

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2010 Proposed Budget – DPW-Parking

1. The 2010 Budget includes a \$21,537,000 transfer from the Parking Fund to the General Fund, a \$3.4 million increase from 2009. The increase reflects the increase in parking meter rates, parking citations and one-time \$5.7 million withdrawal from the Fund's Retained Earnings, an increase of \$1.5 million from the 2009 reserve withdrawal. (Pages 5 & 6)
2. The 2010 Proposed Budget shifts the Parking Enforcement Information Desk positions to the Unified Call Center in the 4th quarter of 2010, and includes the addition of Parking Meter Technician position. (Pages 1 & 2)
3. The Parking Fund is implementing the following changes in service (Pages 12 & 13)
 - **Overnight Permit Purchase Changes**

Effective December 20, 2009, the quarterly overnight parking permit is replaced with a \$16 4-month permit. If the permit is purchased in the first 4 months of the year, the fee for an annual permit remains at \$44. Permits will also be available for purchase online for a \$2.25 processing fee for each permit purchased online.
 - **Unpaid Citation Payment Plan**

With the implementation of the parking citation processing vendor's (Duncan Solutions) new parking citation information technology system, the Department of Public Works is initiating a parking citation payment plan, which allows the parking citation review manager to permit citizens to enter into the payment plan to dispose of unpaid parking citations prior to adjudication in municipal court. There is a \$10 parking citation payment plan fee to cover the costs of postage, labor, and when necessary, vehicle registration holds.
 - **Replacement Kiosks**

DPW-Parking is in the process of ordering 9 replacement kiosks. The current kiosks are first generation machines that are not compliant with credit card security standards that go into effect in June 2010. As it would be extremely costly to try to bring the current machines into compliance, DPW will replace all 9 kiosks with the newest, sixth generation models.
 - **Violation Photos**

By mid-November 2009, Duncan Solutions will have upgraded all of the electronic enforcement citation-writers with cameras and wireless communication. The implementation of the upgrade is being staggered to provide minimal disruption to service and to provide maximum efficiency. The upgrade will allow citizens to view photos of their violations on the internet prior to dispute.
4. As of August, 2009, there was approximately \$58.8 million in outstanding parking citations. Of that amount, DPW estimates that approximately \$22.9 million is collectable. Most of the remaining \$35.9 million in parking citation delinquencies are

for citations issued to vehicles with out of state plates, and citations issued to vehicles with Wisconsin plates, but without a registered owner. In 2010, DPW will continue its on-going collection strategies. (Pages 7, 8 & 9)

5. The \$950,000 2010 Proposed Parking Fund Capital Budget includes \$550,000 for recaulking levels 1 through 7 of the 4th and Highland Structure. (Page 13).
6. Historical information can be found on page 13.

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

2010 Proposed Budget Summary: DPW - Parking

Expense Category	2008 Actual	2009 Budget	% Change	2010 Proposed	% Change
Operating Expenditures	\$ 43,752,228	\$ 44,684,313	2%	\$ 49,942,216	11%
Capital*	\$ 2,700,000	\$ 2,936,000	9%	\$ 950,000	453%
Positions	128	129	1%	130	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.*

2010 PROPOSED CHANGES & BUDGET ISSUES

Personnel

1. The 2010 Proposed Budget shifts the following Parking Enforcement Information Desk positions to the Unified Call Center in the 4th quarter of 2010:
 - 5 - Communication Assistant IV
 - 16- Communication Assistant III
2. The 2010 Proposed Parking Fund Budget provides funding for an additional **Parking Meter Technician** position, for a total of 3 Parking Meter Technicians. DPW indicates the additional position is needed for the following reasons:
 - To implement the recently enacted meter rate change while continuing to keep up with work orders to add or remove parking meters, to address meter repairs as soon as the shop is notified of any malfunction, and to continue to hood and unhood meters for construction or special events to maximize revenue and prevent excess revenue loss.
 - Increased parking rates will double the number of coins inserted in the meters. This will cause more coin jams, more equipment failures, additional maintenance, and decrease the meters' battery life, all which will required added staff hours to respond.
 - DPW anticipates installing several new meters in various locations in the near future. At the Pabst Brewery development, 150 - 200 new meters are likely to be installed. There are also preliminary plans to install approximately 250 meters in the Park East corridor, north of MSOE. These new meters will require a significant amount of labor hours to install and will create a significant increase in the number of meters maintained by the parking meter shop.

Vacancies

There are 4 vacant positions in the Parking Fund, three Parking Enforcement Officer (PEO) positions and a Parking Operations Supervisor position. The PEO positions are anticipated to be filled during October. The Parking Operations Supervisor Position is anticipated to be filled by January 1, 2010. There are no other current vacancies among Parking Fund staff.

Operating Expenditures

The 2010 Parking Fund's operating expenditures budget totals \$14,783,000 a \$907,000 increase from the \$13,876,000 provided in the 2009 Budget.

Professional Services

The 2010 Proposed Budget includes approximately \$7.5 million for Professional Services, an approximately \$400,000 increase from the \$7.1 million provided for in the 2009 Budget. The increase reflects capturing the terms of the new citation processing contract which were not finalized until after the 2009 Budget was adopted. It is important to note that the funding for 2010 Professional Services account is approximately \$500,000 less than 2008 actual expenditures,

Duncan Solutions, formerly 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 3 payment centers, processing primary and secondary collections, scheduling reviews with both the Citation Review Manager and Municipal Court, supporting the database, and online issuance for night parking permits, maintaining the tow management system, placing vehicle registration holds, mailing overdue notices, certifying individuals with the state Department of Revenue for the Tax Refund Intercept Program (TRIP), maintaining and supporting the kiosks and leasing the AutoCITES (AutoCITES are hand held computers used for issuance of parking citations).

The 2010 proposed Parking Fund's Professional Services Account also includes funding for the management of 4 City-owned parking structures (\$1.35 million), Division of Motor Vehicles for vehicle registration holds (\$170,000), coin counting/meter services and armored vehicle security services (\$80,000) and credit card transaction fees (\$400,000) paid to credit card companies when citizens use credit cards to pay for parking citations, to purchase night parking permits, and to pay for on- and off- street parking.

Other Operating Expenditure Changes

Other Operating Services increases from \$3,950,000 to \$4,100,000. This account reflects 2009 experience with adjustments made for banking fees charged to the parking fund previously paid by the Treasurer's office (\$13,000), contracted collection costs of the multi-space meters previously handled by the meter shop (\$13,000), increased credit card fees for commencement of on-line purchase of

night parking permits (\$5,000), meter software license fee (\$19,000), and service warranty for revenue control equipment at four garages (\$100,000).

Tools & Machinery Parts increases from \$2,000 to \$3,000. This account reflects 2008 experience with \$1,000 added for replacement tools in the meter shop.

Construction Supplies increases from \$3,000 to \$4,000. This account is adjusted for 2008 experience.

Energy increases from \$429,000 to \$536,700. This account reflects 2008 experience and is adjusted for increases in fuel and electrical energy.

Other Operating Supplies decreases from \$87,000 to \$75,000. This account reflects 2008 experience.

Facility Rental increases from \$141,000 to \$145,000. This account reflects a 2.8% COLA adjustment to the base rent for the parking enforcement facility located at 123 N. 25th Street.

Vehicle Rental increases from \$10,000 to \$12,000. This account reflects 2008 experience.

Non-Vehicle Rental increases from \$30,000 to \$33,000. This account reflects 2008 experience.

Infrastructure Services increases from \$63,000 to \$111,000. This account reflects 2008 experience.

Vehicle Repair Services increases from \$7,000 to \$23,000. This account reflects 2008 experience due to an aging equipment fleet primarily for non-enforcement vehicles.

Property Services decreases from \$630,000 to \$620,000. This account reflects 2008 experience adjusted for some additional wireless communication costs for the additional multi-space meters being installed.

Replacement Equipment

- The 2010 Proposed Budget includes \$112,000 for the replacement of 4 jeeps. Currently, DPW-Parking has after having taken receipt of jeeps authorized for purchase in 2008 and 2009, 56 jeeps in service. The 4 jeeps being replaced are 10 years old and the average mileage per jeep is 101,946.
- The 2010 Proposed Budget includes \$2,000 for digital video cameras. The video cameras will replace the current cameras that are used 24/7/365. The exterior of every vehicle is currently video-taped when it arrives on the Tow Lot. Photographic evidence is used to defend the City when vehicle damage claims or theft claims are filed against the City

- The 2010 Proposed Budget includes \$5,000 for the replacement of furniture at the Parking Enforcement and the Parking Information Desk. Parking Enforcement and the Parking Information Desk are 24/7/365 operations. Their office furniture, particularly the office chairs, has to be frequently replaced due to intensive use.
- The 2010 Proposed Budget includes \$30,000 for the replacement of 25 microcomputers. DPW indicates that approximately 50 microcomputers should be replaced in 2010 due to the expiration of their 5-year service warranty. DPW indicates that the computers are critical to the revenue generation earned in parking and towing operations. However, to hold costs down, only 25 computers will be replaced in 2010. DPW IT staff will continue to service the ones not being replaced in 2010 that are in best condition for one additional year.

DPW notes that computer equipment at the Tow Lot and in the garages is subjected to a harsher environment than those in a standard office setting, as gas fumes and weather extremes contribute to hardware failures. As no equipment is being added, no additional purchases of software licenses will be necessary.

- The 2010 Proposed Budget includes \$33,000 for a truck with a plow and salt hopper. The new truck will replace one that is 10 years old with approximately 96,000 miles. It is used at the City's four public parking structures, to plow and remove snow from all the sidewalks and exposed parking upper parking decks. It also transports equipment from structure to structure. Since 2007, DPW has spent over \$20,000 on its repair and maintenance. It is burning and/or leaking oil: The repair section of Fleet Services believes that the engine will soon require replacement.

Special Funds

Payment to Debt Service (\$3,600,000)

The 2010 Proposed Budget includes a \$3.6 million debt service payment for parking related debt. Approximately \$1.2 million of the Parking Fund's 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 infrastructure. The Miller Park debt payments will continue through 2028.

Payment in Lieu of Taxes (\$1,396,000)

The Parking Fund provides a payment in lieu taxes (PILOT) for the Fund's parking structures, parking lots and the tow lot. The 2010 PILOT is \$1,396,000, \$227,494 more than 2009's actual PILOT of \$1,158,506.

Contingent Fund (\$750,000)

The 2010 Proposed Budget includes \$750,000 for the Parking Fund's Contingent Fund. This is a \$325,000 increase from amount of funding that was included in the 2009 Budget, reflecting the use of the 2008 Parking Fund Contingent Fund to cover an unanticipated shortfall in 2008 employee benefit costs (\$233,500) and greater than anticipated 2008 PILOT payment (\$177,506). The 2010 Parking Contingent Fund is also available to provide continued operations for the Parking Information Desk pending the timing of the creation of the Unified Call Center.

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 implemented. 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.

Pension Contribution (\$354,610)

The 2010 Proposed Budget includes an expenditure of \$354,610 to cover the Parking Fund's portion of the pension fund shortfall. The Parking Fund estimates the funds pension contribution will increase to \$544,700 in 2010 and \$704,900 in 2011.

Transfer to the General Fund

The City of Milwaukee's Budget annually includes a transfer from the Parking Fund to the City's General Fund. The transfer to the General Fund reflects revenues in excess of expenditures, most of which is generated from parking citations and a withdrawal from the Fund's Retained Earnings (cash reserves).

The 2010 Budget includes a \$21,537,000 transfer from the Parking Fund to the General Fund, a \$3.4 million increase from 2009. The increase reflects the increase in parking meter rates, recently enacted by the Common Council, parking citation and one-time \$5.7 million withdrawal from the Fund's Retained Earnings, an increase of \$1.5 million from the 2009 reserve withdrawal.

It is important for the Parking Fund to have adequate reserves, since unanticipated expenditures or revenue shortfalls in 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 2:1 is considered to be acceptable. As shown in the table below, the Parking Fund's 2008 current ratio was 5.71.

Analysis Parking Fund's Cash Reserves 2003-2008 (000's)					
Category	2004	2005	2006	2007	2008
Cash and Cash Equivalents	\$24,092	\$22,001	23,024	\$21,633	\$21,991
General Obligation Debt Payable – Current	\$3,767	\$2,080	\$2,079	\$2,218	\$1,722
Accounts Payable	\$2,106	\$1,052	\$988	\$1,294	\$1,553
Accrued Expenses	\$ 664	\$636	\$675	\$743	576
Current Liabilities	\$6,537	\$3,768	\$3,742	\$4,246	\$3,851
Cash Less Liabilities	\$17,555	\$18,223	\$19,282	\$17,387	\$18,140
Current Ratio: Current Assets/Current Liabilities	3.68	5.84	6.15	5.09	5.71
Source: 2004, 2005, 2006, 2007 & 2008 CAFR					

Total parking fund cash less liabilities increased approximately \$750,000 in 2008 compared to the previous year. However, due to the need to fund pension reserves for the first time in 2010 and with successively higher projected funding pension funding needs in 2011 – 2012 (\$360K, \$544.7K, \$704.9K, respectively), DPW indicates that it will not be able to sustain additional \$5+ million withdrawals from reserves beyond 2010. If however, the newly enacted rate increases continue to provide added funds from citations, towing and meters, it may be possible to sustain \$18 million transfers through 2012 with annual reserve withdrawals of less than approximately \$4 million.

Projecting future cash reserves is more difficult in 2009 because the effects of the increase in downtown meter rates and in some but not all citations are not yet fully known. Further, changes resulting from the omnibus revenue ordinance adopted in July 2009 which will take effect in 2010 are yet unknown. Increasing meter rates is anticipated to create some fee avoidance, and the increase in parking citation fees may result in people taking longer to pay their citations to the City, particularly in the current economy. However, as the economy recovers, DPW expects revenue to increase.

Parking Fund Revenues

Parking Citation Revenue

The 2010 estimated parking citation revenue is \$22.0 million, a \$2,367,850

increase from 2009. The increase reflects the increase in various parking citations fines that were approved by the Common Council on July 28, 2009 (File #090259). The table below shows the total number of citations and amount of parking citation revenue generated for 2004 through 2008. The decline in the number of citations issued is due to greater compliance and a relaxing of parking regulations such as allowing night time parking on both sides of the street on a greater number of the City's streets. The increase in 2008 citation revenue reflects the one time increase obtained in secondary collections by lowering the tax refund intercept (TRIP) threshold to \$45 from the previous \$50 threshold.

PARKING CITATION DATA					
	2004	2005	2006	2007	2008
Total # Issued	1,113,6111	913,605	935,000	909,988	880,859
Citation Revenue	\$21,731,894	\$20,166,976	\$20,452,840	\$19,306,468	\$22,704,682

The tables below show the yearly number of night parking violations and meter violations for the years 2004 through 2008.

Night Parking Violations					
	2004	2005	2006	2007	2008
# Of Violations	640,100	501,940	518,330	512,879	463,835
% of Total Violations	57.62%	54.98%	55.43%	56.58%	52.66%

Meter Violations					
	2004	2005	2006	2007	2008
# of Violations	190,754	153,299	139,857	120,242	122,871
% of Total Violations	17.17%	16.79%	14.95%	13.27%	13.95%

Citation Collection Effort

As of August, 2009, there was approximately \$58.8 million in outstanding parking citations. Of that amount, DPW estimates that approximately \$22.9 million is collectable. Most of the remaining \$35.9 million in parking citation delinquencies are for citations issued to vehicles with out of state plates, and citations issued to vehicles with Wisconsin plates, but without a registered owner.

In recent years, the Department of Public Works has implemented strategies for handling the large number of parking scofflaws. After several years of DPW working with WisDOT regarding vehicle registration holds, WisDOT has agreed to make the following changes. In July 2007, the State of Wisconsin's Division of Motor Vehicles (DMV) allowed the City to bundle outstanding parking citations

under one license plate hold. However, subsequent citations incurred can not be added to an existing bundle requiring an additional hold to be placed. In addition, the DMV lowered the registration hold fee from \$5 to \$2.50. Further, the DMV does provide the City driver's license numbers as part of the registered owner information for owners who have outstanding citations.

In the past, the City placed a registration hold on the oldest citation. The consequences of being able to bundle outstanding parking citations under one vehicle registration hold means the statute of limitations to adjudicate all the citations increases 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. Being able to bundle outstanding parking citations under one vehicle registration hold will reduce the number of holds placed by the City. In 2010, to reflect this reduction and the reduced cost of a hold, DPW adjusted funding for vehicle registration holds to \$170,000 from the \$350,000 budgeted for this activity in 2009. As recently as 2007, \$600,000 was budgeted for vehicle registration holds.

The Department of Public Works has also worked with the State of Wisconsin's Department of Transportation to allow the City to obtain driver's license numbers for owners who have outstanding citations. In August 2006, the City began receiving driver's license numbers from the DMV on individuals who have unpaid parking citations. This information is received along with the vehicle registration information. The purpose of the City receiving drivers' license numbers is to share this information with the Department of Revenue for Tax Refund Intercept Program (TRIP) certification purposes. The Wisconsin Department of Revenue requirements for a social security number or driver's license number to certify debt had limited Tax Refund Intercept Program (TRIP) certifications. Since the DMV has provided the City with drivers' license numbers as part of the vehicle registration data, many more certifications are taking place with a much smaller error rate. Prior to receiving the drivers' license numbers, the certification rate was 47% of those eligible. Currently, 61% of all Parking debt has been certified. Most of this improvement is due to receiving the drivers' license number information from the DOT, but also some improvement can be associated with Duncan Solutions implementing improved data scrubbing and skip tracing routines.

When someone's name is certified on the Wisconsin Department of Revenue (WISDOR) interception list, it remains on the list until the debt has been paid. Debt is paid to the City when there is a tax refund due and after any other municipalities who may have registered with the WISDOR prior to the City doing so have been paid.

The City began participating in TRIP in the fall of 2002 for unpaid parking citations for those people with balances over \$300. Over the years, DPW has reduced the balance of unpaid parking citations a violator can accumulate before a TRIP certification occurs to the current balance of \$45.

From 2003 (beginning of participation in TRIP) through 2008, 780,084 citations have been certified with the Department of Revenue totaling approximately \$36.4 million of which 214,457 citations have been paid totaling over \$10.7 million. In addition approximately \$7 million of the debt that had been certified in TRIP was collected prior to it being intercepted. This represents a collection rate of 32%. Under the TRIP, the debt remains certified until fully paid. At the end of 2008, \$18.7 million in outstanding debt still remained certified, which will likely be collected over many years.

In 2006, 59,326 citations with a total value of \$2,580,484 were intercepted through TRIP. In 2007, 45,870 citations with a value of \$2,017,670 were collected through TRIP. In 2008, 62,539 citations with a value of \$3,005,497 were collected through TRIP. Between January and July 31, 2009, 56,837 citations with a value of \$2,733,000 were collected. The significant increase in TRIP collections in 2008 was due to lowering the amount of outstanding debt for certification to \$45. This was a one-time increase in TRIP collections that will not be sustained over time.

The utilization of a summons and complaint form at the Tow Lot is another strategy used to reduce the number of scofflaws. If a vehicle is towed and there are 3 or more outstanding parking citations older than 30 days, the vehicle owner is served a "summons and complaint". This has proven to be a very effective tool in requiring people to pay or adjudicate outstanding parking citations. In 2008, the Tow Lot staff issued 3,063 summons for 21,047 citations valued at \$972,929. For the first 6 months of 2009, 1,999 summons were issued for 14,981 citations valued at \$677,795.

Secondary Collections

Secondary collections represent citations paid after 80 days. Citations become past due when unpaid after 10 days. Secondary Collections represent approximately 44% of total collections. The table below shows the secondary revenue collected by Duncan Solutions since 2002. The increase in 2006 and 2008 collections reflect a reduction in the balance of unpaid parking citations a violator can accumulate before a TRIP certification occurs to \$75 and \$45 respectively. Typically when the TRIP amount is lowered, a one-time increase in collections will occur.

2003	2004	2005	2006	2007	2008	2009 (Through 7/30)
\$7,050,508	\$6,966,074	\$6,845,031	\$7,250,807	\$6,130,539	\$8,951,271	\$8,878,452

Outstanding Debt Task Force

The Common Council Outstanding Debt Task Force issued its report on December 1, 2005 (File #051098). The Task Force reviewed monies owed the City and strategies for collection. On January 18, 2006, the Common Council adopted a

resolution (File #051150) directing the Intergovernmental Relations Division to seek the introduction of state legislation necessary for implementing various recommendations of the Task Force. Two of the Task Force's recommendations related 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 an ordinance requiring a person who was issued a parking citation to, within 180 days after the parking citation was issued, either pay the citation or make arrangements with the city to contest the citation. If the person fails to comply with any of these provisions, the person is deemed to have entered a plea of no contest. The court must accept the plea of no contest, find the person guilty and enter judgment. The court would be required to mail the person a copy of the judgment along with a statement setting forth the actions the court may take if the judgment is not paid.*

Assembly Bill 183, an act relating to the immobilization or removal, impoundment, and disposal of motor vehicles for multiple nonmoving traffic violations was recommended for passage by the Assembly Committee on Urban and Local Affairs on June 16, 2009. The next step is for the full Assembly to take a vote on the bill, and then it would proceed through the Senate process. The legislature was focused on the State Budget in late June and then recessed until September 15th. The City is lobbying for an Assembly floor vote this fall.

Other legislation, establishing a time frame to adjudicate parking citations for cities of the first class, was drafted and circulated by Rep. Krusick on behalf of the City of Milwaukee. The Municipal Judges' Association opposed the legislation. DPW disagrees with the judges and has requested this legislation be included in the City's 2009-2010 legislative package. DPW intends to work with Rep. Krusick and the Municipal Judges Association to find a resolution that is amenable to all parties.

Towing Operations

The Tow Lot's 2008 actual revenues exceeded operating expenditures by approximately \$2.1 million. The "excess" revenue can be attributed to the higher than anticipated revenue from the increase in the number of vehicles towed and higher retrieval rates.

In 2008, 34,898 vehicles were towed, a slight decrease from the 36,274 vehicles towed in 2007. Through July 31, 2009, 19,718 vehicles had been towed. DPW expects to tow 35,000 in 2010.

Due to a number of reasons, the percentage of vehicles retrieved by their owners has increased dramatically over the last few years. In 2003, the retrieval rate was 42%. In 2008, the retrieval rate had increased to 80%. The significant increase in retrieval rates from 2006 also reflects the implementation of a City ordinance that prohibits a vehicle from parking on City streets without displaying valid registration and the City towing illegally parked cars with 4 or more open citations. The average number of days before a vehicle is released to its owner has dropped from 3.75 in days in 2003 to 2.3 days in 2008.

Assuming that 35,000 vehicles will be towed in 2010, DPW anticipates the Tow Lot will generate \$1.4 million in “excess” revenue over its 2010 operating costs. The 2010 Proposed Budget includes \$4.6 million for the Tow Lot’s total operating expenditures. DPW-Administrative Services estimates that the Tow Lot will generate \$6,000,000 in revenue from the towing and disposal of vehicles.

The enactment of 2003 Wisconsin Act 201, which took effect on April 22, 2004, is assisting the City in recovering towing and storage fees. The legislation allows for recovery of towing and storage fees, and further states that outstanding storage charges may not exceed 20 days of such storage. Failure to pay this amount may result in a vehicle registration hold placed on the owner’s other vehicles, not just the unclaimed vehicle and certification with TRIP.

In addition to contributing to the increase in the vehicle retrieval rate, Act 201 has generated additional revenue. Since 2005 (through July 31, 2009), the Tow Lot has collected \$1.5 million from people who did not retrieve their vehicle from the Tow Lot, but paid the towing and storage fees as allowed by law.

Other Parking Fund Revenue

Structures

The 2009 estimated revenue for the Parking Fund’s structures is \$7.2 million. Notable revenue change include a \$200,000 increase at 1000 N. Water and MacArthur Square structures and reductions in revenue from the restaurant in the 4th and Highland structure (\$122,384) and the 4th and Highland Structure (\$50,000). Regarding the sale of parking structures, DPW indicates that there is no RFP being written to sell any City-owned parking structures. However, the owner of the 1000 N Water office tower has expressed interest in purchasing the City’s parking garage in that building. The office tower owner has the legal right as part of the condominium agreement to have first right of refusal should it be offered for sale. If a serious offer is received from the tower owner that is acceptable to both DPW and the Comptroller in terms of value to the City, the proposal would be submitted to the Common Council to determine whether a sale would be in the best interest of the City.

Overnight Parking Permits

The revenue from the sale of overnight parking permits is estimated to be \$3.0 million. This estimate reflects 2008 actual revenues.

On-Street Parking Meters

The 2010 on-street meter revenue is estimated to be \$5,060,000 million, an increase of approximately \$1.7 million. The increase reflects the increase in parking meter rates approved by the Common Council.

Parking Fund Service Enhancements

Overnight Permit Purchase Changes

Currently, quarterly and annual on-street all night parking permits and off-street municipal parking lot permits may be purchased at police district stations, violation bureaus, the City of Milwaukee tow lot, or through the mail. The current fees are \$12 for a quarterly permit, \$44 for an annual permit.

On July 29, 2009, the Common Council adopted an ordinance (File #090309) relating to the sale of on-street all night parking and off-street municipal parking lot permits. Effective December 20, 2009, the ordinance replaces the quarterly permit with a \$16 4-month permit. If the permit is purchased in the first 4 months of the year, the fee for an annual permit remains at \$44. The ordinance does establish a \$32 fee for annual permits purchased in the 2nd 4 months of the year. The ordinance authorizes the sale of night parking and off-street municipal parking permits online and establishes a \$2.25 processing fee for each permit purchased online. The ordinance also provides that if an online permit application is made 7 days or less before the start of a new 4-month period, the vehicle for which the permit is issued is permitted to park for up to 7 days without displaying the permit.

Unpaid Citation Payment Plan

With the implementation of the parking citation processing vendor's (Duncan Solutions) new parking citation information technology system, the Department of Public Works is initiating a parking citation payment plan, which allows the parking citation review manager to permit citizens to enter into the payment plan to dispose of unpaid parking citations prior to adjudication in municipal court. On February 10, 2009, the Common Council adopted an ordinance establishing a \$10 parking citation payment plan fee to cover the costs of postage, labor, and when necessary, vehicle registration holds.

Replacement Kiosks

DPW-Parking is in the process of ordering 9 replacement kiosks. The current kiosks are first generation machines that will not be compliant with credit card security standards that go into effect in June 2010. As it would be extremely costly to try to bring the current machines into compliance, DPW will replace all 9 kiosks with the newest, sixth generation models.

Besides the credit card compliance issue, the software and hardware of the newer kiosks should be more reliable than DPW's current ones resulting in greater up-time. In addition the new on-line permit purchase opportunity and the move to a 4-month from a 3-month permit should result in fewer kiosks transactions, which DPW anticipates will result in the new kiosks having a longer useful life-span.

Violation Photos

By mid-November 2009, Duncan Solutions will have upgraded all of the electronic enforcement citation-writers with cameras and wireless communication. The implementation of the upgrade is being staggered to provide minimal disruption to service and to provide maximum efficiency. The upgrade will allow citizens to view photos of their violations on the internet prior to dispute. As a result, the City should experience higher compliance, higher payment rates and a lesser burden on City administrative staff to adjudicate citations

Multi-Space Meter Update

In fall of 2009, an additional 40 multi-space meters will be installed primarily in the Historic Third Ward to replace 373 single-space meters. By the end of 2009, there will be 217 multi-space meters controlling 2,219 metered spaces.

The remaining capital from the funds authorized in the 2009 budget will be used to purchase approximately 50 additional multi-space units, replacing approximately 500 single-space meters in fall of 2010.

Capital

The 2010 Proposed Budget includes \$950,000 for the following Parking Fund Capital Projects:

Miscellaneous Structural/Mechanical/Electrical Maintenance-\$400,000

This program provides for necessary repairs of a non-emergency nature that when left uncorrected lead to structural, mechanical or electrical deterioration. By grouping smaller planned repair or renovation projects into a single capital account, DPW can adjust priorities and individual scopes during the budget year. It also allows staff to bid similar work across various structures to obtain lower prices.

4th & Highland Parking Structure- \$550,000

In 2010 levels 2 through 8 of the structure will be recaulked. The recaulking is intended to prevent the degradation of structural connections which if allowed to happen would result in more costly repairs in the future.

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.

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