

MATTHEW M. CLARKIN, JR.
INTERNAL AUDITOR
25 DORRANCE STREET, ROOM #307
PROVIDENCE, RI 02903
Phone: (401) 421-7740 EXT. 577
Fax: (401) 351-1056
mclarkein@providenceri.com



City of Providence, Rhode Island Office of the Internal Auditor

July 1, 2013

Honorable Seth Yurdin,
Chairman Ordinance Committee
Providence City Council
25 Dorrance Street
Providence, RI 02903

Dear Chairman Yurdin:

As you requested, I have reviewed the proposal by the Administration to increase parking revenue by utilizing an on vehicle noticing software program and reducing the number of outstanding unpaid parking tickets (from five to three) to be eligible for booting. Below is a summary of the proposed changes.

Field Testing of OVN

The City's current vendor for motor vehicle booting services, PayLock IPT LLC (PayLock), employed its License Plate Recognition (LPR) system in Providence for a total of 25 hours of scanning over a 4-day period this past winter. The scanning was done in order to determine the financial benefit the City could realize if PayLock's On Vehicle Noticing (OVN) program was employed. The OVN program utilized PayLock's LPR to locate vehicles that were identified as owing either "un-noticable tickets", which are tickets without accurate vehicle ownership information, or three or more parking tickets.

Notification of Non-Compliance

One of the biggest hurdles the City faces in collecting parking tickets is the impact inaccurate or incomplete vehicle ownership information has on the City's ability to meet the notification requirements set by ordinance. A report on all unpaid parking violations from ACS as of November 2012 showed that 81% of tickets had either questionable or unknown owner information, and therefore vehicle owner notification was difficult or impossible. These tickets represented 163,000 vehicles owing a total of \$22 million.

The LPR and OVN systems can be employed in tandem to identify a vehicle that has delinquent parking tickets against it and generate a notice that can be placed on the vehicle. In order for the OVN system to be employed the City Council would need to amend the current ordinance to allow On Vehicle Notification as opposed to notification only via certified mail to the vehicle owner's physical address.

Number of Parking Overdue Parking Tickets

During PayLock's 25 hours of scanning, 11,291 license plates were scanned and 979 vehicles were identified as owing parking tickets. The total value of outstanding tickets on these 979 vehicles was \$156,655. Twenty-seven percent of the identified vehicles owed three or more tickets valued at \$94,482.

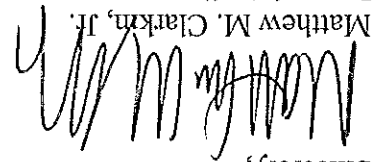
Should the City Council approve the use of the OVN system and reduce the booting eligibility from five to three, PayLock is projecting – based upon this 25 hour test period – that parking ticket collections will increase by \$832,000. It is important to note that additional revenue from these changes is included in the FY2014 budget.

Conclusion

Based upon the findings in the *Report of Field Collections LPR Test for the City of Providence* as well as the presentation made to the Ordinance Committee by Matt Silverman of PayLock, the increased revenue that is projected seems reasonable. The terms of an amended contract with PayLock and possibly ACS, the city's parking enforcement vendor, must be finalized by the administration and vetted by the City Council should the ordinance changes be approved.

If you have any questions or require additional information, please let me know.

Sincerely,



Matthew M. Clark, Jr.

Internal Auditor

Cc: City Council Members
Alan Sepe, Director of Operations