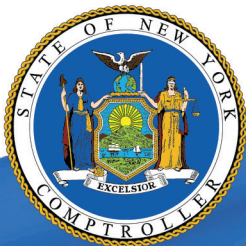


Village of Ossining

Parking Ticket Collections

FEBRUARY 2018



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Village of Ossining

Audit Objective

Determine whether an adequate system is in place to collect outstanding parking tickets.

Key Findings

- The Board has not adopted adequate policies and practices for collecting unpaid parking fines.
- The Village has approximately \$1.8 million in unpaid parking tickets outstanding as of September 30, 2017. Tickets have remained on the unpaid parking tickets report for many years with no additional collection actions.

Key Recommendations

- Adopt written policies and procedures for collecting unpaid parking tickets.
- Consider additional collection methods for collecting outstanding tickets.
- Develop benchmarks for evaluating ticket collection efforts.

Village officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

Background

The Village of Ossining (Village) is located in the Town of Ossining (Town) in Westchester County. The Village covers approximately 6.3 square miles and has 25,060 residents. The Village is governed by an elected Board of Trustees (Board) composed of four Trustees and a Mayor. The Village Manager is responsible for day-to-day management, including overseeing the Finance Department. The Treasurer is the custodian of Village funds.

The Village has 612 regulated parking spaces (412 by permit and 200 by meter).

Quick Facts

2017 Budgeted Appropriations	\$53.9 Million
Tickets Issued From January 1, 2012 Through September 30, 2017	87,248
Parking Ticket Revenue For The Audit Period	\$774,212
Outstanding Tickets As Of September 30, 2017	45,687

Audit Period

January 1, 2016 – September 18, 2017

We extended our audit scope back to January 1, 2012 and forward through September 30, 2017 to review parking ticket revenues.

Parking Ticket Collections

In December 2011 the Village and Town entered into an inter-municipal agreement, which eliminated the Village Justice position and consolidated the Village Justice Court with the Town Justice Court. The Town Justice Court became responsible for Village Court activities including disposition of parking tickets. All parking ticket fines are paid through the Town Justice Court.

The Village and Town also contracted with a private contractor (contractor) to process parking tickets and monitor revenue from parking violations. The contractor receives 12 percent of the amount collected and provides Court employees with remote access to its computer system. Parking enforcement employees and Police officers issue both manually written parking tickets and tickets generated from handheld computers (provided by the contractor), which automatically update the contractor's parking ticket database. The contractor is also responsible for mailing collection notices to parking violators and reporting certain delinquencies to the NYS Department of Motor Vehicle (DMV).

How Should Parking Ticket Fines Be Collected?

Parking ticket fines can be a substantial revenue source for Village operations. Written policies and procedures governing parking ticket operations should provide employees with clear guidelines on how to collect outstanding parking tickets. The Board is responsible for adopting policies for collecting unpaid parking violations.

Parking Ticket Collection Policies Are Insufficient

The Board has not developed or implemented any parking ticket collection policies. Although Village officials implemented procedures for collecting parking fines, the procedures are limited to the contractor sending five delinquency notices and reporting non-payers to the DMV. As a result, the number of unpaid parking tickets more than doubled, from 1,637 in 2012 to 3,256 in 2016. In addition, Village records show that, as of September 30, 2017, \$1.8 million in fines and penalties are owed on outstanding tickets, including 31,870 tickets that remain outstanding from before January 1, 2012 with associated fines and penalties totaling more than \$660,000.

Figure 1: Outstanding Parking Tickets

Year	Tickets Issued	Revenue Received	Tickets Outstanding	Fines and Penalties	Percentage Outstanding
Before 2012 ^a			31,870	\$660,551	
2012	13,878	\$477,441	1,637	\$40,461	11.8%
2013	12,164	\$359,775	1,426	\$58,820	11.7%
2014	14,512	\$386,176	1,599	\$161,625	11.0%
2015	14,507	\$421,588	1,621	\$230,405	11.2%
2016	18,769	\$426,407	3,256	\$371,575	17.3%
2017 ^b	13,418	\$347,805	4,278	\$248,470	31.9%
Totals	87,248	\$2,419,192	45,687	\$1,771,907	

a Includes seven tickets with no date and tickets dating as far back as 1989.

b Through September 30, 2017, collections were still ongoing for some of these tickets.

The first delinquent notice is sent approximately 30 days after the Court date assigned on the ticket. Subsequently, delinquent notices are sent every month for the next four months. This process is automatically generated unless the violator goes to the Court and pleads not guilty or pays the fine. In addition, the contractor reports vehicles with three or more unpaid parking tickets within an 18-month period to the DMV Scofflaw Program.¹ Neither Village officials nor the contractor take any other collection actions. Village officials have several options to supplement enforcement efforts. For example:

Arrest Warrants – The Board could enact an ordinance to permit the Police Department to issue an arrest warrant for the vehicle registrant with a predetermined number of outstanding parking tickets.

Civil Actions – The Board could enact an ordinance to permit the Village to take civil action against vehicle owners to enforce unpaid parking violation fines. Before taking civil action against an individual, the Board would have to establish a benchmark for the number of outstanding parking tickets that would trigger such an action.

Collection Services – Villages can contract for collection services for enforcement of unpaid tickets. If Village officials pursue this, they should ensure that contracts for collection services contain performance clauses so they can monitor and evaluate contractor performance.

¹ Under this program, DMV suspends a registration or prevents a registrant from re-registering a motor vehicle until the registrant settles the unpaid tickets with the issuing village.

Vehicle Impoundment and Immobilization – The Board could enact an ordinance to permit the Village to impound and tow a motor vehicle at the owner’s expense. In addition to vehicle impoundment, municipalities can use vehicle immobilization devices (booting devices) to enforce unpaid parking violations fines.

License Plate Readers (LPRs) – LPRs are box-like cameras mounted on either side of a police vehicle and are linked to a laptop computer mounted inside the vehicle. The cameras quickly scan the cars on either side of the police vehicle (whether moving or parked) and feed the images into the computer. The computer checks the plate numbers against the DMV database to determine whether the cars have any parking violations. LPR units could be used to identify vehicles with significant parking violations, which could help improve the Village’s enforcement and collection efforts.

Amnesty Programs – Implementation of an amnesty period in which unpaid fines could be paid without penalty, or some alternative, is another option which may help the Village increase its collection of parking fines. Before implementing an amnesty program, the Board should consider whether anticipated collections would justify the forfeiture of any penalties or other fees.

If Village officials implemented additional collection methods, they may have been able to increase collection rates.

How Can Village Officials Improve Collection Effectiveness?

A Court fine will not necessarily be collected for each parking violation issued. A benchmark rate of collection can be used to periodically assess how effectively the Village’s parking violation management system, including the contractor is operating. In addition, because revenue received from parking violations may be significant, a periodic assessment of how well outstanding fines are being collected would help the Board to determine whether the Village’s collection practices are working effectively and if fines are being efficiently collected.

Officials Did Not Implement Performance Benchmarks

The Board has not developed benchmarks and the agreement with the contractor does not include a performance benchmark. The Village parking ticket collection rate was approximately 84.2 percent through the end of our audit period. Despite this level of collection, the Village still has approximately \$1.8 million in cumulative unpaid parking tickets outstanding as of September 30, 2017. These tickets remained on the contractor’s report of unpaid parking tickets and no additional actions were taken to collect these amounts.

Without a system to follow up on outstanding parking violations, established benchmarks for collection rates, and additional enforcement methods for outstanding parking tickets, Village officials are not maximizing parking violation revenues and cannot effectively assess parking ticket enforcement procedures.

What Do We Recommend?

The Board and Village officials should:

1. Adopt written policies and procedures for collecting unpaid parking tickets.
2. Examine the effectiveness of collection strategies and consider enhanced or alternative measures that may increase the collection of fines and related penalties.
3. Periodically monitor and review unpaid fees for parking violations to track the effectiveness of the vendor's collection system.
4. Develop benchmarks for collections and contractor performance.

Appendix A: Response From Village Officials



Victoria Gearity
Mayor, Village of Ossining

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February 2, 2018

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33 Airport Center Drive, Suite 103
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Reference: Report of Examination 2017M-259
Village of Ossining – Parking Ticket Collections

Dear Chief Examiner Blamah,

We are pleased to have this opportunity to respond to the preliminary draft report of examination conducted by the Office of the State Comptroller on parking ticket collections for the period of January 1, 2016 through September 30, 2017.

On behalf of Village officials, I would like to take this opportunity to thank the Office of the State Comptroller (OSC) for their efforts to evaluate and report on this limited scope of Village operations. We welcome the State Comptroller's objective to identify opportunities for improving operations and governance, and to help increase parking ticket revenues for the Village.

In an effort to help clarify the OSC report, we feel it is essential that it accurately reflect the municipal restructuring that led to the Village and Town entering into an inter-municipal agreement. The dissolution of the Village Justice position and Village Justice Court was accomplished by Village Board legislative action through adoption of Local law # 6 of 2011. Effective January 2012, the Justice Court of the Town of Ossining became responsible for all Court activities, including adjudication and collection of Village parking tickets.

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In our ongoing effort to make most the efficient use of public resources, the Village and Town of Ossining share services for almost every department. There are a variety of pathways to accomplishing that sharing of services, each with their own distinct operational challenges. In anticipation of the court consolidation, the Village and Town entered into an inter-municipal agreement to reflect the sharing or transfer of function for space, personnel and expenses.

Overall, the Village is satisfied with the work done by the Town Justice Court to adjudicate and collect Village-issued parking tickets, as well as all other tickets and matters that come before the Town Justice Court. However, with issued and unpaid Village parking tickets under the control, adjudication, and collection of the Town Justice Court that is administered by elected Town Justices, the recommendations and suggestions contained in the report of examination are more challenging for the Village to adopt, implement, and achieve than if the Village Justice Court were still in existence. For instance, the recommendation that Village Board and management establish policies and procedures or benchmarks may affect, impact, or require acceptance and adoption by Town Justice Court officials and employees.

Nevertheless, the OSC's report recommendations give the Village Board and Village management an opportunity to review and discuss with the Town Justices, Town management, and Town Justice Court employees, how the Town and Village can work more collaboratively to achieve the recommendations, and increase ticket collections and revenues. For instance, while we are grateful that the Town Justice Court and the private contractor utilize a series of delinquent letters and available scofflaw action on unpaid tickets, we would welcome the opportunity for the Town Justice Court to forward remaining unpaid parking tickets to an outside collection agency.

Regarding the cited statistics on unpaid parking tickets, it may be misleading if one implies that collection efforts in 2016 are not as effective as in 2012. The four-year historical trend shows the outstanding rate of between 11.0% and 11.8%. As 2016 parking tickets continue to be collected in 2018, the percentage of outstanding tickets issued in 2016 may lower to the same 11%-12% range.

In conclusion, we again thank the Office of the State Comptroller for the suggestions and recommendations to help enhance parking ticket collections, and for the overall services that are provided to taxpayers and local governments. We appreciate the State Comptroller's continuing efforts to work with, and provide guidance to local officials. We will develop a corrective action plan to help the Village work with the Town Justice Court to more effectively and efficiently manage operations.

Sincerely,

Victoria Gearity
Mayor, Village of Ossining

Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, we performed the following audit procedures:

- We interviewed Court and Village officials to obtain an understanding of Court operations and Village policies.
- We obtained and reviewed a report of all unpaid and outstanding parking tickets as of September 30, 2017. From the report, we determined the number of outstanding parking tickets as of September 30, 2017, and calculated the potential additional revenue that could be generated from the related fines and penalties.
- We calculated the potential additional revenue that could be generated from collecting the related fines and penalties for each period.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Village Clerk's office.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/localgov/academy/index.htm

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