

CITY OF OAKLAND
AGENDA REPORT

OFFICE OF THE CITY CLERK
2006

2006 SEP 27 PM 12:23

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Finance and Management Agency
DATE: October 10, 2006

RE: **Ordinance Amending Oakland Municipal Code Chapter 10.48 "Parking Fines" to Add Section 10.48.030 Authorizing a Fee for the Collection of Delinquent Penalty Payments and Amending Ordinance No. 12676 C.M.S., the Master Fee Schedule, to Add Special Costs of Collecting Parking Violation Penalty Fees**

SUMMARY

The City of Oakland is increasing its collection efforts on delinquent parking accounts through the existing contract with the City of Inglewood. However, the current Municipal Code does not allow the City to impose a collection fee on the violator. Therefore, staff requests City Council adopt an ordinance adding Oakland Municipal Code (OMC) Section 10.48.030 to authorize the City to recover special costs of collecting parking violation penalties through the existing contract with the City of Inglewood. The City of Inglewood has a demonstrated successful collection program, which includes collecting on out-of state-delinquent citations.

The proposed Ordinance will add Section 10.48.030 "Fee for collection of delinquent penalty payments," to the Oakland Municipal Code, to read as follows: "If the City incurs collection costs in conjunction with the assignment of a parking citation for collection, that cost shall be added to the penalty and the violator shall be liable to the City for both the civil penalties and the collection costs."

FISCAL IMPACT

The proposed collections program is cost neutral and will not require additional city staff to implement the program. Violators will be assessed an additional collection fee of 30% of the delinquent balance in order to reimburse the City of Inglewood for the cost of collections. As referenced in the Ordinance, the Master Fee Schedule, Ordinance No. 12676 C.M.S. will be amended to add the 30% special cost of collecting parking violation penalties. For example, if the delinquency is \$100, the accessed fee will be \$30.

Item: _____
October 10, 2006
Finance & Management Committee

BACKGROUND

The City Council approved a contract in July 2003 with the City of Inglewood - Parking Ticket System (PTS) for all parking citation processing services, including but not limited to mailing out delinquent and non-delinquent notices. The City of Inglewood also provides the City of Oakland-Parking Division with two of its valuable collection programs such as, Department of Motor Vehicle (DMV) and Franchise Tax Board (FTB) refund liens. Staff would like to take advantage of this third collection service offered by the City of Inglewood, which is the collection of Oakland's delinquent citations through its specialized collection program.

The City of Oakland generated \$23 million in parking citation revenue in Fiscal Year 2005-06 and over 500,000 parking citations.

KEY ISSUES AND IMPACTS

The City of Inglewood's collection agency has proprietary violation collection software and an established relationship with most of the out-of-state DMVs to collect debt owed by violators. Inglewood, through its collection program, will aggressively perform skip tracing techniques using a variety of commercial databases and nationwide DMVs to locate violators who have moved without leaving forwarding addresses. The City of Inglewood-PTS currently provides this special costs recovery collection service to the City of Berkeley, City of Inglewood, and other municipalities. Their expertise is solely focused to municipal collections.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed collections will have a positive impact on the local economy by generating additional revenue for the City.

Environmental: There are no environmental impacts as the result of the proposed collections.

Social Equity: The proposed collection does not discriminate across social boundaries. All delinquent citations are subject to collection.

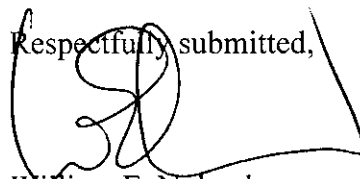
DISABILITY AND SENIOR CITIZEN ACCESS

There is no impact to disabled or senior citizen access.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve adding Oakland Municipal Code (OMC) Section 10.48.030 to authorize the City to recover special costs of collecting parking violation penalties through the Inglewood contract, and amending Ordinance No. 12676 C.M.S., the Master Fee Schedule, to add the 30% special cost of collecting parking violation penalties.

Respectfully submitted,



William E. Noland

Director, Finance and Management Agency

Prepared by:
Shahla Azimi
Revenue Analyst
Parking Division

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:


Office of the City Administrator

Item: _____
October 10, 2006
Finance & Management Committee

OFFICE OF THE CITY CLERK
CLERK

APPROVED AS TO FORM AND LEGALITY

Margaret Ayala
City Attorney

INTRODUCED BY COUNCIL MEMBER _____
700 SEP 21 10 23

ORDINANCE NO. _____ C.M.S.

**ORDINANCE AMENDING OAKLAND MUNICIPAL CODE
CHAPTER 10.48 "PARKING FINES" TO ADD SECTION
10.48.030 AUTHORIZING A FEE FOR THE COLLECTION OF
DELINQUENT PENALTY PAYMENTS AND AMENDING
ORDINANCE NO. 12676 C.M.S., THE MASTER FEE
SCHEDULE, TO ADD SPECIAL COSTS OF COLLECTING
PARKING VIOLATION PENALTY FEES**

WHEREAS, the City frequently utilizes the services of private collection agencies to collect delinquent parking penalties; and

WHEREAS, these private agencies charge the City for the cost of their services; and

WHEREAS, the City wishes to recoup the costs of collection from the persons who are delinquent; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1:

Section 10.48.030 of the Oakland Municipal Code is hereby added to read as follows:

10.48.030. Fee for collection of delinquent penalty payments.

If the City incurs collection costs in conjunction with the assignment of a parking citation for collection, that cost shall be added to the penalty, and the violator shall be liable to the City for both the civil penalties and the collection costs.

Section 2: Master Fee Schedule. The Master Fee Schedule, Ordinance No. 12676 C.M.S. is amended to add these collection costs as follows:

	FEE	UNIT
<u>Special Costs of Collecting Parking Violation Penalties</u>	<u>30%</u>	<u>Ticket Value</u>

Section 3: Severability. If any article, section, subsection sentence, clause or phrase of this ordinance is held to be invalid or unconstitutional, the offending portion shall be severed and shall not affect the validity of remaining portions which shall remain in full force and effect.

Section 4: Effective Date: This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the
Council of the City of Oakland, California

NOTICE AND DIGEST

**Ordinance Amending Oakland Municipal Code Chapter 10.48
“Parking Fines” to Add Section 10.40.030 Authorizing a Fee for the
Collection of Delinquent Penalty Payments and Amending Ordinance
No. 12676 C.M.S., the Master Fee Schedule, to Add Special Costs of
Collecting Parking Violation Penalty Fees**

This Ordinance will amend Oakland Municipal Code Chapter 10.48 “Parking Fines” to add Section 10.48.030 “Fee for collection of delinquent penalty payments”, of the Oakland Municipal Code to read as follows: “If the City incurs collection costs in conjunction with the assignment of a parking citation for collection, that cost shall be added to the penalty and the violator shall be liable to the City for both the civil penalties and the collection costs.” In addition, the Master Fee Schedule, Ordinance No. 12676 C.M.S. will be amended to add the 30% special cost of collecting parking violation penalties fee.