

City of Milwaukee
Outstanding Receivables Report



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Comptroller

June 2015

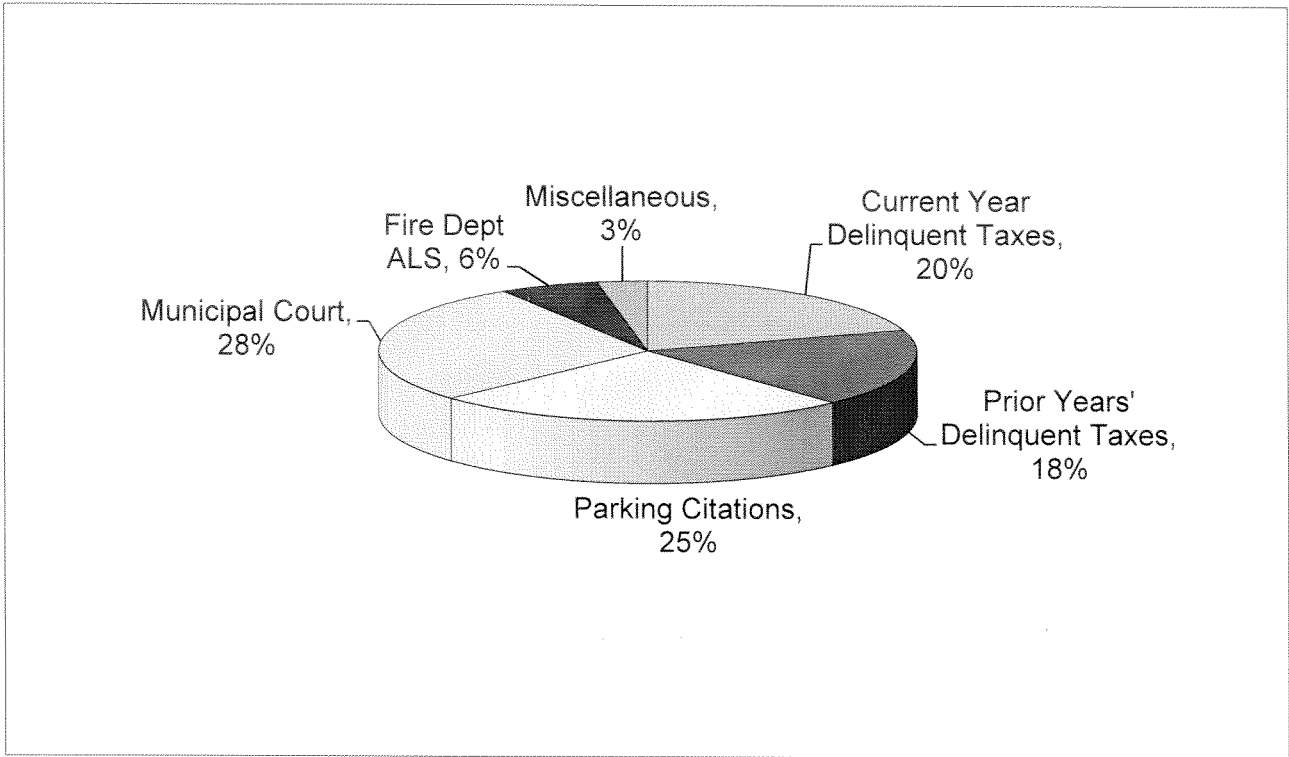
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Introduction

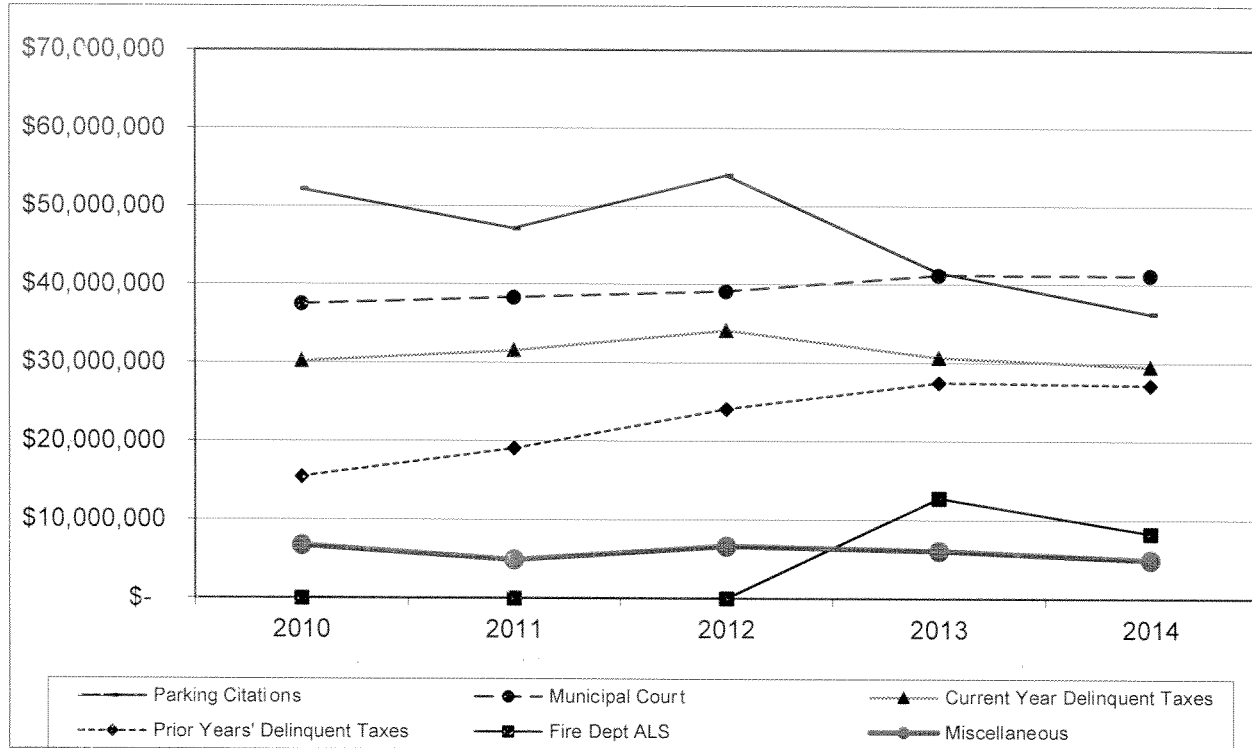
The Comptroller's 2015 Report on Outstanding Receivables as of December 31, 2014, (unaudited) is being issued as required by Ordinance 304-1-5. The report provides summary information on City outstanding receivables including Delinquent Taxes, Parking Fund Citations, Municipal Court Judgments, Miscellaneous Accounts Receivable, and the Fire Department Advanced Life Support (ALS) Billings.

Outstanding Receivables as of December 31, 2014



Outstanding receivables for the City of Milwaukee as of December 31, 2014, total \$147.3 million. The largest category of outstanding receivables is Delinquent Taxes, totaling 38%. Current Year Delinquent Taxes (2013 taxes for 2014 purposes) account for 20% of this total, while Prior Years' Delinquent Taxes (2012 taxes and prior) total 18%. Municipal Court outstanding judgments and Parking Citations are the next largest categories, 28% and 25% respectively. Fire Department Advanced Life Support (ALS) Billings total 6% while Miscellaneous Accounts Receivable is the smallest category totaling 3%.

Outstanding Receivables at Year End 2010 – 2014



	2010	2011	2012	2013	2014
Parking Citations	\$ 52,158,000	\$ 47,150,000	\$ 53,965,000	\$ 41,537,000	\$ 36,252,000
Municipal Court	37,479,000	38,319,000	39,101,000	41,186,000	41,131,000
Current Year Delinquent Taxes	30,237,000	31,590,000	34,146,000	30,717,000	29,548,000
Prior Years' Delinquent Taxes	15,465,000	19,080,000	24,081,000	27,489,000	27,156,000
Fire Department ALS Billings	-	-	-	12,766,000	8,267,000
Miscellaneous	6,734,000	4,878,000	6,622,000	6,058,000	4,909,000
TOTAL	\$ 142,073,000	\$ 141,017,000	\$ 157,915,000	\$ 159,753,000	\$ 147,263,000

Outstanding receivables, by category from 2010 through 2014, are shown in the chart and table above. Total 2014 receivables decreased \$12.5 million compared to 2013. Moreover, the 2014 balances in all categories reported decreased compared to prior year.

Prior year's delinquent taxes receivable experienced the largest increase over the five year period, increasing from \$15.5 million in 2010 to \$27.2 million in 2014. However, this category decreased \$333,000 in 2014 from the prior year. Current year delinquent taxes receivable decreased from \$30.2 million to \$29.5 million during this time period.

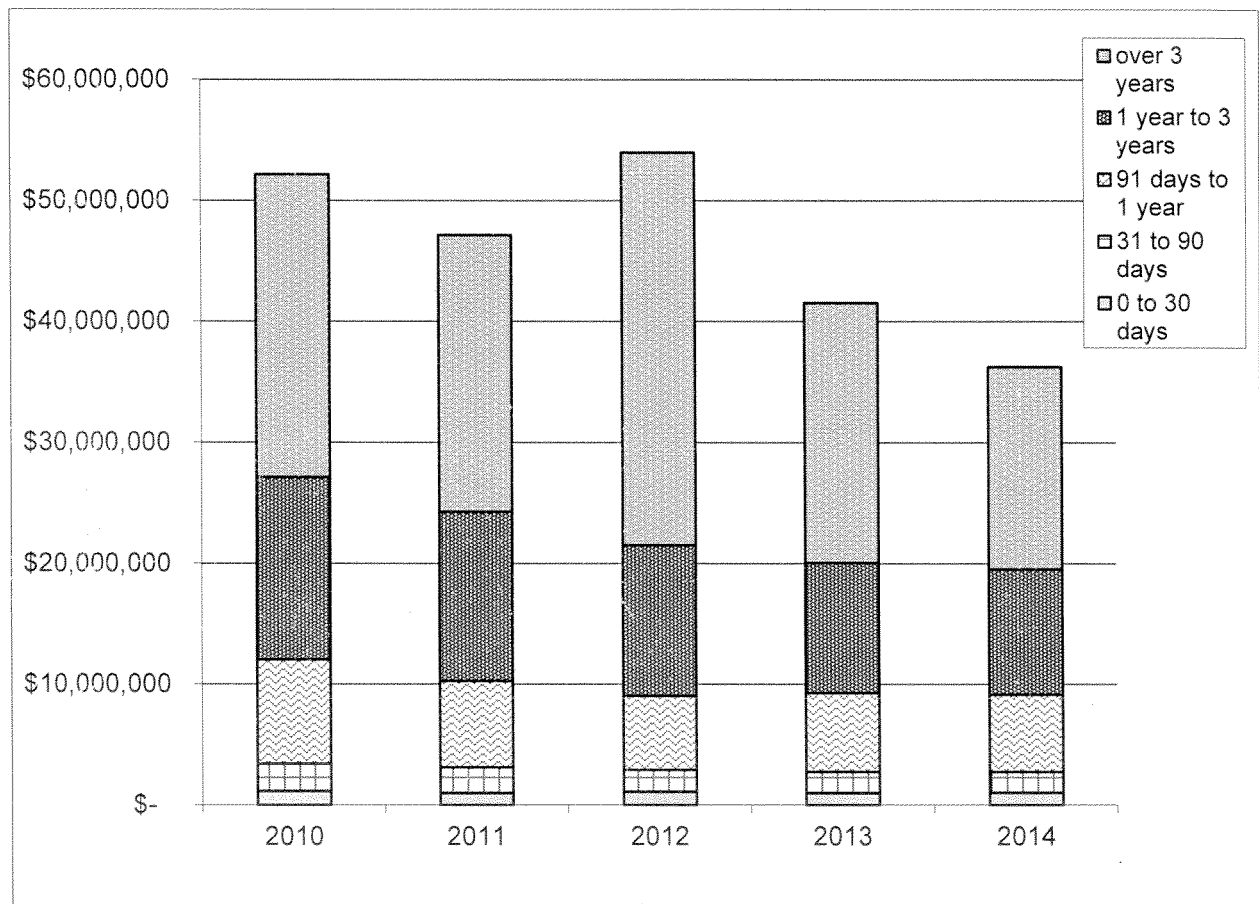
Municipal Court receivables increased from \$37.5 million in 2010 to \$41.1 million in 2014 but decreased \$55,000 from 2013.

Parking citations decreased from \$52.2 million in 2010 to \$36.3 million in 2014, a \$15.9 million drop. Outstanding 2014 parking citations, decreased \$5.3 million compared to 2013.

Miscellaneous accounts receivable, which includes billings by various general city departments, decreased from \$6.7 million in 2010 to \$4.9 million in 2014.

The Parking Fund writes off delinquencies that are six years old and older, due to the statute of limitations rendering these uncollectible. Miscellaneous receivables and tax delinquencies of \$5,000 or more may be cancelled or adjusted through Common Council action. An interdepartmental process is followed for delinquencies less than \$5,000. Municipal Court judgments are settled either through cash fines, jail time or community service. Judgments that are at least seven years old, and meet City Attorney criteria, may be written off pursuant to Common Council resolution authorizing such write-offs.

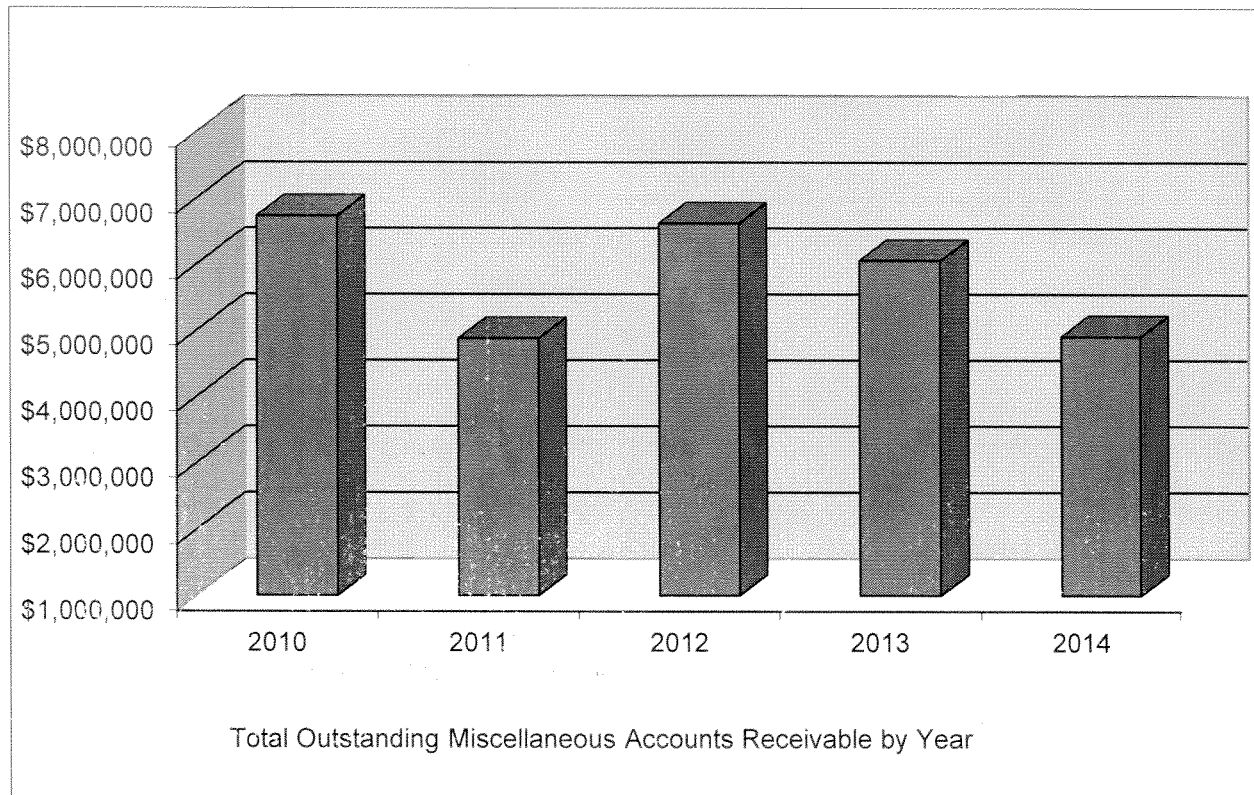
Parking Fund Receivables Aging



The chart above shows the aging of parking citation outstanding receivables from 2010 to 2014. More than half of the current outstanding balance for parking citation receivables is considered unlikely to be collected due to lack of registered owner information, citations issued to out of state vehicles, and the age of outstanding citations.

Parking citations were \$52.1 million in 2010 and were \$36.3 million in 2014. This reduction is due to the write-off of uncollectible receivables and the use of the State Tax Refund Intercept Program (TRIP).

Outstanding Miscellaneous Accounts Receivable



	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City Clerk	\$ 1,000	\$ 1,000	\$ 28,000	\$ 66,000	\$ 28,000
City Attorney	83,000	-	-	137,000	48,000
City Development	297,000	297,000	297,000	29,000	30,000
Comptroller	222,000	255,000	268,000	311,000	270,000
Employee Relations	1,269,000	443,000	1,835,000	565,000	261,000
Dept of Administration	22,000	23,000	23,000	218,000	159,000
Fire Department	60,000	48,000	112,000	73,000	196,000
Health Department	101,000	89,000	60,000	45,000	53,000
Police Department *	1,640,000	1,641,000	1,641,000	1,641,000	1,641,000
Port of Milwaukee	957,000	929,000	838,000	800,000	709,000
Public Works	2,066,000	1,152,000	1,508,000	2,166,000	1,498,000
Treasurer	16,000	-	12,000	7,000	16,000
TOTAL	\$ 6,734,000	\$ 4,878,000	\$ 6,622,000	\$ 6,058,000	\$ 4,909,000

* \$1.636 million of the Police Department receivable was written off through Council resolution #141792 adopted 3-31-15.

The above chart and table show the change in outstanding miscellaneous accounts receivable by year for various City departments. Miscellaneous accounts receivable includes a variety of billings, such as damages to City property, leasing of City property, and employee health care costs to non-City agencies such as the Wisconsin Center District. In total, the year-end balance for outstanding miscellaneous receivables decreased \$1.8 million, or 27%, from 2010 to 2014.