

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	2007	2008	2008	2009	Change From 2008	
	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	\$98,973	\$73,525	\$87,500	\$85,075	\$11,550	15.7%
Interdepartmental	\$496,251	\$467,775	\$471,475	\$416,050	(\$51,725)	-11.1%
Other Revenue	\$190,264	\$199,950	\$204,950	\$183,100	(\$16,850)	-8.4%
Appr. Fund Balance (a) (b)	\$20,879	\$50,811	\$52,132	\$110,616	\$59,805	117.7%
County Tax Levy (c)	(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)	\$0	0.0%
Total Revenue Sources	\$711,367	\$697,061	\$721,057	\$699,841	\$2,780	0.4%
Personnel Costs	\$486,020	\$508,952	\$489,532	\$511,975	\$3,023	0.6%
Operating Expenses	\$63,330	\$145,857	\$114,463	\$130,703	(\$15,154)	-10.4%
Interdept. Charges	\$134,033	\$137,252	\$141,752	\$152,163	\$14,911	10.9%
Fixed Assets	\$0	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$683,383	\$792,061	\$745,747	\$794,841	\$2,780	0.4%
Operating Inc./Loss (b)	\$27,984	(\$95,000)	(\$24,690)	(\$95,000)	-	N/A

Position Summary (FTE)

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

- (a) A Collections Fund Balance appropriation in 2007 of \$20,879 is for depreciation expense. A Collections 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. 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.
- (b) The 2007 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 2009, the overall amount of this general tax levy reduction totals \$725,000.

Current & Proposed Capital Projects

Proj#	Project Name	Expected Completion Year	Total Project Costs	Estimated % Complete End of '08	Estimated Operating Impact	A = Annual T = One-Time
200710	Collection System Interface(s) (a)	2009	\$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 2009

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 2007, achieve greater than 50% reduction in the amount of time staff spends on referral processing by 2009.

Performance Measure:	2007 Actual	2008 Target	2008 Estimate	2009 Target
Reduced total staff time per referral	N/A	25%	10%	50%

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:	2007 Actual	2008 Target	2008 Estimate	2009 Target
Ratio – All Collected Funds*	4.08	2.96	3.22	3.12

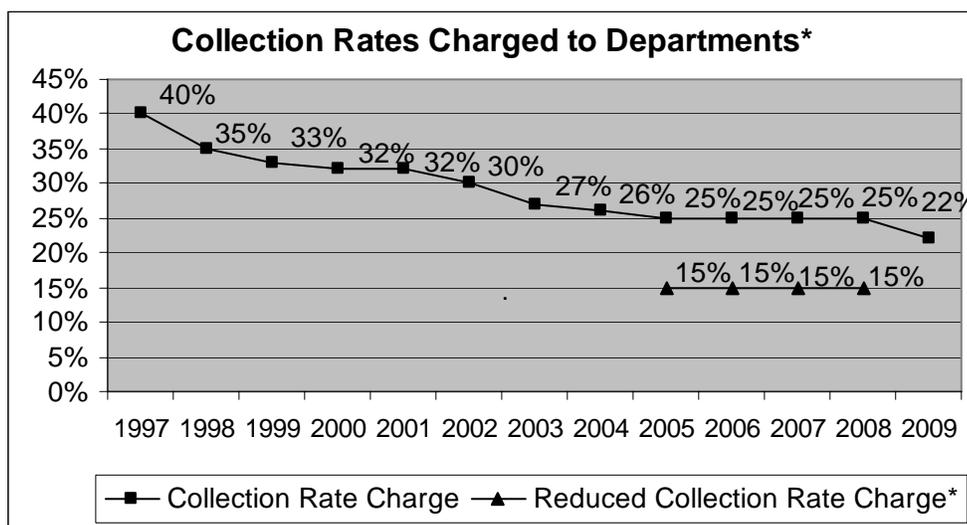
Maintain a recovery % greater than collection agency industry average specific to governmental accounts.

Waukesha Cty. Recovery %	30.8%	31.0%**	31.0%	31.5%
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).



*Departments which exceed their estimated total collections for a budget year have their collection rate charge reduced to 15% (2005 – 2008). Plans to be discontinued in 2009 due to a drop in rate charged to 22%.

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:	2007 Actual	2008 Target	2008 Estimate	2009 Target
Reduction of stand-alone cashier systems	N/A	N/A	N/A	5-10



Program Highlights

Charges for Services revenues increase \$11,550 due to additional municipal collection contracts and increased collections. Interdepartmental revenues decrease \$51,725 mainly due to a decrease in the rate charged from 25% to 22%. Other Revenues decrease \$16,850 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 \$110,616 is for general depreciation expense, expenses relating to the collections interface capital project and to a decrease Collections internal rates to departments.

Personnel costs increase by \$3,023 mainly due to cost to continue existing staff, partially offset by a decrease for turnover of a Senior Collections Specialist. Operating expenses decrease \$15,154 mainly due to a decrease in third party temp help, partially offset by an increase in depreciation. Interdepartmental charges increase by \$14,911 mainly due to End User Technology Fund charges by \$9,700, postage by \$3,000, County-wide overhead by \$1,200 and records management box storage charges by \$1,000.

In summary, over 17% 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

	2007 Actual	2008 Budget	2008 Estimate	2009 Budget	Budget Change
\$ Coll. for Wauk. Cty. Customers	\$1,435,206	\$1,185,150	\$1,200,000	\$1,399,200	\$214,050
\$ Coll. & Shared with State	\$1,090,043	\$950,000	\$950,000	\$840,000	(\$110,000)
\$ Coll. for Municipal Customers	<u>\$255,864</u>	<u>\$210,000</u>	<u>\$250,000</u>	<u>\$243,000</u>	<u>\$33,000</u>
Total \$ Collected	\$2,781,113	\$2,345,150	\$2,400,000	\$2,482,200	\$137,050
Total \$ Retained by County	\$1,981,120	\$1,705,750	\$1,800,000	\$1,884,000	\$178,250
Accts Referred to Collection Div.	11,877	12,000	12,000	12,000	0
\$ Referred to Collection Division *	\$11,107,069	\$6,000,000	\$6,000,000	\$6,000,000	\$0
# of External Intergovernmental Customers	21	22	22	23	1

*94.14% of the 2007 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.