

2020



Legislative Reference Bureau

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# TREASURER

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## 2020 Proposed Plan and Executive Budget Review

Prepared by: Alex Highley, Legislative Fiscal Analyst  
Budget Hearing: 11:00 am on Friday, October 4, 2019



**\$3,818,827**

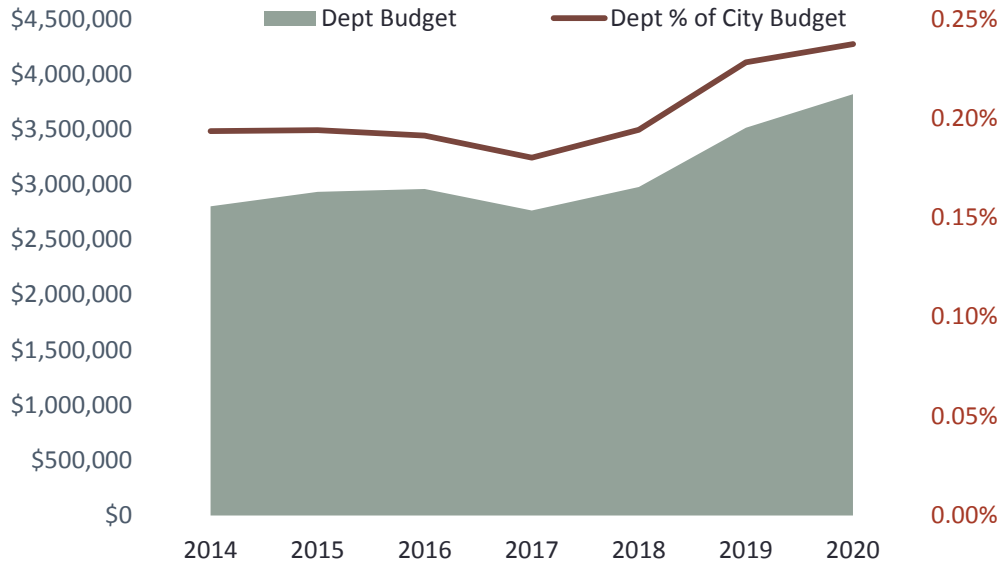
Proposed 2020 Budget

**\$304,179**

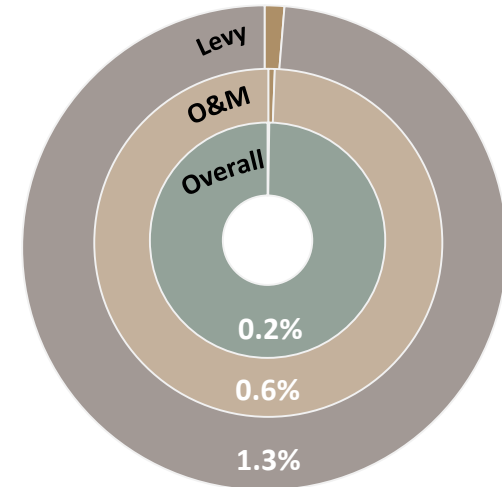
Change in Proposed Budget

**8.7%**

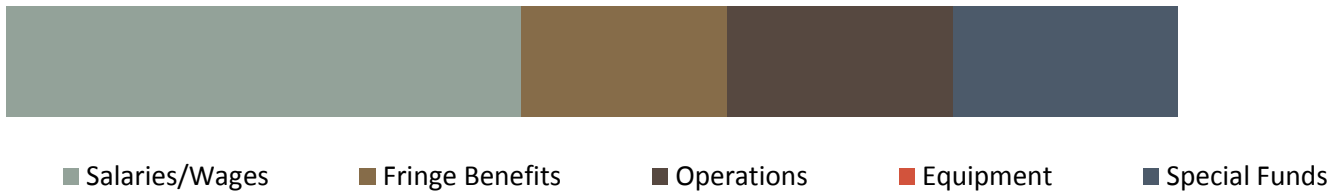
% Change in Proposed Budget



**Departmental Budget Impact**

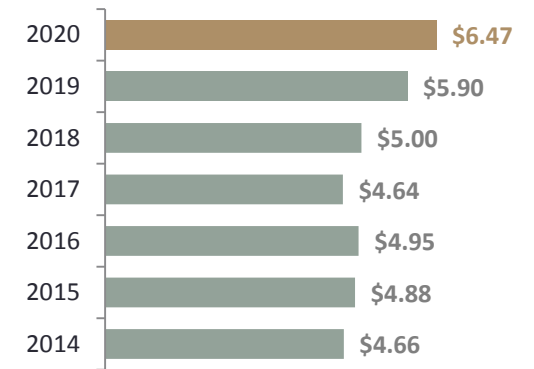


**Departmental Budget Appropriation Category**



	Salaries/Wages	Fringe Benefits	Operations	Equipment	Special Funds
\$	\$1,677,591	\$671,036	\$736,200	\$0	\$734,000
%	44%	18%	19%	0%	19%
Δ	5.7%	-6.0%	32.3%	0.0%	11.7%

**Budget per Capita**



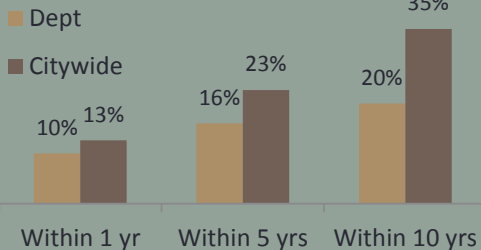
**\$47,939**

Increase in Salaries/Wages and Fringe Benefits for the department, up 2.1% from the amount allocated in 2019.

**0.3486%**

Expected cost of property tax collection as a percentage of property taxes collected. This cost is up 18.1% from a 2019 projected 0.2954%.

**Retirement Eligible**



**2**

Change in Positions

**4.2%**

% Change in Positions

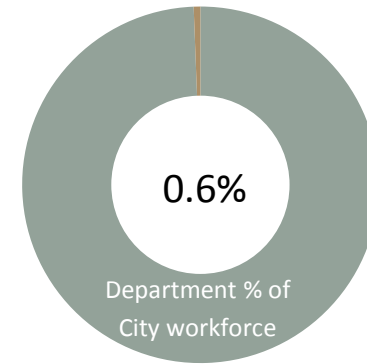
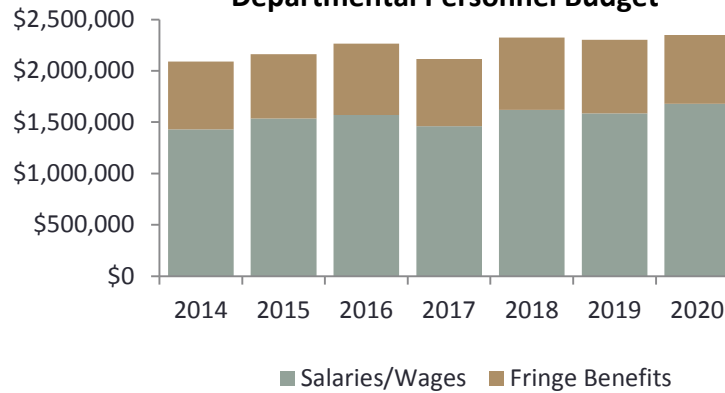
**0**

Current Vacancies

**2**

Voluntary Separations

**Departmental Personnel Budget**



**Staffing Vacancies**

There are no staffing vacancies at this time. However, there is one Customer Service Representative III position that is expected to become vacant by November 1, 2019.

**Staffing Update**

There are two new positions in this budget that are created in order to maintain current service levels:

- Program Assistant II (half-time)
- Customer Service Specialist (full-time)



**Department Positions  
2014-2020**

**\$179,550**

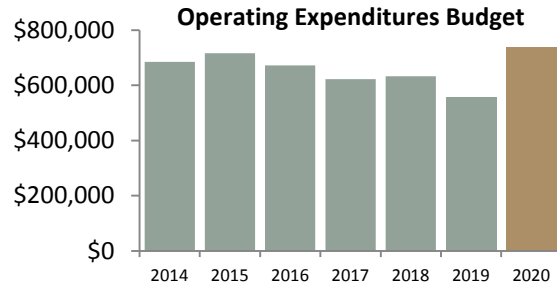
Increase in Operations costs for the department, up 32.3% from the amount allocated in 2019. Major contributors to this bump include increases in tax bill postage and lock box services for tax payments.

**\$76,690**

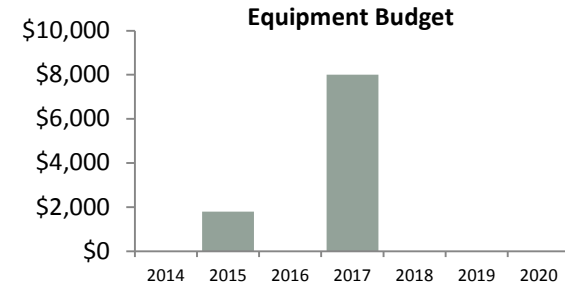
Increase in total Special Funds, up 11.7% from the amount allocated in 2019. Major contributors to this bump include systems development and support services from Tyler Technologies.

**\$810 million**

Expected dollar amount of total property taxes to be collected in 2020, up \$35 million from 2019.



24% | 24% | 23% | 22% | 21% | 16% | 19%  
Operating expenditures percent of department budget



0% | 0% | 0% | 0% | 0% | 0% | 0%  
Equipment percent of department budget

**Revenue**

Areas of revenues estimated for 2020:

- Licenses – Dog and Cat \$92,800
- Charges for Services \$118,800
- Miscellaneous – Interest on Investment \$2,614,700

**Total Department Revenues \$2,826,300**

*\*2020 revenues up \$373,300 or 15.2% from 2019*

**Special Purpose Accounts**

In 2019, the Treasurer’s Office used a \$625,000 City Collection Contract through a Special Purpose Account to fund the fees and costs for legal counsel to collect delinquent property taxes.

In 2020, this will shift into a \$1.25 million Citywide Collection Contract managed by the Department of Administration, and is expected to continue to cover the Treasurer’s Office’s legal costs.

**Grants & Aids**

This department receives no grant funding.

**Capital Requests**

There are no capital requests for this department.

**Special Funds**

Information Systems \$16,000  
 • Increased by \$12,000, or 300%, from 2019

Information Technology Services \$701,000  
 • Increased by \$64,665, or 10.2%, from 2019

# \$2,050,533

Planned 2020 General Fund investment revenue realized on short-term pooled cash investments, an increase of 25.8% from 2019. Total balance of the cash investments is currently \$153 million.

# \$851,133

Planned 2020 General Fund investment revenue realized on long-term pooled cash investments, an increase of 19.5% from 2019. Total balance of the cash investments was \$75 million in 2018.

# 20,715

Current delinquent real estate tax accounts, down 1,182 or 5.4% from October 2018.

## Munis Property Tax Collection System Update

The City Treasurer's Office implemented a new property tax collection system in December 2017. The contract services from Tyler Technologies – Munis Tax Collection System offer automated real estate and property tax billing and collections to allow taxpayers to make electronic payments year-round, and electronic billing and delinquency records are provided through the system. The City also runs System Innovator's iNovah application cashiering system in tandem with Munis.

As of October 2019, a planned interface between Munis and the iNovah system has not yet been activated. As a result, tellers perform some of the same functions in both the Munis system and the iNovah systems separately, including looking up tax accounts and posting tax payments, causing some inefficiency. The interface is expected to be completed by System Innovator in spring of 2020.

An operational efficiency that has been realized with the Munis system is that tellers no longer need to print duplicative property tax bills for taxpayers, and can instead retrieve electronic property tax information using Munis. In addition, the Munis self-service system now includes a search function that allows taxpayers to submit either their parcel ID or address in order to access their tax information online.

In July 2018, the Comptroller's Office published an Audit of City Treasurer Cash Controls, recommending that the Treasurer's Office strengthen its written policies and procedures for collecting revenue. Pursuant to the recommendations, policies and procedures for the current collection method have been documented; however, the department is waiting for the iNovah interface to become activated before developing a list of instructions for the future collection process. The report also recommended that, to reflect Federal Reserve's recent change in requirements for handling contaminated cash, also known as "blood money," the department should collaborate with the Milwaukee Police Department in order to develop a system for depositing potentially hazardous cash. Currently, this matter is being resolved together by the Milwaukee Police Department and Milwaukee Fire Department.

In December 2018, errors were found in over 2,500 Milwaukee property tax bills that resulted from incorrectly formatted special charges from the Department of Neighborhood Services. This was not attributable to the City Treasurer's Office because the department receives tax roll data at a later stage of the process. When the problem was discovered, the City mailed corrected tax bills to the affected taxpayers. ITMD is currently working to resolve the issue in the Exela LMS system.

**Increases in Operating and Special Funds Costs**

Operating Expenditures for the City Treasurer’s Office are being increased by \$179,550 for 2020, up 32% from 2019. Costs for tax bill postage increased by \$68,410 and are up to \$235,950 for 2020. This is in part due to a 10% USPS anticipated postage rate increase, along with the department’s 2018 experience. Other notable increases include an anticipated \$6,840 increase in banking services based on a new contract effective July 2020, and an anticipated \$130,315 hike in lock box services for tax payments. This lock box increase is due to the bank dropping the service, with the new wholesale company charging four times as much as previously.

Special Funds costs will increase by \$76,690 from 2019, which represents an 11.7% increase. Increases have concentrated in two areas: Information Systems and Information Technology Services. Within Information Systems, a \$12,000 increase over the previous year is justified by the need to replace computer workstations for Revenue Collections. Meanwhile, Information Technology Services will see a \$64,665 bump from 2019, largely as a result of a contract signed with Tyler Technologies for the Munis Tax System. Expenditures related to systems development for the Munis system will jump from \$0 in 2019 to \$24,410 in 2020, while Munis systems support services will increase from \$0 to \$40,000 for 10 weeks of onsite support for critical operations.

