



Collections

Administration

Fund Purpose

The Collections Division (1) operates as an Internal Service fund by providing financially responsible centralized collection services to all agencies of the County and participating external Waukesha County municipalities; (2) generates savings to taxpayers by maximizing the collection of dollars owed to the County in the most consistent, timely, efficient, and cost effective manner possible in compliance with all laws, rules, and regulations; (3) strives toward a fair and equitable balance between clients who receive goods and services from the County and taxpayers who bear the cost of unpaid goods and services.

Financial Summary	2008	2009	2009	2010	Change From 2009	
	Actual	Adopted Budget	Estimate	Budget	Adopted Budget \$	%
General Government	\$0	\$0	\$0	\$0	\$0	N/A
Fine/Licenses	\$0	\$0	\$0	\$0	\$0	N/A
Charges for Services	\$93,467	\$85,075	\$126,000	\$111,400	\$26,325	30.9%
Interdepartmental	\$436,558	\$416,050	\$401,480	\$408,190	(\$7,860)	-1.9%
Other Revenue	\$177,002	\$183,100	\$162,000	\$160,550	(\$22,550)	-12.3%
Appr. Fund Balance (a) (b)	\$52,132	\$110,616	\$56,092	\$126,517	\$15,901	14.4%
County Tax Levy (c)	(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)	\$0	0.0%
Total Revenue Sources	\$664,159	\$699,841	\$650,572	\$711,657	\$11,816	1.7%
Personnel Costs	\$440,681	\$511,975	\$511,595	\$524,669	\$12,694	2.5%
Operating Expenses	\$101,050	\$130,703	\$75,814	\$115,664	(\$15,039)	-11.5%
Interdept. Charges	\$136,844	\$152,163	\$158,163	\$166,324	\$14,161	9.3%
Fixed Assets	\$0	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$678,575	\$794,841	\$745,572	\$806,657	\$11,816	1.5%
Operating Inc./ (Loss) (b)	(\$14,416)	(\$95,000)	(\$95,000)	(\$95,000)	-	N/A

Position Summary (FTE)

Regular Positions	4.75	5.75	5.75	5.75	0.00
Extra Help	1.84	1.38	1.38	1.38	0.00
Overtime	0.00	0.00	0.00	0.00	0.00
Total	6.59	7.13	7.13	7.13	0.00

- (a) A Collections Fund Balance appropriation in 2008 of \$22,345 is for depreciation expense, \$28,466 is to maintain Collections internal cost to departments, and \$1,321 is for open purchase orders carried into 2008, for a total of \$52,132 in the 2008 Actual. A Collections Fund Balance appropriation in 2009 of \$24,972 is for depreciation expense and \$85,644 to decrease Collections internal cost to departments for total of \$110,616 in the 2009 Budget. A Collections Fund Balance appropriation in 2010 of \$14,972 is for depreciation expense and \$111,545 to maintain Collections internal cost to departments for total of \$126,517 in the 2010 Budget.
- (b) The 2008 net operating income differs from the amount shown in the Comprehensive Annual Financial Report by the Fund Balance amount shown.
- (c) A Fund Balance appropriation is used to repay the General Fund for start-up funds and deferred indirect costs provided in prior years, which reduces the overall general County Tax Levy. From 2000 to 2010, the overall amount of this general tax levy reduction totals \$820,000.

Current & Proposed Capital Projects

Proj#	Project Name	Expected Completion Year	Total Project Costs	Estimated % Complete End of '09	Estimated Operating Impact	A = Annual T = One-Time
200710	Collection System Interface(s) (a)	2010	\$100,000	60%	\$15,000	A

- (a) Coordinated project with Department of Administration – Information Technology, Health & Human Services and Courts.

Major Departmental Strategic Outcomes and Objectives for 2010

County-Wide Key Strategic Outcome: Cost effective services delivered with competence and skill

Objective 1: Work cooperatively with Clerk of Courts, Health & Human Services (HHS), Department of Administration-Information Technology (DOA-IT) and applicable software vendors to identify the best alternative for automating the referral process between HHS, Clerk of Courts and Collections. The desired result is a considerable reduction of time for staff to process referrals and to allow for more timely referral and collection of accounts.

Key Outcome Indicator: Based on 2008, achieve greater than 75% reduction in the amount of time staff spends on referral processing by 2010.

Performance Measure:	2008 Actual	2009 Target	2009 Estimate	2010 Target
Reduced total staff time per referral	N/A	50%	50%	75%

As more difficult collection cases are referred, maintain desired County Efficiency Ratio. This is the ratio of dollars collected versus dollars expensed or return on investment for each dollar spent (includes depreciation).

Performance Measure:	2008 Actual	2009 Target	2009 Estimate	2010 Target
Ratio – All Collected Funds*	3.65	3.14	3.50	3.29

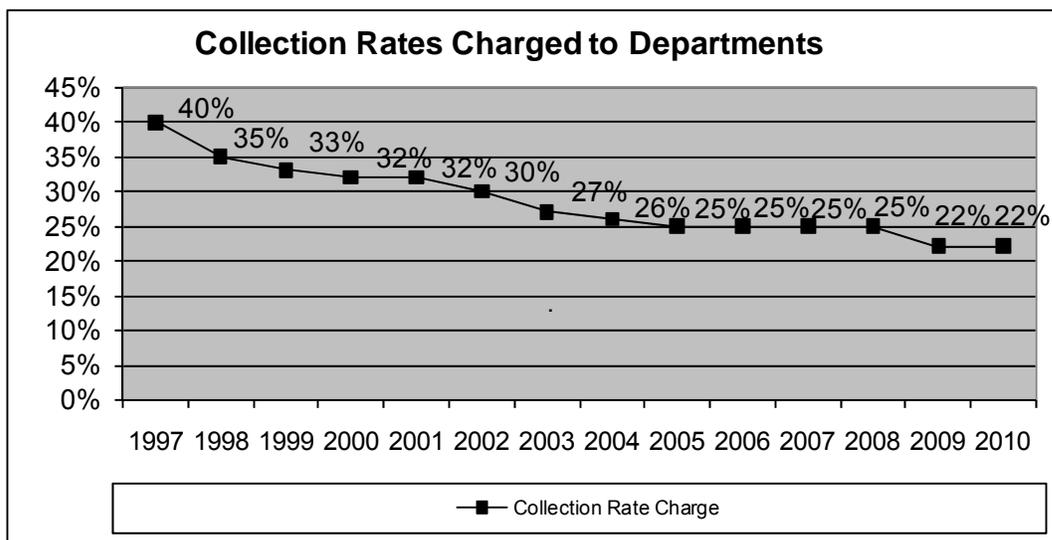
Maintain a recovery % greater than collection agency industry average specific to governmental accounts.

Waukesha County Recovery %	30.7%	31.5%**	30.0%	30.0%
Collection Agencies Rec. %***	11.27%	11.27%	11.27%	11.27%

*Calculated as total dollars collected divided by expenditures; desired goal ratio greater than or equal to 2.5 to 1.

**The overall recovery percent is being impacted by increasing referrals from Health & Human Services. These accounts are increasingly more difficult to collect given the nature of the debt, the financial status of the parties being collected from and the State's ability to pay provisions.

***Source: American Collectors' Association (Top Annual Collection Markets Survey).



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Outcomes/ Objectives

Objective 2: Implement an integrated County-wide cashiering system in order to reduce the cost of delivering services and to reduce the cost and support necessary for maintaining duplicative systems at the County.

Key Outcome Indicator: Reduction of independent departmental stand-alone cashiering systems. Replace ten with single solution by 2010.

Performance Measure:	2008 Actual	2009 Target	2009 Estimate	2010 Target
Reduction of stand-alone cashier systems	N/A	5-10	6	4 (10 Total)
# of areas implemented on shared system	6	N/A	8	5-6



Program Highlights

Charges for Services revenues increase \$26,325 due to additional municipal collection contracts and increased collections, partially offset by a decrease in the rate charged from 35% to 28% mid-year 2009. Interdepartmental revenues decrease \$7,860 due to reduced collections. Other Revenues decrease \$22,550 mainly due to decreased interest on judgments, of which, is a net of \$39,100 (20% of 2006 actual bail judgment interest collections) shared with the District Attorney. Collection Fund Balance appropriation of \$126,517 is for general depreciation expense, expenses relating to the collections interface capital project and to maintain a low Collections internal rate to departments.

Personnel costs increase by \$12,694 mainly due to cost to continue existing staff. Operating expenses decrease \$15,039 mainly due to decreased depreciation and decreased credit-collection services. Interdepartmental charges increase \$14,161 mainly due to postage by \$7,000 and End User Technology Fund charges by \$6,400.

In summary, over 16% of the total costs incurred by this program are for County-wide and departmental indirect costs, depreciation expense, legal support from Corporation Counsel offices, additional support from Department of Administration and end user computer support total cost of personal computer ownership.



Activity

	2008 Actual	2009 Budget	2009 Estimate	2010 Budget	Budget Change
\$ Coll. for Wauk. Cty. Customers	\$1,077,148	\$1,414,427	\$1,314,300	\$1,401,650	(\$12,777)
\$ Coll. & Shared with State	\$1,109,021	\$840,000	\$835,000	\$840,000	\$0
\$ Coll. for Municipal Customers	\$288,976	\$243,000	\$450,000	\$400,000	\$157,000
Total \$ Collected	\$2,475,145	\$2,497,427	\$2,599,300	\$2,641,650	\$144,223
Total \$ Retained by County	\$1,626,440	\$1,899,227	\$1,850,300	\$1,923,650	\$24,423
Accts Referred to Collection Div.	12,285	12,000	12,000	12,000	0
\$ Referred to Collection Division *	\$7,728,903	\$6,000,000	\$6,000,000	\$6,000,000	\$0
# of External Intergovernmental Customers	24	23	25	27	4

*87.79% of the 2008 County revenue referrals are for bail forfeitures and Health and Human Services private pay billings. Given the nature of the parties the Division is attempting to collect from, and the State's provision for clients' ability to pay, recovery in these areas is anticipated at less than 15% of the amount referred.