

## LRB - FISCAL SECTION ANALYSIS

JULY 11, 2002

ITEM 20, FILE 020434

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #020432 is a communication from the Comptroller's Office transmitting a report entitled "Annual Accounts Receivable Activity Report".

### **Background and Discussion**

1. The Comptroller is required to submit an account receivables activity report under s.304-3-3 of the Milwaukee Code of Ordinances.
2. The Office of the Comptroller issues the report. City departments are responsible for collecting the receivables.
3. During 2001, City departments issued approximately 5,000 invoices for a total of approximately \$30 million.
4. As of December 31, 2001, approximately \$7.9 million of receivables remained outstanding. Of that \$7.9 million, approximately \$3.5 million is for 2000 and prior years.
5. Of the \$3.5 million, the Police Department has approximately \$1.7 million in receivables outstanding for prior year's ambulance billings to Milwaukee County. These billings are for the conveyances of people, who could harm themselves or others, to the Milwaukee County Mental Health Complex. The County has refused to pay these billings and the City Attorney is in negotiations with the County regarding these billings.
6. The Fire Department has approximately \$800,000 in outstanding prior year receivables that are part of lawsuit settlements or pending litigation.
7. At the end of 2001, The Department of Public Works- Administration Division had approximately \$640,000 in prior year receivables. Of the \$640,000, approximately \$417,000 has been referred to the Kohn Law Firm for collection.

### **Fiscal Impact**

The file is a communication and has no fiscal impact.

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