

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.2**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance & Information Technology

**BRIEF DESCRIPTION:**

Amending San Francisco Transportation Code Division II to revise the existing community service processing fee and add a payment plan processing fee for parking and transit violation fines and penalties.

**SUMMARY:**

- SFMTA, through a third-party vendor, currently offers customers the option to enroll in a “Community Service In-Lieu of Payment Program” or a “Payment Plan” for outstanding parking and transit violation fines and penalties.
- Under the current program, customers pay SFMTA a \$27 flat fee and then pay a second sliding scale fee directly to the third-party vendor to cover their costs.
- Under the new contract, SFMTA will collect a single fee from the customer and reimburse the new vendor for their costs on a quarterly basis.
- The proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31.

**ENCLOSURES:**

1. SFMTAB Resolution
2. San Francisco Transportation Code Division II Ordinance

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_ 2/23/16

SECRETARY \_\_\_\_\_ 2/23/16

**ASSIGNED SFMTAB CALENDAR DATE:** March 1, 2016

**PURPOSE**

Amending San Francisco Transportation Code Division II to revise the existing community service processing fee and add a payment plan processing fee for parking and transit violation fines and penalties.

**GOAL**

This item supports the following Strategic Plan Goal.

Goal 3: Improve the environment and quality of life in San Francisco.

**DESCRIPTION**

The SFMTA has a program for people who cannot afford to pay parking and transit fines. The administration of the program, which provides options for in-lieu community service or payment plans, has historically been contracted out to a third party. Effective April 4, 2016 the SFMTA will be transitioning to a new third-party vendor, JBR Associates, Inc., for the administration of the program to provide community service in-lieu of payment for outstanding parking and transit violation fines and penalties. At this time, the SFMTA will bring payment plan processing in-house.

A customer may enroll in a maximum of two community service or payment plans per year, per person, with a combined value of no more than \$1,000. Customers whose vehicles that have been booted or towed may not enroll in either the community service or payment plan. Currently, customers pay SFMTA a \$27 flat fee and then pay a second sliding scale fee directly to the third-party vendor to cover their costs. This two-step process creates unnecessary administrative burdens for the customer and for SFMTA staff. Under the new contract, SFMTA will collect a single fee from the customer and reimburse the vendor for their costs on a quarterly basis for the Community Service In-Lieu of Payment Program.

***Community Service In-Lieu of Payment Program***

In addition to eliminating the requirement for a customer to make two payments, SFMTA is also proposing to simplify the structure by reducing the administrative fees to three levels. In order to increase cost recovery for this program, fees will increase for most customers between \$3.00 and \$28 per plan, while costs will decrease for a small percentage of customers between \$7.00 and \$27.

The table below summarizes the current fee compared to the proposed fee

Citation(s) Amount Owed	Current Fee Paid to SFMTA	Current Fee Paid to Vendor	Total	Proposed Consolidated Fee - Pay to SFMTA	(Reduction)/Increase from Current Fee
\$50-\$100	\$27	\$20	\$47	\$75	\$28
\$101-\$200	\$27	\$20 - \$40	\$47 - \$67	\$75	\$28 - \$8
\$201-\$300	\$27	\$40	\$67	\$75	\$8

Citation(s) Amount Owed	Current Fee Paid to SFMTA	Current Fee Paid to Vendor	Total	Proposed Consolidated Fee - Pay to SFMTA	(Reduction)/Increase from Current Fee
\$301-\$400	\$27	\$40 - \$60	\$67 - \$87	\$75	\$8 - (\$12)
\$401-\$500	\$27	\$60	\$87	\$100	\$13
\$501-\$600	\$27	\$60 - \$80	\$87 - \$107	\$100	\$13 - (\$7)
\$601-\$800	\$27	\$80 - \$100	\$107 - \$127	\$100	(\$7) - (\$27)
\$801-\$1,000	\$27	\$100 - \$120	\$127 - \$147	\$150	\$27 - \$3

***Payment Plan***

Customers may enroll citations in a payment plan schedule based upon the citation amount owed, but not to exceed four months in duration. Customers currently enroll at SFMTA Customer Service Center and pay a \$27 administrative fee and then proceed to the third-party vendor office and pay an additional flat fee. After evaluating the current process, staff determined that it would be more efficient for both the customer and for administration of the program, for SFMTA staff to handle processing these payment plans.

***Payment Plan Fee Structure***

The proposed administrative fee for the enrollment and processing of payment plans is \$60 per plan. This rate is \$2.00 less than the current combined fees charged to customers.

The table below summarizes the current fee compared to the proposed fee

	Current Fee	Proposed Fee
SFMTA Fee	\$27	\$60
Vendor Fee	\$35	N/A
Total Fees	\$62	\$60

***Community Service In-Lieu of Payment Hourly Rate***

Program participants are required to perform 50% of their community service credit hours with the Department of Public Works. A waiver to this requirement is available for those that cannot perform this work due to age or health conditions. The hourly credit rate for this community service is \$10.00 per hour Monday through Friday and \$14 for community service performed on the weekend. Community service performed for non-profits/social service agencies receives a \$7.00 credit. SFMTA is proposing to increase the rate for community service for Public Works to \$15.00 an hour regardless of day of the week. This is to create equity for those program participants who, due to work schedules, may not be able to perform community service on the weekends. For all other community service, we are proposing an increase to \$10.00 an hour.

The table below summarizes the current community service credit rate to the proposed rate

Community Service Assignment	Current Credit Rate	Proposed Credit Rate
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Public Works Community Service (Mon-Fri)	\$10.00	\$15.00
Public Works Community Service (Sat-Sun)	\$14.00	\$15.00
All Other Community Service	\$7.00	\$10.00

**PUBLIC OUTREACH**

The SFMTA will provide notice of this change through the website and fact sheets at the Customer Service Center.

**ALTERNATIVES CONSIDERED**

Staff evaluated continuing the program in its current form, however, it was determined that consolidating the application process and eliminating the requirement for the vendor to process funds on behalf of SFMTA would result in more effective administration of the program and improved customer service.

**FUNDING IMPACT**

The total combined costs for these programs over two years is approximately \$543,000. Based on the proposed fees and estimated enrollment, SFMTA would recover approximately 83% of these costs. SFMTA will consider increasing this amount to achieve full cost-recovery by Fiscal Year 2019. A summary of the cost recovery analysis is below.

	Community Service Credit	Payment Plan	Total
Total Cost (2 Years)	\$455,112	\$87,554	\$542,666
Total Fees Generated (2 Years)	\$382,500	\$66,000	\$448,500
Difference (\$) Costs vs. Fees	\$(72,612)	\$(21,554)	\$(94,166)
Difference (%) Costs vs. Fees	-16%	-25%	-17%

In addition to the administrative costs, community service credit posted against outstanding fines and penalties reduces revenue by approximately \$500,000 per year. It is unclear, however, what percentage of these payments would be received if no community service credit program was available.

**PUBLISHED NOTICE**

Charter Section 16.112 requires published notice and hearing before SFMTA may institute or change any fare, fee, schedule of rates or charges which affect the public. The Board's Rules of Order require that the advertisement run for at least five days and not less than fifteen days prior to the public hearing. In compliance with both Charter Section 16.112 and the Board's Rules of Order, advertisements were placed in the City's official newspaper, the San Francisco Chronicle, to provide published notice for the March 1, 2016 public hearing. The advertisements ran in the

San Francisco Chronicle for five consecutive days, starting on February 9, 2016.

**ENVIRONMENTAL REVIEW**

The proposed revision to the existing community service processing fee and adding a payment plan processing fee for parking and transit violation fines and penalties is subject to the California Environmental Quality Act (CEQA). CEQA provides a statutory exemption from environmental review for the establishment, modification, structuring, restructuring or approval of rates, tolls, and other charges, if these rates, tolls, and other charges will be used to meet operating expenses, including employee wage rates and fringe benefits, or purchase or lease supplies, equipment, or materials pursuant to Title 14 of the California Code of Regulations Section 15273.

On November 23, 2015, SFMTA, under authority delegated by the Planning Department, determined that the proposed revision to the existing community service processing fee and adding a payment plan processing fee for parking and transit violation fines and penalties is statutorily exempt from environmental review under Title 14 of the California Code of Regulations Section 15273 because the anticipated revenues will be used to meet SFMTA operating expenses, including employee wage rates and fringe benefits, or to purchase or lease supplies, equipment, or materials.

SFMTA's determination (Case Number 2015-016334ENV) is on file with the Secretary to SFMTA Board of Directors. The proposed action is the Approval Action as defined by the S. F. Administrative Code Chapter 31.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

None.

The City Attorney has reviewed this calendar item.

**RECOMMENDATION**

SFMTA staff recommends that SFMTA Board amend San Francisco Transportation Code Division II to revise the existing community service processing fee and add a payment plan processing fee for parking and transit violation fines and penalties.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS  
RESOLUTION No. \_\_\_\_\_

WHEREAS, SFMTA, through a third-party vendor, currently offers customers the option to enroll in a program for community service in-lieu of payment or a payment plan for outstanding citations; and

WHEREAS, SFMTA has entered into a new contract with JBR Partners, Inc. to administer the community service program effective April 4, 2016 and SFMTA will take over processing payment plans in conjunction with this change; and

WHEREAS, Under the current program, customers pay SFMTA a \$27.00 flat fee and then pay a second, sliding scale fee directly to third-party vendor to cover their costs; and

WHEREAS, Under the new contract, SFMTA will collect a single fee from the customer and reimburse the vendor for their costs on a quarterly basis; and

WHEREAS, The proposed revision to the existing community service processing fee and adding a payment plan processing fee for parking and transit violation fines and penalties is subject to the California Environmental Quality Act (CEQA); the CEQA Guidelines provide an exemption from environmental review for the establishment, modification, structuring, restructuring or approval of rates, tolls, and other charges, if these rates, tolls, and other charges will be used to meet operating expenses, including employee wage rates and fringe benefits, or purchase or lease of supplies, equipment, or materials. (Cal. Code Regs., Tit. 14, § 15273.); and,

WHEREAS, On November 23, 2015, SFMTA, under authority delegated by the Planning Department, determined that the proposed revision to the existing community service processing fee and adding a payment plan processing fee for parking and transit violation fines and penalties is statutorily exempt from environmental review under Title 14 of the California Code of Regulations Section 15273; the proposed action is the Approval Action as defined by the S. F. Administrative Code Chapter 31; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and are incorporated herein by reference; now, therefore be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors amends San Francisco Transportation Code Division II to revise the existing community service processing fee and add a payment plan processing fee for parking and transit violation fines and penalties.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at their meeting of March 1, 2016.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

RESOLUTION

[Transportation Code – Community Service and Payment Plan Processing Fees]

**Resolution amending the Transportation Code to revise the existing community service processing fee and add a payment plan processing fee for parking and transit violation fines and penalties.**

NOTE: Additions are single-underline Times New Roman; deletions are ~~strike-through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 300 of Division II of the Transportation Code is hereby amended by revising Section 311, to read as follows:

**Sec. 311. ~~REQUEST FOR COMMUNITY SERVICE~~ AND PAYMENT PLAN PROCESSING FEES.**

(a)      A fee to reimburse the SFMTA for costs associated with processing requests for community service in-lieu of payment for parking or transit violation citations. The amount for this fee shall be as set forth below ~~\$26.00 effective July 1, 2014~~ and ~~\$27.00 effective July 1, 2015~~.

<u>Total Outstanding Fine/Penalty Amount</u>	<u>Processing Fee</u>
<u>\$50-\$400</u>	<u>\$75</u>
<u>\$401-\$800</u>	<u>\$100</u>
<u>\$801-\$1,000</u>	<u>\$150</u>

(ba)      A fee to reimburse the SFMTA for costs associated with establishing a payment plan for parking or transit violation citations. The amount for this fee shall be \$60.

Section 2. Effective Date. This ordinance shall become effective 31 days after enactment. Enactment occurs when the San Francisco Municipal Transportation Agency Board of Directors approves this ordinance.

Section 3. Scope of Ordinance. In enacting this ordinance, the San Francisco Municipal Transportation Agency Board of Directors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the Transportation Code that are explicitly shown in this ordinance as additions or deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
JOHN I. KENNEDY  
Deputy City Attorney

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 1, 2016.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency