

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2007 PROPOSED BUDGET-CITY ATTORNEY

1. The 2007 proposed budget for the City Attorney office is \$6,797,710, a decrease of 0.5% from the 2006 budget (Page 2).
2. The 2007 proposed budget maintains authorized staffing levels that include the 2 Assistant City Attorney positions created in 2006 (Page 2).
3. The Community Prosecution Program within the City Attorney's Office has been implemented and is operating successfully in its second year. This initiative involves placement of 2 Assistant City Attorneys at Police Department facilities on the north and south sides of the City (Pages 4 and 5).
4. The Public Nuisance and Abatement Program continues successful growth to meet the challenges posed by nuisance housing (Pages 5 to 6).
5. The Kohn Law Firm is presently contracted to collect delinquent property taxes and accounts receivable. The Kohn Law Firm collects *in personam* delinquencies related to delinquent property taxes and city accounts receivable.. This contract expires on December 31, 2006. A Request for Proposals has been prepared for a new 5-year collection contract beginning January 1, 2007. Proposals are to be submitted by October 30, 2006. The Kohn Law Firm now projects recovery of \$8.1 million in 2006 and, if the contract is renewed, \$8.25 million in 2007 (Pages 7 to 9).
6. The Professional Placement Services (PPS), L.L.C., is contracted to provide collection services on overdue Municipal Court judgments. This contract expires on March 31, 2007. A Request for Proposals is anticipated for release in December of 2006. PPS has collected \$2,625,720 through July of this year. Changes in the Wisconsin Tax Refund Intercept Program (TRIP) may affect the future operation and administration of these collection efforts (Pages 11 and 12).
7. Funds contained in Special Purpose Accounts under the authority of the City Attorney have *increased* by \$1,965,000 from the 2006 budget (Page 9). Under the auspices of the Collection Contract SPA, over \$8 million is estimated to be collected in 2006 and \$8 million is projected for 2007. The Tax Intercept Program collected approximately \$2,625,720 in 2006 in overdue municipal forfeitures. Projections for 2007 are speculative (Pages 11 and 12).
8. An amount of \$250,000 has been budgeted for capital improvements to initiate planning and design for renovation of the City Attorney's 8th Floor City Hall offices (Page 3).

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2007 PROPOSED BUDGET SUMMARY: CITY ATTORNEY

CATEGORY	2005 ACTUAL	2006 BUDGET	CHANGE	2007 PROPOSED	CHANGE
OPERATING	\$7,190,965	\$6,833,434	-5.0%	\$6,797,710	0.5%
CAPITAL	\$71,529	0	-\$71,529	\$250,000	+\$250,000
POSITIONS	62	64	+2.0	64	0

The City Attorney's Office conducts litigation, provides legal advice to city officials, prepares and reviews legislation for the Common Council, collects claims and delinquencies, and prosecutes violations of city laws. The City Attorney is responsible for drafting all legal documents that are required in conducting the business of the city. The Office is also responsible for the city's risk management function.

Departmental Mission Statement

To provide quality legal services and successfully meet clients' needs in accordance with the City Charter and statutory requirements.

Analysis

1. The 2007 proposed budget maintains the 2006 authorized staffing levels of the City Attorney's Office at 64 FTE. Two authorized positions remain vacant to allow for unanticipated reappointments of Deputies. There are 58.40 O&M funded FTE positions and 3.70 non-O&M funded positions (a net increase of 0.10 FTE based on actual experience).

An agreement was reached between the City Attorney's Office and DCD in 2005 to obtain cost recovery of legal services provided to RACM. The agreement involves reimbursement of staff time spent providing legal services in connection with tax incremental districts (TID). This has resulted in a *Capital Improvements Deduction* of \$150,000 in 2005 and 2006. The proposed budget projects an increase in this reimbursement to \$200,000 in 2007.

Also beginning in 2005, the Community Development Block (CDBG) funding allocation has included \$30,000 for administrative costs for City Attorney legal services provided to the CDBG program based on actual hours billed. This amount is now included in the projected *Reimbursable Services Deduction* of \$260,249. This deduction includes reimbursement for the Parking Citation Review Manager and the position for one Assistant to provide legal services for the Employee's Retirement System (ERS). Both positions were created in the 2006 budget. Interviews are now being conducted for the ERS Assistant position and it is expected that the position will be filled shortly.

Retirement of a Deputy and of an Assistant in the Ordinance Enforcement Division (OED) resulted in vacancies and a personnel cost adjustment in 2006. The adjustment of \$197,338 also considers the 5-months salary of an Assistant who was on military leave. No retirements or vacancies are anticipated in 2007. A standard personnel cost adjustment figure of \$99,269 has been included in the 2007 proposed budget. It is also anticipated that the vacant OED position will be filled before the end of 2006.

2. Personnel costs include \$61,363 in *Other*. This is the same amount allocated in 2006. As specified in the Association of Municipal Attorney's contract, this amount will be available for distribution to the Assistant City Attorneys based upon a formula. This merit increase is effective the first pay period for the fiscal year following the year in which the performance has been evaluated and may be in addition to an individual's step pay grade increases.
3. The cost of services funded in *Professional Services* has increased to \$195,000 (+13.7%) in 2007 and includes expenses and expenditures relating to litigation and administrative matters including: membership dues, outside copying services, court filing fees, courier services, Register of Deed recordings, state process charges, legal fund reimbursement, mediation services, title reports, court reporting and transcription services, and Westlaw database charges. Increases in these expense figures are based upon experience and upon anticipated annual increases in service charges such as Westlaw. *Professional Services* expenses are generally non-discretionary.
4. \$60,500 has been budgeted for *Reimburse Other Departments* in the 2007 proposed budget. Expenditures include reimbursements to Milwaukee Printing & Records (MPR), Information Technology & Management Division (ITMD), DPW telephone charges, and DPW fleet charges (vehicle rental).
5. \$250,000 has been budgeted for *Capital Projects* in 2007. This amount is proposed for planning and design activities related to proposed renovation of the 8th Floor offices, currently vacant due to the City Hall Restoration project. Funding is from the tax levy and not borrowed.
6. In total, *Net Salaries and Wages* (\$4,465,289), as well as *Fringe Benefits* (\$1,875,421) account for 93.3% of the City Attorney's 2007 proposed budget (\$6,797,710).

2006 Continuing Initiatives

1. Before the Parking Citation Review Manager position was created, all the Assistant City Attorneys assigned to the Ordinance Enforcement Division reviewed parking tickets. This required the presence of one or 2 attorneys in the office, while other attorneys covered the Municipal Courts. Creation of this position enabled the office to transfer one attorney position to City Hall and eliminated the need for attorneys from City Hall to cover for this assignment, freeing up more attorney time at City Hall. The position has improved customer service through more consistent decision making for ticket challenges and

decreased wait time for review appointments. There are no plans to change or add to the duties of this position.

2. The Community Prosecution Program within the City Attorney's Office has been implemented and is operating successfully. The 2005 budget provided initial funding to hire two additional Assistant City Attorneys.

To provide service to citizens throughout the city, one attorney handles nuisance complaints on the north side and is stationed in the Seventh District Police Station. The other attorney is assigned to the south side and is stationed at the Second District Police Station. The Milwaukee Police Department has provided office space for those attorneys and monies from the budget allocation was utilized to purchase the necessary office equipment. Both district station offices have been fully operational for more than year. One attorney located at City Hall coordinates the program and provides additional community prosecution efforts. Additionally, two Assistant District Attorneys from the Milwaukee County District Attorney's Office are located at these district stations and interact with the Milwaukee city attorneys on a regular basis. Since its inception, the community prosecution program in the City Attorney's office has been handling nuisance complaints reported by local leaders and citizens, as well as developing and implementing initiatives aimed at improving the quality of life in Milwaukee.

3. In accordance with Common Council Resolution File No. 030680, the City Attorney's Office developed a protocol, finalized in December of 2004, for pursuing *in rem* property tax foreclosures. This protocol is intended to assist departments in determining whether community-improvement-in-rem-foreclosure-actions should be undertaken for particular parcels. In early 2005, the protocol, in questionnaire form, was put on the City's MINT. The protocol has produced resulted in a more effective and efficient system including better interdepartmental coordination and communication. The protocol was used for 3 properties in 2005 and one case is currently in process in 2006.

Under the protocol, a department or alderperson wanting the City to acquire a specific tax-delinquent parcel completes the questionnaire form explaining why the City should acquire the parcel and providing background information on the parcel, the delinquencies, reasons for the City to foreclose, proposed timing of the foreclosure, etc.

The requester indicates on the questionnaire whether the parcel can/should be foreclosed against as part of the next regularly scheduled foreclosure file of the Treasurer or sooner. If a sooner foreclosure is desired, the requester must identify fund-availability to pay the foreclosure costs.

The City Attorney reviews the questionnaire to determine what *in personam* tax collection efforts have been already employed against the subject delinquencies and whether a legally defensible rational basis exists for foreclosing against the parcel sooner than the City would otherwise foreclose.

If the taxes have not already been collected via the *in personam* remedy, and the requester has articulated a rational basis for foreclosure, the City Attorney then informs the Treasurer and the requester, and the foreclosure is initiated.

Public Nuisance and Abatement Program

In addition to resolving problems referred to the City Attorney Community Prosecutors by numerous sources, the office also continues to spear-head 4 citywide initiatives.

1. The first initiative of the Community Prosecution Unit is an effort to eliminate vacant, boarded-up, residential properties in the city of Milwaukee. That initiative was implemented to address the effects a vacant, boarded-up property has on the surrounding community and the city as a whole. The initiative utilizes the enactment in 2005 of s. 275-32-7.5 of the Code (Council File # 041383) as a means to compel the property owner to remediate the situation. Working with various community groups, the Milwaukee Police Department and the Department of Neighborhood Services, approximately 200 vacant, boarded-up, residential properties located in the Sherman Park, Lisbon Avenue and near south side areas of Milwaukee were identified and referred to the City Attorney's office. Every property owner was notified by mail of the ordinance regulating vacant, boarded-up residential properties. Additionally, the City Attorney's office personally contacted nearly 90% of the property owners and instructed them on the necessity to restore their property to a compliant condition. At this time, the City Attorney is projecting that approximately 50-75% of those owners will comply with the new ordinance after being contacted by the Community Prosecutors. It is also anticipated that non-complying owners will be subject to prosecution in Municipal Court, as well as other actions taken against them in an effort to gain full compliance with the City's building code.

2. The Community Prosecution Unit of the City Attorney's Office launched a new initiative at the end of 2005 aimed at reducing the number of "known drug houses" in the city of Milwaukee. This initiative is an effort to end, in a definitive way, the continued use of any buildings or structures for the sale or distribution of illegal narcotics. Utilizing current nuisance abatement law, any documented arrests in the trafficking of illegal drugs in a building in the city are considered for nuisance action. Upon receipt of the police reports and criminal complaint from the Milwaukee County District Attorney's Office regarding an arrest for drug dealing, the City Attorney prepares a notice informing the building owner and all interested parties of the owner's responsibility to abate the drug nuisance. The building owner is asked to meet with the City Attorney, representatives from the Milwaukee Police Department, District Attorney's Office and the Department of Neighborhood Services to devise a comprehensive plan to eliminate future drug dealing at that location. Inaction by a building owner leads to filing a formal nuisance action in Milwaukee County Circuit Court. Such court action has resulted in more than 20 cases of the owner losing his/her rights to ownership of the building, a receiver being appointed to manage the site, or other reasonable steps to stop the sale or distribution of illegal drugs. The ultimate goal of this initiative is to send a message to drug dealers and property

owners that the continued use of properties to facilitate the sale and distribution of illegal drugs in the city of Milwaukee is over.

3. In response to requests from the Common Council and the Milwaukee Police Department, the Community Prosecution Unit will be starting an initiative to deal with chronic nuisance properties in the city that have been identified through requests for police service. Statistics have been compiled that indicate that there are approximately 200 properties in the City of Milwaukee that have been the source of numerous requests for police service due to criminal activity. Those locations have been identified by police district, street address and the number of calls for police service. Prior to this initiative, the only adverse action taken against these property owners was to bill them for the police service. This initiative is aimed at identifying the problems that exist at those properties and formulating viable solutions to resolve them. The City Attorney's Office anticipates as many 50 to 100 potential nuisance actions annually that may be commenced against these property owners where the Milwaukee Police Department provides information concerning the nature of the calls for police service and the results of the corresponding investigation. There has been a recent increase in the number of referrals and, if the increase in referrals is sustained, additional resources may be needed to pursue successful resolution of the cases.

4. The injunction against known prostitutes in the City of Milwaukee that was commenced in 1998 by the City Attorney's Office in Milwaukee County Circuit Court has been expanded through the efforts of the Community Prosecution Unit. The number of individuals subject to the injunction has expanded over time with the addition of affected geographic areas and the addition (as well as several subtractions) of individuals. The injunction currently operates against more than 150 individuals, primarily female prostitutes. Those additions and modifications to the injunction against prostitution activity in Milwaukee are a direct result of the Community Prosecution Unit working with police officers and various community groups to combat prostitution in the city. This work has resulted in initial planning toward further modifying the procedures under the injunction, adding additional and alternative approaches or both. The City Attorney's Office has been in discussion with the Police Department and with the District Attorney's Office about measures used in other states to attach conditions to bail and probation requiring persons engaged in prostitution, including "johns," to remain out of a designated area or areas. This permits the imposition of more immediate sanctions, including criminal penalties in some cases, when bail or probation conditions are violated.

Assignment Data for Nuisance Properties 2005 and 2006

		<u>2005</u>	<u>2006</u>	<u>Total</u>
Nuisance- Assignments	Opened	199	159	358
Including drug houses	Closed	70	203	273
Board-Ups	Opened	279	0	279
Board-Ups	Closed	86	107	193

In Personam Tax Collection Remedy

On June 29, 2001, the Common Council (File No. 001773) authorized amending the Kohn Law Firm collection contract to include use of the *in personam* remedy for collection of delinquent real property taxes. The Kohn contract was amended, and in mid August of 2001, the entire “do-not-acquire list” (DNA List) was referred to Kohn for collection (approximately 351 parcels with over \$8,000,000 in delinquent taxes (principal, interest, and penalties).

In 2002, as part of a test program desired by the Treasurer’s Office (the “Treasurer’s Test Program”), additional delinquent real property taxes were referred to Kohn for collection. The “test” was to see how Kohn would do on collecting the tax-year 2000 delinquencies against non-DNA List parcels.

Under the Treasurer’s Test Program, it was agreed that Kohn would charge a flat fee equal to 10% of the amount collected, and, that Kohn would only engage in pre-lawsuit collection activities. On June 13, 2002, the non-DNA List parcels with tax-year 2000 delinquencies were referred to Kohn.

The Treasurer’s Test Program lasted approximately 180 days. In 2003, the Common Council approved amending the Kohn Collection Contract. The amendment included establishing new fees pertaining to collection of real-property taxes. Subsequent to the amendment of the contract, the Treasurer – after the Treasurer had sent out a series of letters to delinquent owners attempting to collect – began referring all delinquent tax accounts (real and personal) to Kohn for collection. Hence *in personam* became the remedy of first choice for tax collection for the City. Accounts that Kohn is not able to collect (e.g., unable to locate owner; asset-less owners, etc.) are then referred back to the Treasurer for *in-rem* foreclosure as a secondary or fallback remedy.

If a City department or alderperson wishes to “shortcut” the above process by having the City employ the *in rem* remedy sooner, rather than later, the department or alderperson uses the “Community-Improvement-In-Rem-Foreclosure Protocol.”

Kohn has provided the following placement and collection statistics for *in personam* actions taken against delinquencies in the payment of real estate taxes.

Kohn estimates that total collections in 2006 will be approximately \$8,100,000. This is \$500,000 less than earlier projections. The firm reports that a slightly different approach has been used for estimating collections this year. The firm used the first 8 months of collections in 2006 and added its intended collection goals for the remaining 4 months of the year. The firm indicates that these goals have proven to be reasonably accurate. The estimate is very close to the actual total collections in 2005, which was approximately \$8,126,650. Although City referrals have been down slightly in 2006 (about 4%), the firm continues to see a slight increase in collections year to year as the City’s body of outstanding judgments continues to grow.

Kohn estimates that total collections in 2007 will be approximately \$8,250,000. The firm notes that this number is speculative and is based upon the assumption the firm will continue to collect under the contract, if renewed. Kohn cannot predict with any accuracy the effect of a change in collections if a new contractor is employed.

Kohn's predicted increase is actually smaller than in previous years. This is due to the fact that, although the firm will continue to have an increasing number of older judgments to collect upon, the forecast has been revised based on a slightly lower number of referrals in 2006. This may be due to taxpayer realization that the City's intentions to refer for *in personam* action are real. Economic conditions could, however, more than offset this factor, in either direction.

Kohn's fees vary significantly, depending on the type, size and legal status of each account. The various rates set forth in the contract with the City are the following:

"Regular" Real Property Taxes:

Over \$5,000	8%
\$5,000 or less	10%
Any balance requiring suit	20%

"Do Not Acquire" Real Property Taxes and Personal Property Taxes:

Over \$35,000	12%
Over \$35,000 requiring suit	15%
\$35,000 or less	18%
\$35,000 or less requiring suit	25%

All other City Receivables:

Over \$35,000	12%
Over \$35,000 requiring suit	15%
\$15,000 to \$35,000	18%
\$15,000 to \$35,000 requiring suit	22%
\$15,000 or less	20%
\$15,000 or less requiring suit	25%

This formula may be simplified under the proposed new contract effective January 1, 2007.

Kohn also points out that the majority of collections are not the result of formal *in personam* actions, but instead achieved by an effective series of letter demands and repeated telephone contact (or attempted contact). The firm reports that in 2005 and to date in 2006, the amount of collections without suit on "Regular" cases was 56.0% and 47.4% respectively (totaling \$7,929,000).

Overall, the *in personam* program has continued to run smoothly and successfully. According to the City Treasurer's report to the Outstanding Debt Task Force, "the contract with the Kohn Law Firm is resulting in the collection of millions of dollars in unpaid taxes."

Special Purpose Accounts

Special Purpose Accounts are not included in departmental budgets but expenditure authority over them is typically extended to departments by virtue of Common Council resolution after the budget is adopted.

The City Attorney's Office administers five special purpose accounts. Proposed funding for the 2007 City Attorney SPAs is \$6.34 million, which is an increase of \$2,040,000 from the 2006 budget. The increase is due to the liability exposure presented by the *Alexander* case now on appeal from judgments against the City for amounts of damages, costs and fees totaling nearly \$4.17 million.

Special Purpose Accounts	2005 Expenditure	2006 Budget	2007 Proposed
Damages and Claims Account	\$ 1,428,178	\$ 1,875,000	\$ 3,875,000
Insurance Fund	\$ 691,561	\$ 625,000	\$ 590,000
Outside Counsel/Expert Witness	\$ 418,212	\$ 225,000	\$ 225,000
Collection Contract	\$ 1,249,891	\$ 1,250,000	\$ 1,250,000
Receivership Fund	\$ 276,702	\$ 325,000	\$ 325,000
Total	\$4,064,544	\$4,300,000	\$6,265,000

Damages and Claims Account

This account provides for payment of general liability judgments against the city. The 2007 Proposed Budget provides \$3.875 million for the Damages and Claims Account. This amount is \$2,000,000 greater than the amount provided in the 2006 budget due to the potential exposure of the *Alexander* judgment now on appeal. The proposed funding for 2007 is otherwise based on the average of previous years and consideration of current legal trends.

Alexander, et al v. City of Milwaukee, et al. In this case, seventeen white male lieutenants in the Milwaukee Police Department sued the City, the Commissioners of the Board of the Fire and Police Commission, and former Chief of Police, Arthur Jones, claiming race and gender discrimination in the promotions from lieutenant to captain of police. The case was tried in March, 2005, and decided in plaintiffs' favor. The jury awarded \$2,198,500 in

compensatory and punitive damages. In addition, the court awarded \$1,540,483 in economic damages. On August, 29, 2005 the Court entered judgments totaling \$3,738,983.

On February 3, 2006, the Court awarded attorney fees and costs to plaintiffs in the sum of \$427,701. The total of all damages awards, attorney fees and costs is \$4,167,684. On February 13, 2006, defendants appealed to the Seventh Circuit Court of Appeals. Note: loss on appeal may result in an award of additional attorney fees and costs.

Approximately \$35,000 to \$55,000 is paid out monthly for routine claim and lawsuit payments. Another \$75,000 is paid annually for uninsured motorist claims.

Due to the unpredictable course of litigation, it is impossible to determine what, if any, major matters and cases could result in judgments/settlements in 2007. It is believed that the proposal to fund the Damages & Claims Fund at \$3.875 million is adequate and responsible and will allow funding of routine settlements based upon multiple years of experience. Additional matters pending could result in judgments/settlements that could be well over \$1 million and possibly in the neighborhood of several million dollars. In the event that occurs, the City Attorney will be required to request additional funding for those judgments/settlements.

Insurance Fund

Funds are provided in this account to pay the insurance premiums on various policies carried by the city, to pay for public officials' bonds and to pay the fee of the city's risk management consultant, who advises the office on an as-needed basis. In 2005 an amount of \$691,000 was expended from this SPA. The 2007 proposed budget allocates \$590,000 based upon premium adjustment.

Outside Counsel/Expert Witness Fund

Council File # 030183 places expenditure authority for the Outside Counsel/Expert Witness Fund Special Purpose Account in the City Attorney's Office and requests the City Attorney to advise the Judiciary and Legislation Committee in writing within 48 hours of the hiring of any outside counsel; that the City Attorney advise the Judiciary and Legislation Committee in writing within 48 hours of the retention of any expert whose compensation is anticipated to exceed \$10,000; and that the City Attorney submit a written report to the Judiciary and Legislation Committee every other meeting of expenditures from the Outside Counsel/Expert Witness Fund Special Purpose Account. The reports for 2006 can be accessed as attachments to Council File # 051004.

This account supports outside legal services in specific major court cases and experts in court and administrative matters. The purpose of the fund is to minimize Contingent Fund exposure and large unspent balances in closed cases. In 2005, File Numbers 050436 and 050980 appropriated \$75,000 and \$85,000 respectively from the Common Council Contingent Fund to the Outside Counsel/Expert Witness Fund Special Purpose Account. Such Contingent Fund authorizations had not been made since 2001. It is not anticipated at the present time that a

similar Contingent Fund request will be necessary in 2006. The \$225,000 figure for this SPA in the 2007 budget is the same as the figure for 2006.

The following cases and matters are currently being funded and will very likely carry over to 2007:

Alexander, et al. v. COM, et al., - Employment Discrimination (Appeal)
Grzeca Law Group - Immigration Employment Issues
Fields Case (Experts) - Police Shooting
Hayes, Thomas - Legal Consultant
Jude Litigation (Anticipated) - Police Excessive Force
Kaye v. COM, et al., (Appeal) - Real Estate Acquisition and Development
Loth v. COM - Retiree Health Insurance
Miles v. Young (Appeal) - Police Excessive Force
Pyzyk, Roger - Special Prosecutor
Tower Automotive Bankruptcy - Tax Collection

It is difficult to predict what new actions or potential claims may require use of the fund in 2007.

The 2007 proposed budget provides \$225,000 for this SPA, a similar amount as in the 2005 and 2006 budgets.

Collection Contracts

This account funds private collection agencies' contracts with the city for the collection of outstanding personal property taxes and city accounts receivable. The 2007 proposed budget provides \$1,250,000 for this account, a similar amount as in the 2005 and 2006 budgets. The Collection Contract generates more than \$4 million in net revenue for the city.

In addition to the Kohn contract described above, the Collection Contract SPA funds the activities of Professional Placement Services (PPS), L.L.C., which collects overdue Municipal Court judgments.

According to Municipal Court, through July of this year, PPS collected \$2,625,720, about \$100,000 less than last year at this time, not a very significant difference. The Municipal Court indicates predictions for 2007 are affected by a variety of issues that may affect collections. First, PPS (the current contractor) and others will now be able to register debts for the Tax Refund Intercept Program (TRIP) if the driver license number is known. The Municipal Court will no longer be limited to registering only those claims where a Social Security Number is known. This suggests that one of the greatest advantages of using the contractor for TRIP collections would be lost. As a result, Municipal court is considering filing the claims itself saving the City that commission cost. The current fee structure for Municipal Court collections is 19% for Tax Intercept, 24% Regular Collections, 30% for Attorney referrals.

The current Municipal Court collections contract expires at the end of March, 2007. An RFP is expected to be developed and released in December, 2006. It is not clear, given the changes in the TRIP program, what kind of shape this RFP and contract may take. The willingness of a collection agency to take on the contract may be affected by a Municipal Court decision to submit its own TRIP claims.

Receivership Fund

This Special Purpose Account was created in the 2003 budget and placed under the control of the City Attorney's Office.

Most of the Receivership SPA funding is allocated to the Woodlands Project (91st & W. Brown Deer Rd.)

Activities that have been funded to date include: ongoing maintenance of city and NIDC-owned units, insurance, and interest and principal payments on the revolving line of credit that NIDC incurred in purchasing those units. The SPA funds are used for recurring receivership costs. The expenses are from both long-term and short-term receivership cases.

The City and NIDC have formulated a strategy to sell the units owned by NIDC to substantially pay down the incurred indebtedness through the infusion of more community money and resources. NIDC rehabbed several units in 2006 and plans to partner with Habitat for Humanity to sell an additional 30 units in 2007 and 2008.

Because most of the money in the Special Purpose Account is devoted to the Woodlands Project, the availability for funds to initiate and maintain receivership actions to abate public nuisances, and to provide emergency services, is limited. The goal of the program is to become more aggressive in taking control of properties that are menacing to neighborhoods and become more actively involved in abating nuisance behavior problems.

Prepared by: Richard L. Withers, 286-8532
Legislative Research Analyst-Senior
Legislative Reference Bureau
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