

CITY OF OAKLAND
SUPPLEMENTAL AGENDA REPORT

2010 DEC -2 PM 12:42

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Noel Pinto
DATE: December 7, 2010
RE: **Supplemental Report on Increasing Parking Citation Fines to Cover the Cost of the New State-Imposed \$3.00 Surcharge**

SUMMARY

California State Senate Bill 857, which passed as part of the State Budget Act of 2010, requires that 60 days after the budget enactment and until July 1, 2013, a \$3.00 pass-through surcharge be imposed on all parking penalties, fines, or forfeitures. The \$3.00 surcharge – added to the existing \$10.00 surcharge – is to be remitted by the City to Alameda County to fund the State's Trial Court Trust Fund.

Staff has submitted for City Council approval an amendment to Oakland Municipal Code Section 10.48.050 to add this \$3.00 surcharge to all parking violations, thus allowing the City to collect and remit the required surcharge to the County and State without incurring costs to the City. Currently, the City pays the County a \$9.50 pass-through surcharge (rounded to \$10.00 to meet Department of Motor Vehicle requirements). The proposed ordinance would increase the surcharge to a total of \$13.00. **At the request of the Finance and Management Committee, the ordinance provides three different options for the effective date of the increase: December 23, 2010; January 15, 2011 and January 31, 2011.**

At its November 16, 2010 meeting, the Finance and Management Committee directed staff to survey neighboring cities and key cities in the Bay Area to determine (1) if they are increasing parking citation fines to cover the new \$3.00 surcharge and (2) the proposed effective date of such increases. The results of staff's survey are discussed in this report. Lastly, staff reported to the Finance and Management Committee efforts to enhance public education about the proposed new surcharge. A detailed plan is provided.

FISCAL IMPACT

The City is currently paying about \$2.9 million per year to the County in parking surcharges on about 300,000 citations. The new surcharge will increase that amount by approximately \$900,000, bringing the annual total to about \$3.8 million. If the City chooses not to impose the \$3.00 pass-through surcharge the City would incur an annual cost of \$900,000, which is not budgeted. With the passage of the ordinance the majority of that cost will be avoided, depending on the effective date that the Council chooses. The surcharges will be collected in the General Purpose Fund (1010), Parking: Citation Assistance Organization (08931), Due to: Government,

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County Account (21317), and Parking Management Program (IP60), and will be remitted to Alameda County at the end of each month.

The state surcharge will go into effect on December 7, but the attached ordinance, if approved, will not go into effect until December 23 at the earliest. The City Council's Finance Committee recommended that the City Council choose among the following three dates: December 23, January 15, or January 31, with the latter dates intended to accommodate the holiday shopping season. The City will not be able to pass the \$3 surcharge on to motorists from December 7 until the new ordinance goes into effect, and therefore the City will be responsible for the \$3 for each citation during this time. Staff estimates this amount will be approximately \$2400-\$3,000 per parking day, as follows:

<u>Effective Date:</u>	<u>Cost to City:</u>
December 23	\$33,000-\$42,000
January 15	\$76,000-\$96,000
January 31	\$105,000-\$132,000

BACKGROUND

The City currently pays surcharges to Alameda County for the following purposes and in the following amounts:

Surcharge Description	Rate
County General Fund (GC 76000)	\$ 2.00
Immediate and Critical Needs Account (GC 70372[b])	\$ 3.00
State Court Facilities Construction Fund (GC 70372[b])	\$ 1.50
Courthouse Construction Fund (GC 76000) (GC 76100)	\$ 1.50
Criminal Justice Facilities Fund (CVC 40255)	\$ 1.50
Total	\$ 9.50

Due to Department of Motor Vehicle requirements, this \$9.50 surcharge is rounded up to \$10.00 on the parking citation. The City pays the \$9.50 to the County, and keeps the remaining \$0.50 per citation.

Monies from the \$3.00 additional will help fund the State's Trial Court system. The ordinance also provides that the surcharge amount will revert to \$10.00 after the surcharge imposed by SB 857 ends (expected on July 1, 2013).

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Staff estimates that the amount of the state surcharge from the effective date until enforcement of the pass-through surcharge on City parking citations will amount to \$2,400 to \$3,000 per day. The City will be required to remit this amount without having passed the cost on to the persons receiving citations.

KEY ISSUES AND IMPACTS

Effect on Persons Receiving Parking Citations

Persons who receive parking citations will have to pay a surcharge of \$3.00 in addition to the current surcharge of \$10.00. Surcharges are clearly and separately listed on all parking citations. (A sample citation is attached as Exhibit A.) Among some of the most frequent citations, the effect of the increase would be as shown below:

Violation	City Fine	Existing Surcharge Fee	Total Fine	Proposed Surcharge Fee	Total Proposed Fine
Expired meter (OMC 10.36.050)	\$45	\$10	\$55	\$3	\$58
Parking during street sweeping (OMC 10.28.240)	\$53	\$10	\$63	\$3	\$66
Parking in red zone (OMC 10.40.020)	\$70	\$10	\$80	\$3	\$83

Timeline

The timeline for implementation of the surcharge would be as follows:

Action	Date
Finance & Management Committee approval	November 16 th
<i>Effective date of new surcharge under state law</i>	<i>December 7th</i>
First reading of ordinance imposing additional \$3.00 surcharge	December 7 th
Second reading of ordinance imposing additional \$3.00 surcharge	December 21 st
Reprogramming of citation system and handheld enforcement devices	December 22 nd
<i>Enforcement of new surcharge begins</i>	<i>December 23rd, January 15th or January 31st</i>

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The City's obligation to begin remitting the surcharge would begin on December 7th and the enforcement of the increase in parking violation fines would begin on whatever date the Council chooses, the soonest being December 23rd. The City will be responsible for the \$3 for each citation from December 7th through the effective date.

Survey of Other Bay Area Cities

Staff surveyed neighboring cities and key cities within the Bay Area to determine (1) if they are increasing parking citation fines to cover the new \$3.00 surcharge and (2) the proposed effective date of such increases. The results of the survey are as follows:

City	Position on Implementing Increase	Effective Date
Alameda	Staff recommending fine amount increase to cover surcharge.	Council action in early; effective date to follow shortly thereafter
Berkeley	<i>Awaiting reply</i>	
San Francisco	No plans to increase fine amounts to cover surcharge	None pending
San Jose	Staff recommending fine amount increase to cover surcharge.	Council action on December 14; effective date proposed for January 1
San Leandro	Staff recommending fine amount increase to cover surcharge.	July 1, 2011
Walnut Creek	Increased citation amounts by \$5.00 last July 1	Will await next budget cycle to take action on any further increase

Providing Information to the Public

Staff will undertake the following steps to inform the public of the increase in the parking surcharge:

- Post a notice on the City website
- Disseminate a press release to all local newspaper and television channels
- Notification of residents through Council offices (newsletter, town hall meetings, etc.)
- Record and run a video discussion on KTOP
- Distribution of 1/3 page flyers with citations and as a handout at the Parking Citation Assistance Center (PCAC)

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- Having Public Service Representatives in the PCAC inform all callers

The timing of these steps would depend on the Council's direction after the first reading of the proposed ordinance.

SUSTAINABLE OPPORTUNITIES

Economic: The City will avoid approximately \$900,000 in costs annually by adding the additional \$3.00 surcharge to all parking citations.

Environmental: There are no environmental impacts resulting from the proposed fee increase.

Social Equity: None.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no impact on disabled or senior citizen access.

RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve the proposed ordinance amending Section 10.48.025 of the Oakland Municipal Code (O.M.C.) to increase the "pass-through" surcharge from \$10.00 to \$13.00 for all parking violation fines to collect and remit surcharges imposed by California Government Code Sections 76000, 76100 and 70372(b) and California Vehicle Code Section 40255. The ordinance also provides for the amount of the surcharge to revert to \$10.00 when the new surcharge imposed by SB 857 expires on July 1, 2013. The attached ordinance provides for three alternative effective dates at the Council's discretion: December 23, 2010; January 15, 2011, and January 31, 2011.

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ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council approve the above recommendations to increase the "pass-through" surcharge from \$10.00 to \$13.00 for parking violation citations to collect and remit State-mandated surcharges.


Respectfully submitted,



Noel Pinto
Parking Operations Manager

Prepared by:
Joe C. Litten, Administrative Services Manager II
Parking Administration

APPROVED AND FORWARDED TO THE
CITY COUNCIL:



Office of the City Administrator

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Dan Lindheim

Ordinance Increasing Parking Surcharge to \$13.00

Exhibit A

City of Oakland Parking Violation

Citation Number
1700650070

Payment Questions: **1-800-500-6484**

Date: 10/21/2010 03:54:22 PM
Officer: MOSS, C 17
License: [REDACTED] CA 05/2011
Make: MERZ 2D BK
VIN: 9460

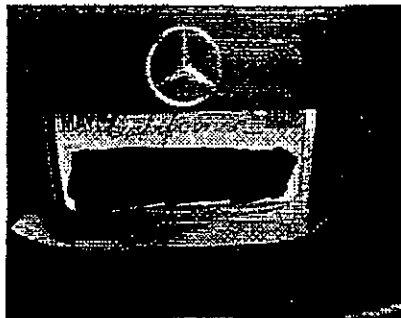
Location:
300 BLOCK 9TH ST

Violation:
10.36.030B
NON DISP PKG RECEIPT

Fine Amount: **\$ 55.00**

If Delinquent:
After 21 days, additional penalties may
apply.

\$10.00 STATE & COUNTY SURCHARGE FEE INCLUDED
NJ. NRD. NDPV * DRIVEAWAY *



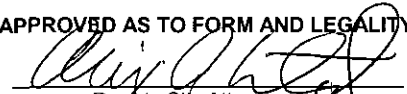
Meter: 9300-2


1700650070

Failure to respond to 5 or more outstanding violations may result in the immobilization and/or towing of your vehicle pursuant to C.V.C. 22651 (f). Pursuant to G.C. 76000 a surcharge has been added to the penalty. Registration and equipment violations require proof of correction, verification by a police officer, a California Highway Patrol Officer, or by any Department of Motor Vehicles representative.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

APPROVED AS TO FORM AND LEGALITY


Deputy City Attorney

2010 DEC -2 PM 12:43

OAKLAND CITY COUNCIL

ORDINANCE No. _____ C.M.S.

ORDINANCE AMENDING OAKLAND MUNICIPAL CODE (O.M.C.) SECTION 10.48.025 "IMPOSITION OF COUNTY AND STATE SURCHARGES" TO INCREASE BY \$3.00 THE PASS-THROUGH SURCHARGE TO ALL O.M.C. PARKING VIOLATION FINES INCLUDING ALL CALIFORNIA VEHICLE CODE (C.V.C.) VIOLATION CITATIONS TO OFFSET AND REMIT TO STATE/ALAMEDA COUNTY THOSE SURCHARGES IMPOSED BY CALIFORNIA GOVERNMENT CODE SECTIONS 76000, 76100 AND 70372(B) AND C.V.C. SECTION 40255

WHEREAS, the City of Oakland has a duty to enforce parking violations as set forth in the Oakland Municipal Code; and

WHEREAS, pursuant to the provision of the California Constitution and the State of California laws, the City of Oakland is authorized to set new fines for all types of parking violations, fees and rates for parking violations; and

WHEREAS, Section 10.48.025 imposes a surcharge of \$10.00 on all parking offenses in order to pay amounts to Alameda County or the State of California amounts required by law; and

WHEREAS, the State of California Senate Bill 857 that becomes effective December 7, 2010, has increased the mandated state surcharge by \$3.00 per citation in order to fund the Trial Court Trust Fund; and

WHEREAS, the City of Oakland is proposing to pass through this \$3.00 charge to all of its parking violations and for citations issued for California Vehicle Code violations; now therefore

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

Section 1. Section 10.48.025 of the Oakland Municipal Code shall be amended to read as follows:

10.48.025 - Imposition of county and state surcharges.

For any parking offense under any ordinance or the California Vehicle Code, there shall be added to and imposed with the base fine a \$40.00 \$13.00 surcharge. Upon the expiration of California Senate Bill 857, said surcharge shall be \$10.00. The use of such surcharge shall be restricted for payments by the City to the county or the state required by law or to reimburse the City for such payments.

Each ticket for a parking violation shall specify separately the amount of the base fine and the amount for any surcharge that is required to be paid by the City to the county or the state.

Section 2. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this ordinance.

Section 3. Severability. If any article, section, subsection, sentence, clause, or phrase of this ordinance or exhibit 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 [**Options: (1) immediately upon its passage; (2) on January 15, 2010; or (3) on January 31, 2010**].

IN COUNCIL, OAKLAND, CALIFORNIA, December _____, 2010

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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

DATE OF ATTESTATION: _____