

Collections

Administration

Fund Purpose/ Summary/ Capital Projects

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	2006	2007	2007	2008	Change From 2007	
	Actual	Adopted Budget	Estimate	Budget	\$	%
General Government	\$0	\$0	\$0	\$0	\$0	N/A
Fine/Licenses	\$0	\$0	\$0	\$0	\$0	N/A
Charges for Services	\$73,646	\$70,000	\$70,000	\$73,525	\$3,525	5.0%
Interdepartmental	\$458,071	\$461,150	\$462,000	\$467,775	\$6,625	1.4%
Other Revenue	\$212,941	\$196,751	\$193,000	\$199,950	\$3,199	1.6%
Appr. Fund Balance (a) (b)	\$63,949	\$20,879	\$6,384	\$50,811	\$29,932	143.4%
County Tax Levy (c) (memo)	(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)	\$0	0.0%
Total Revenue Sources	\$713,607	\$653,780	\$636,384	\$697,061	\$43,281	6.6%
Personnel Costs	\$455,169	\$465,845	\$474,933	\$508,952	\$43,107	9.3%
Operating Expenses	\$82,156	\$147,887	\$90,729	\$145,857	(\$2,030)	-1.4%
Interdept. Charges	\$104,776	\$135,048	\$124,048	\$137,252	\$2,204	1.6%
Fixed Assets	\$0	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$642,101	\$748,780	\$689,710	\$792,061	\$43,281	5.8%
Operating Inc./Loss (b)	\$71,506	(\$95,000)	(\$53,326)	(\$95,000)	-	N/A

Position Summary (FTE)

Regular Positions	5.75	5.75	5.75	5.75	0.00
Extra Help	1.24	1.06	1.06	1.38	0.32
Overtime	0.00	0.00	0.00	0.00	0.00
Total	6.99	6.81	6.81	7.13	0.32

- (a) A Fund Balance appropriation in 2006 of \$27,500 is for the depreciation expense of the Columbia Ultimate Business Systems (CUBS) upgrade and a Fund Balance appropriation in 2006 of \$9,550 is for the depreciation expense of office renovation capitalized costs for a total of \$37,050 in the 2006 Budget. A Fund Balance appropriation in 2007 of \$20,879 is for depreciation expense. A Fund Balance appropriation in 2008 of \$22,345 is for depreciation expense and \$28,466 to maintain Collections internal cost to departments for a total of \$50,811 in the 2008 Budget.
- (b) The 2006 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 (as a memo item) 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 2008, the overall amount of this general Tax Levy reduction totals \$630,000.

Current & Proposed Capital Projects

Proj#	Project Name	Expected Completion Year	Total Project Costs	Estimated % Complete End of '07	Estimated Operating Impact	A = Annual T = One-Time
200710	Collection System Interface(s) (a)	2008	\$100,000	25%	\$15,000	A

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

Major Departmental Strategic Outcomes and Objectives for 2008

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

Objective: 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: Achieve greater than 50% reduction in the amount of time staff spends on referral processing.

Performance Measure:	2006 Actual	2007 Target	2007 Estimate	2008 Target
Reduced total staff time per referral	N/A	N/A	N/A	25%

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:	2006 Actual	2007 Target	2007 Estimate	2008 Target
Ratio – All Collected Funds*	3.68	3.13	3.37	2.96

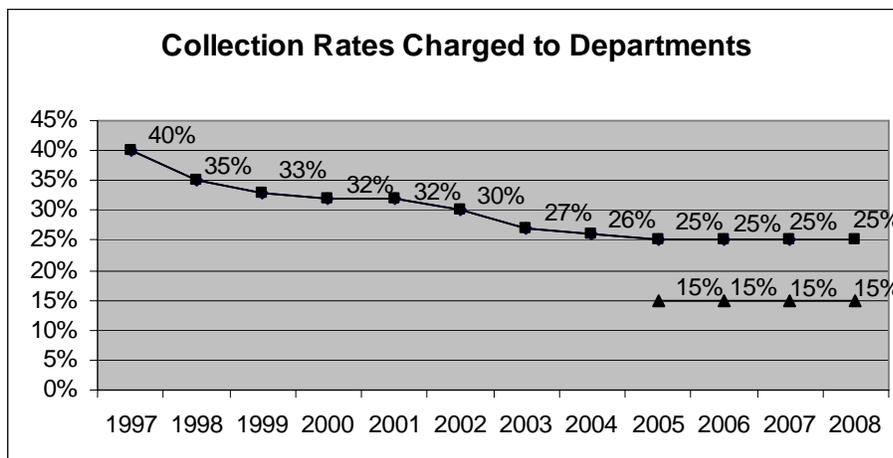
Maintain a recovery % greater than collection agency industry average specific to governmental accounts.

Waukesha Cty. Recovery %	32.4%	31.0%**	31.0%	31.0%
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 collecting from and the State's ability to pay provisions.

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



Collections

Administration

Outcome/ Objective/ Program

Objective: Implement an integrated countywide cashing 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: Average cost per transaction (factoring in # of phone, web, mail, in person transactions).

Performance Measure:	2007 Actual	2008 Target	2009 Target
Reduction in average cost per transaction	N/A	N/A	10%



Program Highlights

Charges for Services revenues increase by \$3,500 due to additional municipal collection contracts and increased collections. Interdepartmental revenues increase \$6,600 due to projected additional collections. Other revenues increase \$3,200 due to increased 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 \$50,800 is for general depreciation expense and that relating to the collections interface capital project and to maintain Collections internal rates to departments.

Personnel costs increase by \$43,100, and includes the cost to continue existing staff, an increase from the creation of two Senior Collections Specialist positions over the abolishment of two Collections Specialist positions by \$1,650, an increase in temporary extra help of \$9,200, and an increase in health and dental for a change from single to family plans.

Operating expenses decrease by \$2,000 due to a decrease in credit-collection services, partially offset by increased credit card finance charges.

Interdepartmental charges increase by \$2,200 due to increased DOA Business Office charges by \$2,500 to reflect actual usage, increased County-wide overhead by \$1,600, increased End User Technology Fund charges by \$1,500, partially offset by a decrease in postage by \$3,600.

In summary, over 15% 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

	2006 Actual	2007 Budget	2007 Estimate	2008 Budget	Budget Change
\$ Coll. for Wauk. Cty. Customers	\$1,179,168	\$1,137,951	\$1,136,700	\$1,185,150	\$47,199
\$ Coll. & Shared with State	\$960,854	\$1,005,000	\$990,000	\$950,000	(\$55,000)
\$ Coll. for Municipal Customers	\$214,795	\$200,000	\$200,000	\$210,000	\$10,000
Total \$ Collected	\$2,354,817	\$2,342,951	\$2,326,700	\$2,345,150	\$2,199
Total \$ Retained by County	\$1,706,066	\$1,670,201	\$1,665,200	\$1,705,750	\$35,549
Accts Referred to Collection Div.	11,571	12,000	12,000	12,000	0
\$ Referred to Collection Division *	\$11,961,225	\$4,800,000	\$10,000,000	\$6,000,000	\$1,200,000
# of External Intergovernmental Customers	19	20	21	22	2

*93.53% of the 2006 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.