salary for Assistant Court Administrator from \$72,000 in the 2013 Budget to 90,617 in the 2014 Proposed Budget.

### 2. Vacancies.

One of 4 authorized Court Services Assistant II positions in Records and Case Preparation is expected to remain vacant and unfunded in the 2014 Proposed Budget. Resulting savings will assist in maintaining adequate funding for a recently-filled Accounting Assistant II position.

### 3. Personnel Cost Adjustment.

The Personnel Cost Adjustment has been reduced from \$59,385 in the 2013 Budget to \$38,108 in the 2014 Proposed Budget reflecting, in part, the filling of the Court Administrator and Assistant Court Administrator positions.

### V. INFORMATION TECHNOLOGY.

The total number of IT-related positions in the department increases from 3.0 to 4.0 FTEs. These entirely O&M- funded positions include a Network Manager (\$68,000), 2 Network Analyst-Seniors (\$112,009) and a Programmer Analyst (\$55,374).

The 2014 Proposed Budget provides \$117,500 for Information Technology Services, an increase of \$32,500 over the amount in the 2013 Budget. Court Administration reports that the increase is due to scheduled IT maintenance and to the costs of licensing. License and related costs include, by way of example, Oracle database licensing, Oracle document imaging software licensing, antivirus licensing, extended warranties, and Wisconsin Department of Justice eTIME system access fees.

Two additional costs are noted in particular: first, software for the virtual server funded in the past under capital accounts is expected to cost approximately \$19,900; second, to assure timely replacement of needed hardware, a new 4-hour replacement parts and mechanical support contract has been initiated which will cost approximately \$11,250 in 2014.

A further recommendation to segregate code-writing and code-promoting activities was also determined to be impractical due to limited IT staff. As a compensating measure recommended by the Comptroller's auditing team, the CATS directory in the operating system has been reconfigured to provide the Network Manager with alerts whenever the directory is modified.

### VI. SPECIAL PURPOSE ACCOUNTS (SPA).

SPAs are budgeted outside of departmental operating accounts, and control over SPAs is provided to departments by resolution. The 2013 Proposed Budget includes funding for the SPAs identified in Table 9.4.

**Table 9.4. Changes in Special Purpose Accounts by Account.**

Account	2012 Actual	2013 Adopted Budget	% Change	2014 Proposed Budget	% Change
Clerk of Court—Witness Fees Fund	\$7,187	\$9,000	0%	\$9,000	0%
Municipal Court Intervention Program	\$425,316	\$425,320	0.001%	\$425,000	-0.08%
Driver's License Recovery and Employability Program	\$50,000	\$50,000	0%	\$50,000	0%
Total	\$482,503	\$484,320	0.3%	\$484,000	-0.07%

### 1. Clerk of Court Witness Fees, \$9,000.

The \$9,000 is the same as provided in the 2013 Budget and \$700 less (-7.2%) than provided in 2012; the budgeted amount appears to be consistent with actual expenditures in 2011 and 2012. This account reimburses witnesses subpoenaed by the City to appear before the Municipal Court (excluding police officers) as stipulated by City ordinance and s. 814.67(1)(a), Wis. Stats.

### 2. Drivers License Recovery and Employability Project, \$50,000.

The Drivers License Recovery and Employability Project (DLREP) SPA was initiated in the 2007 Budget. The program is supported by a variety of public and private funders. It is anticipated that approximately 70% of program support in 2013 will be from public and private funders other than the City.

The 2013 Proposed Budget includes \$150,000 in funding for the DLREP, with \$100,000 provided through CDBG funding and \$50,000 provided by CDBG Reprogramming. The \$150,000 commitment to DLREP has remained level in 2011 and 2012. This will be the first year that O&M funding will not be provided. The \$50,000 amount currently provided through the SPA has been eliminated and replaced with CDBG Reprogramming. Table 8.7 provides a history of SPA and other CDBG funding of the DLREP. Future availability of CDBG resources is not certain.

### 3. Municipal Court Intervention Program, \$425,000.

The Proposed Budget for the Municipal Court Intervention program is \$425,320, the same amount as provided in the 2010 and 2011 Budgets. The amount is consistent with historical funding levels for this SPA as reflected in Table 9.5. There is a possibility of cost savings resulting from the current bidding process that should result in new contract terms beginning in January, 2013.

**Table 9.5. Historical Funding of Client Services SPAs.**

Year	Driver's License Recovery and Employability Program (DLREP)			DLREP Total	Municipal Court Intervention Program (MCIP) SPA Funding	MCIP Total
	SPA	CDBG Allocation	CDBG Reprogramming			
2009	\$75,000	\$0	\$125,000	\$200,000	\$434,000	\$434,000
2010	\$50,000	\$100,000	\$50,000	\$200,000	\$425,320	\$425,320
2011	\$50,000	\$150,000	\$0	\$150,000	\$425,320	\$425,320
2012	\$50,000	\$100,000	\$0	\$150,000	\$425,320	\$425,320
2013*	\$50,000	\$100,000	\$0	\$150,000	\$425,320	\$425,320
2014	\$50,000	\$100,000	\$0	\$150,000	\$425,000	\$425,000

\*The 2013 Proposed Budget eliminated SPA funding for the Driver's License program, but \$50,000 was restored in the 2013 Adopted Budget by amendment.



The goal of this program is to provide defendants with alternatives to serving jail time when they are unable to pay fines due to indigence. Justice 2000, which formerly administered the program, has now merged with Community Advocates, Inc. This special purpose account funds these contractual services.

## VII. REVENUES.

The 2014 Proposed Budget estimates that \$6,553,200 will be generated in revenues by the department, a \$381,300 (-5.5%) decrease from the 2013 Budget estimate and \$289,720 (-4.2%) less than the average actual revenues for the years 2009 through 2012; see Table 9.6.

The 2 sources of Court revenue are generated from Forfeitures (\$4,755,400) and from Charges for Services (\$1,797,800).

**Table 9.6. Changes in Revenue by Category.**

Revenue Account	2012 Actual	2013 Adopted Budget	% Change	2014 Proposed Budget	% Change
Forfeitures	\$5,041,542	\$5,129,000	1.7%	\$4,755,400	-7.3%
Charges for Services	\$1,733,859	\$1,805,500	4.1%	\$1,797,800	-0.4%
Total	\$6,775,401	\$6,934,500	2.3%	\$6,553,200	-5.5 %

### 1. Forfeitures.

Forfeiture revenue is affected by numbers of cases filed (142,000 are anticipated in 2013), the number of judgments rendered by the Court, due dates, payment plans and extensions and other factors. Original estimates of approximately 142,000 case filings in 2013 have proven to be high, and the Court Administration now projects closer to 120,000 cases will have been filed by year's end. The reduction in case filings is due to a noticeable reduction in both traffic and other municipal citations by the Police Department. Changes in charging and citation practices by MPD and DNS are outside the control of the Court and may have a significant impact on the numbers and nature of matters handled by the Court in any given year.

The Comptroller reduced original 2014 revenues from forfeiture estimates by \$250,000. This appears significantly lower than actual revenue experience

### 2. Charges for Services.

A large variety of different charges are collected by the Court ranging from fees to reopen cases and City share of revenues collected by the Court for the state. Most notably, the Court anticipated 2013 revenues to include more than \$1.5 million in Clerk fees (established by statute), and more than \$215,000 in county and state collection shared revenue. 2014 estimates and revenues recognized by the Comptroller for Charges for Services total only \$7,700 less than 2013 estimates.

**Table 9.7. Municipal Court Revenues Received: 2009—2012\***

Source	2009	2010	2011	2012	4-year Average	2014 (Recognized)
Forfeitures	\$4,786,102	\$5,414,813	\$5,065,144	\$5,030,932	\$5,074,248	\$4,750,000
Court Costs	\$70,088	\$63,400	\$53,276	\$65,757	\$63,130	\$58,500
Clerk Fees	\$1,469,496	\$1,616,453	\$1,518,172	\$1,452,273	\$1,514,099	\$1,500,000
Processing	\$147,216	\$176,231	\$177,918	\$195,262	\$174,157	\$219,100
Other Charges	\$12,035	\$9,096	\$23,329	\$24,689	\$17,287	\$25,600
Total	\$6,484,937	\$7,279,993	\$6,837,839	\$6,768,913	\$6,842,920	\$6,553,200

\*Comptroller's adjusted figures.

### VIII. CAPITAL PROJECTS.

The 2014 Proposed Budget includes \$144,000 in funding for one capital project. The Municipal Court has not received capital funding since 2010. Capital funding is expected to be requested in 2015 and 2016 primarily for computer-related upgrades. Capital projects for 2014 are summarized in Table 9.7 and in the discussion that follows.

#### 1. Currently-Funded Projects.

##### Virtual Server and SAN Replacement, \$144,000

The Municipal Court uses servers and a storage area network (SAN) to host its case management system (CATS). Based on industry standards, the equipment will have reached the end of its useful life in 2014. Extending its use beyond this time may make the Court's operations vulnerable to outages or loss of performance. There may be possibilities for repurposing the equipment to less critical applications.

**Table 9.8. Capital Program Summary, 2014.**

Program	2014 Proposed Budget	2013 Adopted Budget	Increase (decrease)	% Chng.	6-year Request
Virtual Server and SAN Replacement	\$144,000	\$0	\$144,000		\$144,000
Total	\$144,000	\$0	\$144,000		\$144,000*

Total does not include projects that were not funded in 2014. The total 6 year request for the Municipal Court is \$1,080,000.

## **2. Unfunded Capital Requests.**

None.

## **3. Project Updates.**

The Electronic Case Jacket project was a multi-phase project designed to eliminate physical case jackets and paper files and to promote efficiencies in Municipal Court operation. The Municipal Court now operates its sessions electronically. This allows greater efficiencies in the processing of court cases, greater access to case related documents and information and flexibility in where the Court can hold sessions.

Since 2007, the Electronic Case Jacket project has received just over \$1.3 million. The project was completed on time and within budget. The initial project had one piece that was not implemented: online payment extension requests. To date, the Court has not seen the anticipated number of online transactions which would provide the impetus to invest in the work.

Phase 1, which eliminated paper rosters for calling court cases, went live in April 2009. Phases 2, 3 and 4 involved the electronic capture of documents, the conversion of notices and the integration of on-line templates for out-going correspondence. Much of 2010 was spent designing the environment to integrate the activities of judges, clerks and bailiffs and allow immediate access to all relevant case information on a single screen. Electronic processing of incoming correspondence began in September 2010. The full "Go-Live" happened on January 1, 2011.

A key component of the system is the electronic receipt of citations. Citations are received from the Police Department, the Department of Neighborhood Services and DPW Parking. A small number of citations are not received electronically and must be scanned by Municipal Court staff. The percentage of citations issued and received electronically via TraCs is remaining steady this year as compared to last year, with about 95% of traffic cases filed electronically and about 93% of municipal cases filed electronically.

In conjunction with this project, the Municipal Court has updated its website. The website has been optimized for mobile device use. It is not unusual for users of court services to have their primary internet access provided via a Smartphone. Those users now have the ability to make payments and find case information using their phone. Search capabilities have also been expanded, and there is now online functionality which provides the ability to submit a "Not Guilty" plea and select a new date for the next hearing.

This project has enabled the Municipal Court to achieve savings by eliminating positions and eliminating the on-going need for \$50,000 worth of case jackets each year. Estimated savings to date are between \$300,000 and \$400,000.

An audit performed by the Comptroller in 2012 to evaluate this upgrade to the Court's Case Automated Tracking System (CATS) found that the system is well-implemented and has a high level of compliance with IT general control best practices; see Common Council File Number 120833.

#### **4. Future Capital Requests.**

The Municipal Court anticipates requesting capital funding for one project in the future.

##### **CATS and Website Upgrade, \$936,000**

This 2-year project is scheduled for 2015 and 2016. The focus of the upgrade will be the transition from a client-server based architecture to a browser-based platform, similar to FMIS, HRMS and other City systems. This project will eliminate the need to install and maintain workstation software. It will also facilitate remote court operations, such as community court sessions.

#### **IX. ISSUES TO CONSIDER.**

- 1.** Revenues from payment of forfeitures are estimated to be down by nearly \$375,000 from the 2013 estimates. Estimates for 2014 charges for services, which are largely fixed per case filing such as including court costs and clerk fees, are comparable to 2013 estimates. It is not clear whether the reduction in recognized forfeiture revenues reflects a forecast of fewer case filings or an anticipated increase in the number of unpaid Municipal Court judgments, either of which could be expected to also result in a reduction in revenues from charges for services.
- 2.** The number of evening court sessions were expanded in 2012 with reported improvements in the appearance rate due to convenience. An expanded program that provides more evening sessions perhaps in more accessible and diverse locations may provide benefits both in public convenience but also in bringing government operations and visibility closer to neighborhoods.
- 3.** Promotion of the former Network Administrator to the Assistant Court Administrator position has resulted in a salary and wage differential between the Court Administrator and the Assistant Court Administrator of only \$1,387. It may be appropriate to consider an adjustment in the Court Administrator's salary to more fully reflect the leadership and responsibility of the position.
- 4.** The Court, more than many other departments, must keep up with current technologies and current generations of computer and related hardware. The Capital Projects summary in Part VIII notes that, when new servers and other equipment is obtained in 2014, there may be an opportunity for 'repurposing' equipment to less critical functions. Is there, or should there be, a program or effort in place to coordinate repurposing of this type of equipment throughout City government?

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