



MEMORANDUM

LEGISLATIVE REFERENCE BUREAU

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To: Ald. Terry Witkowski
From: Aaron Cadle – Legislative Fiscal Analyst
Date: November 19, 2014
Subject: Municipal Court – Cost/Benefit Analysis

Per your request, this memo compares the cost of operating the Municipal Court to the revenues collected for forfeitures and charges for services.

Over the 5-year period from 2009 to 2013, the Municipal Court “gained” substantially more in collected forfeitures and charges for services than it spent in both operations and to fund Special Purpose Account (SPA) activities and capital improvements. Although the City borrows funds for the Court’s capital improvements, LRB treated capital improvements spending as actual cash expenditures when calculating net “gains” for the Court.

Gross annual “gains” solely from operations of the Court ranged from \$2.6 million to \$3.8 million, while net “gains” after funding SPA activity and capital improvements ranged between \$1.6 million and \$2.9 million. Court gains are summarized as follows and “gain” details may be found at the end of this memo:

Municipal Court	Gross Gain	Net Gain
2009	\$2,899,561	\$1,562,851
2010	\$3,823,682	\$2,881,268
2011	\$3,400,144	\$2,786,902
2012	\$3,409,623	\$2,871,036
2013	\$2,618,752	\$2,134,118

Years 2009 and 2010 might be considered as outliers in terms of net gain because the Court made substantial capital improvements during those years (\$818,800 in 2009 and \$457,837 in 2010), chiefly for the Court’s Case Management System. From 2003 to 2012, \$3.4 million was spent on the Case Management System. The Court estimates it may have saved as much as \$400,000 in operating expenses to date as a result of its improved case management capacity.

In addition, 2010 might be viewed as an outlier in terms of both gross and net gains because total revenues in that year were nearly \$800,000 more than in 2009, \$250,000 more than 2010 and more than \$1.2 million greater than 2013 revenues.

The Court expends approximately \$425,000 annually through its primary SPA, the Municipal Court Intervention Program, to prevent indigents, the mentally ill or alcohol and other drug users from being jailed for unpaid citations.

It should be noted, while the Court operates from Room 134 of the Criminal Justice Facility, it pays no rent to Milwaukee County, and just signed a new 20-year extension of this "free rent" arrangement.

Municipal Court - Actual Results					
	2009	2010	2011	2012	2013
Charges for Services	\$1,696,106	\$1,865,180	\$1,772,745	\$1,737,981	\$1,545,805
Forfeitures	\$4,802,074	\$5,414,813	\$5,065,144	\$5,030,932	\$4,439,114
Total Revenues	\$6,498,180	\$7,279,993	\$6,837,889	\$6,768,913	\$5,984,919
Salaries & Wages	(\$2,161,429)	(\$1,910,584)	(\$1,886,189)	(\$1,917,861)	(\$1,893,987)
Fringe Benefits	(\$922,893)	(\$927,252)	(\$977,247)	(\$910,420)	(\$882,365)
Property Services	(\$45,865)	(\$51,291)	(\$52,111)	(\$40,791)	(\$851)
Reimbursements	(\$32,666)	(\$22,190)	(\$22,460)	(\$25,629)	(\$141,471)
Other	(\$384,693)	(\$498,463)	(\$468,242)	(\$430,461)	(\$399,515)
Equipment	(\$20,714)	(\$2,569)	(\$2,999)	(\$2,812)	(\$2,987)
Special Funds	(\$30,359)	(\$43,962)	(\$28,497)	(\$31,316)	(\$44,991)
Total Operations	(\$3,598,619)	(\$3,456,311)	(\$3,437,745)	(\$3,359,290)	(\$3,366,167)
Gross Gain/(Loss)	\$2,899,561	\$3,823,682	\$3,400,144	\$3,409,623	\$2,618,752
SPA's	(\$517,910)	(\$484,577)	(\$480,800)	(\$482,507)	(\$484,634)
Capital - New Borrowing					
Case Mgmt. Sys.	(\$685,681)	(\$451,680)	(\$132,442)	(\$56,080)	\$0
Disaster Recovery	(\$133,119)	(\$6,157)	\$0	\$0	\$0
TL SPA's & Capital	(\$1,336,710)	(\$942,414)	(\$613,242)	(\$538,587)	(\$484,634)
NET Gain	\$1,562,851	\$2,881,268	\$2,786,902	\$2,871,036	\$2,134,118