

Martin Matson
Comptroller

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Office of the Comptroller

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Special Deputy Comptroller

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Special Deputy Comptroller

November 27, 2013

To the Honorable, The Common Council
City of Milwaukee

RE: Annual Outstanding Receivables Report

Dear Council Members:

Attached you will find the Comptroller's 2013 Report on Outstanding Receivables as of December 31, 2012. This report is being issued as required by Ordinance 304-1-5. The report provides summary information on City outstanding receivables. These receivables include:

- Delinquent Taxes;
- Parking Violations;
- Municipal Court Judgments; and
- Miscellaneous Accounts Receivable.

Should you have any questions or need further information, please feel free to contact Rocky Wruck of my staff at extension 2303.

Sincerely,

Martin Matson
Comptroller

CC: Alderman Terry L. Witkowski

City of Milwaukee
Outstanding Receivables Report



Martin Matson
Comptroller

November 2013

Table of Contents

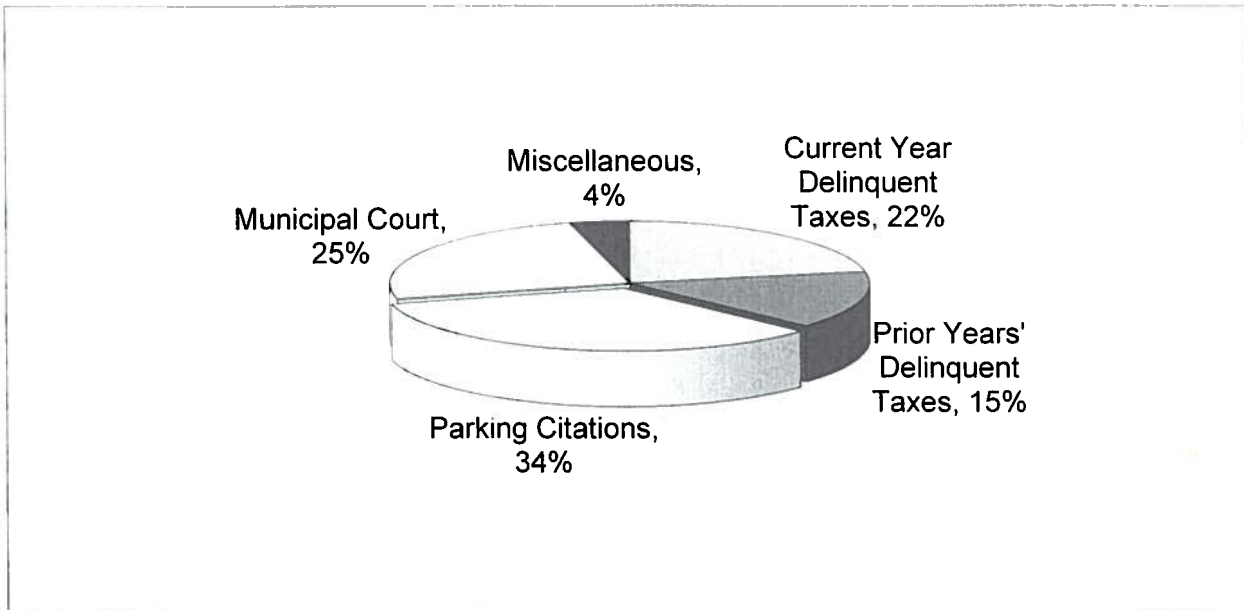
	<u>Page</u>
I. Introduction	1
II. Total Accounts Receivable at Year End 2012	2
III. Outstanding Receivables Trends, 2008-2012	3
IV. Parking Fund Receivables Aging, 2008-2012	4
V. Outstanding Miscellaneous Receivable Trends, 2008-2012	5

Introduction

The Comptroller's 2013 Report on Outstanding Receivables as of December 31, 2012, is being issued as required by Ordinance 304-1-5. The report provides summary information on City outstanding receivables including Delinquent Taxes, Parking Fund Citations, Municipal Court Judgments, and Miscellaneous Accounts Receivable.

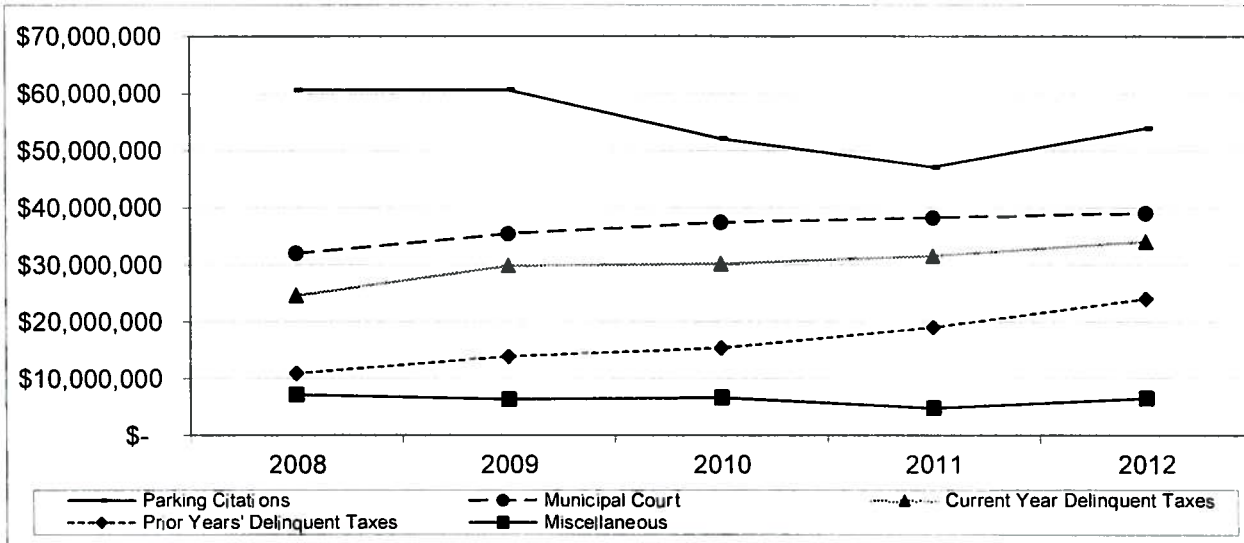
The miscellaneous accounts receivable category includes various billings by general city departments with the exception of Fire Department advanced life support (ALS) billings. ALS billings, which were handled by Milwaukee County prior to 2007, are handled by an outside vendor under contract with the City. ALS receivables are not currently accounted for as City receivables.

Outstanding Receivables as of December 31, 2012



Outstanding receivables for the City of Milwaukee as of December 31, 2012, total \$157.9 million. The largest category of outstanding receivables is Parking Citations totaling 34%, followed by Municipal Court at 25%. Current Year Delinquent Taxes (2011 taxes for 2012 purposes) account for 22% of total outstanding receivables, while Prior Years' Delinquent Taxes (2010 taxes and prior) are at 15%. Miscellaneous Accounts Receivable is the smallest category totaling 4%.

Outstanding Receivables at Year End 2008 – 2012



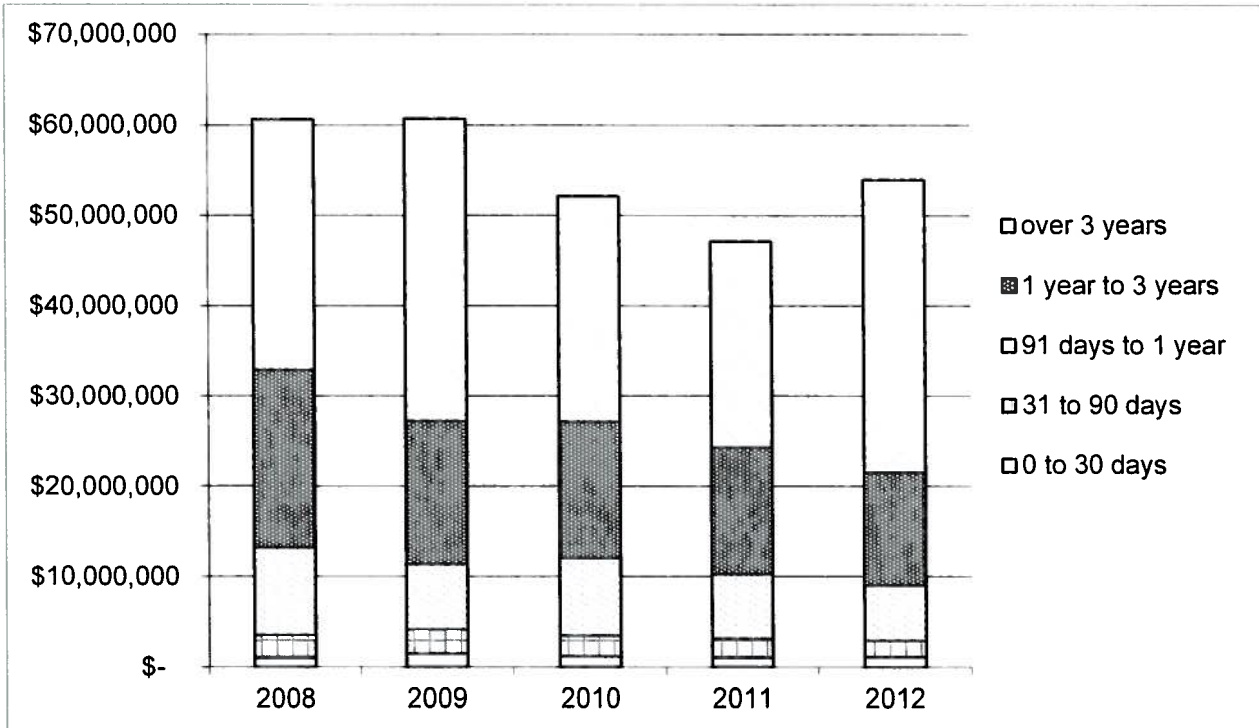
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Parking Citations	\$ 60,606,000	\$ 60,679,000	\$ 52,158,000	\$ 47,150,000	\$ 53,965,000
Municipal Court	32,076,000	35,487,000	37,479,000	38,319,000	39,101,000
Current Year Delinquent Taxes	24,675,000	29,872,000	30,237,000	31,590,000	34,146,000
Prior Years' Delinquent Taxes	11,004,000	13,940,000	15,465,000	19,080,000	24,081,000
Miscellaneous	7,250,000	6,439,000	6,734,000	4,878,000	6,622,000
TOTAL	\$ 135,611,000	\$ 146,417,000	\$ 142,073,000	\$ 141,017,000	\$ 157,915,000

The chart and table above show outstanding receivables by category from 2008 through 2012. During this time, parking citation receivables decreased from \$60.6 million to roughly \$54 million. Outstanding parking citation receivables were lower at year end 2011 than other reported years because uncollectible citations were written off on two separate occasions that year. During 2013, Parking has begun to process write-offs on a quarterly basis.

Outstanding Municipal Court judgments, including fees, fines and forfeitures increased by approximately \$7 million between 2008 and 2012. Current year delinquent tax receivables have also increased over time, by nearly \$10 million from 2008 to 2012. Prior years' delinquent taxes increased at the greatest rate between 2008 and 2012, going from \$11 million to \$24 million.

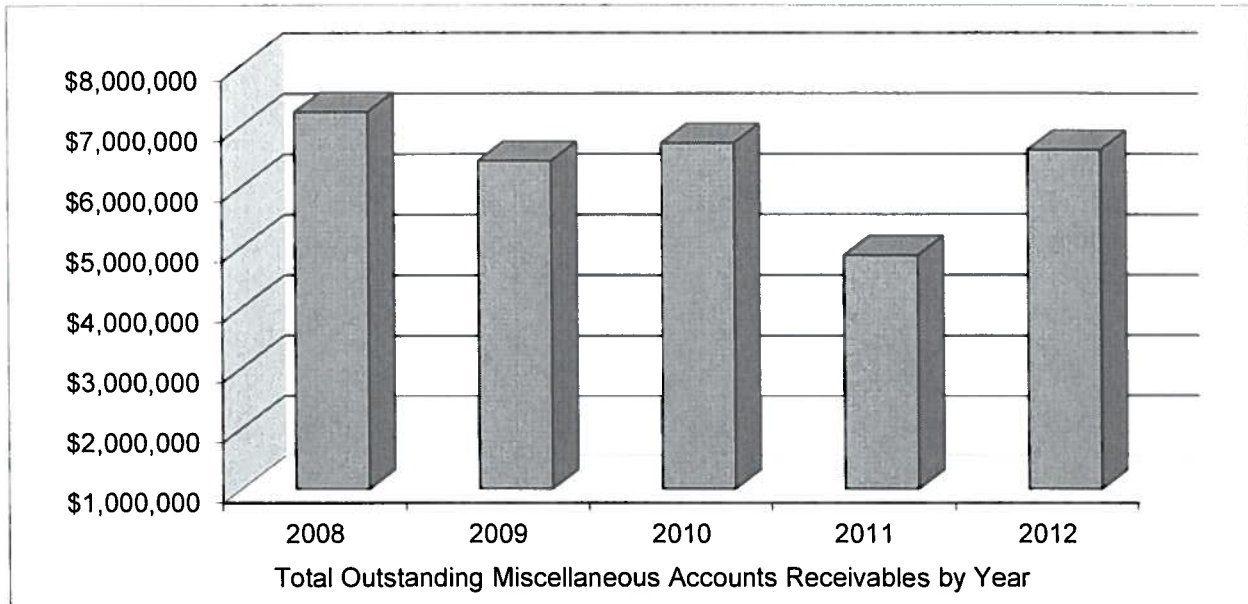
The Parking Fund writes off delinquencies that are six years old and older, due to the statute of limitations rendering these uncollectible. Miscellaneous receivables and tax delinquencies of \$5,000 or more may be cancelled or adjusted through Common Council action. An interdepartmental process is followed 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, and meet City Attorney criteria, may be written off pursuant to Common Council resolution authorizing such write-offs.

Parking Fund Receivables Aging



The chart above shows the aging of parking citation outstanding receivables from 2008 to 2012. It should be noted that more than half of the current outstanding balance for parking citation receivables is considered unlikely to be collectible due to lack of registered owner information, citations issued to out of state vehicles, and the age of outstanding citations.

Outstanding Miscellaneous Accounts Receivable



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
City Clerk	\$ 60,000	\$ -	\$ 1,000	\$ 1,000	\$ 28,000
City Attorney	-	38,000	83,000	-	-
City Development	297,000	297,000	297,000	297,000	297,000
Comptroller	195,000	193,000	222,000	255,000	268,000
Employee Relations	352,000	920,000	1,269,000	443,000	1,835,000
Dept of Administration	23,000	94,000	22,000	23,000	23,000
Fire Department *	137,000	92,000	60,000	48,000	112,000
Health Department	92,000	101,000	101,000	89,000	60,000
Police Department	1,652,000	1,640,000	1,640,000	1,641,000	1,641,000
Port of Milwaukee	2,234,000	994,000	957,000	929,000	838,000
Public Works	2,198,000	2,055,000	2,066,000	1,152,000	1,508,000
Treasurer	10,000	15,000	16,000	-	12,000
TOTAL	\$ 7,250,000	\$ 6,439,000	\$ 6,734,000	\$ 4,878,000	\$ 6,622,000

* Does not include ALS billings

The above chart and table show the change in outstanding miscellaneous accounts receivable by year for various City departments. Miscellaneous accounts receivable 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 HACM and RACM. In total, the year-end balance for outstanding miscellaneous receivables decreased by nearly 9%, from 2008 to 2012.

The Department of Employee Relations experienced a significant increase in outstanding receivables in 2012. This increase is mainly due to invoices for health care related costs being issued late in the year in 2012 to the Housing Authority and Redevelopment Authority, with associated payments not received until the following year.