

City of Milwaukee

200 E. Wells Street Milwaukee, Wisconsin 53202

Meeting Minutes

OUTSTANDING DEBT WORK GROUP

Ald.Terry Witkowski, Chair Lt. Donald Baral, III, Mayor Tom Barrett, Linda Burke, Sheldyn Himle, James Klajbor, Ghassan Korban, Ald. Nik Kovac, Ald. Khalif Rainey, Mark Rohlfing, Sharon Robinson, Lynne Steffen, Rocky Wruck

Staff Assistant, Joanna Polanco, 286-2366, Fax: 286-3456, jpolan@milwaukee.gov Legislative Liaison, Aaron Cadle, 286-8666

Thursday, September 15, 2016

2:00 PM

Room 303, City Hall

Meeting convened at 2:05 PM

1. Introduction of Members.

Present 7 - Burke, Klajbor, Robinson, Kovac, Wruck, Baral III and Riegg

Excused 6 - Witkowski, Barrett, Korban, Himle, Steffen and Rainey

Also present:

ACA - Kevin Sullivan
DPW Parking - Tom Woznick
Mayor's Office - Budget Office - Jackie Carter
Deputy Commissioner DNS - Tom Mishefske
Kohn Law Firm - Rob Potrzebowski
Scott Spiker - Ald. Witkowski's Legislative Assistant
Aaron Cadle - LRB
Brenda Wood - CC CC
Moira Fitzgerald - Lobbyist for Harris & Harris

2. Review and approval of the minutes from July 28th meeting.

Mr. Klajbor moved approval of the minutes. There were no objections.

3. Report by the subcommittee on towing, booting, payment of unpaid citations and adjudication.

Mr. Woznick recommends

- 1. Adjust tow eligibility criteria from illegally parked and 2+ citations 30 days or more past due to 3+ citations 30 days or more past due
- 2. Recommend consideration of an ordinance to boot illegally parked vehicles as

booting may be a more effective method of creating compliance and potentially less inconvenient for customers

- 3. Recommend creation of an ordinance to set the time limit of appeal at 60 days from citation issuance
- 4. Recommend consideration of requiring payment of past due citations prior to release of vehicles

Department has been considering the waiving of some towing fees in order to allow affordability for payment of past due accounts.

Mr. Woznick asked if work group approves DPW releasing the change of the criteria for towing illegally parked vehicles, as described on recommendation #2. Ald. Kovac said that although DPW does not need approval of the work group, all members agreed.

To the recommendation to add a collection fee to past due parking tickets, the City Attorney's Office provided an opinion which suggested that a collection fee cannot be added to past due parking citation. Although not present, Ald. Witkowski has expressed interest to continue discussion of this topic with the Wisconsin Municipalities.

4. Report of the subcommittee reviewing use of the state for some collections.

Mr. Woznick reported the following recommendations relating to departments with collection contracts:

Milwaukee Fire Department

- Continue to utilize Harris & Harris for both regular collections and TRIP accounts.
- o Contract expires in November of 2016 with a one year option to extend.
- Evaluate and review collection best practices with Harris & Harris on an annual basis.

Municipal Court

Certify to Dept. of Revenue/SDC:

- DNS cases with a judgment of \$10,000 or more (a SSN, DLN or FEIN would need to be obtained)
- Traffic cases that are 12 months delinquent and the defendant has had no contact with the Court

Contract with Harris & Harris expires at the end of June 2017

DPW – Parking SDC

- Refer all unreasonably collectible debt that has either a SSN, DLN, or FEIN (as required by the State) and isn't already listed with TRIP
- For the 60 day period following October 1st, split sending any citation debt that has either a SSN, DLN, or FEIN (as required by the State) between Professional Placement Services (PPS) and the SDC, which we would evaluate performance through the next tax season

Contract with Duncan Solutions expires in December of 2018.

Ms. Burke highlighted few points from the statute before moving forward with the work group's recommendations; under the statute no arrangement for collection can't happen without a written agreement, so if the work group were to recommend to the council that certain categories of debt be sent to the State for collection, authority from the council to negotiate a contract with the state.

When the state collects the money, they take collection fee off the top, but if they find this debtor owes the state other monies, state would take off that first. Once City sends debt to state, City has to stop all collection activities. State will accept payment plans, garnish wages, levy assets, and creates TRIP accounts; however, the state decides what terms for collection would be applied unless specified in the contract. State will not do litigations. city is required to provide social security number, driver's license numbers or federal ID number, if not able to provide this information, state won't accept the file or city would have to hire an agency to obtain that information. Somebody, city department or agency would have to send notification to all debtors informing them 30-days before all debt be sent to the state; amount of debt can't be change once is sent to state unless it was sent in error.

Mr. Klajbor said that sending city debt that the state Department of Revenue for collection, may work for a smaller community, but the state could not do as an effective job as the city and its existing contractors are currently doing. City should try to get the state to release information they have that city does not, said Mr. Klajbor, as the city is an instrumentality of the state.

5. Discussion of Harris and Harris recommendations.

Item held

6. Discussion on TRIP fee differences.

Ald. Kovac made reference to a chart that showed some charges reduced fees considerably.

Ms. Burke said that city has existing contracts that were done competitively; city hired the contractor with highest evaluation results. Fees were competitively negotiated. Sometimes a contractor may have a difficult time collecting debt so they are getting profit for collecting, reason why percentage may be higher. It may be that that percentage offsets lower fees.

Mr. Potrzebowski from Kohn Law Office said in agreement with Ms. Burke that kohn has lower volume higher balance files, collecting in many ways other than TRIP.

7. Discussion on selling debt.

Item held

- 8. LRB Report.
- 9. Other recommendations.

Meeting adjourned at 2:47 PM

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