



Department of Administration
Intergovernmental Relations Division

Tom Barrett
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TO: MAYOR TOM BARRETT; COMMON COUNCIL MEMBERS; CABINET
FROM: DANIELLE DECKER, LEGISLATIVE FISCAL MANAGER
SUBJECT: CITY-COUNTY RELATIONS
DATE: DECEMBER 10, 2018
CC: KIMBERLY MONTGOMERY, PAUL VORNHOLT
ATTACHMENTS: BUS CHECK REPORT (MPD); COUNTY DELINQUENT TAX STUDY (BUDGET); 911 WHITE PAPER (FPC)

EXECUTIVE SUMMARY

In the summer of 2018, the City of Milwaukee Intergovernmental Relations Division (IRD) initiated a project to analyze the relationship between the City of Milwaukee (“the City”) and Milwaukee County (“the County).” IRD interviewed municipal departments to compile current budgetary and operational arrangements between the departments and the County. The County and City continue to have a symbiotic and collaborative relationship and partner on a variety of matters essential to constituent services for both residents of Milwaukee and visitors to the Greater Milwaukee region.

Unlike the relationship between the City and the federal government, or between the City and the State of Wisconsin, the relationship between the County is fluid, often informal, and difficult to accurately quantify. The information below is an effort to capture primary points from these intra-agency discussions regarding municipal departments’ respective relationships with county governmental agencies.

In addition to the historical and current agreements, the report captures some overall analyses and recommendations for City leadership consideration.

In increasingly constrained fiscal environments felt largely at the local level, any opportunity to review existing contracts and arrangements should be considered. In addition, given these constraints, it is imperative that the City first organize intra-departmentally before engaging or considering new or revised contracts or consolidations. As both the City and County experience the continued stagnation in shared revenue, the two political subdivisions should consider working with relevant public and private stakeholders to propose shared recommendations to remedy this shortfall. If leadership of a respective department chose to posit recommendations for additional City-County collaboration, those recommendations are included, additionally.

Recommendations for City Leadership:

1. Regularly quantify and provide the City with the estimable value of the services provided by MPD on county-owned buses and parks.
2. Request that the County contribute to the *Blueprint for Peace*, potentially as part of the Community Justice Council efforts.
3. Agree to continue facilitating city-provided recycling programs in the parks system in exchange for courtesy city use of parks for joint events (such as Fourth of July)
4. Reexamine stormwater management fees agreement valued at \$1.2 million per year.
5. Consider convening an executive-level discussion of ways to more closely collaborate with the County prior to the 2019-2020 state legislative session (this could be done as part of the Intergovernmental Cooperation Council).
 - a. Items include expungement, reckless driving, criminal justice reform, and increased shared revenue
6. Maintain the current city-operated system for emergency communications and commit to internal efficiencies before considering any form of interjurisdictional consolidation.

Key Areas in Which the City Supports the County:

- 1) Municipal Policing of county-owned buses and parks
- 2) Allowing the County use of city-owned “milwaukee.gov” url
- 3) Recycling support at county parks
- 4) Increased takes on paramedic training responsibilities
- 5) Operating the MPD Extradition Unit on behalf of the District Attorney

Key Areas in Which the County Supports the City:

- 1) Provides the Department of Neighborhood Services with access to free software called “Laredo” that allows DNS staff to check the register of deeds ownership.
- 2) Allows the City use of their land for city light substations.

Opportunities for Collaboration:

- 1) County financial support of the Office of Violence Prevention’s Trauma Response Initiative
- 2) Ongoing targeted traffic enforcement and joint park policing
- 3) Outreach opportunities between the Office of African-American Affairs and municipal departments, such as the Fire and Police Commission
- 4) Regionally-driven assessment system to streamline property assessment process

Executive Budgetary Highlights:

<u>Source of Funding/Support</u>	<u>Service</u>	<u>Designation, Statute, or Agreement</u>	<u>Amount/Value</u>
County to City	Reimbursement for city accepting its own 911 wireless calls, previously a county responsibility	Previously mandated by state statute when County served as primary Public Safety Answering Point (PSAP); state provision has expired	\$501, 166 (2017 payment)
City to County	Policing of parks/lakefront	Proposed intergovernmental budgetary agreement which did not materialize	Proposal had been to reimburse MPD \$950,000 to patrol the Lakefront and \$250,000 to patrol the other county parks within the City
County to City	EMS Training	County is under a State and federal designation to serve as the regional EMS training center	Projected cost for City to absorb services, (without cost-sharing): *\$2,185,537.00
County to City	City light substations	Informal Agreement	DPW would need to estimate preliminary costs to relocate substations off county lands
City to County	Policing of Buses	Informal Agreement	MPD conducts an average of 19,031.5 safety checks aboard County buses annually, since 2012
City to County	Shared usage of City-owned milwaukee.gov Uniform Resource Locator (URL)	Informal Agreement	Potentially hundreds of thousands to millions of dollars of impact to county operations should the county need to redo their marketing and communication materials

Administration - Community Development Grants Administration:

The Continuum of Care (CoC), a county-wide initiative, is largely funded by the U.S. Department of Housing and Urban Development (HUD), led and managed by the City of Milwaukee. The City, through the Continuum of Care project, receives and administers these funds to fifteen groups managing twenty-one projects throughout the City. The County previously managed the grant, but transferred management to Community Advocates and ultimately to the City. HUD provides a planning grant to the City to oversee this program.

As part of the City's Fiscal Year 2018 federal HOME allocation, the City utilizes \$600,000 of the HOME funds to support approximately 80 individuals experiencing chronic mental health or disability in a proactive effort to deter homelessness among vulnerable populations. The County also contributes funds to support this chronic population. The City-County partnership has directly resulted in a measurable reduction in chronic homelessness.

The City also directly supports the District Attorney's three Community Prosecution Units through the City's CDBG funds. The City's support of the CPU program will become increasingly vital as additional sources of federal funding for the CPUs become imperiled in legal and administrative obstacles, such as the ongoing uncertainty facing the U.S. Department of Justice's Byrne JAG grant, according to the County, with the City serving as a sub-grantee.

City Assessor:

Per the City Assessor, Steve Miner, "all municipalities within Milwaukee County (except the City of Milwaukee) rely on the County to perform portions of or all of the property listing functions. Property listing includes tracking ownership changes, documenting legal description changes, and creating parcel numbers at the time of splits, combinations or sales."

The City and the County have separate Graphic Information Systems. The current methods of updating parcel map data are in place because data has to be processed at different times. With the purchase of the City's new computer-assisted mass appraisal system, therein lies an opportunity for new intergovernmental coordination.

A significant number of municipal departments rely on the data from the Assessor's Office and ITMD. Cost-sharing with the County may reduce costs to city taxpayers. If this data collection project was completed at the county level, savings could be produced for all municipalities within the County.

The Assessor's office posits that all municipal departments would benefit from having up-to-date imagery of buildings and streets, including digital photos which could easily be shared with other municipal or county departments. In the future, the Assessor's office plans to acquire new street level photos for every property.

The Assessor's recommendations for potential intergovernmental collaboration:

- Counties may provide for a Real Property Lister (RPL) to prepare and maintain accurate ownership and description information for all real property parcels in the County. That information may include the following:
 - Parcel numbers: the RPL creates, assigns, and retires parcel numbers;
 - The owner's name and an accurate legal description as shown on the latest records of the office of the Register of Deeds (ROD): owner(s) names are researched and listed for the parcel of record by the RPL;
 - The owner's mailing address: updates to owner's mailing address, whether one owner or multiple owners, are made by the RPL;
 - The number of acres in the parcel (if it contains more than one acre): the RPL lists the parcel acres based on the best information available including, but not limited to, when documents are recorded for splits, combinations, and certified survey maps;
 - School district and special purpose codes: all codes attached to the parcel are assigned by the RPL

The RPL provides this information for the use of municipal assessors, clerks, treasurers, county offices, and any other person requiring that information. The RPL also serves as the coordinator between the County and the municipalities for assessment and taxation purposes.

Because of the specialized nature of maintaining accurate, up-to-date maps and records, this function is best carried out at the county level. This allows the lister to make efficient use of the computers and other equipment, have ready access to documents and deeds recorded with the ROD, and provide a central location for real property records in the County.

City Clerk:

Unlike other municipalities, the City Clerk does not administer elections, therefore limiting the extent of collaboration between the City Clerk's Office and the County. The City Clerk's Office manages a Memorandum of Understanding regarding the Legistar legislative tracking system. The MOU is shared between the City, County, and Granicus. The City receives a discount on the City's portion of the current co-location on the server (note that the co-location will terminate when the County enters the cloud storage system which the City is already in).

Additionally, the Clerk manages the acquisition of liquor licenses from the City required by entities (other than the County or entity operating in conjunction with the County) offering alcohol for sale in county parks. If County is running the operation a license is not required. For example, Humboldt Park and Estabrook Park are private operators and have city licenses, but South Shore Park and the traveling beer garden are both county-run and exempt from the city license per Wis. Stat. 125.06(6).

The County and City share a joint task force, the City-County Heroin, Opioid, Cocaine Task Force, although the County does not contribute any in-kind or direct funding to the initiative.

Comptroller:

The City Comptroller oversees the fiscal management of the HOME Investment Partnership Program, a partnership with Milwaukee County which serves over 80 chronically homeless individuals throughout the County. The Comptroller conducts site visits of the County both pre-award and post-award to ensure the transactions are viable. The Comptroller has previously conducted a desk review of the county. The Comptroller receives an administrative fee of approximately \$60,000 to administer the HOME program on behalf of the County. The City Comptroller does not collaborate directly with the County Comptroller.

Department of City Development:

The Commissioner of the Department of City Development, Rocky Marcoux, holds regular meetings with the County and believes the City is now more in alignment with the County than in previous years.

The City and County collaborated closely on the Couture Project; the County Executive requested that the Commissioner serve on the panel that selected the developer of the Couture. The County ultimately holds the fiscal obligations if the Couture project does not continue.

DCD continues to collaborate closely with county partners on MacArthur Square; the County owns the grass while the City owns the parking.

In addition, in partnership with the Housing Authority, DCD continues to collaborate with the County on a variety of housing and development projects, including the 10th and State joint housing project, Thurgood Marshall Apartments, and the Supportive Housing Initiative and Partnership to End Homelessness. City-owned art is also present throughout the parks system; typically there are no significant maintenance costs associated with this art.

DCD occasionally encounters zoning disputes when the County is seeking licensing for social services facilities within municipal boundaries. The City's authority over zoning, as well as access to bonding, encourages the County to collaborate and resolve any zoning concerns.

Department of City Development - Redevelopment Authority:

The Redevelopment Authority (RACM) does not have any fiscal relationship with the County.

RACM does collaborate with the county's real estate arm. As well, RACM and the County partake in a shared grant with the Harbor District. RACM also undertakes July 4th cooperation agreements annually.

Election Commission:

The County and City both play a role in the essential process of coding voting equipment. The County is responsible for ballot layout and programming for all elections, including in the City of Milwaukee. The county is additionally responsible for 100% of costs associated with ballot printing and equipment coding for county, state, and federal contests on a ballot, while cities provide pro-rated costs if a ballot includes municipal races.

Costs related to coding equipment were very high – for both individual municipalities and the county – because of the lack of uniform voting equipment. Within Milwaukee County’s 19 different municipalities, four different types of voting equipment were being used. This resulted in dependency on external vendors to complete the equipment coding processes.

The Executive Director of the Milwaukee Election Commission previously coded the city’s voting equipment, even though it is statutorily the responsibility of the County. The Director provided this service given his expertise in programmatic and quality electoral controls.

In 2015, through a process led by the Public Policy Forum, Milwaukee County, the City of Milwaukee and the other municipalities established an Intergovernmental Agreement (IGA) to purchase uniform voting equipment. As a result of the substantial savings that was to be experienced by the county, the county agreed to subsidize 70% of the cost of the new equipment. All Milwaukee County municipalities, including the City of Milwaukee, began using uniform equipment with the February 2016 Spring Primary.

In addition to uniform voting equipment, discussion occurred around establishing an additional agreement between Milwaukee County and the City of Milwaukee to collaboratively complete the equipment coding process. However, this proposal did not come to fruition.

Employ Milwaukee:

Employ Milwaukee engages in a series of collaborative efforts with the County with the express goal of serving shared constituents in Employ’s workforce development mission. Key programs include Uplift Milwaukee, Pathways Fatherhood Initiative, Children First, and House of Corrections Reentry Employment Services Center.

Uplift MKE will place direct hire employees in the end-use jobs that are expected to be a part of Milwaukee’s continued economic growth. Leveraging funding from the County, Employ Milwaukee manages the effort utilizing the training curricula of the Milwaukee Area Technical College, Milwaukee Public Schools and its various other partners.

The Pathways Fatherhood Initiative connects participants with education and vocational training to position them for workforce advancement and placement opportunities. Additional program elements focus on strengthening the father-child relationship, co-parenting relationships, and healthy marriages. Economic stability activities are offered in the context of the City of Milwaukee’s Compete Milwaukee project.

Children First is a program designed to encourage and enable parents to contribute to the financial support of their children, designed for parents that are currently unable to pay child support due to being under- or unemployed.

Fire and Police Commission:

The City’s Fire and Police Commission worked with Brandon Culpepper to found PeppNation, a mentoring program designed to motivate and uplift student athletes to achieve their full potential. This is in addition to collaborating with several of the City’s Community Development Block Grant partners (Amani Community, Dominican Center, COA Youth and Family Centers and

Milwaukee County Parks (Moody Park)). In addition to its public safety and socioeconomic benefits, PeppNation serves as a critical feeder into the police aide and fire cadet programs.

The Sheriff’s office supports the FPC by conducting the background checks for commissioner candidates at no cost to the City.

The Fire and Police Commission is continually examining opportunities for both informal and formal partnerships in addition to supporting the Police and Fire Departments in their intergovernmental agreements.

Fire and Police Commission - Emergency Communications:

Post 9/11, as cell phones were becoming common and the U.S. Department of Homeland Security made funding available to support local emergency communication needs, the State administered said funding to one Public Safety Answering Point (PSAP) per county, with the goal of tasking one political subdivision with the increasingly critical task of answering the wireless calls; both the City and the County vied to be the regional PSAP for Milwaukee County but the City lost to the County, who received the state funding. The state statute which had established the primary PSAP for each county has since sunsetted. Therefore, current state law does not mandate which jurisdiction is responsible for intake of the calls, leaving the entities responsible for determining the ideal arrangement to serve Milwaukee constituents. Given the complexity and interest in this technical, operational, and inter-departmental and -governmental topic, the City’s Emergency Communications professional staff has prepared a white paper on the matter of 911 communications (see attached for full history and description of issue).

The City is highly supportive of consolidating resources whenever possible. However, it is not advisable given our size and our capacity, service, and operational requirements. The City constituents are best served by remaining in our current operational and technical scenario. In addition to the tangible impact, a shift from a city-operated system to a regional system could yield public reaction regarding the responsiveness and quality of calls.

Additional budgetary background on emergency communications’ expenses, from the Budget Office:

	Staffing & Benefits	Operating Costs	Total Costs
911			
system	\$13,245,000	\$332,000	\$13,577,000
Radios	\$919,000	\$753,000	\$1,672,000
Total	\$14,164,000	\$1,085,000	\$15,249,000

In addition, in 2016, an agreement between the Milwaukee Police Department (MPD), Milwaukee Fire Department (MFD), and the County Office of Emergency Management (OEM), facilitated construction on a new county-owned radio tower on MFD property at Engine 38. The county handled the construction expenses for the new tower while the city is responsible for managing the cost of removing the old tower and covering the utility costs. MPD hosts its radio equipment on the tower at no cost and MFD was gifted a generator as part of the agreement.

Milwaukee Fire Department:

According to the fire department leadership, as a result of increasingly constrained local fiscal environments, the County has been continually reducing services, support, and financial resources to not only the Milwaukee Fire Department but the remaining fire departments within the County. The County has cited ongoing budgetary constraints as the reasons for these reductions, which increasingly requires cities to absorb these costs.

Seven municipalities are consolidated into the Northshore; every other municipality has its own fire department. These municipalities rely on the County for a variety of EMS-training services. The County is recognized as a Paramedic Training center, which is a state and federal designation. The City is not designated as such and therefore cannot conduct continuing education. Although traditionally under the purview of the County, IRD was unable to locate any state mandate requiring the County to administer the paramedic program.

According to the Wisconsin Department of Health Services, “high-quality EMS training in Wisconsin is achieved through a system of state-approved training centers that provide Emergency Medical Responder, EMT, Advanced Emergency Medical Technician, EMT-Intermediate, EMT-Paramedic, Critical Care Paramedic original training and refresher courses,” which for the greater Milwaukee region currently lie within a training space located at 7th and Wisconsin. The training space continues to be county-operated and due to the fact that the County no longer operates the initial paramedic training which MFD cadets now undergo during their training at municipal expense, it is unlikely the space will return to the larger training facility previously located at 9501 W Watertown Plank Road in Wauwatosa.

MFD and the County currently partner in a four-year contract to fund the Advanced Life Support (ALS) program. This contract is county-wide and engages all fire departments with the county. The funding from the county’s portion of the contract decreases annually. The contract mostly provides supplemental materials, such as ALS medical supplies. The source of this funding dates back to the 1980s, when the county recognized a need for a county-paramedic service consistent across the county. The county is under no federal or state designation to continue the contract. MFD does not believe the contract will be ended fully in 2020, but the supplemental portion may continue to decline.

The City brings in Advanced Life Support revenue when transporting a patient in one of the paramedic units, at the rate of approximately \$5 million each year, which does not offset the total cost of City’s paramedic program, as average costs are closer to \$900 per transport when the costs of equipment, personnel, and gas are added, and may reach \$1500 when staff time is added. Beyond these average costs, some complicated life-saving efforts alone may cost upwards of \$2,500.

The City is required to transport ALS patients regardless of reimbursement rate. MFD receives approximately \$300 in reimbursement from Medicaid/Medicare, at the rate of approximately 30 cents on the dollar, and a supplement of approximately \$30 from the County per ALS transport. MFD typically retrieves the full cost from private insurance, but only 11% of patients are on private insurance or self-pay, so full reimbursement is quite slim.

In 2018, MFD is expected to receive \$126,000 in reimbursements from the county for ALS transport at the rate of \$30 per transport. Both MFD and the remaining fire departments within the County rely on this funding for reimbursements, a process which expires once the total funding is exhausted by the various fire departments who rely on it. In 2016, the county began with an initial funding amount of \$500,000 which is drawn down each year over a four-year contract, with a large portion being utilized for capital improvements for dispatch/Computer Aided Dispatch (CAD) improvement that will be beneficial county-wide.

Given the challenging budgetary climate, fire leadership across the municipalities are uncertain regarding the future status of Milwaukee County EMS (MCEMS) and has prepared internal projections of the estimated budgetary impact to the City should the City be required to move the EMS training “in house.” *The projected total cost (2015 numbers) to the City of Milwaukee should the County ultimately discontinue the training program is estimated at \$2,185,537.00, however, as any agreement would likely be county-wide, there may be opportunity for cost-sharing among the municipalities. Given’s MFD’s size, the City would naturally take on a key role in any revised program.

Four years ago, the City and County, via MFD, collaborated on a county-wide videoconferencing system dedicated to paramedic refresher training. The funding derived from a federal grant from the Federal Emergency Management Agency (FEMA) Assistance to Firefighters (AFG) grant program. The City was eligible as part of the Metropolitan Statistical Area to pursue the FEMA AFG grant as part of a regional application, having the County administer the training via the county-wide videoconferencing system to fund the paramedic refresher and shared training. Both the grant application process and administration was collaborative, producing a regional public safety benefit. The grantee agreed as part of the original grant stipulations to sustain future costs beyond the grant award, which is entirely expired now. The City is no longer eligible to receive a comparable federal award as its existing nature renders the project ineligible for further funding of this kind.

The City continues to pay approximately \$77,000 annually in maintenance fees as do the other municipalities within the county, a proportional amount for each interface utilized. The City requires 40 interfaces, an access point allowing emergency call information to be integrated into the CAD system. The City and County may wish to discuss alternatives means of funding this shared program.

Health Department - Office of Violence Prevention:

The Trauma Response initiative, focusing on enhanced support for teenagers in crises, was launched in 2015 and renewed via Memorandum of Understanding each year. The City contributes \$180,000 annually to facilitate two clinicians who provide emergency counseling.

The County does not currently contribute to the initiative. The Office of Violence Prevention believes it would serve the Initiative and therefore the target population for the County to contribute approximately \$90,000 – 100,000 annually to support this collaborative initiative when the MOU is eligible for renewal in 2019. As research has demonstrated that youth exposed to violence are twice as likely to use violence within the same year, there is a clear public safety benefit to addressing teenagers in crisis. Beyond the public safety benefit, there is a tremendous economic and educational benefit to proactively supporting youth in crisis, rather than allowing vulnerable youth to fall into a pattern of cyclical violence and poverty, and risk entering the juvenile justice, or the adult prison system. OVP estimates that for the City of Milwaukee the cost of out-patient care for a gunshot wound is \$25,000 and \$65,000 for in-patient care.

In 2016, the County provided funding for Safe Zones, a collaborative initiative aimed at reducing violence and increasing educational opportunities in economically disadvantaged neighborhoods, which allowed the program to extend through the end of 2018.

Information Technology Management (ITMD):

Unlike the majority of municipal governments, the City is grandfathered into the rights for a .gov address, which the City shares with Milwaukee County.

ITMD has no current funding relationships with the County. However, the City website is hosted by the County; the County has our license and runs the hardware. The City and County split the maintenance costs of this hardware, saving both entities money and improving efficiency. The City of Milwaukee owns *Milwaukee.gov* and is grandfathered into ownership of this URL. Local ownership of this URL is very rare, and is typically reserved for use by the federal government. Ownership of the URL, which the City shares with the County at no cost, saves city taxpayers \$12,000 annually. The City allows the County to use the URL at no expense. A discontinuation of allowing the County to utilize this URL would cost the County significant time and expense and require them to update their electronic and printed materials.

The City also allows the County to use the City's E-notify system to distribute bid notices at no cost. Comparable electronic services would cost the County money.

In addition, the County utilizes city-supported wifi at county-owned Cathedral Square and Pere Marquette Park, as well as for the Public Museum.

Additionally, the City lends the County dark fiber to foster internet connections in select areas; the County would otherwise have had to pay for this dark fiber.

The City provides the dark fiber connection between the City of Milwaukee Election Commission and County Election Commission. In addition, the City provides dark fiber for a number of sites, including McKinley Marina and the Medical Examiner's Office, as well as between the multijurisdictional High Intensity Drug Trafficking Area (HIDTA). Without this support, the County would have to pay for select dark fiber, saving the County approximately \$10,166 annually for McKinley Marina alone.

Housing Authority of the City of Milwaukee:

The Housing Authority of the City of Milwaukee (HACM) works closely with the County on senior and low-income housing collaborative efforts. The County Department on Aging operates a Congregate Senior Meal Program, hosting four meal sites in HACM buildings, plus Olga Village at the United Community Center's campus. HACM provides the space in support of the program, which offers a lunch program five days a week for low-income constituents.

HACM partners with the County Department on Aging on the Lapham Park Venture, a shared effort to support seniors in assisted living. HACM's contribution is space and clientele. HACM also partakes in a MOU with the Milwaukee County Housing Division. HACM provides the County with 50 federal U.S. Department of Housing and Urban Development (HUD) Housing Choice vouchers for referrals for chronically homeless clients within the County. The County also conducts a Rent Reasonable Comparisons Development, an analysis of the City's reasonable housing rates by federal guidelines. This is conducted by the County to follow federal guidelines requiring an external, objective assessment. The City pays the County \$70/hour to conduct this analysis.

HACM engages in informal reciprocal space-sharing, allowing the County to utilize the Hillside facility, while HACM utilizes McGovern Park.

HACM collaborates with the County on HUD's rule on Affirmatively Furthering Fair Housing. Per HUD policy, the AFFH Final Rule requires certain HUD grantees to conduct an Assessment of Fair Housing (AFH) planning process.

In addition to these substantive collaborations, HACM collaborates as needed with the County, including on transportation and public access matters. HACM funded the Milwaukee County Transit System bus shelter on Silver Spring Drive near the City's West Lawn public housing development. Which the County utilizes along its bus lines.

Per HACM executive leadership, below are opportunities for City-County collaboration:

- Consider study on benefits of centralization of housing support services
 - Most of Milwaukee County's federal housing vouchers are already used within municipal boundaries, there is a potential cost-savings and potential for enhanced services through regionalization
 - HACM currently has authorization for 6,219 vouchers, the County receives approximately 1,900 for utilization within the County, including the City
 - HACM receives 60-70% reimbursement administratively for each voucher cost (losing funds)
 - May need to collaborate on evictions dialogue to jointly address or mitigate decreasing federal vouchers

Milwaukee Public Library:

The State of Wisconsin has sixteen library systems, which the State financially supports. The Milwaukee Public Library (MPL) is part of the Milwaukee County Federated Library System (MCFLS) which includes fifteen municipalities within the County and is the largest of the state

systems. The County provides \$66,650 in annual support for the county-wide system, to which the City does not contribute any funds.

The board of MPL is statutorily required to include a County supervisor per Wis. Stat. §43.54 (1)(am), even if he or she does not represent municipal boundaries. Statutorily per Wis. Stat. §43.19 (1)(a), one representative from MPL must sit on the county-wide board of trustees governing MCFLS.

MPL also participates in the county-wide catalog paid for by the Federated Library System, which the City pays back at a pro-rated amount. MPL's participation in this program is highly advantageous to neighborhood communities, enriching access to literary and educational resources.

Department of Neighborhood Services:

The Department of Neighborhood Services (DNS) does not interact significantly with the County; the majority of its intergovernmental engagement lies with the State. The County provides the City access to software called Laredo" that it shares with DNS staff, allowing DNS staff to access the register of deeds property ownership information. The County does not charge for access to this software; otherwise, DHS would have to physically go to county offices to search records, saving the City operational expenses and staff time.

Periodically, the County sends the City information on *lis pendens*, a written notice of when a lawsuit related to real estate is filed. DNS pays the County a flat fee for this service. This arrangement has taken place since 2009 when the foreclosure ordinance took effect in City.

DNS has documented the remaining ways in which it engages County partners:

- 1) DNS responds to complaints in county-owned property within municipal boundaries. DNS will send the County an advisory as the City does not issue orders to another government entity. DNS also addresses issues directly with county maintenance staff.
- 2) DNS performs annual fire inspections on all county buildings within municipal boundaries, of which the DNS inspector's time is conducted at the City's expense, per state mandate.
- 3) The Sheriff's office is responsible for serving evictions; however, DNS often becomes involved if there are building code violations, which would ultimately be resolved through eviction court.

Milwaukee Metropolitan Sewerage District:

The Milwaukee Metropolitan Sewerage District (MMSD) primarily collaborates with the County through the parks system. MMSD has outlined the various payments made to Milwaukee County (1/1/2014 through 6/29/2018) for various projects. There were no significant payments from Milwaukee County to MMSD during this same period.

TOTAL PAID-TO-DATE

MILWAUKEE COUNTY	\$108,800.00
MILWAUKEE COUNTY PARKS	\$320,564.00
MILWAUKEE COUNTY REGISTER OF DEEDS	\$31,387.40
MILWAUKEE COUNTY RESEARCH PARK	\$64,000.00
MILWAUKEE COUNTY TREASURER	\$419.99

The total: \$525,171.39.

In addition, below is a description of the most significant project that MMSD is working on with the County, entitled “Rethink and Renew-Menomonee River Parkway Green Infrastructure and Reconstruction Project,” submitted by Milwaukee County Parks.

The Milwaukee County Department of Parks, Recreation, and Culture will reconstruct the Menomonee River Parkway between Church Street and Congress Street in the Cities of Wauwatosa and Milwaukee (covering approximately 4.6 miles). This project aims to reduce the volume of stormwater directed into sewers, increase infiltration, and improve wildlife habitat along the Menomonee River. This project will include 126,000 square feet of bioswale, 6,900 square feet of rain garden, 121,330 square feet of constructed wetland, and 44 stormwater trees. This project requested and received Signature Project Status.

Award: \$227,000

Gallons Capacity: 1,983,499

Milwaukee Police Department:

It is important to note that, according to Fire and Police Commission policy, MPD has the authority and discretion to engage in intergovernmental MOUs that the department finds beneficial. MPD plays an extensive role in policing the parks and buses and believes there is tremendous public safety advantage to its pervasive and ongoing presence in Milwaukee County Parks. From the period of 2012- 2017, MPD conducted 19,032 bus checks, plus an additional 4,388 in 2018 (January 01 through July 11, 2018) *Source: Milwaukee Police Department Office of Management Analysis & Planning*). The full 2012-2017 MPD bus check value report is attached.

Previously, the County proposed to pay MPD \$950,000 to patrol the Lakefront and \$250,000 to patrol the other county parks within the City. In order to analyze the proposal MPD developed several staffing plans for the Lakefront. MPD determined their cost to patrol the Lakefront would exceed the \$950,000 payment by about \$75,000. However, since MPD was already regularly patrolling the other county parks within the City there would be no additional cost to MPD for this portion of the agreement. Therefore, the \$250,000 payment to patrol the other county parks would offset the cost overrun of adding the Lakefront to MPD’s jurisdiction and made the proposal acceptable from a budget perspective. This proposal ultimately did not come to fruition and the City remains uncompensated for the cost of these significant public safety services.

MPD also operates an extradition unit on behalf of the District Attorney, pursuing persons of interest across interstate lines and delivering them to Milwaukee County. The DA's office reimburses MPD for the costs of gas, travel, and meal expenses for the officer and prisoner. The county does not reimburse for salary, overtime, and benefits, expenses which the City absorbs.

Special Weapons and Tactics

MPD's SWAT team shares state-issued equipment with the Sheriff's office, including its "BearCat," a wheeled armored personnel carrier. MPD and the Sheriff's department operate under a MOU governing policies and procedures for regional SWAT maneuvers and shared equipment and usage. The City and County also engage in an ongoing agreement regarding the City's use of a Municipal Courtroom within the Milwaukee County Courthouse.

Port of Milwaukee:

The Port Authority historically and presently works well with the County. However, the Port does not have any current formal relations with county entities. As the County is responsible for the parks and the City is responsible for commercial ports, natural collaboration and communication occur.

The State had previously provided land grants to the City and County for navigation and fishing purposes. As well, the State owns the bottom of the lakes, including Lake Michigan, leading to natural intergovernmental and interagency connectivity regarding joint stewardship of these shared natural resources.

In addition, both the City and County have representatives sitting on the Maritime Security Committee, a local committee initiated by the U.S. Coast Guard Captain of the Port, which meets regularly.

Department of Public Works:

The Department of Public Works (DPW) collaborates closely with the County government, particularly the Milwaukee County Parks System. All DPW intergovernmental agreements go through the Common Council's review and approval process. The City typically approaches the County on sewer and environmental projects, and the County often approaches the City on highway and road matters.

DPW and the County share fifty-nine traffic signal and forty-four street lighting agreements. These agreements operate continuously until both parties agree to terminate the arrangement. The City and County also have numerous service request agreements, some spanning several decades, in which the County reimburses the City for maintenance costs.

Typically, the City of Milwaukee bills Milwaukee County for maintenance/energy usage of park lights within the Milwaukee County Park system.

The County allows DPW use of its land for municipal light substations at no cost at the following locations:

Substation EJ - Underground station in Lake Park (E. Locust ST. & N. Lake Dr.)

Substation NA - Underground station in Rose Park (W. Burleigh St. & N. 3rd St.)
Substation NH - Underground station in Smith Park (N.35th St. & W. Custer Ave.)
Substation SK - Underground station in Mitchell Park (S. 22nd St. & W. Pierce St.)
Substation SL - Underground station in Kosciuszko Park (S.10th St. & W. Lincoln Ave.)
Substation SJ - Underground station in Jackson Park (S. 43rd St. & W. Dakota Ave.)
Substation EO - In Community Center in Humboldt Park (Humboldt Park Service Bldg.)
Substation SO - In Pavilion by the Lagoon in Wilson Park (1625 W. Howard Ave.)

Notably, since May 17, 2001, the City and County entered into an intergovernmental agreement to exempt County Park facilities from stormwater utility charges. The Department of Public Works estimated the Parks' hard surfaces that would qualify for the charge currently exempted under the City-County agreement; based on the 2018 rate of \$20.79 per one ERU, Parks facilities would have been charged about \$300,000 per quarter or \$1.2 million per year. The exemption was part of a larger agreement/settlement regarding the dispute over a zoning change for a proposed Indian Council for the Elderly Senior Housing Complex.

DPW also manages various construction/right of entry permit agreements with DPW, all agreements to maintain and improve water quality on behalf of local residents. Purposes of these shared agreements include gaining access to rehabilitate combined sewers, ditch maintenance, roadside landscaping, lawn and ditch maintenance, and bioswales and associated facilities' work (full list of agreements attached in the appendix).

DPW and the County also collaborate to safeguard shared natural resources, such as a joint initiative to manage Menomonee River stormwater runoff entering the Menomonee River near the City's Hartung Park. DPW manages multiple key median agreements on County-trunk state highways to enhance water quality through the establishment and maintenance of bioswale gardens, including partnerships at Good Hope Road, Mill Road, and Layton Avenue. DPW also partakes in mutual cost-savings and quality-enhancing partnerships with the County to address flooding, notably ones at Copernicus Park and Dineen Park. DPW considers both arrangements favorable to Milwaukeeans, providing residents with better protections at a lesser cost. The City and County participated in a proactive intergovernmental mowing work group to quantify which party oversaw which aspect of mowing services and responsibilities. The group produced an exhaustive mapping project showing ownership of mowing geographic responsibility. As a result of these discussions, the City agreed to a multi-jurisdictional MOU with WISDOT and the Milwaukee County Department of Transportation. The City committed to meeting semi-annually with intergovernmental partners to identify and resolve property ownership and maintenance issues, and discuss any updates to the interagency Geographic Information System mowing map. In addition, as part of this agreement, in May 2016, DPW assumed responsibility for the care and maintenance of 52 acres of roadside vegetation located within municipal local rights of way adjoining WISDOT property; WISDOT accepted responsibility for 5 acres of vacant property within municipal boundaries.

The City and County participated in a proactive intergovernmental mowing work group to quantify which party oversaw which aspect of mowing services and responsibilities at State freeway borders. The group produced an exhaustive mapping project showing ownership of mowing geographic responsibility. As a result of these discussions, the City agreed to a multi-

jurisdictional MOU with WisDOT and the Milwaukee County Department of Transportation. The City committed to meeting semi-annually with intergovernmental partners to identify and resolve property ownership and maintenance issues, and discuss any updates to the interagency Geographic Information System mowing map. In addition, as part of this agreement, in May 2016, DPW assumed responsibility for the care and maintenance of 52 acres of roadside vegetation located within municipal local rights of way adjoining WisDOT property; WisDOT accepted responsibility for 5 acres of vacant property within municipal boundaries.

DPW and the County also engage in a repair agreement over City-owned MacArthur Square located at 841 N James Lovell. In 2017, the Common Council approved a resolution approving and authorizing the execution of an Intergovernmental Cooperation Agreement between the City and County for the reconstruction of the floor slab of the Parcel 5 MacArthur Square Easement Area for the I-43 Kilbourn Avenue exit tunnel that runs under MacArthur Square. The City's 2017 and 2018 budgets provided \$2.6 million out of the parking fund while the 2018 County budget, pending Board approval, provided \$1,300,000 for the County's share of the replacement of the floor slab designated for reimbursement to the City.

The City provides recycling services at county parks as the County chooses not to offer a park recycling program. The County does provide its own trash services within the park system; it is notable that providing separate trash and recycling services is more costly than only providing a singular service. DPW's Sanitation Services' estimates that based on the recycling containers the City services seasonally in select county parks, the City's recycling services within the parks saves the County approximately \$3,500 per year in operating costs. DPW believes significant constituent services and environmental value lies in the public promotion of recycling at high attendance public events such as Jazz in the Park, River Rhythms, and Chill on the Hill, as the County does not make recycling available in the respective parks during these high-traffic community events. It is notable that there is a state mandate for political subdivisions to recycle.

Previously, the County had waived the permitting fees for the City to utilize county parks for official events as an intergovernmental courtesy. The City is now required to pay a permit fee to utilize County parks for City-sponsored events. During City utilization of county parks, the City is required to pay the cost of the cleanup. However, during various neighborhood-sponsored park cleanups taking place annually at various County parks throughout the City, the programs utilize City dumpsters and sanitation services at county or state facilities, used with no compensation being made to cover City municipal expenses.

Department of Public Works - Milwaukee Water Works:

The County is a customer of the City of Milwaukee's Water Works. The City and County entertain a wholesale water agreement at County grounds at \$526,000 a year. The agreement is based on a volume-metric charge. The agreement originated in 1965 and is renewed automatically every five years. The City also provides standard metered water service sales to all County-owned facilities, including parks, airports, and any facility billed to the County (minus the House of Corrections) for \$665,000 annually.

Water Works also maintains a standalone intergovernmental agreement with the County regarding mowing. The County, as opposed to DPW Forestry Services, mows the majority of

MWW plants and pumps with a handful of exceptions, ultimately saving the City taxpayer money under this agreement.

Water Works also participates in Heat Advisory Coordination efforts with the County and coordinates on Emergency Response Communications. In addition, MWW and the County operate a variety of property access and accommodation agreements, some of which are MOUs, and some of which are informal, daily agreements as needed.

According to MWW leadership, there is not a measurable cost or staff time to maintaining the City's mowing agreement or the City's water sale agreement with the County as the responsibilities fall within the scope of other duties as assigned.

City Treasurer:

The City purchases Delinquent Tax Receivables, for both real estate and personal property taxes, under an evergreen agreement. The County has not expressed interest in changing the current evergreen agreement. Given the complexity of the topic, the Budget Office has prepared a comprehensive cost-benefit analysis of the current program (attached).

Conclusion:

The budgetary, political, and operational destiny of the City and County continue to be intertwined. This document should serve as a living document, updated as intergovernmental issues and opportunities for collaboration arise. The City's Office of Intergovernmental Relations will continue to evaluate these opportunities, ranging from proposals on public works to protective services. As both the City and County undergo their budgetary processes and face increasingly constrained budgetary realities, it is imperative to maintain an updated review of municipal and county proceedings and to find ways to promote operational, technological, and budgetary efficiency on behalf of the shared constituents of Milwaukee.



Milwaukee Police Department

Bus Checks 2012-2018 | City of Milwaukee

July 12, 2018

Milwaukee Police Department

Police Administration Building
Office of Management, Analysis & Planning
749 West State Street, Room 713
Milwaukee, Wisconsin 53233
Phone: 414-935-7835
E-mail: omap@milwaukee.gov



Bus Checks 2012-2017 Average by District

District	2012	2013	2014	2015	2016	2017	2018*	2012-2017 Average
District 1	1,764	1,472	522	1,350	4,144	2,284	178	1,922.7
District 2	3,808	6,345	1,828	5,363	3,481	1,983	541	3,801.3
District 3	4,180	2,302	1,926	5,094	3,706	1,952	483	3,193.3
District 4	4,271	1,684	1,175	1,081	1,032	1,185	1,905	1,738.0
District 5	5,747	4,381	2,727	4,666	3,864	2,325	428	3,951.7
District 6	2,025	1,580	432	325	1,267	1,323	154	1,158.7
District 7	3,382	3,532	1,166	2,231	2,501	2,529	499	2,556.8
Unknown**	94	230	225	1,276	1,452	977	200	709.0
Total	25,271	21,526	10,001	21,386	21,447	14,558	4,388	19,031.5

**Police district field is based on the police reporting districts, unknown category is due to the reporting district field not being filled out.

Month	2012	2013	2014	2015	2016	2017	2018*
January	1,842	2,954	1,848	3,634	2,704	2,297	1,312
February	3,249	3,780	1,260	3,278	2,481	2,056	1,154
March	2,761	2,913	1,080	2,634	2,106	1,928	819
April	2,185	2,389	647	1,852	1,651	1,215	536
May	2,423	1,786	442	1,516	1,286	825	320
June	1,511	965	294	891	1,655	924	198
July	1,552	890	305	1,127	1,140	804	48
August	1,267	816	254	1,369	733	999	0
September	1,373	913	251	994	1,000	760	0
October	1,698	1,150	1,113	953	1,568	960	0
November	1,773	1,067	875	1,001	1,719	806	0
December	3,637	1,903	1,632	2,137	3,404	984	0
Total	25,271	21,526	10,001	21,386	21,447	14,558	4,388

Bus checks were obtained from the Computer Aided Dispatch System (CAD) for the time period of January 1-December 31, 2012-2017. *Year to date January 1-July 11, 2018.

County Delinquent Tax Payment and Collection

Background on Intergovernmental Agreement

The City and County currently have an intergovernmental cooperation agreement under which the City purchases outstanding delinquent property taxes from Milwaukee County and then collects these delinquent taxes.

In 1988, the Wisconsin State legislature adopted 1987 Wisconsin Act 378 which amended numerous statutes governing property tax collection. Section 74.83 authorized any 1st class city to enter into an agreement with other governmental jurisdictions, including Milwaukee County, to pay delinquent real or personal property taxes, including accrued interest and penalties thereon, applicable to property located in that city at any stage in the proceedings for collection and enforcement of those taxes and thereafter collect and enforce those taxes, including interest and penalties on them, in its own name in accordance with any of the procedures or remedies applicable to the collection and enforcement of delinquent taxes.

Milwaukee Common Council Resolution File Number 871189, adopted on October 27, 1987, authorized and directed the execution of an agreement on behalf of the City of Milwaukee and the County of Milwaukee for the enforcement of delinquent County real estate and personal property taxes.

The intergovernmental agreement was approved by the Common Council in File Number 901408, adopted December 21, 1990. The agreement covered collection of taxes beginning with the 1989 tax levy.

Under the agreement, the County is paid in full for the County-portion of delinquent taxes against parcels in the City. The agreement prevents the County and City bringing property tax foreclosure actions against the same parcel, and it allows the City to be the sole enforcer regarding delinquent taxes. The assumption underlying the agreement was that centralizing delinquent property tax collection in the City provided operating efficiencies for both governments while allowing taxpayers to make payments to a single government. It was understood to be in the best interest of both governments and taxpayers to provide a more efficient and effective system of tax collection. Continuing separate collection and enforcement of delinquent taxes placed an unnecessary burden on delinquent taxpayers as they had to make payments to two separate government units and these governments had to duplicate their enforcement and collection efforts.

While the City has sole control and responsibility for delinquent tax enforcement, including collection efforts, foreclosure actions, managing and maintaining properties, razing and demolition of properties, and marketing and selling properties, it also incurs all enforcement costs. The offset to these costs is that the City is the sole recipient of all the benefits of enforcement, including payment of delinquent taxes, payment of interest and penalties, and payment of any rent or property sale proceeds. While the City incurs all the fiscal costs of delinquent tax collection and enforcement, the City also receives all the fiscal benefits of delinquent tax collection and enforcement.

Another assumed benefit of the agreement was that it made foreclosure actions more rational. Prior to the agreement, there may have been inaction by both the County and the City regarding foreclosing on tax delinquent properties. Both the City and the County had the right to foreclose. However, neither government might initiate a foreclosure action because the government that initiated foreclosure had to pay off the other government's unpaid taxes in cash. If neither government believed the tax delinquent property would sell for more than the outstanding property tax amount due to the other government, there was a financial disincentive to foreclose on the property. The agreement circumvented potential stalemate on foreclosure actions by giving the City the sole authority to foreclose. Since the City has a more immediate interest in resolving tax delinquencies on properties located in the City, it made sense to have the City assume sole authority over these foreclosure actions.

Agreement Provisions

The principal provisions of the agreement are:

1. The City must pay the principal of the uncollected delinquent County real estate for lands located within the City returned delinquent as of January 31st. The City must make such payments to the County on or before the 25th day of February.
2. On or before the 15th day of each succeeding month through August, the City makes additional payments for uncollected delinquent installment taxes. Such payments include the principal of the outstanding delinquent taxes with interest and penalty thereon through the previous month end.
3. Following the August payment, the City collects and enforces uncollected delinquent County real estate taxes with interest and penalty thereon and retains all collections of tax principal, interest and penalties.

The rate of interest and penalty on delinquent taxes is established in s. 74.47, Wis. Stats. The interest rate is one percent per month, or 12% on an annual basis. The penalty rate may be up to 0.5% per month, or 6% on an annual basis.

In Rem Foreclosure

When delinquent taxes remain uncollected, the City has the authority to pursue *in rem* foreclosure. "*In rem*" refers to a legal action directed toward property, rather than toward a particular person. Enforcement of the foreclosure judgment is upon the property and not a person. State statutes require that the City wait one year after a property becomes tax delinquent before commencing an *in rem* foreclosure action.

Under the intergovernmental agreement, the City pays the County its share of uncollected property taxes before they become delinquent or immediately thereafter. The County receives payment in full for all outstanding uncollected taxes. In exchange for this payment to the County, the City has the right to collect and retain the interest and penalties that accrue on delinquent County taxes and the right to foreclose against tax delinquent parcels. The City is the sole collector and enforcer of taxes and keeps all interest and penalties.

The agreement is in the County's fiscal interest because the County gets paid in full immediately for outstanding taxes due and does not have to deal with either delinquent taxes or foreclosure on tax delinquent properties located in the City of Milwaukee. The benefits to the County are several: it gets paid in full and on time for its property taxes; it avoids the expense and effort to collect against delinquent accounts; and, it avoids the expense and effort of foreclosing on properties.

Moreover, allowing the City to retain penalty and interest and sale proceeds involves no fiscal loss to the County if no taxes are paid or the property has to be demolished or sale proceeds are less than outstanding taxes due. In the agreement, the City assumes all risk for financial losses. The City only avoids financial loss if the majority of taxes are paid with sufficient penalty and interest payments to offset any losses incurred on properties for which there are no payments and either need to be demolished or sold at a loss.

If taxes remain uncollected, the interest and penalties that presumably benefit the City provide no benefit. Eighteen percent of uncollected taxes is zero. If taxes are paid along with penalties and interest, there may be a fiscal benefit or at least a minimal fiscal loss. However, as the number of properties with no payments that enter foreclosure increases, fiscal losses increase. As property conditions worsen and sale values and the number of sales decrease, fiscal losses increase. All of these losses diminish any potential advantages to the City under the agreement.

The potential fiscal problem under the agreement is that the City could acquire increasingly worthless receivables (if the taxes remain unpaid) and cannot offset the unpaid taxes because the properties either have to be demolished or sell for less than the unpaid taxes. The ability to foreclose is meaningless from a financial perspective if the underlying asset (the property on which taxes remain delinquent) has a value less than the outstanding taxes due. While there may be value to demolishing a nuisance or unsafe property, and there may be value in moving a property to private ownership even if the sale proceeds do not offset the loss of uncollected taxes, this is a non-fiscal value that does not change the calculation of net loss on a foreclosed property.

Issue of Analysis

A question was raised regarding whether the City receives net fiscal benefits or net fiscal costs as a result of the City-County intergovernmental agreement.

The City's costs and benefits of participating in the agreement are sensitive to economic conditions. If the number of parcels acquired by the City through *in rem* property tax foreclosure increases and the length of time that the City holds these properties increases, the City's costs will increase. If property conditions deteriorate and there are fewer sales, the City's costs will increase.

The best case scenario for the City is that all delinquent taxes are collected in a timely manner and the City does not have to pursue any *in rem* foreclosure action. In this case, the City's only costs are the initial purchase of the delinquent County taxes and the costs of collecting delinquent taxes. Under this scenario, the net costs to the City are minimized. The worst case

scenario is that the City has to foreclose on all properties with delinquent County taxes and has to conduct extensive repair and demolition of these properties. The best-case and worst-case scenarios form two ends of a continuum in which costs increase as the inventory increases, property conditions and sales activity worsen. The agreement's fiscal impact moves along this continuum as economic conditions change.

Because there is a continuum of costs that constantly changes with economic conditions, there is no single, definite net cost or net benefit of the agreement that can be identified. In general, there are fewer costs under positive economic conditions.

Moreover, the agreement provides the City with non-fiscal advantages that cannot be measured. First, convenience for property taxpayers in that they deal with a single government – the City – in paying delinquent taxes. There is a value to making the process of paying delinquent taxes simple and convenient for the taxpayer. Second, control over foreclosure actions and property disposition. There is a value to the City in having complete control over whether and when to initiate a foreclosure action; and controlling disposition of any properties acquired through foreclosure. As stated previously, removing an unsafe or nuisance property from a neighborhood provides a non-fiscal benefit. Whether or not these non-fiscal advantages outweigh any net fiscal costs is an issue for City policymakers to determine.

Delinquent Tax Collection Timeline

The delinquent tax collection timeline is listed below, using the 2012 levy for illustration purposes.

1. 2012 property tax payments are due by January 31, 2013
2. Accounts either not paid or on installment plan by January 31, 2013 are considered delinquent
3. County paid an amount for outstanding delinquencies (February through August)
4. Installments are paid over 10 months through October 2013
5. Treasurer sends out four letters and City Attorney sends out one letter to delinquent accounts between February 2013 and October 2013
6. Outstanding delinquencies referred to Kohn for collection in November 2013
7. Kohn takes collection efforts from November 2013 through November 2014
8. Comptroller issues borrowing for outstanding delinquencies not collected December 2014
9. Collection efforts stop and Treasurer moves to foreclosure action
10. Treasurer reviews all delinquent accounts and puts them on foreclosure filing list
11. Foreclosure filings made
 - o 2015 Filings: 2/25; 3/25; 6/3; 7/15; Sept
12. Some taxpayers pay outstanding delinquencies to avoid foreclosure
13. County Court adjudicates *in rem* foreclosures
14. City takes title to foreclosures
15. Once the City takes title, a list of acquired properties is sent to City departments (DCD, DNS, Health, Water Works, Assessor, Comptroller)
16. DCD takes ownership of *in rem* foreclosures and determines which to maintain, rehab, sell or raze

A more detailed discussion of the delinquent tax collection and foreclosure process is included in Appendix A. A flow chart of the process is included in Appendix B.

Foreclosure and Sales Trends

Data on in rem foreclosure filings and acquisitions is shown below. As the table shows, foreclosure filings and acquisitions both decreased in 2003 based on a policy change in delinquent tax collection. Starting in 2003, the City Treasurer began using the Kohn Law Firm to attempt to collect delinquent real estate property taxes prior to the City taking legal action.

Foreclosure Filings and Acquisitions			
Year	Filings	Acquired	<u>Percent Acquired</u>
1998	747	332	44.4%
1999	1,141	386	33.8%
2000	1,253	459	36.6%
2001	2,755	723	26.2%
2002	1,577	373	23.7%
2003	389	149	38.3%
2004	413	180	43.6%
2005	598	263	44.0%
2006	417	160	38.4%
2007	385	155	40.3%
2008	508	184	36.2%
2009	892	461	51.7%
2010	1,089	532	48.9%
2011	991	597	60.2%
2012	1,152	744	64.6%
2013	1,101	748	67.9%
2014	1,096	751	68.5%

The result of this change in collection method resulting in fewer tax accounts requiring legal action, fewer foreclosure actions, and a decrease in parcels acquired through *in rem* foreclosure.

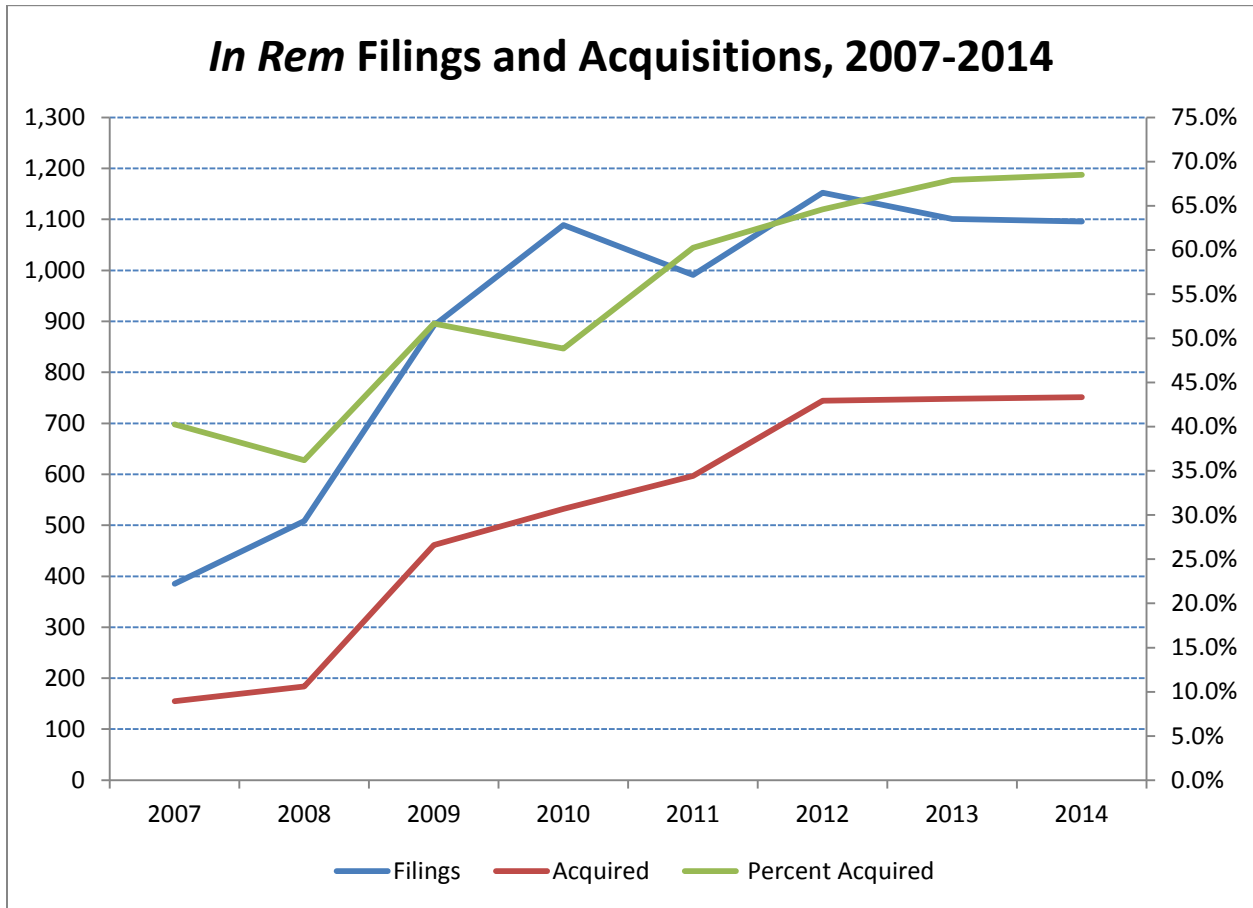
However, filings and acquisitions increased after 2007. This increase was the result of the collapse of the housing and financial markets. The disruption of the housing and financial markets contributed to an extended recession. The combination of increasing unemployment, decreasing housing values, and problematic mortgage financing practices resulted in an increase in the number of properties facing delinquency.

The result was an increase in the number of properties that went tax delinquent. This increased the number of in rem filings and the number of in rem acquisitions. Between 2014 and 2007, the number of filings increased by 711 (185%) and the

number of acquisitions increased by 596 (385%). The percent of foreclosed properties acquired, increased from 40.3% to 68.5%. The large increase in the acquisition rate indicates increasing financial stress made it more difficult for property owners to retain their property after the City filed foreclosure against the property. If the acquisition rate in 2014 had been the same as in 2007, the number of properties acquired in 2014 would have been 441 instead of 751, or 41% lower.

While filings and acquisitions have increased significantly since 2007, the trend has stabilized in recent years. Filings and acquisitions have been consistent since 2012. Improvements in the economy and housing market are needed to begin reducing filings and acquisitions.

The impact of the financial crisis that began in 2007 is shown in the chart below. The number of in rem filings and acquisitions and acquisition rate accelerated significantly following 2007. The chart also shows stability in these numbers since 2012.



The result of increased acquisitions through *in rem* foreclosure is a larger inventory of City-owned properties. Once the City acquires the property, a determination is made whether the property needs to be demolished or whether it could potentially be sold. Since 2009, the number of in rem properties demolished and sold have both increased. The following two tables show the number of property sales and the number of demolitions conducted through DCD of City-owned properties.

As shown in the sales table below, sales reduced significantly following 2007, but began to rebound in 2010. Since 2009, property sales, including both improved properties and vacant lots, have increased by 617%. Improved property sales have increased much more than vacant lot sales. The City is pursuing several initiatives, primarily through the Strong Neighborhoods Program, to both help property owners avoid foreclosure but to also increase the sale of City properties.

DCD Property Sales, 2002-2014

Year	Improved Properties		Vacant Lots		All Properties	
	Number Sold	Sales Revenue	Number Sold	Sales Revenue	Number Sold	Sales Revenue
2002	165	\$2,248,349	207	\$1,632,974	372	\$3,881,322
2003	200	\$3,058,143	335	\$1,058,692	535	\$4,116,835
2004	67	\$1,182,477	211	\$378,196	278	\$1,560,673
2005	63	\$1,284,066	153	\$1,013,752	216	\$2,297,818
2006	75	\$1,713,957	151	\$398,533	226	\$2,112,490
2007	49	\$1,567,630	125	\$611,690	174	\$2,179,320
2008	30	\$652,556	50	\$65,838	80	\$718,394
2009	29	\$763,425	46	\$6,933	75	\$770,358
2010	47	\$910,037	93	\$1,339,681	140	\$2,249,718
2011	149	\$3,615,734	88	\$18,676	237	\$3,634,410
2012	231	\$11,470,243	36	\$334,343	267	\$11,804,586
2013	291	\$10,748,141	32	\$35,830	323	\$10,783,971
2014	438	\$3,598,118	100	\$56,032	538	\$3,654,150

DCD Property Demolition

Year	Number
2002	48
2003	66
2004	31
2005	34
2006	25
2007	17
2008	10
2009	15
2010	26
2011	87
2012	103
2013	114
2014	207

Demolition of DCD properties has experienced a trend similar to property sales. Since 2009, as shown in the demolition table, the number of demolitions has increased significantly. However, part of the increase in 2014 is the result of increased funding for demolition through the Strong Neighborhoods Program. A goal of the Strong Neighborhoods Program is to reduce the backlog of properties that require demolition because they are deteriorated beyond repair, present a safety hazard, or have an extensive history of nuisance or criminal activity. Expediting the removal of these properties, which cannot be rehabbed nor sold, reduces blight in City neighborhoods. This effort to increase in the number of demolitions reflects the conflict inherent in the City's assumption of sole authority for demolition of tax delinquent property. From a public policy perspective, increased demolition is necessary to improve neighborhood conditions and stimulate improvements. However, increasing demolitions increases the fiscal cost to the City.

Fiscal Impact

The County has receives full payment of all taxes in a timely manner, and does not incur any effort or cost for delinquent collection or foreclosure efforts. The City has no certainty of any collections and incurs the entire cost of managing the delinquent collection and foreclosure efforts.

From a strictly financial perspective, the County has the superior position. Under the agreement the County has guaranteed payment of taxes in full and on time without any cost. The City is in an inferior position because of the (a) risk of potential non-payment, (b) the additional costs required for collection and foreclosure, and (c) the risk of assuming responsibility for a worthless asset.

The City's cost of assuming delinquent County taxes occur in two distinct phases. The first phase (Phase 1) is the cost of purchasing and collecting the delinquent taxes. These costs include:

- Purchase of delinquent County taxes
- Debt service costs for borrowing to fund this purchase
- Cost for collection efforts to recover unpaid delinquent taxes
- Write off of uncollected unpaid delinquent taxes

The delinquent tax receivables are purchased under the assumption that if the taxes are not collected, the underlying asset – the property – can be acquired by the City through *in rem* foreclosure action and sold.

The second phase (Phase 2) is the cost of acquiring, maintaining and disposing of the properties acquired through foreclosure. These costs include:

- Maintaining properties and the land upon which they are situated
- Improvements and repairs to properties
- Demolition of properties that are not inhabitable
- Marketing and sale of properties

The benefits, from a fiscal standpoint, of assuming delinquent County taxes can also be divided into the two phases. Phase 1 benefits include:

- Collection of delinquent taxes
- Collection of interest and penalties on delinquent taxes

Phase 2 benefits include:

- Collecting rent on rental properties or properties used for rental purposes after acquisition
- Proceeds from the sale of property acquired through foreclosure

Phase 1 costs

- Purchase of delinquent County taxes
- Debt service costs for borrowing to fund this purchase
- Cost for collection efforts to recover unpaid delinquent taxes
- Write off of uncollected unpaid delinquent taxes

The City initially purchases the County delinquent taxes. This is a direct cost to the City. The Treasurer makes a payment to the County for the total amount of uncollected delinquent taxes. Payment begins in February and the final payment occurs in August following the levy year. Payment is made from pooled cash in the General Fund.

Collection activity occurs on delinquent accounts for one year, from November following the levy year to November of the next year. Collection includes the amount delinquent plus penalties and interest. Collection costs for the first two months (November and December following the levy year) are charged to the Collection Contract Special Purpose Account in the General Fund and all subsequent collection costs are charged to the Delinquent Tax Fund.

Following the end of collection activity, the Comptroller issues a bond to finance the remaining uncollected delinquencies. Debt service is charged to the Delinquent Tax Fund.

Table 1 shows these costs for levy year 2002, which is the most recent year for which the collection cycle has been completed.

Table 1: Phase 1 Fiscal Impact for 2002 Levy	
<u>Payments</u>	
Delinquent County Taxes Purchased	\$8,513,955
Debt Service - Estimated County Portion	\$1,986,807
Collection Costs (Kohn Law Firm)	\$76,728
Total Costs	\$10,577,490
<u>Collections</u>	
Taxes Collected	\$8,392,714
Interest Collected	\$590,532
Penalties Collected	\$133,044
Total Collections	\$9,116,290
Phase 1 Net Cost	\$1,461,200

The Delinquent County Taxes Purchased represents the total delinquent County accounts at the starting of the collection cycle. The City makes a payment to the County to purchase these delinquencies. The Debt Service – Estimated County Portion represents the estimated debt service for the County portion of outstanding delinquencies. The Comptroller issues a bond to cover all outstanding tax delinquencies at the time of the bond issue, including both the City and the County delinquencies. The borrowing costs are for both City and County delinquencies. These costs were prorated to the County based on the percentage of all outstanding delinquencies comprised by County delinquencies. The Collection Costs are the payments to the Kohn Law Firm from both the Delinquent Tax Fund and the Collection Contract Special Purpose Account, prorated to the County based on the percentage of the initial total delinquent amount comprised by County delinquencies.

The Treasurer tracks the amount of taxes, interest and penalties collected. The taxes and interest are segregated into City and County accounts. The penalties, however, are not segregated. The penalty amount was prorated to the County based on the percentage of total redemptions comprised by the County.

As shown in Table 1, collections, including penalties and interest, are greater than the initial amount of delinquencies purchased by the County. However, when debt service and collection costs are included, the cost of collection exceeds the amount collected. For 2002, this amount was almost \$1.5 million.

Table 2 shows similar data for additional levy years following 2002. Since collections are still continuing for these levy years, there is insufficient data to determine if there will be net costs. However, the data indicate that there will be net costs in these years. Typically, 90% of delinquencies are collected within the first three years. Given this, years prior to 2010 are strongly indicative of the final numbers.

Levy Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Payments										
County Delinquent Taxes	\$8,785,085	\$8,818,975	\$9,828,814	\$12,002,314	\$12,723,762	\$12,883,548	\$11,716,384	\$11,362,381	\$10,529,770	\$9,931,715
Debt Service	\$1,870,370	\$2,028,803	\$2,304,062	\$3,289,480	\$3,571,216	\$4,234,509	\$3,992,119	\$4,201,712	\$4,279,597	\$3,539,352
Collection Costs	\$153,586	\$164,550	\$195,001	\$209,705	\$192,407	\$214,244	\$240,599	\$286,902	\$280,560	\$303,894
Total	\$10,809,042	\$11,012,328	\$12,327,877	\$15,501,499	\$16,487,385	\$17,332,302	\$15,949,102	\$15,850,994	\$15,089,927	\$13,774,961
Collections										
Delinquent Taxes Paid	\$8,551,604	\$8,704,107	\$9,609,028	\$11,665,405	\$12,278,548	\$12,193,536	\$10,838,245	\$10,381,500	\$9,314,794	\$8,503,082
Interest Paid	\$586,268	\$626,960	\$653,613	\$842,052	\$930,467	\$993,573	\$918,786	\$895,545	\$811,548	\$575,599
Penalty Paid	\$374,546	\$361,567	\$404,981	\$520,312	\$574,860	\$607,859	\$570,707	\$540,072	\$490,268	\$368,188
Total	\$9,512,419	\$9,692,635	\$10,667,622	\$13,027,769	\$13,783,874	\$13,794,968	\$12,327,737	\$11,817,117	\$10,616,609	\$9,446,869
Net Payment	1,296,622	1,319,693	1,660,256	2,473,730	2,703,510	3,537,333	3,621,365	4,033,878	4,473,317	4,328,092

Some points to make:

- The amount of delinquent County taxes increased through 2007 and has since been declining
- Debt service costs are increasing, but this appears to be the result of an increase in interest rates and a decrease in the amount of delinquencies collected at the beginning of the collection cycle
- Collection costs, through the Kohn Law Firm, have been increasing since 2007

As noted above, the trend has been for 90% of delinquencies to be collected within the first three years. However, this percentage has been declining over time. For example, for the 2002 levy year, 93.3% of delinquencies were collected in the first three years. For the 2010 levy, this had reduced to 89.4%. Similarly, for the 2002 levy, 68.9% of collections occurred in the first year, while for the 2011 levy, only 54.7% of collections occurred in the first year. Fewer collections are being made initially, which, all else being equal, increases the amount borrowed and collection costs. Moreover, collection costs further increased starting in 2013 with a change in the collection cycle. Collections are starting in November of the levy year, rather than starting in

January of the year following the levy year. The impact of this change is not reflected in Table 2.

If delinquent taxes are not collected, the City may pursue *in rem* foreclosure against tax delinquent properties. Table 3 shows a range of possible costs and revenues in Phase 2.

Table 3: Range of Phase 2 Costs and Revenue

	<u>Low</u>	<u>High</u>
Uncollected Taxes	\$259	\$403
Property Maintenance	\$175	\$175
<u>Demolition</u>	<u>\$0</u>	<u>\$1,892</u>
Total Costs	\$434	\$2,470
<u>Sale Proceeds</u>	<u>\$585</u>	<u>\$0</u>
Total Revenue	\$585	\$0
Phase 2 Net Impact	\$151	-\$2,470

It must be emphasized that these are estimates based on average data across numerous properties. Each property is unique and the actual impact can vary significantly from the estimates shown in Table 3. For example, some properties have much higher amounts for uncollected taxes. Even if these were sold immediately, there would still be a loss, possibly in terms of thousands of dollars.

The uncollected taxes are average delinquent County tax amounts based on the most recent delinquent account listing for the 2014 levy year for residential properties. The property maintenance costs are an estimate, incorporating DPW, DCD and RACM costs for grass snowing, snow removal, debris removal, and other maintenance costs. The costs were prorated to the County based on the percentage of outstanding delinquent amounts comprised by County delinquencies. The demolition cost is based on averaging the full costs of demolishing *in rem* properties in 2014, assuming the need to abate asbestos or other hazardous materials. The sale proceeds are based on average 2014 sale proceeds, prorated to the County in the same manner as the property maintenance costs.

Table 3 illustrates the possible net fiscal impact of Phase 2 for specific properties. As shown in the Table, if there is a smaller amount of delinquent taxes owed, the property is held for no more than one year and sold, then the net impact of Phase 2 could be positive revenue of \$151. It should be noted that this is the gross sales proceeds, including the 30% received by RACM. So even though there may be a net gain, there may be no net gain in the City's General Fund, as the sale proceeds are shared with RACM. In contrast, if the property has a higher amount of delinquent County taxes, is maintained for one year, and then demolished, then the net impact of Phase 2 could be a loss of \$2,470. If an *in rem* property is sold within one year of acquisition, it is possible that sale proceeds will offset the uncollected delinquent County taxes and the

maintenance costs. But if the property is held for more than one year, it is likely that costs will exceed any sale proceeds.

Again, these are illustrative examples and the actual fiscal impact will vary widely for each property. Numerous variables affect the actual fiscal impact of any specific property. However, these numbers do illustrate that acquiring tax delinquent properties through *in rem* foreclosure more than likely involves a net fiscal loss.

While we have prorated costs to impute a “County” portion of the costs, there really is not a separate County cost that can be segregated from the costs incurred by the City. Phase 2 involves properties that may have both delinquent City and County taxes. It is also possible that a property has no delinquent County taxes. Moreover, the decision on whether or not to acquire a property through *in rem* foreclosure is not based on whether or not there are delinquent County taxes or the amount of delinquent taxes outstanding. The foreclosure decision is made on the basis that foreclosure is the best policy option for the City.

Delinquent Tax Fund. The delinquent tax fund is established in section 304-49-14 of the Milwaukee Code of Ordinances. Proceeds received from sale of city-owned real estate acquired through *in rem* tax foreclosure, other than disposition of appropriation of such property and all rentals received from the use of such property, shall be credited to the reserve for tax deficit fund or to the fund to which property is or was considered an asset.

While assuming sole authority over demolition of properties by purchasing County tax delinquencies serves certain policy goals, there is also a substantial cost involved, particularly when the number of foreclosures increases as property conditions worsen.

The City could consider discussing with the County some options that would allow the City to recover a portion of the net cost involved in foreclosing on properties that require demolition, cannot be sold, or sell at a significant loss. While the City understood this risk when it entered into the agreement, the worsening economic conditions since 2007 have likely made the agreement more costly to the City than was anticipated. Since both the County and the City have a strong interest in maintaining the agreement, the County may be willing to consider some financial concessions that mitigate the fiscal costs incurred by the City.

Appendix A: Property Tax and In Rem Foreclosure Processes

Property taxes are divided into two categories: personal property and real estate property. Personal property taxes are charged to individuals based on property needed to run a business. Real estate property taxes are charged to parcels of land and buildings that sit on the land. A property owner may be charged either or both personal and real estate property taxes.

When a property owner receives his/her tax bill, charges for the City of Milwaukee, Milwaukee County, Milwaukee Public School Board, Milwaukee Area Technical College, and Milwaukee Metropolitan Sewerage District are all included on the one bill. Therefore, the City collects all taxes and disperses each portion of taxes due to each of the taxing entities that appear on the tax bill.

Taxes are due to the City of Milwaukee on January 31 of each year. If a property owner is not paid in full or on an installment plan by that date, the owner is considered to be permanently delinquent. If a property owner becomes delinquent, the City of Milwaukee may take action against the property owner to attempt to collect the taxes. However, the actions taken by the city differ by the type of property being taxed. No foreclosure can be taken against personal property, so these are resolved through judgments. Therefore, the delinquent tax collection process must be divided between the two categories of properties for purposes of further explanation.

Personal Property

As all personal property taxes are due to the city on January 31 each year, a property owner has two payment options. The owner may either pay his/her taxes in full by January 31, or be instated on an installment plan and pay the first installment by January 31. If the owner pays the taxes in full, the process ends at this point. If the owner is on the installment plan, monthly payments are made so that all taxes are paid off interest free in 10 months. However, the county does not offer an installment plan for its portion of personal property taxes. Therefore, the county portion of an owner's tax bill must be paid in full by January 31. If this portion is not paid in full, the owner becomes permanently delinquent. If the owner does pay the county portion of taxes in full by January 31, and makes all of his/her installment payments on time, all taxes are paid in full by October 31 and the process is complete.

If an owner misses an installment payment over the 10 months, the owner has one opportunity to be reinstated on the installment plan by paying the current month plus 1% interest on the missed payment. That is, the owner is allowed one missed payment. The property owner is sent a letter notifying them of the missed payment and providing for the opportunity to be reinstated on the installment plan. Therefore, if an owner misses a payment, becomes reinstated on the installment plan, and makes all other installment payments, the taxes get paid in full and the process ends.

If an owner misses two installment payments, the owner becomes permanently delinquent and the Treasurer sends a letter notifying the owner that they are delinquent and that if they do not pay in full, they will be referred to the Kohn Law firm for legal action. Once a property owner

becomes permanently delinquent, all legal proceedings continue until either a judgment is made or the taxes are paid in full, regardless of whether the owner is making payments during the proceedings.

If the City did not receive any payment by January 31, the owner immediately becomes permanently delinquent. At this point, the case is referred to Kohn Law firm for legal action, which continues until the taxes are paid in full or a judgment is issued, regardless of whether the property owner makes payments throughout the legal proceedings. At this point, the first of two letters from the City is sent out in February requesting payment for the delinquent taxes. If no payment is made after this first letter is received, a second letter is sent out in March requesting payment. This second letter also informs the owner that the case has been referred to Kohn Law firm for legal action if the delinquent taxes are not paid. If the property owner pays the taxes in full at any point throughout the legal proceedings, the process ends.

If the taxes are not paid in full after the second letter is sent, the City refers the case to Kohn Law firm for legal action. At this time, Kohn sends a letter to the property owner requesting payment and informing the owner of legal action that will be taken if no payment is received. In some cases, Kohn may provide its own installment plan, which will pay the taxes in full through 10 installment payments. If the property owner is instated on this plan and makes all payments, the taxes get paid in full and the process ends. If no payment is received, or if the property owner misses an installment payment, the process continues.

After Kohn sends the letter to the property owner, the firm investigates the individual case to determine whether or not the taxes are collectable. For example, if Kohn discovers that the owner has filed bankruptcy, the firm may declare the taxes to be uncollectable. If Kohn deems the delinquent taxes to be uncollectable, the firm turns the case back over to the City. At this point, the City either writes off the taxes if they are legally unenforceable, or holds them and includes them in the following year's delinquency proceedings against the property owner if new delinquencies occur. If the City writes off the taxes, it must account for the loss. Therefore, the City will only write off the delinquent taxes for the following reasons:

- An Erroneous Doomage Assessment resulted in an illegal tax
- The tax receivable has been partially reduced by a court order
- The tax receivable has been totally discharged by a court order
- The statute of limitations for collecting the taxes has expired
- The debt has been partially reduced by bankruptcy court
- The debt has been totally discharged by bankruptcy court

On the other hand, if Kohn determines that the delinquent taxes are collectable, the firm proceeds and gets a judgment in circuit court. Once a judgment has been issued, the taxes are no longer considered to be taxes. They are recorded as liens against the property. At this point, if the taxes are paid in full, the process is complete. On the other hand, if the City still has not received payment, the judgment is held and added to a future judgment that may result from continued delinquency in the following year. On the other hand, if the taxes are still not paid in full when the judgment expires, the City writes off the taxes as being legally unenforceable.

Real Estate Property

The real estate property tax collection process begins much the same way as the personal property tax collection. Real estate property taxes are also due by January 31 of each year. Again, the property owner may either pay the taxes in full by January 31, or be instated on an installment plan and pay the first installment by January 31. If the owner pays the taxes in full, the process ends at this point. Similar to personal property taxes, if the owner is on the installment plan, monthly payments are made so that all real estate taxes are paid off interest free within 10 months. However, the county does offer an installment plan for its portion of real estate taxes, which allows the property owner to pay the county portion of their tax bill interest free within 7 months. Therefore, if the owner makes all installment plan payments, the county portion of taxes will be paid in full by July and the city portion of taxes will be paid in full by October 31. At that point, the process is complete.

If an owner misses an installment payment, the owner again has one opportunity to be reinstated on the installment plan by making a payment. The property owner is sent a letter which notifies them of the missed payment and provides the option for the owner to be reinstated on the installment plan. Therefore, if an owner misses only one payment, becomes reinstated on the installment plan, and makes all other installment payments, the taxes get paid in full and the process ends.

If an owner misses a second installment payment, the owner becomes permanently delinquent. At this point, the property owner will receive a letter with a tax certificate notice and notification of possible legal action that may be taken against them. When an owner has become permanently delinquent, the City has the option to pursue either In Rem Foreclosure or In Personam legal actions. In Personam legal actions may begin at any time after delinquency, however, Foreclosure proceedings may only begin one year after the date that the owner became delinquent. Both actions may be taken against an owner regardless of whether the owner makes payments throughout the year or the legal proceedings. Both actions are only stopped when the taxes are paid in full.

After an owner becomes permanently delinquent, the City sends a series of a possible three more letters throughout the year, depending on when the owner became delinquent and if and when payments are made. Each letter is sent after 60 days of nonpayment. Depending on when the property owner became delinquent, and when 60 days of nonpayment is reached, the property owner may receive up to four letters throughout the year.

If the City did not receive any payment by January 31, the owner immediately becomes permanently delinquent. In such case, the first of four letters is sent to the owner. The first letter requesting payment is sent in February, which includes a tax certificate notice, information to the owner regarding eligibility for foreclosure after one year of delinquency, and information regarding other possible legal action that the City may take. If the owner makes a payment toward the delinquent taxes at any time during this process, the owner will receive the credit card type statement that calculates monthly payments to get the taxes paid in full by October 31. Therefore, the longer the owner waits to make a payment, the higher his/her monthly installment payments will be. Once the taxes are paid in full the process ends.

On the other hand, if no payment is received for a period of 60 days from the closing date in the month the previous letter is sent, the owner will receive three subsequent letters requesting payment and notifying the owner of possible legal action. If no payments are made, the owner receives all four letters. If payments are made and then stopped, the owner will receive the subsequent letter from the previous one received after 60 days of nonpayment.

The city has the option to pursue In Rem Foreclosure or In Personam legal actions against delinquent property owners. In Personam action involves using other assets of a property owner to get payment for delinquent taxes. For example, a judgement could be issued to freeze some of the owner's other assets or to garnish the owner's wages directly until the delinquency is paid off. Generally, the process for In Personam begins at the determination of the Kohn Law Firm. At this point, the City Attorney's office takes over the case and sends a letter to the owner notifying him/her of the legal action. The case is subsequently taken to court and a judgment is issued for the delinquent taxes. As mentioned earlier, once a judgment is issued for the delinquent taxes, the taxes are considered as liens against the property and are no longer considered to be taxes.

The process for In Rem Foreclosure is more complex. This type of legal action involves the city obtaining ownership of a property that has been tax delinquent for one year. The process begins with the City Treasurer's office grouping similar delinquency cases into three or four main files to be submitted into court. A list of properties in each file is sent to the Department of City Development for environmental testing. However, residential property, larger apartment buildings, condominiums and 4-person townhouses are excluded from this list because the potential for environmental concerns on these properties is very low. If the Department of City Development concludes that possible environmental concerns exist on the property, they recommend holding foreclosure either permanently or temporarily until further environmental testing can be completed. In such case, if the property is known or suspected of having environmental concerns, it is placed on a "Do Not Acquire" list, and the City will not pursue foreclosure. At this point, the process ends.

If there are no environmental concerns regarding the property, the foreclosure process continues. The City Treasurer's office conducts title search reports for each of the remaining properties grouped in the file. In particular, the Treasurer's office checks to see if each mortgage has been cleared and if any bankruptcy claim has been filed. It is a federal offense for the city to take foreclosure action on a property owner that has filed bankruptcy. Therefore, if a property owner has filed bankruptcy, the foreclosure process stops and the city files a bankruptcy claim. On the other hand, if the title search results in no evidence of bankruptcy, the City files a claim and the case goes to court for foreclosure proceedings.

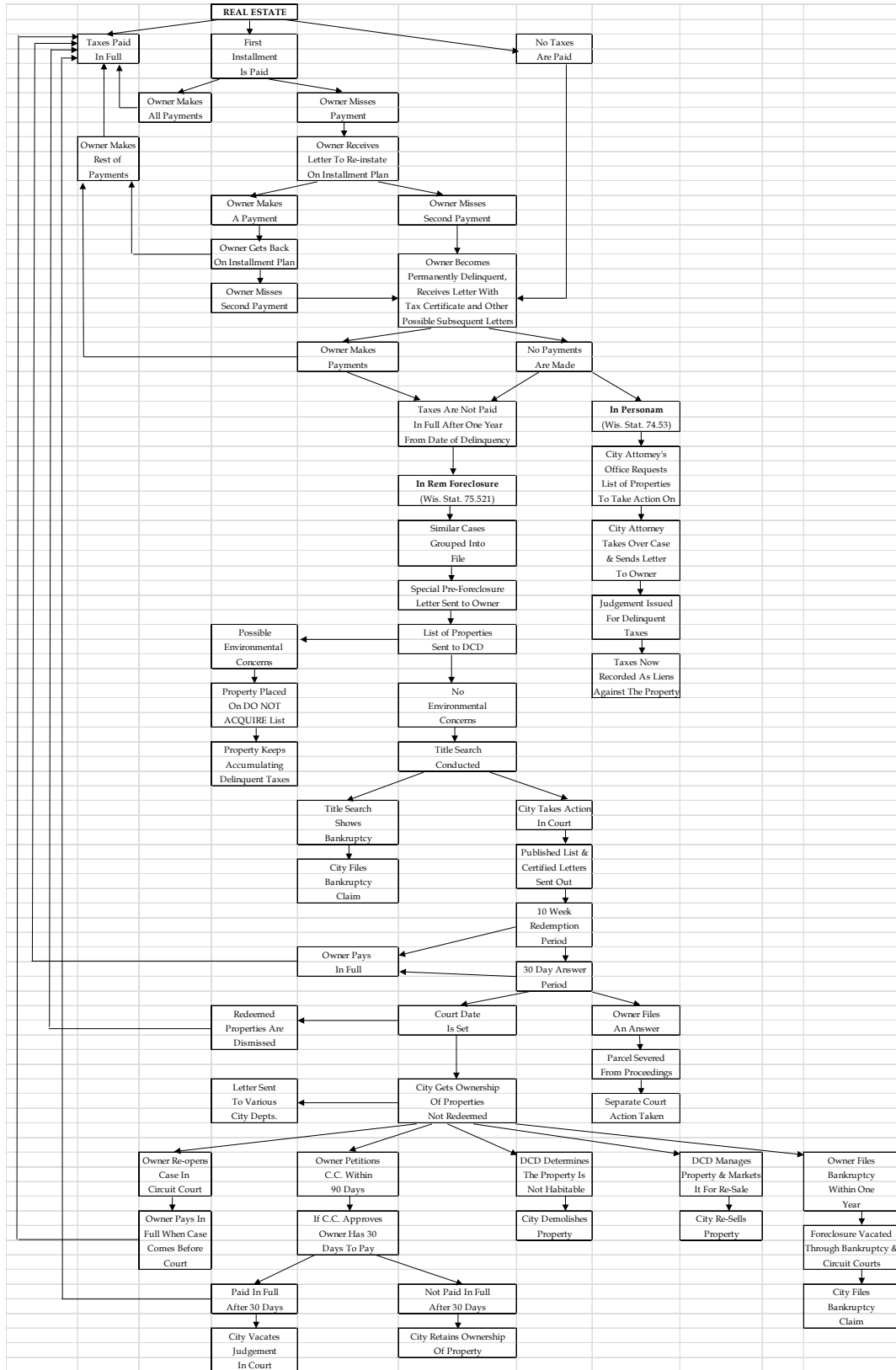
When such claims are filed with the court, the City Treasurer's office publishes a list of the properties included in the claim and sends certified letters notifying the owners of the foreclosure filing. The property owners are subsequently given an 8 to 10-week redemption period to make a payment on the delinquencies. If the delinquencies are paid, the Treasurer submits a Certificate of Redemption to the Court when the judgment is completed. After the redemption period has expired, the property owner is given a 30-day answer period. The City Attorney makes a determination, based on the answer, whether or not to pursue foreclosure, provide more

time to pay, write off the delinquency or other action. For example, the property owner may claim that the foreclosure action exceeded the statute of limitations for the case. Therefore, a separate court proceeding is pursued to determine if the taxes are warranted and if the owner must pay the delinquencies. At this point, a court date is set.

When the remaining foreclosure cases come before the court, the redeemed properties are dismissed from the foreclosure proceedings because the taxes have been paid in full. However, if the owner has not paid the taxes in full by this point, the city obtains ownership of such properties that are not redeemed. At this point, a letter is sent to various city departments notifying them of the newly acquired property.

Once the City obtains ownership of the property, four things can happen. First, the owner of the property again has the opportunity to petition the Common Council within 90 days of foreclosure to regain ownership of the property. If the Common Council approves the petition, the owner is given 30 days to pay off the delinquency in full. If the taxes are paid in full after the 30 days, the City vacates the judgment in court and the owner re-gains ownership of the property. However, if the taxes are not paid in full after the 30 days, the City retains ownership of the property. Second, if the property owner does not petition the common council, they may reopen the case in circuit court. If this is the case, the owner must pay the taxes in full when the case comes before the court again. Third, the property owner may file bankruptcy. If the property owner files a bankruptcy claim within one year of foreclosure, an adversary hearing goes before the bankruptcy court to determine if the owner will regain ownership of the property. In such case, the foreclosure is vacated through bankruptcy court and circuit court, and the City files a bankruptcy claim for the delinquent taxes. Fourth, if none of these instances occur, the City retains ownership, and the Department of City Development manages the property and places it on the market for re-sale. Generally, the amount of delinquent taxes is included in the selling price of the property. However, some properties sell for less than the amount that is required to cover the outstanding delinquencies. In such case, the city must cover the loss for the delinquencies not covered in the sale of the property.

Appendix B: Flowchart





Fire and Police Commission

La Keisha Butler
Executive Director

Marisabel Cabrera
Chair

Nelson Soler
Vice-Chair

Steven M. DeVougas
Ann Wilson
Fred Crouther
Angela McKenzie
Commissioners

Emergency Communications with City of Milwaukee and Milwaukee County 2018 Fact Sheet

State and local governments are working to develop innovative proposals and approaches to funding and operations to prepare for the impending transformational change in technologies for emergency communications. Over the past few years the federal government has been collecting data and preparing research reports to review the necessary legislative and fiscal changes that will come with this change. Ahead in the state, Milwaukee County created the Office of Emergency Management in 2016 that encompasses county emergency communications. They have begun the difficult task of forward thinking. Over the last few years representatives from OEM have proposed various recommendations to city officials regarding the management and operation of emergency communications. Below is a brief summary of some of those proposals, followed by recommendations for City leadership's consideration from City emergency communications professional staff.

The City is and will continue to be in support of efforts that effectively build relationships and communication across jurisdictional boundaries to keep its residents safe. Much of this effort is handled individually by each department at the operational level. Before adopting any plan which relinquishes current City control and/or decision-making regarding resources and information, City officials must thoroughly consider potential gains and risk with analysis that encompasses not only technological details, but the budgetary and home rule impact on the City.

Every effort has been made to accurately report the statements and positions made by County officials; much of the content has originated from general statements and presentations led by County OEM officials. The field of emergency communications is extremely complex and expensive, thus this document should help provide some clarity and guidance to officials in relation to these particular inter-jurisdictional partnerships.

County Position 1: OEM currently operates one 911 center, and there are approximately 14 total 911 centers operating within Milwaukee County. OEM would prefer to see only one countywide 911 center, managed by the County, or at the very least a significant reduction in the number of PSAPs in the County. The rationale and evidence for this position has been unclear.

Response:

1. The City of Milwaukee is the only first-class city in the State, handling the highest volume and criticality of calls. As a result, our needs are unique and require autonomy to

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manage budgets, operations, policy, and staff. Because of our size and volume of calls that we handle, we employ some of the best 911 subject matter experts in the state. Along with WI being a home-rule state, state and local ordinance changes must also be considered to protect the best interests of the City in any consolidation discussion.

2. Consolidation should not be forced. Studies also show that successful consolidation requires significant support at multi-levels and top-tier partnerships by consolidating authorities.
3. The City of Milwaukee is one of the highest paying employers of 911 staff in the state (after probation), and we have some of the highest standards in training. We also have the capacity to internally manage and execute training for new 911 staff.
4. Because there are a variety of successful models for PSAP operations, no federal or state mandates currently exist requiring or recommending consolidation.
5. Very limited research analyzing the impact of 911 consolidations currently exists. The findings that are available report dramatically varying results in cost savings, especially between large and small 911 centers. Recent federally-sponsored research found that large/mega 911 centers do not realize significant cost savings, and in fact they incur more cost when compared to smaller operations.
6. Research is clear that successful consolidation requires significant work in the following areas:
 - a. High-level and elected champions that partner to see the project through.
 - b. Feasibility studies specific to first-class city before moving forward with consolidation.
 - a. Well-organized, clear, equal governance structure that provides a decision-making model for local entities that give up control and autonomy of their emergency communications.
7. The City should focus on internal efficiencies before considering any other type of external consolidation.
8. WI is only one of two states without a dedicated revenue stream for emergency communications; the City should prioritize this issue before considering consolidation with any external agencies.
9. City emergency communications professionals express concerns about a singular operation in the most populous county, as it relates to security and backup requirements in the event of an outage.
10. The City of Milwaukee's Fire and Police Commission is an established and fully staffed organization that is responsible for the oversight of the City of Milwaukee's emergency communications. No other similar entity exists in the County, thus oversight would be sacrificed in a consolidated PSAP.

County Position 2: Without multi-jurisdictional information sharing, we needlessly risk the lives of our first responders.

Response:

1. There is no evidence to support or refute this assertion, and this argument needlessly assumes that information sharing can only happen under a consolidated PSAP. Under a consolidated PSAP one could theorize just as many potential risks to first responders as one could under the current system.

2. The City of Milwaukee has been supporting interoperability and information sharing, where appropriate, with its law enforcement and fire department partners for years. For example, the City's radio division is currently working with county radio specialists to initiate new technology that will enhance system and sound quality through a new ISSI gateway system. MPD already has interoperability with the other jurisdictions.
3. City and county law enforcement agencies already partake in robust information sharing – which includes coordination led by the state Department of Justice (DOJ) and by the two Fusion centers (Milwaukee is one of two in the state).
4. MFD is already part of a countywide shared services initiative and is the largest payer into a third party software system that will enhance multi-jurisdictional dispatching of resources. This project is currently underway and the central contract for the vendor is managed by the County. The shared services initiative has been underway for over five years; once policies and logistics were determined over a three year period, the committee moved forward on technical information sharing. Given the complex nature of multi-jurisdictional operations, city emergency communications professionals recommend exactly this sort of a slow, methodical approach using evidence-based practices in any planning for consolidation.
5. The City will continue to support opportunities to share information with others to support the lifesaving efforts of first responders where appropriate.

County Position 3: The Organization of Affiliated Secure Interoperable RF Subsystems (OASIS) committee was established through an Intergovernmental Agreement (IGA) through the authority of Inter-Cooperation Council (ICC) to manage the county's Motorola radio system that is utilized by 18 of the 19 municipalities. In 2018, OASIS established a special 911 Subcommittee to address local 911 related issues including consolidation.

Response:

1. The governance authority of the OASIS committee is delineated to the management and operations of the Motorola radio system. There is no language that identifies authority to vote on matters related to 911, and thus any position taken by the OASIS committee is by definition outside of the scope of the committee.
2. Not all municipalities that operate a 911 center in Milwaukee County have equitable representation, or voting representation, on the current OASIS committee.
3. A fair and impartial review of PSAP operations in Milwaukee County should be conducted and led not by the county but instead by the ICC, prior to any creation of a committee. This review could occur directly under the authority of ICC where all mayors, who are in charge of 911 budgets (where the County is also a member), are represented.

County Position 4: The OEM no longer wishes to receive 911 wireless calls for other cities. The OEM has requested that cities work with cell phone providers to allow for cities to take on their own 911 wireless calls. If this request is not completed within an unspecified time, the County intends to charge cities a fee for each wireless call received.

Response:

1. In the past, state law allowed for only one designated PSAP per county to qualify for reimbursement for handling wireless 911 calls. At that time, Milwaukee County was

identified as the qualifying PSAP and therefore was authorized to take on all wireless calls for the County. Cities would continue to manage the landline 911 calls. However, as the use of wireless phones grew exponentially, Milwaukee County was unable to keep up with demand at their 911 center, and in 2013, executed a contract with the City to pay approximately \$454K annually for the city to handle its own wireless calls and also to cover some costs related to policing the parks. A change in state law moved funding dedicated to 911 into the shared revenue stream and the funding for wireless calls dried out. In the 2016 state budget, the language designating one PSAP per county was removed. While Milwaukee County continues to receive wireless calls for other cities in the county, it no longer receives reimbursement for those calls.

2. The City of Milwaukee continues to receive its own wireless calls, however the original agreement has since expired, and the County indicated it will no longer provide any funding to the City to cover the wireless calls.
3. Today, wireless calls are the primary method of calling 911 and the volume of wireless calls will continue to increase. Municipalities should review their capacity and develop a plan to prepare for this transition since there is no language governing the authority of 911 wireless calls in state statute.
4. The ICC should conduct a thorough review of PSAPs in the county and jointly develop a legislative plan to address emergency communication needs. In fact, state law that defines authorities and funding formulas related to emergency communications are severely out of date. The ICC needs a plan to engage the state on this issue, especially considering that new technologies require higher operating and maintenance costs. The realities of lobbying the state requires cities to join forces and send a unified message communicating the need for an updated, fair and balanced approach to properly fund emergency communications at the local level.
5. Even if all cities begin to accept their own wireless 911 calls, given the current science and geography there will always be misrouted calls going to the wrong PSAP. This is a nationwide issue that requires federal intervention. Any discussion regarding charges to other cities must account for this fact.