

2018



Legislative Reference Bureau

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# TREASURER

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## 2018 Proposed Plan and Executive Budget Review

Prepared by: John Ledvina, Fiscal Planning Specialist  
Budget Hearing: 1:30 pm on Friday, October 6, 2017  
Last Updated: October 5, 2017

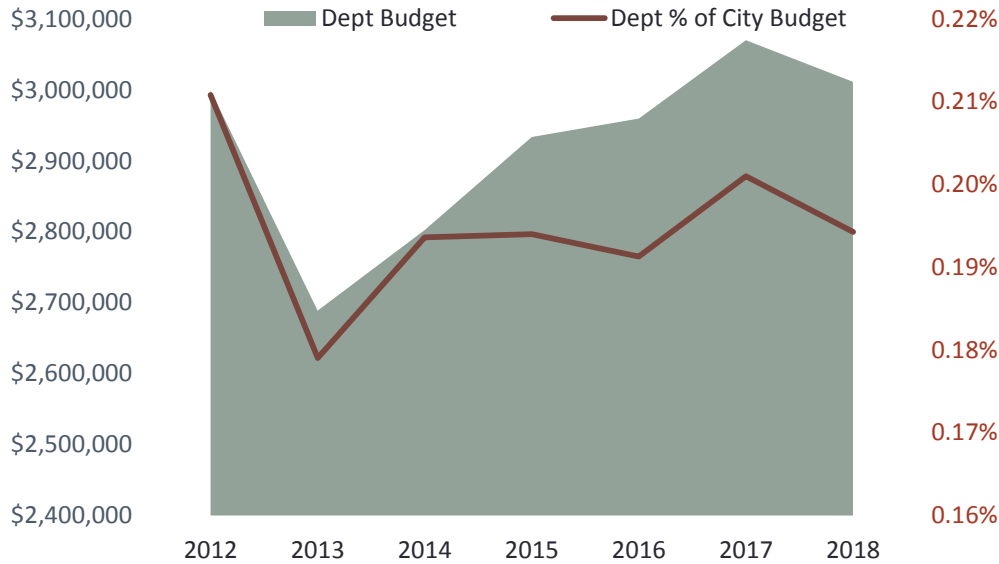
Version 1.2



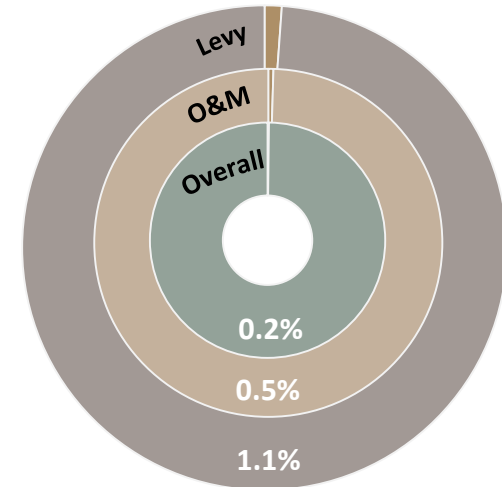
**\$3,011,494**  
Proposed 2018 Budget

**-\$58,668**  
Change in Proposed Budget

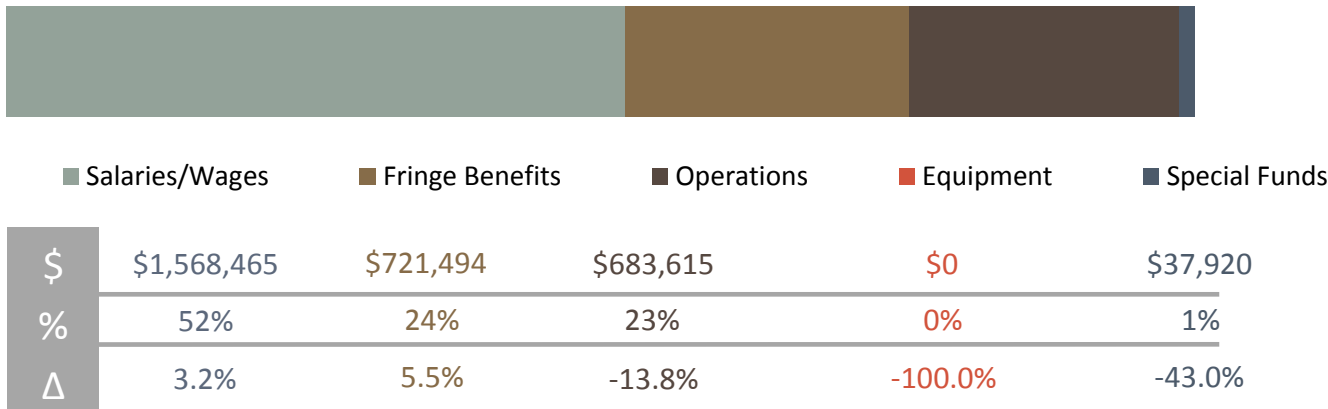
**-1.9%**  
% Change in Proposed Budget



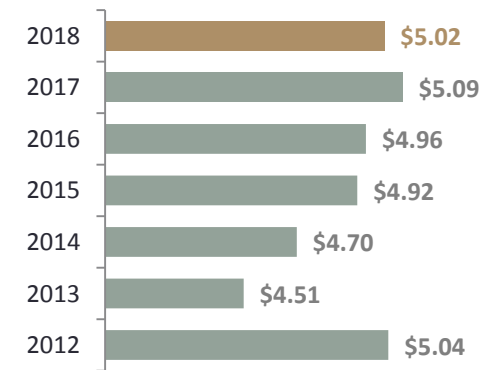
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita

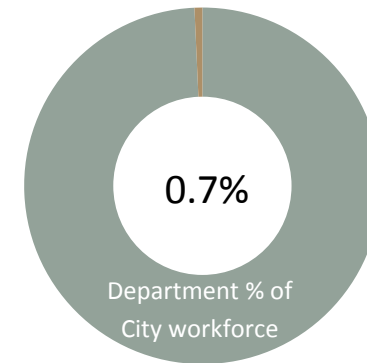
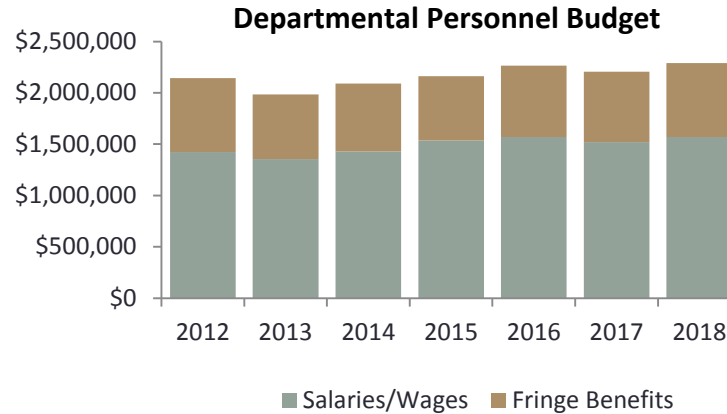


**+\$48,205**

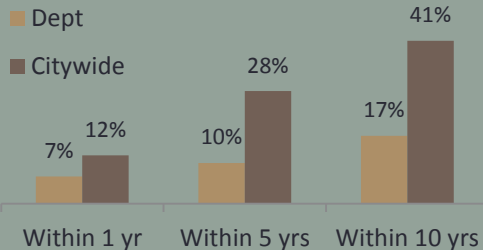
Increase in Salaries and Wages for the department, up 3.2% from the amount allocated in 2017.

**+\$37,377**

Increase in Fringe Benefits for the department, up 5.5% from the amount allocated in 2017.



#### Retirement Eligible



#### Staffing Vacancies

- Two positions are vacant.
- Customer Service Representative II Request to Fill approved 9/20/2017.
- Program Assistant II On hold pending outcome of proposed reorganization.

#### Staffing Update

- Treasurer seeking reorganization of office staff/title upgrades based on operational changes. DER presently studying.
- Proposed Budget retains current staffing.
- Marginal increase in Salaries and Wages due to general employee performance-based average 2% wage increase effective in September 2017.

**0**

Change in Positions

**0.0%**

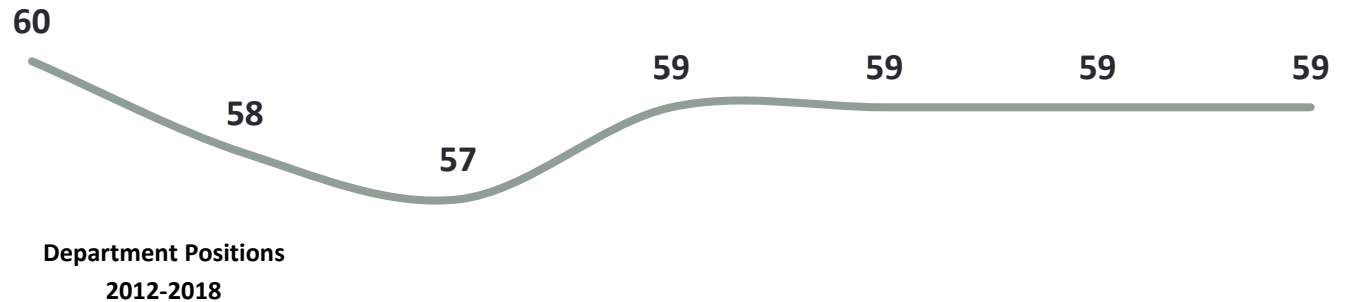
% Change in Positions

**2**

Current Vacancies

**0**

Voluntary Separations



**-\$109,785**

14% decrease in Operating Expenditures from 2017.

\$57,750 portfolio manager fees eliminated when long-term pooled cash portfolio was brought back “in-house.”

Various Other Operating Services DECREASED, most notably:

\$28,905 in legal notice publishing

\$11,575 in CD imaging services

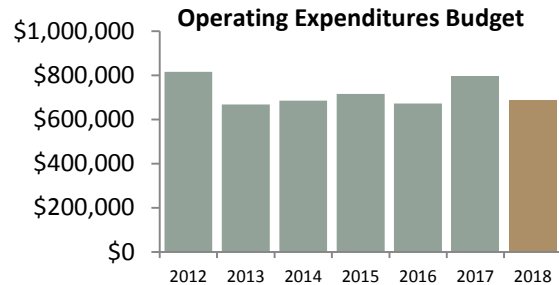
\$19,390 in title search services

**88%**

Average 12-year collection rate for City tax delinquencies.

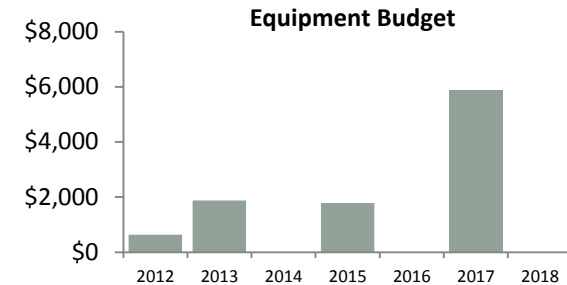
**349**

Parcels acquired in first 3 *In Rem* Tax Foreclosure filings of 2017. Fourth and fifth groups filed; awaiting court action.



27% | 25% | 24% | 24% | 23% | 26% | 23%

Operating expenditures percent of department budget



0% | 0% | 0% | 0% | 0% | 0% | 0%

Equipment percent of department budget

**Special Funds**

Information Systems - Decreases \$28,100 since majority of computers replaced in anticipation of Property Tax Collection System replacement.

Expect resumption of normal four-year computer replacement cycle to resume in 2020.

**Revenue**

- Licenses –Dog & Cat \$ 88,100
- Charges for Services \$ 104,600
- Interest on Investments \$ 1,289,200

Expect \$404,000 (45%) increase in Interest revenue from 2017 Budget to reflect actual experience in 2016 and anticipated steady increase in interest rates in 2018.

**Special Purpose Accounts**

- None.

**Grants**

- None.

**Capital Requests**

- Tax Collection System Replacement was budgeted for Department of Administration. Completed installation and expect operations to begin in November 2017.
- No capital projects for 2018.

***In Rem* Foreclosure Rate**

2014 69%	2016 56%
2015 62%	2017 Year-to-Date 53%

**Delinquent Real Estate** - accounts now over 21,000. Includes 1,400 active cases in bankruptcy. Must monitor for compliance with court-ordered payment plans.

***In Rem* Foreclosures** - 2018 Proposed Budget includes 5 filings due to continuing large volume of properties entering foreclosure for delinquent property taxes. Multiple filings began in 2015. Goal is to acquire vacant and abandoned properties quickly to expedite sale to private buyers.

**Pending Reorganization** - due to operational changes in recent years including:

- Great Recession delinquency and tax foreclosure volume increases.
- Return of in-house management of approximately \$77 million long-term and up to \$500 million short-term cash investment portfolios.
- Modernization/upgrade of Cashiering System.
- Tax collection system replacement to begin processing in November 2017 for tax season.