



CITY OF WAUKESHA

Administration

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Committee: Finance Committee	Date: 1/31/2017
Common Council Item Number: ID # 16-1716	Date: 2/7/2017
Submitted By: Rich Abbott & Steve Howard – Fire Chief	City Administrator Approval: Kevin Lahner, City Administrator KML
Finance Department Review: Rich Abbott, Finance Director RLA	City Attorney’s Office Review: Brian Running, City Attorney BER
Subject: Review and act on a request to authorize city-wide use of the Wisconsin Department of Revenue’s state debt collection program where deemed appropriate by the City Administrator, Finance Director and Department Head. In addition, authorize the City Attorney to finalize the agreements and authorize the Mayor to sign those agreements.	

Details:
 The program that the WDOR offers includes the full complement of collection methods (see State of WI - Options) without the percentage taken out of the amount collected. The person that owes the city pays WDOR a fee on top of the debt that is owed. Currently for uncollected ambulance bills we are using two methods of collection. First we are sending any patients that received a payment from their insurance company a notification that the will be taken to small claims if the amount is not remitted. Secondly, we are submitting the debts to the Tax Revenue Intercept Program (TRIP).
 The State’s program will enhance our collection possibilities and help increase our revenue with no additional cost to the City. Although there will still be time and effort in the process to get the debts to the State, it should reduce the number of calls to City staff on unpaid bills.

Options & Alternatives:
 Option 1 – Approve the use of WDOR program (recommended)
 Option 2 – Use a traditional collection agency and have a percentage of the collections withheld (typically 15-30%)
 Option 3 – continue as is

Financial Remarks:
 It is unknown what the impact would be on the budget, but in these types of situations there is usually a short term spike in revenue in the first couple of years. It is really dependent on the collectability of the debt and remember we had collection efforts in place already.

Executive Recommendation:
 Recommend the authorizing the State Debt Collection program as described.

