

FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2006 Proposed Budget – DPW-Parking

1. The 2006 Proposed Budget includes the addition of one Graduate Intern position. An auxiliary graduate intern has been utilized to conduct surveys, staff the parking revenue control equipment and automated payment centers to train citizens on their use, track revenues and conduct studies and special projects as assigned. (Page 1)
2. The 2006 Parking Fund operating budget totals approximately \$27.0 million (not including the payment to the General Fund), which is approximately \$800,000 more than the 2005 budget. The majority of the increase can be attributed to an increase in salaries and wages due labor settlements and step increases and fringe benefits. (Pages 2, 3, 4 and 5)
3. The 2006 Budget includes a \$15.2 million transfer from the Parking Fund to the General Fund. This is approximately the same amount as the 2005 transfer. (Pages 6 & 7)
4. The 2006 Parking Fund Budget includes an estimate of \$19 million in parking citation revenue. (Page 7)
5. According to the Department of Public Works (DPW), there is approximately \$63 million in delinquent parking citations. Of the \$63 million in delinquent citations, DPW considers approximately \$24 million to be reasonably collectable. The Department of Public Works is continuing to implement new strategies for handling the large number of parking scofflaws. (Pages 9, 10 & 10)
6. The Tow Lot's 2004 actual revenues exceeded operating expenditures by approximately \$1.2 million. DPW anticipates the Tow Lot will continue to recover approximately 100% of the Tow Lot's operating costs in 2006. (Pages 11 & 12)
7. DPW continues to enhance its parking operations to better serve the public and make enforcement more productive through technological investments that make paying for parking more convenient. (Pages 13 and 14).
8. The 2006 Proposed Budget includes \$1.3 million for the installation of multi-space parking meters in Milwaukee's central business district (downtown). (Pages 14 & 15)

FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

2006 Proposed Budget Summary: DPW - Parking

Expense Category	2004 Actual	2005 Budget	% Change	2006 Proposed	% Change
Operating Expenditures	\$ 37,165,867	\$ 41,384,804	11%	\$ 42,191,593	2%
Capital*	\$ 1,305,000	\$ 1,200,000	-8%	\$ 2,080,000	42%
Positions	128	128	0%	129	1%

**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.

2006 Executive Budget Issues & Highlights

Personnel Changes

The 2006 Proposed Budget includes the addition of one Graduate Intern position that DPW-Administration was using as an auxiliary position. Both Administration and Parking were utilizing the position. However, due to a number of major projects implemented in the last year, parking operations utilized the position more significantly and will continue to do so in 2006. The graduate intern has been utilized to conduct surveys, staff the parking revenue control equipment and automated payment centers to train citizens on their use, track revenues and conduct studies and special projects as assigned.

Vacancies

One Meter Technician position is vacant. The position became vacant on August 15, 2005. It is DPW's intent not to fill the position if the 2006 budget request for multi-space meters (See Capital, pages 13 & 14) is approved. However, if the meter purchase is approved, it is likely an auxiliary position will be needed in the short-run to assist the meter technicians with their routine duties. It is likely the installation of the new meters will not occur until late summer or fall. If the purchase of the multi-space meters is not approved

in the 2006 budget, it is anticipated that the position will need to be filled by year-end 2005.

Operating Expenditures

The 2006 Parking Fund operating budget totals approximately \$27.0 million (not including the payment to the General Fund), which is approximately \$800,000 more than the 2005 budget. The majority of the increase is attributed to an increase in salaries and wages due to labor settlements and step increases and an increase in fringe benefits.

Professional Services

The 2006 Proposed Budget includes approximately \$7.6 million for Professional Services. The \$7.6 million is a slight increase from the approximately \$7.3 provided for in the 2005 Budget. The 2004 actual expenditures totaled nearly \$7.4 million. Approximately \$30,000 of the increase is related to parking structure cost increases related to credit card transaction fees that never existed prior to the new revenue control equipment being installed, additional security costs at the parking structures due to increased vandalism and thefts in the downtown area, and the cost of tickets encoded with validation and fee information to use at the new pay stations and express park credit card machines. The remaining funds are related to 24/7 hardware and software support and armored courier costs associated with the automated payment centers installed at the police district stations to dispense night parking permits and to receive payment for parking citations.

Professional Account Management (PAM) receives the majority (\$5.6 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 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 (\$72,000) and Loomis Fargo for armored vehicle services (\$8,800).

Other Operating Expenditure Changes

- *General Office Expense* decreases from \$101,000 to \$80,000 - The decrease reflects 2004 actual experience with an additional adjustment for postage of \$0.03 per letter. The DPW-Tow Lot annually mails nearly 60,000 notices to vehicle owners whose vehicles have been towed.

- *Tools & Machinery Parts* decreases from \$115,000 to \$10,000 - All parking meter parts and supplies were moved to the "Other Operating Supplies" account. As a result, this account was decreased to \$10,000.
- *Energy* increases from \$305,000 to \$330,000 - DPW anticipates that energy costs will increase approximately 10% in 2006 over that of 2004.
- *Other Operating Supplies* increases from \$76,000 to \$105,000 -The increase is based upon 2004 experience, which includes parking meter parts and supplies.
- *Facility Rental* increases from \$125,500 to \$133,000 - The lease payment made to MMSD for the Parking Fund's parking enforcement facility is adjusted annually for the CPI.
- *Property Services* increases from \$563,000 to \$616,000 - The increase in this account is mostly attributable to the maintenance agreement for the new revenue control equipment which has a five-year maintenance agreement. The agreement has been annualized over a five-year period.
- *Infrastructure Services* decreases from \$40,000 to \$35,000 – The decrease is based upon 2004 actual experience.
- *Vehicle Repair Services* decreases from \$10,000 to \$2,000 – The decrease is based on 2004 actual experience.
- *Reimburse Other Departments* decreases from \$1,188,600 to \$1,058,000. The funding amount is based on 2004 actual experience adjusted for wage settlements and the reimbursement for the Parking Fund's portion of the System Analyst –Sr. position in the DPW Administrative Services Division.

Equipment Purchases

The 2006 Proposed Budget provides \$2,000 for a Laptop Computer/Projector. A laptop computer and projector will be used by Parking Enforcement to train new employees and retrain existing staff. In addition, it will be used to make presentations to community organizations regarding parking operations and regulations.

Replacement Equipment

- \$5,000 is provided in 2006 for the replacement of furniture at the Parking Enforcement and the Parking Information Desk. The Parking Enforcement and the Parking Information Desk is a 24/7 operation. Their office furniture, particularly the office chairs, has to be frequently replaced due to their intensive use. Storage cabinets are also needed to file records generated by the Parking Enforcement section.
- The 2006 Proposed Budget includes \$140,000 for the replacement of 5 jeeps. There are 46 jeeps assigned to Parking Enforcement. Of the jeeps being replaced, the average age is 10 years old (1995) and the average mileage is 111,288.
- The 2006 Proposed Budget includes \$55,000 for the replacement of the City Tow Lot tow truck. In 2004, the City signed a contract with Miller Compressing to recycle vehicles on a leased portion of the City Tow Lot. Formerly the tow contractor towed vehicles to Miller Compressing for processing requiring the City to pay for an additional tow. Now, the vehicles get towed by City staff to the Miller portion of the Tow Lot to be processed.

The current 1994 tow truck with 100,006 miles is a manual loader that has exceeded its useful life. The new tow truck will reduce time/labor by one half when towing vehicles to be recycled or when retrieving vehicles for the public. In addition, current maintenance costs are high (\$9,246 for repairs during previous 1,897 miles driven), which negatively affects the entire operation when this truck has to be serviced frequently.

- The 2006 Proposed Budget provides \$2,000 for the replacement of digital cameras. Each vehicle towed to the City Tow Lot is videotaped to record existing condition, thus preventing fraudulent damage claims. Three cameras are being requested. The useful life of these cameras is generally two years, based on 24/7 usage.
- The 2006 Proposed Budget includes \$240,000 for the replacement of communication equipment. Parking Enforcement officers use the Milwaukee Police Department (MPD) radio communication system with a VHF tower to communicate with dispatch and to communicate with the Police Department from the field. This is particularly important when police back-up is required for potentially volatile and dangerous situations.

The MPD is replacing their system with digital equipment that is more reliable, requires less maintenance and will operate more efficiently and effectively. If this request is not funded, Parking Enforcement will not have any radio communication available to them for dispatch purposes as their system is wholly dependent upon the system used by the MPD.

Currently, DPW has one channel assigned to it due to space constraints. The new system consisting of fifty-six radios does not require a base station and will permit additional channels. The new system is GPS-compatible, can be attached to the parking enforcement personal computers, and has the ability to record radio communications.

Special Funds

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

The 2006 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 2006 Proposed Budget includes \$425,000 for the Parking Fund's Contingent Fund. This is the same amount that was included in the 2005 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.

Analysis Parking Fund's Cash Reserves 2000-2004 (000's)					
Category	2000	2001	2002	2003	2004
Cash and Cash Equivalents	\$10,819	\$7,539	\$12,342	19,328	\$24,092
General Obligation Debt Payable – Current	\$3,557	\$3,510	\$3,746	\$3,622	\$3,767
Accounts Payable	\$439	\$923	\$774	\$828	\$2,106
Accrued Wages	\$343	\$393	\$448	\$441	\$ 664
Current Liabilities	\$4,339	\$4,826	\$4,968	\$4,891	\$6,537
Cash Less Liabilities	\$6,480	\$2,713	\$7,374	\$14,437	\$17,555
Current Ratio: Current Assets/Current Liabilities	2.49	1.56	2.48	3.95	3.68
Source: 2000, 2001 2002, 2003 & 2004 CAFR					

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 is considered to be acceptable.

As the table on page 5 shows, the Fund's available cash (cash less liabilities) decreased from approximately \$6.5 million at end of 2000 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 2.49 at end of 2000 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 was a result of higher than anticipated operating revenues plus revenue from the Grand Avenue Parking Structure (\$1 million) and lower than anticipated expenditures.

In 2004, higher than anticipated operating 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.

Transfer to the General Fund

The 2006 Budget includes a \$15.2 million transfer from the Parking Fund to the General Fund, approximately the same amount as the 2005 transfer. The \$15.2 million transfer is sustained by an increase in reserves. The \$15.2 million 2005 transfer to the General Fund includes a \$4.8 million withdrawal from retained earnings. The \$5.2 million 2006 withdrawal from retained earnings is approximately \$400,000 more than the 2005 withdrawal from the Fund's retained earnings.

Assuming 2006 revenues and expenditures meet projections, DPW estimates a cash reserve balance of \$14.1 million at the end of 2005 (including the budgeted withdrawal).

The table below compares DPW's projected 2006 Parking Fund reserves at the end of 2005 with what the projection would be at a current ratio of 2.0.

Category	2006 Projected	2006 Projected (with a 2.0 current ratio)
Current Assets		
Cash and Cash Equivalents	\$14,100,000	\$10,000,000
Total Current Liabilities	\$5,000,000	\$5,000,000
Current Ratio (Current Assets/Current Liabilities)	3.2	2.0
Source: 2004 CAFR & DPW projections		

As shown in the table above, if the Parking Fund's 2006 projected current ratio is 2.0, the Fund's cash or cash equivalents would have be \$10 million or approximately \$4.1 million less than the \$14.1 million in cash the DPW projects to have available at the end of 2006. The Administration intends to use the projected \$4.1 million "excess" to stabilize payments to the General Fund in 2007. Since the 2006 proposed withdrawal totals nearly \$5.2 million, it is likely the cash reserves to be used for 2007 purposes will be \$1 million less, reducing the payment to the General Fund by \$1 million, unless revenues exceed projections by at least \$1 million in 2006. Further, DPW notes that it will not be able to sustain the current payment to the General Fund in 2008 and thereafter.

Parking Fund Revenues

Parking Citation Revenue

The 2006 budget provides \$19 million in parking citation revenue, the same amount estimated for 2005. The table on page 8 shows the monthly parking citation revenue for 2004 and through July of 2005. The table shows that parking citation revenue has decreased in 2005. The decrease can be attributed to changes in parking regulations such as expansion of 2-sides parking (through Common Council ordinance) and a greater than expected number of Parking Checker vacancies. The table on page 8 shows 2004 and 2005 parking citation revenue.

PARKING CITATION REVENUE			
Month	2004	2005	04-05 % Ch
January	\$1,635,637	\$1,552,118	-5.4%
February	\$2,320,046	\$2,312,533	-0.3%
March	\$3,000,685	\$2,556,443	-17.5%
April	\$1,895,504	\$1,752,458	-8.2%
May	\$1,546,858	\$1,729,187	10.5%
June	\$1,638,906	\$1,559,559	-5.1%
July	\$1,656,947	\$1,611,022	-2.9%
August	\$1,624,183		
September	\$1,577,435		
October	\$1,670,907		
November	\$1,515,839		
December	\$1,645,302		
7-Month Total	\$13,698,227	\$13,073,309	-4.6%
Annual Total	\$21,731,894		

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

Hand Written Tickets Issued			
Month	2004	2005	04-05 % Ch
January	14,939	11,523	-29.6%
February	18,413	13,160	-39.9%
March	14,871	10,197	-45.8%
April	13,490	7,625	-76.9%
May	9,204	7,529	-22.2%
June	9,415	9,058	-3.9%
July	7,629	3,437	-28.9%
August	6,792		
September	6,959		
October	8,112		
November	9,543		
December	11,723		
7-Month Total	87,961	62,529	-28.9%
Annual Total	131,090		

The tables below show the yearly number of night parking violations and meter violations for the years 2000 through 2004.

Night Parking Violations					
	2000	2001	2002	2003	2004
# Of Violations	362,682	723,865	617,383	590,914	640,100
% of Total Violations	46.9%	59.4%	57.4%	58.59%	57.62%

Meter Violations					
	2000	2001	2002	2003	2004
# of Violations	164,454	206,950	172,545	160,879	190,754
% of Total Violations	21.3%	17.0%	16.0%	16.0%	17.17%

Citation Collection Effort

According to the Department of Public Works (DPW), there is approximately \$63 million in delinquent parking citations. Of the \$63 million in delinquent citations, DPW considers approximately \$24 million to be reasonably collectable. Most of the approximately \$39 million in parking citation delinquencies that DPW considers not collectable are for citations issued to vehicles with out of state plates, and citations issued to vehicles with Wisconsin plates, but without a registered owner.

The Department of Public Works is continuing to implement new strategies for handling the large number of parking scofflaws. DPW is currently working with the State of Wisconsin's Department of Motor Vehicles (DMV) to get the DMV to allow the City to bundle several citations together under one license plate hold. Currently the City places a registration hold on the oldest citation. The consequences of this change will mean the statute of limitations to adjudicate a citation will increase 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.

The Department of Public Works is also working with the State of Wisconsin's Department of Transportation to allow the City to obtain driver's license numbers on registered owners. The Wisconsin Department of Revenue requirements for a social security number or driver's license number to certify debt has limited Tax Refund Intercept Program (TRIP) certifications to 47%. DPW's access to driver's license numbers will significantly increase revenue from the TRIP

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 2004 \$1.8 million was intercepted. As of the end of June 2005, over \$1.2 million had been intercepted.

In addition to the vehicle registration hold and TRIP collection strategies, DPW is continuing to use other strategies it has developed for reducing the number of parking scofflaws. The strategies include utilizing the notice of appearance form and issuing a summons and complaint form at the tow lot.

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 show identification and sign a notice of appearance form, which requires them to accept responsibility for all the citations listed if they fail to appear in Court. 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 2004, the tow lot staff issued 2,434 summons for 33,502 citations valued at \$1.34 million. By the end of July 2005, 756 summons have been issued for 11,169 citations valued at \$453,000.

Outstanding Debt Task Force

The Common Council has established the Outstanding Debt Task Force. The task is reviewing monies owed the City and strategies for collection. At the September 13, 2005 meeting the Task Force approved the following recommendations pertaining 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 by ordinance an alternative method for enforcement of nonmoving traffic violations.*

In addition, this ordinance would allow the Municipal Court to enter a default judgment without requiring signed acceptance of responsibility by the vehicle owner or violator.

The final Outstanding Task Force Meeting is scheduled for October 19, 2005 and a final report will be presented to the Common Council thereafter.

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 to approximately \$7 million was a result of the City's participation in TRIP. The Secondary Collections remained stable in 2004 and continue to represent one-third of total collections.

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

SECONDARY COLLECTIONS						
1999	2000	2001	2002	2003	2004	2005 (Through 7/31/05)
\$3,900,616	\$3,984,784	\$4,556,335	\$6,423,426	\$7,050,508	\$6,966,074	\$4,947,892

Towing Operations

The Tow Lot's 2004 actual revenues exceeded operating expenditures by approximately \$1.2 million. The "excess" revenue can be attributed to the higher than anticipated revenue for salvaged vehicles and lower costs due to an agreement with Miller Compressing Company to process recycled vehicles.

DPW anticipates the Tow Lot will continue to recover approximately 100% of the Tow Lot's operating costs in 2006. The 2006 Proposed Budget includes \$4,166,028 for the Tow Lot's total operating expenditures. DPW-Administration estimates that the Tow Lot will generate \$4,250,000 in revenue from the towing and disposal of vehicles.

In 2006, DPW anticipates towing 27,000 vehicles. Of the 27,000 vehicles towed, DPW estimates that 14,000 vehicles will be returned to their owners. The average pick-up time for vehicles retrieved by owners in 2004 was 3.3 days.

As part of DPW's effort to recover 100% of the costs associated with towing, DPW entered into an agreement with Miller Compressing in October 2003 to lease a portion of the Tow Lot and to contract for the processing of recycled vehicles. The new contract with Miller Compressing has yielded the following results:

- DPW used to pay \$12 to tow each vehicle from the Tow Lot to Miller Compressing to recycle the vehicle. In 2004, 10,867 vehicles were towed to Miller. At a rate of \$12 per tow, the City saved nearly \$130,400.
- Revenues from the recycling of vehicles have increased due to a negotiated increase in the base price of \$4 per vehicle. This resulted in additional revenues of almost \$45,900 in 2004.
- Miller Compressing pays the City approximately \$19,000 per year under a lease agreement to process vehicles on the City Tow Lot.
- Fuel and processing charges are fixed over the life of the contract. In light of the significant increase in fuel costs, the City will realize significant savings by avoiding these high costs in the future.

The enactment of 2003 Wisconsin Act 201, which was published on April 22, 2004, is assisting the City in recovering towing and storage fees. The legislation allows for a vehicle registration hold for the nonpayment of towing and storage fees. Due to the passage of this legislation, vehicle owners whose vehicles have been abandoned at the City Tow Lot are required to pay up to \$295 in towing and storage charges. Failure to pay this amount results in a vehicle registration hold on currently-owned vehicles.

DPW implemented an accounts receivable billing program at the Tow Lot that became fully operational in May 2005. As of July 2005, nearly \$1.1 has been billed and 513 registration holds have been placed. To date, approximately \$84,000 has been collected. It will take approximately one year to fully yield the results from this program as people attempt to register their vehicles. However, DPW estimates that 25-40% of those with suspended vehicle registrations will pay.

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 2004 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.

Other Parking Fund revenue

Structures & Lots

The 2006 estimated revenue for the Parking Fund's structures and lots is \$6,652,125. The revenue increase reflects 2004 actual revenue.

Overnight Parking Permits

The revenue from the sale of overnight parking permits is estimated to be \$2,900,000. This reflects 2004 actual revenues.

On- Street Parking Meters

The 2006 on-street meter revenue is estimated to be \$3,870,000. This is a decrease of over \$200,000 from 2004. This decrease reflects the loss of revenue from the removal of meters due to the Marquette Interchange reconstruction project and related to the removal of meters to facilitate the restoration of City Hall.

Parking Fund Enhancements

Service Enhancements

- DPW currently has three kiosks installed in Police districts 2, 5 and 6. Third quarter data show that over 15,000 permits have been sold through the kiosks representing over half of the amount typically sold at these districts. In addition, over 3,200 parking citations have been paid to date totaling \$69,000. During the first quarter of 2006, DPW plans to install an additional five kiosks. Districts 3, 4 and 7 will each receive one, and Districts 5 and 6 will each receive a second kiosk due to the high sales volume at those two locations. During the last week of July, the City-owned kiosks began accepting utility payments for WE Energies. The City receives \$0.50 of every utility bill paid to WE Energies through the City-owned kiosks. Other companies have expressed interest in utilizing the City-owned kiosks for their bill payments as well.
- In mid-2006, DPW will deploy a Parking Information Guidance System that provides information on the availability of parking spaces in various parking structures in downtown Milwaukee by means of variable message signs installed along the freeway. As part of this project, this information will also be provided on the web site. Funding for the Guidance System is provided through a \$1.5 million Wisconsin Department of Transportation System Congestion Mitigation/Air Quality Grant (Resolution #000016).
- In late 2004, DPW installed new parking access and revenue control equipment in four City-owned parking structures. This equipment has the ability to provide for credit card payment on entrance, on exit, and at pay stations. The pay stations also take cash. In addition, the equipment has enhanced financial management, monitoring and auditing capabilities as well as provides payment options for the public. Further, the equipment

provides daily usage reports enabling DPW to better assess use and determine changes to rate structures. This technology has significantly reduced the number of cashiers needed to staff the parking structures. In fact, two structures no longer have cashiers on duty and cashiers at the remaining two structures will be reduced over time. Data through September, 2005, indicate that 24% of all revenue is paid by credit card and over one-third of all revenue is generated through the automated equipment. This will continue to increase as DPW transitions away from cashiers.

Enforcement Enhancements

- In the first quarter of 2006, the hand held computers and supporting systems used by parking enforcement will be replaced. This equipment, which is 7 years old, will have expanded memory to accommodate the scofflaw, night parking permit and stolen vehicle databases.
- Two mobile license plate recognition systems have been installed in 2005 to make enforcement of time zones and night parking more efficient as well as to detect stolen vehicles and parking scofflaws more effectively.

Capital

MacArthur Square Parking Structure Renovation - \$500,000

The 2006 Proposed Budget includes \$500,000 for the replacement of the membrane in the parking levels at MacArthur Square Parking Structure. Replacement of the membrane prevents chlorides from seeping into the concrete and causing structural damage.

Milwaukee/ Michigan Structure Renovation- \$280,000

The 2006 Proposed Budget includes \$280,000 for the replacement of the membrane in levels of the Milwaukee/ Michigan Structure. The membrane has exceeded its useful life and a new application is necessary to retard concrete spalling and rebar deterioration.

Multi-Space Parking Meters-\$1,300,000

The 2006 Proposed Budget includes \$1,300,000 for the installation of multi-space parking meters in Milwaukee's central business district (downtown). DPW estimates that approximately 150 multi-space parking meters will replace approximately 1,500 parking meters in downtown Milwaukee.

From April through July of 2004, 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
- Increased 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
- 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

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