

February 2, 2009

To the Honorable,
Judiciary and Legislation Committee
City Hall, Room 205
Milwaukee, Wisconsin 53202

Re: Common Council File 060638
Status of Recommendations from the Outstanding Debt Task Force

Dear Committee Members:

As noted in our March 30, 2007 status report on the recommendations from the Outstanding Debt Task Force that involved the Comptroller's Office, my office's focus has been on the implementation of a Citywide miscellaneous accounts receivable and billing system using Peoplesoft. To effectively address recommendations in Common Council File 051297 from the Outstanding Debt Task Force related to the Comptroller's Office, a citywide billing/accounts receivable system was needed.

As of our March 30, 2007 status report, the Citywide billings system was used for City miscellaneous invoices with the exception of DPW project billings. At that time, my office anticipated that the citywide miscellaneous accounts receivable and billing system would have been fully implemented by the end of 2007. Technical problems and other workload issues continued to delay the implementation of the project billing and automatic dunning letter process into 2008. After the resolution of the remaining project billing issues, DPW started using Peoplesoft for project billing in May of 2008. In August of 2008, the automatic dunning letter processing was implemented. The Treasurer's Office now sends two dunning letters to delinquent accounts receivable customers. The second letter indicates the delinquent account will be referred to the City's collection agency if the invoice is not paid. We plan to continue working with DOA-ITMD, the Treasurer's Office, DPW, and other City departments on the following remaining accounts receivable and billing issues:

- Implement the functionality to automatically add interest and/or late fees to delinquent invoices. A City ordinance would be needed before interest or late fees could be charged to customers.
- Convert outstanding A/R prior year billings into PeopleSoft billing and accounts receivable system.
- Automate cancellation form and process.

Once the infrastructure and data is available from a citywide billing/accounts receivable system, we will

have the resources needed to effectively start addressing the Outstanding Debt Task Force recommendations.

Recommendation 1 - That the City Comptroller and City Treasurer develop a revenue collection policy for miscellaneous accounts receivable. The revenue collection policy would exclude property taxes, municipal court revenues, and parking fines.

Recommendation 2 - That the City Comptroller and City Treasurer work to implement late payment fines, if appropriate.

Recommendation 3 - That the Comptroller's Office and the City Attorney work together to develop a policy in regard to writing off the debt that does not fall within the statute of limitations.

The next Comptroller's Office report on outstanding delinquent accounts will include trend data. This report will be completed after the closing of the City's 2008 financial records is completed.

If you need any additional information, please contact my office.

Very truly yours,

W. MARTIN MORICS
Comptroller

WMM:JME
Ref: 051297R3