

ITEM	01
MANAGER'S REPORT #	39
COUNCIL MEETING	95/08/28

TO: CITY MANAGER

1995 July 28

FROM: DIRECTOR FINANCE

File: I53-4

SUBJECT: RCMP PARKING ENFORCEMENT SYSTEM

PURPOSE: To obtain approval and funding for an automated traffic bylaw fine system.

Recommendations:

1. THAT Council bring down a bylaw to provide funding of \$88,000 to acquire a computerized parking ticket system from the low bidder, Clancy Systems.
2. THAT Council approve changes to Burnaby Street and Traffic Bylaw, to reflect a single fine of \$50 for all violations and a double discount fine structure, as detailed in this report.
3. THAT the towing provisions of the Bylaw be modified to permit towing of a violator's vehicle if a violation is outstanding for more than 60 days against the vehicle.
4. THAT Council authorize staff to enter into an agreement with a collection agency for collection services related to parking ticket violations.
5. THAT Council authorize staff to implement a system for accepting debit card and credit card payments for parking ticket fines.

Background

In 1993 a total of 29,674 traffic bylaw violation fines with a value of \$659,686 were issued. Of the tickets issued \$340,896 was collected, representing a collection rate of 52%. Conversely 48% (\$318,790) were never paid.

A number of factors contribute to the low collection rate including: the level of follow up on outstanding fines, difficulty in identifying multiple offenders for towing, and the lack of a penalty structure that provides adequate incentives for payment.

Collection rates in excess of 80% are achieved by municipalities such as West Vancouver, White Rock, Kelowna, and Penticton. The basis of the success of these municipalities can be attributed to their use of computerized ticketing systems (in the case of West Vancouver and White Rock) and to the use of a collection agency (Kelowna and Penticton).

Council has asked that the traffic bylaw fine system be reviewed. A task force consisting of representatives of the RCMP, Internal Audit and Information Services was set-up to research ways and means of improving the effectiveness of Burnaby's parking ticket system. This report and the recommendations that flow from it are the result of Council's request and the task force's efforts.

System Modernization Proposal

The following proposal is designed to address the deficiencies in the current parking ticket system and improve the effectiveness of parking enforcement and fine collection. This discussion will identify the implications of each of the changes to the existing system.

Computerized Ticketing

The use of handheld computers by the Parking Bylaw Enforcement Officers for issuing tickets will enhance the quality and clarity of tickets thereby reducing the number of ticket errors. Legibility problems currently result in the cancellation of approximately 430 tickets per year representing a loss of \$10,000 in revenue under the current fine structure.

Another feature of the handheld units is that they automatically download ticket information into a PC database, this will eliminate the need for the manual data entry that is currently being done. There are 1.5 full time clerical positions currently required to enter the ticket information, these positions will be redeployed to perform other RCMP front desk duties which will free up RCMP members to deal with Policing matters.

Additional benefits of computerization include: enhanced information and reports for decision making purposes, reduction in storage, filing, and printing costs by changing from a three part manual ticket to a one part computer generated ticket, and improved internal control over computerized tickets.

Fine Structure

It is recommended that the existing fine structure be changed from a single discount fine to a double discount structure for all parking violations. A double discount structure will provide the incentive for prompt payment of fines while covering the increased cost of collection at a later date.

Burnaby's current fine structure consists of a \$25 initial fine reduced to \$15 if paid within five days. This report recommends that the parking fine levels be raised to reflect the current level of rates charged by other cities. The suggested fine structure would be:

- \$50 fine reduced to:
- \$25 if paid within 5 days from the date of issuance, and
- \$40 if paid within 15 days.

This structure provides additional incentive for parking violators to pay their fines promptly.

As a comparison, the current parking fine structures in other cities are:

Burnaby (proposed)	25	40	50
Port Moody	50	55	55
Richmond	25	30	40
Vancouver City	25	35	50
Victoria	25	35	50

Of the tickets issued by Burnaby currently 52% are paid; of the tickets paid 58% are paid within the five day period (\$15), the remaining 42% are paid later (\$25). The three level fine structure proposed above will generate about \$145,000 worth of additional revenue before taking into account the effect of an increased collection rate.

The upper limit of the fine structure at the recommended level of \$50 was established based on a comparison with other cities and to compensate for the commission paid to the collection agents (discussed below). After deducting the commission for the collection agents, when applicable, the resulting net payment to Burnaby is about \$35. The \$35 is sufficient to cover the additional administrative costs incurred processing outstanding tickets that are paid beyond the initial 5 day time interval.

Towing Policy

The implementation of a policy to tow parking violators with tickets that are outstanding for more than 60 days has been successfully implemented by Penticton as a further means of enforcing parking fine payment. The implementation of a policy of towing repeat parking violators with tickets that are outstanding for more than 60 days is recommended for Burnaby.

Credit Cards and Debit Cards

The increased convenience of payment by credit or debit card will help promote the prompt payment of fines. Credit and Debit cards also decrease collection risk associated with cheques (i.e..NSF) while increasing cash security since all funds are transferred electronically. Credit cards can be used in person or by mail and may be incorporated into a pay-by-phone system some time in the future.

The City of White Rock has had extensive experience with credit card payments and found that tickets are generally paid more promptly due to the increased convenience.

Collection Agent

The implementation of an effective mechanism to follow-up on outstanding fines is potentially the most significant factor to contribute to an increased collection rate.

Collection agencies are being successfully used by an increasing number of Provincial Departments and Municipalities (including Kelowna and Penticton). A collection agent is usually hired under a contract that is based on a percentage of the fines collected (generally 25 to 30%). These agencies have professionally trained staff and sophisticated tracking systems for following up on delinquent accounts. The criteria under which collections are undertaken can be specified and controlled by the City to ensure people are treated fairly, in a manner consistent with Burnaby policies.

It is proposed that a collection agency be used to follow up on tickets that have been outstanding for more than 20 days from the date of issue. The cost of this service will be recovered through the higher fine level for tickets that have not been paid after the 15 day threshold.

Currently Burnaby receives payment on 52% of the tickets that are issued. Collection rates ranging from 65% to 83% are possible with enhanced follow-up on the issued tickets. A conservative increase up to a 70% collection rate, by incorporating the services of a collection agent, will recover about \$155,000 in revenue that is currently being lost.

Summary of Revenue Considerations

Revising the Parking Bylaw fine structure to a single fine of \$50 for all offenses with a double discount structure will encourage prompt payment. This change will increase fine revenues by approximately \$145,000 per year. Implementing the use of a collection agency and a towing policy will recover a further \$155,000 in fine revenue that is currently being lost. The total additional revenue will be about \$300,000 per year.

System Vendor and Financing

The RCMP issued a request for proposal to seven prospective vendors. After a detailed review of the proposals, the recommended low tender was submitted by Clancy Systems for \$76,000 including GST and PST. Clancy's proposal most closely meets the user specifications, reference checks have indicated an excellent track record of customer service and support. In addition to the systems costs, additional funding of \$12,000 is required to install the communications hardware required to run this system. The total funding required for this project is \$88,000.

Sufficient Capital Reserves are available, however, this project is not included in the 1995-1999 Capital Program. This expenditure will result in an increase in the 1995 capital spending limit in the amount of \$88,000.

Summary

In summary, this proposal will streamline the parking ticket issuance and processing functions by automating several manual processes. A simplified fee structure with one level of fines for all violations and a double discount structure will provide prompt payment incentives to violators. The use of a collection agency will resolve the problem of insufficient follow up on delinquent payments and will act as an added incentive to pay fines promptly. The towing policy will promote the timely payment of fines and will act as a deterrent against multiple offenses. Finally, the use of credit cards and debit cards is a cost effective and convenient way of facilitating the payment of fines.



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