

Lompoc City Council Agenda Item



Date of City Council Meeting: November 18, 2008

TO: Gary Keefe, City Administrator

FROM: Timothy L. Dabney, Chief of Police
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SUBJECT: PARKING CITATION MANAGEMENT AND PROCESSING SYSTEM

Recommendation: That the City Council:

1. Authorize the Police Department to enter into a contract with Data Ticket, Inc. (DTI) to manage the collection of fees for parking citations issued in the City of Lompoc.
2. Authorize the expenditure of \$1,770 from the Traffic Offender fund to lease two (2) electronic *Ticket Writer* units from Data Ticket, Inc for a period of six (6) months.

Background:

Since 1994 the City of Lompoc has collected \$391,620 in parking citation fines. Parking citation fees are collected for a variety of violations, primarily enforced by members of the Lompoc Police Department. In 2007 there were 2049 citations issued and a total of \$26,433 collected in fines. In 2006 1864 citations were issued and \$34,264 was collected. According to City finance records, 41 percent or 1578 citations remain uncollected for 2006 and 2007. Based on the average fine for the past 2 years (\$30.06) and 15 years of collected fines (\$391,620.) it is estimated that the uncollected fines for the past 15 years may amount to more than \$160,000.

Discussion:

The Lompoc Police Department prides itself in its ability to provide our community with a three dimensional approach to community policing. The three components include prevention, intervention, and accountability. Parking citations can be preventative in nature. For example, the issuance of a citation may reduce neighborhood blight in a part of the City. Parked and abandoned vehicles become targets of loitering, theft and vandalism. Our officers and volunteers scan the community each day for issues such as abandoned vehicles and trailers, as well as cars that illegally park in "disabled person" parking stalls.

In the past the Lompoc Police Department has relied on persons who receive parking citations to pay their fines voluntarily. There has been no effective mechanism to hold recipients of citations accountable. Parking citations are quasi-civil violations that do not have the accountability system like the Superior Court has for moving violations. Because of this flaw in our legal system, a large number of fines remain unpaid, costing the City thousands of dollars in lost revenue each year.

The Department has explored the installation of a computer link to the Department of Motor Vehicles to place a hold on vehicle registration and drivers license renewals for unpaid parking citations. However the program costs are prohibitive from both a capital outlay and staffing cost perspective.

In July, 2008 Data Ticket, Inc. responded to a Request For Proposal from the City of Lompoc to provide a parking citation processing / management system. Data Ticket Inc. stated in their cover letter that their company is "committed to producing maximum revenue recovery, professionally and politely for our clients." The president of Data Ticket Inc., Marjorie Fleming, came to the Lompoc Police Department to present their proposal. Essentially, Data Ticket Inc. is a web-based solution for citation fee management. There is no application or software to install on the City servers, and the system easily allows the client (City of Lompoc) and the citizens to view the data pertinent to each user. The City's access to the system as a client includes the ability for the City to receive direct payments for citations. Persons receiving parking citations will have the ability to access the web site to pay their fine, or inquire about an on-line hearing process to appeal the citation. Easily downloadable reports are available to the client. In conjunction with the citation management system are handheld ticket writers that easily download into the citation management system for faster and more accurate processing.

In order to achieve a higher percentage of collected fines the following procedures would be put in place:

- Instructions on how to pay parking fines and / or appeal citations through Data Ticket, Inc. will be provided with tickets when they are issued.

The citizen will have the option to pay the fine on-line using a major credit card, pay the fine in-person at the Lompoc Police Department, appeal the ticket on-line through Data Ticket, Inc., or appeal the ticket in-person at the Lompoc Police Department.

The charge deducted by Data Ticket, Inc. from the parking fine imposed by the Lompoc Police Department for the initial processing of parking citations is sixty-cents (\$0.60) per electronic ticket and ninety-cents (\$0.90) per written paper citation.

- Single notice letters are sent to recipients of citations that state the necessity to pay either in person at the police department or on-line in a timely manner.
- In the event that a citation does not get paid in a timely fashion, the fine may be imposed by the Department of Motor Vehicles when the registered owner of the vehicle attempts to renew their vehicle registration.
- Should the recipient appeal the citation (called an adjudication hearing), an additional fee of \$2.25 is charged to the police agency. Data Ticket, Inc. deducts this fee from the parking fine imposed by the City of Lompoc.
- Fines that get paid but are considered delinquent cost thirty-three percent (33%) to the City, which is deducted from the total fine amount.
- If the fine continues to remain outstanding, the fine may be imposed on the registered owner of the vehicle through the Franchise Tax Board following a series of letters to the citizen. The charge deducted from the total collected fine for this service is thirty eight percent (38%).
- The cost to purchase two handheld Ticket Writer units is \$5,320. Cost to lease two units is \$225 per month with an additional \$70.00 per month for a maintenance agreement.

Reports are available on-line to monitor the success of fee collections. Each month the City would receive a check or an electronic debit to the appropriate City account for fees collected during the month.

In addition to contracting with Data Ticket, Inc. to handle our future parking citation collections, the Department will also attempt to collect on the unpaid fines that remain outstanding from citations issued over the past two years. As mentioned above, Data Ticket Inc. will handle this additional collection for an additional fee amounting to thirty-eight percent (38%) of the total fine, but only upon collection of the fine.

As part of the package, the Lompoc Police Department is seeking to enter into a lease agreement for two hand-held electronic ticket writers, on a trial basis, for use by officers in the field. After leasing two units for a period of six months, the Department will consider the use of revenue generated from this program to purchase at least two ticket writers.

Conclusion:

Historically in the City of Lompoc, it has been the norm to attempt to collect fines, both current and outstanding, using our own local resources. This “small town friendly” way of business is definitely the best practice in most cases and will remain an option for parking citation processing. However, in toughening economic times, it is imperative we improve our efficiency of collections and our return on investment. Data Ticket Inc. states that it is not unusual for a city to see as high as a 90 % collection rate as the community adjusts to the program. In Lompoc, that would amount to roughly \$55,000 in revenue each year through this parking citation management and collection program.

In order to improve efficiency of collections, the staff recommends entering a zero up-front cost; contract with Data Ticket Inc. that will result in increased revenue for the City and improve accountability to residents of the City.

TIMOTHY L. DABNEY
Chief of Police

Attachments:

- Part I- “Project Analysis” provided by Data Ticket, Inc.
- Part II- “Cost Proposal” provided by data Ticket, Inc.

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

GARY KEEFE
City Administrator