

FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2005 Proposed Budget – DPW-Parking

1. The 2005 Proposed Budget does not include any personnel changes to the Parking Fund's Budget. (Page 1)
2. The 2005 Parking Fund operating budget totals \$26.2 million (not including the payment to the General Fund), which is \$300,000 less than the 2004 budget. (Pages 2, 3, 4 and 5)
3. The 2005 Budget includes a \$15 million transfer from the Parking Fund to the General Fund. This is \$3 million more than the \$12 million transfer included in the 2004 Budget. (Pages 5 & 6)
4. The 2005 Parking Fund budget provides \$36.6 million in parking revenue (not including withdrawal from reserves or capital borrowing). In 2004, \$36.2 million was provided. (Pages 6, 7, 8, 9, 10 and 11)
5. The Department of Public Works outlined its strategies for dealing with parking scofflaws in a letter, dated June 10, 2004, sent to the chairman of the Judiciary and Legislation Committee. (See Attachment A & 8,9 and 10)
6. In 2005, DPW will continue to enhance its parking operations to better serve the public through technological investments that make paying for parking more convenient. (Pages 12 & 13).
7. The 2005 Proposed Budget includes \$1,200,000 (not including \$5 million for the Permanent Reserve Fund) for Parking Fund capital projects. (Pages 13 & 14)

FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

2005 Proposed Budget Summary: DPW - Parking

Expense Category	2003 Actual	2004 Budget	% Change	2005 Proposed	% Change
Operating Expenditures	\$ 32,909,432	\$ 38,500,225	17%	\$ 41,174,804	6%
Capital*	\$ 1,661,000	\$ 1,305,900	-21%	\$ 1,200,000	-9%
Positions	128	128	0%	128	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 and allow the Police Department to focus on crime. 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.

2005 Proposed Budget

Personnel Changes

There are no personnel changes included the 2005 proposed Parking Fund budget.

Vacancies

The table below shows the current vacancies in the Parking Fund as of September 2, 2004.

PARKING FUND VACANCIES			
Position	Vacancy Date	Request to Fill	Anticipated Fill Date
Parking Enforcement Officer	7/15/04	Yes	October, 2004
Parking Enforcement Officer	8/14/04	Yes	October, 2004
Parking Enforcement Supervisor	1/404	Yes	October, 2004
Tow Lot Attendant	7/18/03	Yes	October, 2004

Operating Expenditures

The 2005 Parking Fund operating budget totals \$26.2 million (not including the payment to the General Fund), which is \$300,000 less than the 2004 budget.

Professional Services

The 2005 Proposed Budget includes approximately \$7.3 million for Professional Services. The \$7.3 million is a slight increase from the \$7.2 provided for this account in the 2004 Budget.

PAM receives the majority (\$5.4 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, maintaining the night parking permit and towing databases, placing vehicle registration holds, mailing overdue notices and certifying individuals with the Department of Revenue for the Tax Refund Intercept Program. The Parking Fund's Professional Services Account also provides funding to Central Parking Systems for the management of four City-owned parking structures (\$1.2 million), Division of Motor Vehicles for vehicle registration holds (\$600,000), Wells Fargo for coin counting services (\$74,000) and Loomis Fargo for armored vehicle services (\$11,000).

Other Operating Expenditure Changes

- *Energy* decreases from \$380,000 to \$305,000. The decrease is based on the historical expenditures for this account and to reflect a reduction in the number of City-owned parking lots.
- *Other Operating Supplies* increases from \$27,600 to \$76,000. The increase is based on 2003 actual expenditures (\$125,832) adjusted for the transfer of the parking meter parts and supplies to the Tools and Machinery Parts account.
- *Facility Rental* increases from \$116,600 to \$125,500. This account includes rental payments to the Water Works for the use of the tow lot facility and to MMSD for the Parking Enforcement Facility. The increase reflects an annual CPI adjustment in the lease with MMSD.
- *Property Services* increases from \$472,600 to \$563,000. The increase is based on 2003 expenditures, adjusted for the cleaning contract for the Parking Enforcement Facility and an increase in the contract with Johnson Controls for the daily management of the Milwaukee/Michigan structure.
- *Vehicle Repair Services* decreases from \$25,000 to \$10,000. The decrease in the account's funding is due to the scheduled replacement of the parking checker jeeps as well as other vehicles, which has lead to lower vehicle maintenance costs.

- *Other Operating Services* decreases from \$3,537,900 to \$3,011,000. The decrease is due to savings in tow contract (no longer paying for recycling tows). Some of the savings from the tow contract are offset because of increases in the tow contracts for illegally parked and abandoned vehicles. An adjustment was also made for the increase in the Miller Compressing contract for processing and towing vehicles.
- *Reimburse Other Departments* increases from \$1,002,200 to \$1,188,600. The increase is based on 2003 actual expenditures and adjustment for the production of parking signs (\$60,000) and the painting of on-street pavement markings (\$15,000), which are shifted from the tax levy to the Parking Fund.

Equipment Purchases

Equipment

The 2005 Proposed Budget includes \$12,000 for digital recording and storage equipment. The tow lot requires a digital recording system because the current analog system is no longer available. Cameras are no longer available in the VHS format and the other video formats available (VHS-C) do not have the battery life or recording time necessary for the tow lot's operation. Acquiring a digital storage system will eliminate the need to buy videotapes. The 2003 expenditures for videotapes were over \$1,000.

Replacement Equipment

The 2005 Proposed Budget includes funding for replacement equipment. \$168,000 is provided in the 2005 Proposed Budget for 7 replacement jeeps. There are a total of 56 jeeps in the Parking Fund's fleet for 64 authorized positions. Parking enforcement operates three shifts 24/7/365. According to DPW-Fleet Operations the estimated useful life for a jeep is 8 years. The average age of the jeeps that are being replaced is 14 years and average mileage is 89,410.

\$70,000 is provided in 2005 for the replacement of 54 microcomputers. All 54 workstations are used every day and some are used 24/7. The five-year warranty for all DPW –Administration computers expired at least two years ago. After about 4 years, the workstation's hardware begins to fail. DPW anticipates that without new computers, failures will increase in the next year.

The 2005 Budget includes \$5,000 for replacement office furniture (chairs) at the Parking Information Desk. The Parking Information Desk operates 24/7/365 and the Desk's chairs get excessive use and need to be replaced. The funding provided is based on past expenditures.

Special Funds

Stadium Debt Repayment (\$1,063,339)

The 2005 Proposed Budget reflects that approximately \$1 million of the Parking Fund's approximately \$ 5 million 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.

Contingent Fund (\$425,000)

The 2005 Proposed Budget includes \$425,000 for the Parking Fund's Contingent Fund. This is a \$37,336 reduction from the \$462,336 that was included in the 2004 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 completed. Before the establishment of the Contingent Fund, the Parking Fund had to make withdrawals from its cash reserves to fund unanticipated expenditures. Any excess funds in the Contingent Fund that are available at year-end revert to the Parking Fund's cash reserve. The table below provides an analysis of the Parking Fund's cash reserves.

Category	1999	2000	2001	2002	2003
Cash and Cash Equivalents	\$9,873	\$10,819	\$7,539	\$12,342	19,328
General Obligation Debt Payable – Current	\$3,059	\$3,557	\$3,510	\$3,746	\$3,622
Accounts Payable	\$188	\$439	\$923	\$774	\$828
Accrued Wages	\$134	\$343	\$393	\$448	\$441
Current Liabilities	\$3,381	\$4,339	\$4,826	\$4,968	\$4,891
Cash Less Liabilities	\$6,492	\$6,480	\$2,713	\$7,374	\$14,437
Current Ratio: Current Assets/Current Liabilities	2.92	2.49	1.56	2.48	3.95
Source: 1999, 2000, 2001 2002 & 2003 CAFR					

It is important for the Parking Fund to have adequate reserves, since unanticipated expenditures or revenue shortfall in any Parking Fund activity could result in a General Fund subsidy. Regular General Fund subsidy 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 is considered to be acceptable.

As the table on page 4 shows, the Fund's available cash (cash less liabilities) decreased from approximately \$6.5 million at end of 1999 to \$2.7 million at the end of 2001. The decrease resulted from an additional \$4 million transfer, in 2001, from the Fund's reserves to the City's General Fund. As a result of the reduction in the Fund's available cash, the Fund's current ratio declined from 2.92 at end of 1999 to 1.56 at the end of 2001, significantly below the goal of 2.00.

In 2002, the Parking Fund's cash reserve increased to approximately \$12.3 million, a \$4.8 million increase from the 2001 level of \$7.5 million. The increase in cash reserves is a result of \$1.6 million in less than anticipated expenditures and over \$3 million increase in revenues over projections. As a result of increase in the Fund's available cash, the Fund's current ratio increased from 1.56 to 2.48.

In 2003, the Parking Fund's cash reserves increased to \$19.3 million, a \$7 million increase from the 2002 level of \$12.3 million. The increase in cash reserves is a result of higher than anticipated operating revenues plus revenue from the sale of the Grand Avenue Parking Structure (\$1 million) and lower than anticipated expenditures.

Transfer to the General Fund

The 2005 Budget includes a \$15 million transfer from the Parking Fund to the General Fund. This is \$3 million more than \$12 million transfer included in the 2004 Budget. The increase in the amount transferred can be attributed to the increase in reserves. The \$15 million 2005 transfer to the General Fund includes a \$4.6 million withdrawal from retained earnings. The \$4.6 million 2005 withdrawal from retained earnings is \$2.3 million more than the 2004 withdrawal from the Fund's retained earnings. The withdrawal amount reflects revenue from Grand Avenue of \$1 million plus \$3.6 million in higher than projected revenues in 2004.

Assuming 2005 revenues and expenditures meet projections, DPW estimates a cash reserve balance of \$16 million at the end of 2005 (including budgeted withdrawal).

The table on page 6 compares DPW's projected 2005 Parking Fund's reserves at the end of 2005 with what they would be projected to be with a current ratio of 2.0.

Category	2005 Projected	2005 Projected (with a 2.0 current ratio)
Current Assets		
Cash and Cash Equivalents	\$16,000,000	\$10,000,000
Total Current Liabilities	\$5,000,000	\$5,000,000
Current Ratio (Current Assets/Current Liabilities)	3.2	2.0
Source: 2003 CAFR & DPW projections		

As shown in the table above, if the Parking Fund's 2005 projected current ratio is 2.0, the Fund's cash or cash equivalents would have be \$10 million or approximately \$6.0 million less than the \$16.0 million in cash the DPW projects to have available at the end of 2005. The Administration intends to use the projected \$6 million "surplus" to stabilize payments to the General Fund in 2006 and thereafter.

Source of Funds

The 2005 Parking Fund budget provides \$36.6 million in parking revenue (not including withdrawal from reserves or capital borrowing). In 2004, \$36.2 million was provided.

Parking Citation Revenue

The 2005 budget provides \$19 million in parking citation revenue, the same amount estimated for 2004. The table on page 7 shows the monthly parking citation revenue for 2003 and through August of 2004. The table shows that parking citation revenue has increased in 2004. The reason for the increase is that in 2003 DPW lowered the minimum amount of outstanding parking citations fines, from \$300 to \$100, which triggers an intercept of state income tax refunds under the State Income Tax Refund Intercept Program (TRIP). (See Page 9) The increase in revenue reflects the increase in intercepts from TRIP. In 2004, \$1.7 million has been intercepted.

PARKING CITATION REVENUE			
Month	2003	2004	03-04 % Ch
January	\$1,924,033	\$1,635,637	-14.99%
February	\$2,263,744	\$2,320,046	2.49%
March	\$2,123,566	\$3,000,685	41.30%
April	\$1,759,191	\$1,895,504	7.75%
May	\$1,556,121	\$1,546,858	-0.60%
June	\$1,547,676	\$1,638,906	5.89%
July	\$1,635,142	\$1,656,947	1.33%
August	\$1,354,441		
September	\$1,384,446		
October	\$1,589,695		
November	\$1,346,466		
December	\$1,344,596		
7-Month Total	\$12,809,474	\$13,694,581	6.91%
Annual Total	\$19,829,137		

The table below provides a monthly breakdown of citations issued by parking checkers for 2003 and through July of 2004. The table shows that number of citations issued through July of 2004 has increased. The reason for the increase is an increase in special event patrols, enforcement of parking regulations for street sweeping in the 3rd Aldermanic District over a greater number of days, and an increase in the number of citizen complaints.

Tickets Issued by Parking Checkers			
Month	2003	2004	03-04 % Ch
January	75,097	71,266	-5.10%
February	85,143	77,094	-9.45%
March	69,970	90,015	28.65%
April	73,173	82,628	12.92%
May	71,191	82,728	16.21%
June	69,137	81,834	18.36%
July	74,225	78,068	5.18%
August	63,087		
September	59,298		
October	68,980		
November	55,869		
December	66,780		
7-Month Total	517,936	563,633	8.82%
Annual Total	833,950		

The table below shows the number of handwritten tickets issued. The police department generates most of these citations.

Hand Written Tickets Issued			
Month	2003	2004	03-04 % Ch
January	18,085	14,939	-17.40%
February	15,228	18,413	20.92%
March	15,071	14,871	-1.33%
April	12,458	13,490	8.28%
May	12,548	9,204	-26.65%
June	14,148	9,415	-33.45%
July	13,089	7,629	-41.71%
August	10,440		
September	12,935		
October	13,938		
November	10,272		
December	14,334		
7-Month Total	100,627	87,691	-12.59%
Annual Total	162,546		

The tables below show the yearly number of night parking violations and meter violations for the years 1999 through 2003.

Night Parking Violations					
	1999	2000	2001	2002	2003
# Of Violations	424,829	362,682	723,865	617,383	590,914
% of Total Violations	52.2%	46.9%	59.4%	57.4%	58.59%

Meter Violations					
	1999	2000	2001	2002	2003
# of Violations	131,954	164,454	206,950	172,545	160,879
% of Total Violations	16.2%	21.3%	17.0%	16.0%	16.0%

Citation Collection Effort

Currently, there are approximately \$78 million in outstanding parking citations. The total includes open citations issued from 1992 to August 12, 2004. DPW considers approximately \$19.5 million of the \$78 million to be collectable and \$58.5 to be uncollectable. Approximately, \$22 million is uncollectable because citations were issued to vehicles for which correct registered owners or license plate information has not been obtained. It is also unlikely that collection efforts will be successful for another \$29 million, or 37% of citations issued to prior to 1998. Further, it is unlikely that another approximately \$7 million of citations,

which were issued prior to 2000 to vehicles with out of state license plates, can be collected. Consequently, DPW estimates \$19.5 million can be considered reasonably collectable.

The Department of Public Works provided an update of the results of the strategies implemented in 2003 for handling the large number of parking scofflaws in a letter, dated June 10, 2004, sent to the chairman of the Judiciary and Legislation Committee. (See Attachment A) The strategies include utilizing the notice of appearance form, issuing a summons and complaint form at the tow lot, issuing a summons and complaint on major scofflaws and participating in the State Income Tax Refund Intercept Program (TRIP).

To address scofflaws who miss a scheduled appointment with the Citation Review Manager, the City utilizes a notice of appearance form. If the scofflaw wants to reschedule a court appearance to contest a parking citation(s), the scofflaw must now sign a notice of appearance form. The form contains the date the scofflaw must appear in Municipal Court and information on all outstanding parking citations. If the court date is missed a default judgment of guilty may be rendered and a warrant may be issued for the scofflaw's arrest.

DPW believes that although 50% of parking scofflaws who schedule an appointment with the Citation Review Manager miss the appointment, many are attempting to reschedule. The consequences of missing a court appearance are much more severe, thereby forcing the number of parking scofflaws into the Municipal Court system to adjudicate their outstanding parking citations that they would not have previously done. By going to Municipal Court, parking scofflaws can participate in a payment plan and keep their vehicle registration current.

The utilization of a summons and complaint form at the tow lot is another strategy used to reduce the number of scofflaws. When a scofflaw retrieves his/her vehicle at the tow lot and there are eligible outstanding citations (5 or more that are over 30 days old), a summons and complaint form is personally served on the parking scofflaw by the tow lot staff. The summons and complaint form has an assigned Municipal Court date as well as a summary of outstanding parking citations. In 2003, the tow lot staff issued 146 summons for 2,145 citations valued at \$88,294. By the end of April 2004, 903 summons had been issued for 12,258 citations valued at \$500,000.

A preliminary review by DPW indicates serving a summons and complaint form at the tow lot has been successful in scheduling a Municipal Court date for scofflaws to adjudicate outstanding parking citations who would not have scheduled a court date. Although DPW's preliminary review indicates the program has been successful, it has increased the workload at the tow lot and the Municipal Court.

Having the City Attorney issue a summons and complaint on major scofflaws was another strategy that was used to reduce the number scofflaws. Under this strategy, the City Attorney issued a summons and complaint to scofflaws with 40

or more eligible outstanding parking citations. This program was implemented in the fall of 2003. According to the City Attorney, 55 summons and complaints were issued, 36 were returned by process servers as not found. Of the 19 summons that were filed in Municipal Court, 5 did not appear and default judgments were issued and the remaining 14 pleaded no contest and were placed on payment plans. A preliminary DPW review indicates the information provided by the State's Department of Transportation is not always accurate, thereby making it difficult to serve major scofflaws.

The City began participating in TRIP in the fall of 2002 for unpaid parking citations for those people with balances over \$300. In 2003, violators with outstanding balances of over \$100 were registered under this program. In 2003 \$1.2 million was intercepted. As of the end of August 2004, over \$1.7 million had been intercepted, a \$500,000 increase from 2003.

In addition to strategies outlined in Attachment A, a vehicle registration hold is requested for unpaid parking citations that are more than 58 days overdue. In 2004, DPW estimates it will pay WISDOT \$600,000 for license suspensions (120,000 registration suspensions).

Secondary Collections

Secondary collections represent citations paid after 80 days. Citations become past due when unpaid after 11 days. The significant increase in Secondary Collections in 2002 reflects the large increase in citation issuance in 2001. The Secondary Collections increase in 2003 is a result of the City's participation in TRIP.

The table below shows the secondary revenue collected by PAM since 1999.

SECONDARY COLLECTIONS					
1999	2000	2001	2002	2003	2004
\$3,900,616	\$3,984,784	\$4,556,335	\$6,423,426	\$7,050,508	\$4,953,079

Towing Operations

In 2005, DPW anticipates towing 30,000 vehicles. Of the 30,000 vehicles towed, DPW estimates that 13,500 vehicles will be returned to their owners. The average pick-up time is 3 days.

The 2005 Proposed Budget includes \$4,236,990 for the tow lot's total operating expenditures. DPW Administration estimates the tow lot will generate \$3,650,000 in revenue from the towing and disposal of vehicles. This difference between the cost of operating the tow lot and the revenue received for towed vehicles will lead to an estimated \$586,990 difference between operating expenditures and revenues.

Based on the tow lot's 2005 proposed operating budget and the DPW Administration revenue estimate, it will cost the Parking Fund \$141 for each vehicle towed, but the Fund will receive only \$122 in revenue for each vehicle processed.

In 2005, DPW will continue its efforts to recover 100% of the costs associated with towing. In October 2003, DPW entered into an agreement with Miller Compressing Company to lease a portion of the Tow Lot and a contract for the preparation, towing and recycling of vehicles. For 2005, DPW estimates the lease and contract will generate approximately \$200,000 in towing cost savings and additional revenue.

The enactment of Wisconsin Act 201, which was published on April 22, 2004, will assist the City in recovering towing and storage fees. The legislation allows for a vehicle registration hold for the nonpayment of towing and storage fees. In 2003, over 17,000 vehicles that were towed to the City tow lot were unclaimed. Most of these had unpaid towing and storage fees.

DPW has worked with the DOT to establish procedures for placing vehicle registration holds. In addition, DPW has developed procedures for the processing of such holds as well as rewriting all notification letters.

The tow lot began implementation of this program in September with vehicles that are "title turn-ins". The owners of these vehicles are more likely to pay outstanding towing and storage fees. Further implementation of this program will include registration holds for vehicles that have both good license plate and vehicle registration information and those that have either good license plate or good vehicle registration information. DPW is also exploring how cost efficient it will be to request registration holds for those vehicles with no ownership information.

Structures & Lots

The 2005 estimated revenue for the Parking Fund's structures and lots is \$6,713,490, \$141,490 more than the 2004 estimate of \$6,571,855. The revenue increase can be attributed to increase in the number of parkers who use the structures when attending downtown events and visiting eating and drinking establishments.

Overnight Parking Permits

The revenue from the sale of overnight parking permits is estimated to be \$2,700,000. This is \$300,000 more than the 2004 estimate of \$2,400,000. Greater compliance with parking regulations is the reason for the increase.

On- Street Parking Meters

The 2005 on-street meter revenue is estimated to be \$3.9 million. This is a \$200,000 increase from the 2004 estimate of \$3.7 million. The increase can be attributed to greater compliance with parking regulations.

Service Enhancements

DPW continues to make enhancements to its operations to better serve the public. For example, DPW is installing kiosks (ATM-like technology), on a trial basis, in Police Districts 2, 5 and 6. DPW anticipates the 3 kiosks will be installed by the end of the year. The kiosks will dispense night parking permits and receive payments for parking citations.

Another service enhancement DPW is considering is the use of multi-space meters. From April through July of this year, DPW had multi-space meters installed on a trial basis on North Jefferson Street from East Wells Street to Mason Street. The meters, installed at no cost to the City, reduced the number of meters and made meter payment more convenient by accepting credit and debit cards. During the last two weeks of the trial DPW surveyed meter users and area businesses. DPW indicates the results of the surveys were generally positive.

The pilot project showed several advantages of using multi-space meters. These advantages include:

- Provided option for credit card and debit card payment in addition to coins
- Increase in meter revenue (3.2%)
- Made parking enforcement more efficient
- Reduced the frequency of coin collections
- 14% of all transactions used credit cards
- 25% of all meter revenue was derived from credit card use
- 64% of all credit card payments were at the maximum value of \$2 whereas 6% of the coin payments were at the maximum.
- The average credit card payment was \$1.71, whereas the average payment with coins totaled \$0.78.
- Meter management system provided real-time transaction information
- Meter management system provided information for adjudication, financial management, auditing and monitoring meter up-time status and cashbox capacity
- Provided a means to hood the meter or to turn off the meter

Some of the disadvantages noted in the survey responses included:

- No receipt when credit card was used
- The meters did not process paper bills
- Meters were not as conveniently located
- There was some confusion as to how to operate the meters

DPW intends to complete a report on the multi-space meters and determine whether it is feasible to implement the meters in other areas of the City.

DPW is also installing parking access and revenue control equipment in four City-owned structures. Parking access and revenue equipment consists of gates,

fee computers, cash registers, and management information systems regarding finances and operations.

The purpose of the new equipment is to enhance financial management and auditing capabilities and provide payment options to the public. In addition, over time the technology is expected to reduce the number of cashiers needed to staff the structures.

The new parking equipment will provide the following payment options:

- Ticket In/Credit Card Out: Upon entering receive a ticket. On exit, insert ticket in dispenser followed by credit card.
- Credit Card In/ Credit Card Out: Upon entering insert credit card. On exit insert same credit card.
- Pay on Foot: prior to returning to a car to leave, use the machine to pay for parking by inserting parking ticket into machine and pay the amount due by inserting credit/debit card or cash. A grace period will be provided to exit the structure. Insert ticket in dispenser upon exiting.

DPW anticipates the installation of the parking access and revenue control equipment will be completed by November 1, 2004.

In addition to the parking access and revenue control equipment, DPW will be installing 300 new signs to inform the public on the use of equipment and to maximize utilization of the new equipment.

Capital

Deferred Structural Maintenance - \$125,000

The 2001 Budget provided funds for a structural and mechanical systems condition assessment of the five city-owned parking structures. The assessments provide the basis for a comprehensive long-term capital maintenance, repair and renovation plan for the parking structures. The report indicated a significant amount of deferred structural repair work is required at each facility. This annual capital funding is to address necessary structural repairs of a non-emergency nature, that when left uncorrected, could lead to structural deterioration.

Deferred Mechanical Maintenance - \$125,000

The mechanical needs assessment identified a significant amount of deferred facility, mechanical and electrical work at all of the structures.

A total of \$125,000 is provided in 2005 Proposed Budget to correct the deficiencies. This capital project is annual, on going and represents an attempt to proactively manage structure maintenance. Funding is still provided within the Fund's operating budget to meet small emergency repair needs. Grouping smaller planned repair and renovation projects into a single project allows the Fund to adjust priorities and individual project scopes during a budget year. This

funding allows the Fund to be able to explore bidding similar work across structures to attract lower prices for what would otherwise be small projects.

Deferred projects can result in higher future capital costs, and expose the City to risk from customer claims. In addition larger capital projects often cause sections of the structures to be closed for longer periods of time, thus reducing parking revenues.

MacArthur Square Parking Structure Renovation - \$420,000

2005 is the first year of a 3-year capital project to remembrane the parking levels at MacArthur Square Parking Structure. Remembraning prevents chlorides from seeping into the concrete and causing structural damage.

Milwaukee/ Michigan Structure Renovation- \$335,000

The 2005 Proposed Budget includes funding for the replacement of the membrane in levels 1-4 of the Milwaukee/ Michigan Structure. The membrane has exceeded its useful life and new application is necessary to retard concrete spalling and rebar deterioration.

1000 N Water Parking Structure Repairs -\$195,000

The project will remove the existing expansion joints and replace them with new ones. The existing joints are leaking. In the winter, these leaks are causing salt to collect on the slab below. The concrete header for the expansion joint is also spalling which creates leaks and is a potential tripping hazard. Failure to replace the expansion joints will result in accelerated degradation of the adjacent structural elements and more costly future repairs.

Permanent Improvement Reserve Fund - \$5,000,000

The City's Budget annually provides the Parking Fund with \$5 million in contingent borrowing authority through the Permanent Improvement Reserve Fund. This contingent authority would provide the Parking Fund with access to funds if a large unanticipated capital expenditure is required at one of the parking structures.

Prepared by: James Carroll 286-8679
Fiscal Review Section - LRB
October 4, 2005



Department of Public Works

Mariano A. Schifalacqua
Commissioner of Public Works

James P. Purko
Director of Operations

June 10, 2004

Michael S. D'Amato
Alderman, 3rd District
City Hall, Room 205

Dear Alderman D'Amato:

We are in receipt of your letter dated March 19, 2004 requesting an update on the strategies the City implemented in response to the large number of parking scofflaws. As you know, we provided you a list of these strategies in a letter dated August 28, 2003. Since that time the Department of Public Works, City Attorney's Office and the Municipal Court have made significant progress in implementing these strategies. The purpose of this correspondence is to provide you with an update on the success of each strategy.

- 1. Utilization of Notice of Appearance Form:** The Notice of Appearance Form was implemented in August of 2003. The purpose of this form is to address parking scofflaws who schedule an appointment with the Citation Review Manager to adjudicate a parking citation(s) and miss the appointment. If the scofflaw wants to reschedule a court appearance to contest a parking citation(s) he/she must now sign a "Notice of Appearance" form that confers the Court with jurisdiction over the scofflaw. The form contains the date on which the scofflaw must appear in Municipal Court and information on all outstanding parking citations. Failure to appear in court may result in a default judgment of guilty or a warrant may be issued for his/her arrest. The form is in both English and Spanish and is available at the three Violations Bureau locations and at the City Tow Lot during regular business hours.

Because a database is currently under development that would enable tracking of this activity, we do not know the precise number of scofflaws who are scheduled for court under this program. However, we do believe that although 50% of parking scofflaws who schedule an appointment with the Citation Review Manager miss the appointment, many are attempting to reschedule. The consequences of missing a court appointment are much more severe, thereby forcing a number of parking scofflaws into the Municipal Court system to adjudicate their outstanding parking citations that would not have done so previously. By going to Municipal Court the parking scofflaw can participate in a payment plan and keep their vehicle registration current.

2. **Utilization of Summons and Complaint Form at the Tow Lot:** The Summons and Complaint Form was implemented in December 2003 after some procedural and automation delays. The purpose of this form is to address parking scofflaws whose vehicles are towed by the City and are retrieved by the owners. When the scofflaw retrieves his/her vehicle at the Tow Lot and there are eligible outstanding parking citations (five or more that are over 30 days old), a summons and complaint will be personally served on the parking scofflaw by the Tow Lot staff. The summons and complaint form, which is in both English and Spanish, will have an assigned Municipal Court date as well as a summary of outstanding parking citations. Failure to appear in Municipal Court may result in a default judgment or warrant for an arrest. In 2003, the Tow Lot staff issued 146 summons for 2,145 citations valued at \$88,294. By the end of April 2004, 903 summons have been issued for 12,528 citations valued at over \$500,000.

A preliminary review indicates that this program is successful in scheduling a Municipal Court date for parking scofflaws to adjudicate outstanding parking citations who would not have otherwise scheduled a court date. Although the program appears to be successful, it has increased the workload of both the Tow Lot and the Municipal Court.

3. **Issue Summons and Complaint on Major Scofflaws:** Under this program the City Attorney issues a summons and complaint to major parking scofflaws. Major parking scofflaws are defined as any violator with 40 or more eligible outstanding parking citations. This program was implemented in the last quarter of 2003. According to the City Attorney, 55 summons and complaints were issued, 36 were returned by the process servers as not found. However, 19 summons were filed in Municipal Court of which five did not appear and default judgments were issued and the remaining 14 pleaded no contest and were placed on payment plans.

A preliminary review of this program indicates that the information provided by the Department of Transportation is not always accurate, perhaps because addresses are not current or fictitious, thereby making it very difficult to serve major scofflaws.

4. **Automation of Parking Case Preparation:** Enhancements to automate the interface between Professional Account Management and the Municipal Court for case preparation purposes are still in progress.
5. **Credit Bureau Reporting:** Major parking scofflaws are reported to the Credit Bureau. Major scofflaws for this purpose are defined as violators with 20 or more open citations. To date, 1,329 scofflaws have been reported with citations valued at nearly \$628,000.

6. **State Income Tax Refund Intercept Program (TRIP):** As you know the City began participating in TRIP in the fall of 2002 for unpaid parking citations for those persons with outstanding balances over \$300. In 2003, violators with outstanding balances over \$100 were registered under the program. In 2003, over \$1.2 million was intercepted. To date in 2004, over \$1.4 million has been intercepted.

A preliminary review of this program indicates that it is successful in obtaining fines owed to the City that would not have otherwise been collected. In addition, a number of parking scofflaws are paying their outstanding parking citations after receiving the warning letters, but prior to interception. There does appear to be an unintended consequence from this program, however, and that is the increase in the number of refunds. The City pays \$2 for each refund processed by Professional Account Management (PAM). To date in 2004, PAM has issued over \$59,000 in refunds. There are a number of reasons why refunds are issued. They include refunds ordered by the Municipal Court, mistaken identity of the person intercepted, or the parking citations were paid prior to interception.

7. **Updating Notification Forms:** Notices of past due violations now include information regarding the implications of nonpayment of parking citations, including vehicle registration suspension, state income tax refund intercept and credit bureau reporting. In addition, the past due notices have been translated into Spanish on the backside of the notice.
8. **Introduction of State Legislation:** During the last legislative session, the Department of Public Works worked with the Intergovernmental Relations Division on several bills—one would allow a vehicle registration hold for nonpayment of towing and storage fees (AB 419) and one would allow ticketing and towing of unregistered vehicles parked in the public right-of-way (AB 589). The former legislation (AB 419) did pass the legislature and was signed by the Governor. We are currently working with our citation processing contractor and the State Department of Transportation to develop the appropriate procedures to implement this initiative. The latter legislative initiative (AB 589) passed the Assembly Transportation Committee but was not scheduled for floor action. We will request that this initiative be a part of the City's legislative package in the 2004-2005 legislative session.

The department asked the City Attorney to draft legislation regarding potential statutory changes involving the adjudication of parking citations. In a letter dated April 8, 2004, the City Attorney provided proposed statutory changes. We are in the process of reviewing these changes and will request that this initiative be included in the City's legislative package as well.

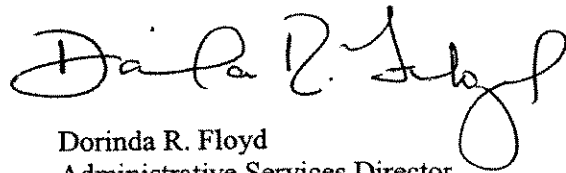
Alderman Michael S. D'Amato
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9. **Department of Transportation Issues:** The Department of Transportation is in the process of upgrading the vehicle registration database, which is expected to be completed in the fall of 2004. It is our hope that with this upgrade, the City will be able to automate the vehicle registration hold process by placing and releasing holds in a more timely manner. In addition, this automated process may allow the City to reduce its costs for vehicle registration holds. In 2003, the City spent \$600,000 for vehicle registration holds. We will continue to have dialogue with the DOT and attempt to negotiate changes in the vehicle registration hold process.

There is no progress to report regarding the other issues discussed with the DOT as outlined in the August 28, 2003, letter.

We hope you find this information helpful. If you have any questions or concerns, please let me know.

Sincerely,



Dorinda R. Floyd
Administrative Services Director

Cc: Linda Burke
Kristine Hinrichs
Cindy Angelos
Jennifer Gonda
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