



Monterey County

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

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September 10, 2019

Introduced: 8/30/2019

Current Status: Agenda Ready

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Matter Type: BoS Resolution

- a. Receive information and recommendations on the Treasurer-Tax Collector's intent to discontinue processing of parking citations;
- b. Approve contracting for parking citation processing and collection services; and
- c. Authorize and direct the Auditor-Controller to amend the FY 2019-20 Adopted Budget for Facilities Maintenance, Fund 001, Appropriation Unit RMA006, increasing appropriations by \$30,000, financed by a corresponding decrease in appropriations in General Fund Contingencies, Fund 001, Appropriation Unit CAO017 (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors Adopt a Resolution to:

- a. Receive information and recommendations on the Treasurer-Tax Collector's intent to discontinue processing of parking citations;
- b. Approve contracting for parking citation processing and collection services; and
- c. Authorize and direct the Auditor-Controller to amend the FY 2019-20 Adopted Budget for Facilities Maintenance, Fund 001, Appropriation Unit RMA006, increasing appropriations by \$30,000, financed by a corresponding decrease in appropriations in General Fund Contingencies, Fund 001, Appropriation Unit CAO017 (4/5th vote required).

SUMMARY/DISCUSSION:

Monterey County Code, Chapters 12.32 and 12.40 specify County parking regulations and enforcement at County facilities, institutions, and unincorporated areas under the authority of the County Administrative Officer. In January 1994, the County Administrative Office's Revenue and Recovery Division whose function included the collection of parking penalties was incorporated into the office of the Treasurer-Tax Collector (TTC). The TTC agreed to continue parking collections until October of 2003 but extended its processing of collections until now.

The TTC submitted a letter on April 10, 2019 notifying the County Administrative Officer that effective July 1, 2019, the department could no longer cover the workload related to County parking citations. Due to annually increasing fiscal constraints, the TTC has taken steps to eliminate activities and costs for unfunded, non-mandated functions and focus existing resources on its core mission and statutory requirements. The TTC subsequently agreed to continue processing citations until August 31, 2019 to allow additional time for options to be presented for the Board's consideration.

The TTC's Revenue Division currently processes and provides collections services for citations issued for Monterey County facilities and institutions across the County, including Monterey County Offices and Courts Complexes in the cities of Salinas and Monterey, Natividad Medical Center (NMC), Monterey County Parks and Lakes, and parking citations issued on unincorporated roads by the

Monterey County Sheriff, California Highway Patrol (CHP), and National Forest Service (did not issue any citations last year).

Citations are issued by County private security, Sheriff Officers and CHP Officers in accordance with the County’s Municipal Code and the State of California Vehicle Code and then forwarded to the TTC for processing. Attachment “A” depicts processing citation tasks completed by TTC with key activities summarized below:

- Receive, sort, and scan citations to database
- Process payments and answer questions
- Perform DMV search to identify vehicle ownership and address
- Issue late notices
- Receive requests for dismissal for disputed citations
- Forward dismissal requests to corresponding department
- Notify customers of dismissal decision
- Add \$5.00 to citations not paid within 30 days
- Send to DMV for lien on registration if not paid
- Send abstract to DMV to release lien on registration if paid
- Receive and process payments from DMV

A time study conducted by the TTC estimates the cost of staff time and supplies for related functions at \$40,000-\$45,000 per year.

In FY 2018-19, 4,478 citations with a value of \$128,156 were issued. After accounting for dismissed citations and non-payment, \$83,301 was collected. Average parking fines for NMC are \$28 and \$25 for other County facilities. Actual revenue to the County for each citation is about \$14. In compliance with statute, the remaining portion must be remitted to the State of California. Total revenue distributed back to the departments in FY 2018-19 was \$56,498.

Monterey County Facilities (168 West Alisal)	\$ 19,383
Natividad Medical Center (NMC)	\$ 21,585
Monterey County Parks	\$ 821
Monterey County Sheriffs	\$ 5,654
California Highway Patrol	\$ 9,055
National Forest (did not issue any citation last year)	None

Staff reviewed the processing of citations, but not the citation fee schedule. Review of the citation fees is recommended as a future action to determine if they should be updated.

Staff reviewed various options for future processing of parking citations.

Option 1: Contracting for citation processing and collection services:

Most agencies such as counties, cities, universities, districts and other public entities nationwide contract with vendors. Services are provided via web-based software allowing the public to pay or contest parking citation via telephone (bilingual), online or mail. There would not be in-person service.

Staff examined various vendor proposals and estimated the annual cost to be \$30,000 based on the information provided by the TTC. Services include everything currently being provided by the TTC as well as management of adjudication, payment plan requests for indigent customers (in accordance with AB 503) review, and Franchise Tax Board processing (if desired) for collections.

If this option is selected, it is recommended that the Resource Management Agency (RMA) - County Facilities Division administer the contract and work with the vendor and TTC for the transition. The various departments and agencies would send the manual citations electronically or by mail to the vendor. RMA would report to the Board in one year on how the program was functioning.

In FY 2019-20, estimated revenue from citations was included in the citing department's balanced budget submissions, therefore, it is recommended that the first year be funded by General Fund contingencies. Beginning FY 2020-21 each department would pay their portion of vendor fees using the revenue received.

Implementation steps:

- Sign agreement after Board approval
- Provide vendor with items needed for set-up (37 items). This includes copy of manual citations, download and transfer of current parking collections data from TTC Revenue Division, bail schedule, noticing timeline, DMV access transfer, bank account set-up preference, adjudication preferences and operational preferences
- Update manual citations with vendor information for payment, customer service and appeal information (can be done with a sticker)
- Conversion of current open citations (optional)

Implementation time frame is estimated at 30 days (if everything is provided in a timely matter).

Option 2: Assign citation processing to Resource Management Agency - County Facilities Division (Facilities).

Facilities administers the parking program for County parking lots. In order to assume tasks currently performed by the TTC, the following would be needed:

- New Account Clerk position (estimated cost \$62,000)
- Cash register and credit card payment equipment (estimated cost \$2,000)
- Service location- a location would have to be found with access to the public (cost TBD)
- Software for processing and collecting (estimated cost between \$3,000 -\$15,000 annually)
- Set-up of online payments.

Implementation time frame is estimated at 3-6 months.

Option 3: TTC continues processing parking citations.

The Board may request that TTC continue to process parking citations. This would require adoption of an ordinance mandating the TTC to retain the duties.

With TTC no longer processing parking citations, staff recommends option 1 contracting for services with a vendor which is the least costly, disruptive, and assures that the County is in compliance with the County's Municipal Code and the State of California Vehicle Code.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office collaborated with the Treasurer-Tax Collector, Resource Management Agency, Sheriff and Natividad Medical Center to gather information. Given the growing importance of other TTC collections to the County General Fund and to the Courts, TTC does not support option 3. County Counsel has reviewed the services provided by the vendor for compliance with vehicle code. On August 28, 2019, the Budget Committee supported option 1.

FINANCING:

The estimated cost for FY 2019-20 of \$30,000 would be funded by the General Fund Contingencies. Future years costs would be funded with revenue generated from citations. The remaining balance in the appropriation for contingencies after taking into account this request, but excluding other needs not yet acted upon by the Board, is approximately \$4.93 million.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments: Resolution; and Attachment 1 - Parking Citation Account Flow