

**Audit Report**

***Public Works***

***Public Parking Services Division ~  
Collection of Parking Citation Fees***

**August 2013**

**AU14-02**

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## REPORT SUMMARY

In accordance with the Internal Audit Work Plan for Fiscal Year 2013/2014, an assessment was conducted to review the effectiveness, efficiency and internal controls for Public Works (PW) ~ Public Parking Services Division.

Parking citations are issued to vehicle owners for violations of the California Vehicle Code (CVC) and considered a deterrent to those who might otherwise ignore parking regulations. PW – Public Parking Services Division is responsible for the administration and oversight of the Parking Citation program through a contract with a third party administrator, Turbo Data Systems, Inc. (TDS). Based upon the current processes, we have identified opportunities to strengthen internal controls and ensure a more efficient and effective administration of the Parking Citations program.

**Standard Operating Procedures/Financial Management Oversight** Lack of documented standard operating procedures and financial management oversight resulted in a significant retro payment of \$1.8 million to the state/county from cash/revenue for all state-mandated surcharges not remitted during the period of FY2006 through FY2011. The past due remittances were accrued in FY2012 in Fund 570; cash was impacted in FY2013; there was no financial impact to the City's General Fund. Parking Services operating procedures did not include the monthly surcharge to the county; no one person was designated or assigned the responsibility of ensuring the monthly surcharge payment was issued. To ensure monthly remittances to the county/state occur timely the division has implemented a new workflow process; management is monitoring the process. However, this new process has not been formally documented in the division's standard operating procedures (SOP). Over the past years with turnover in the Parking Services division, there has been no full-time analyst responsible for monitoring and providing financial oversight, ensuring all financial transactions meet regulatory compliances. ***Developing standard operating procedures for the various Parking Services responsibilities/assignments and providing a dedicated full-time analyst to record monthly financial transactions and monitor financial-related transactions performed by TDS will improve the division's overall internal controls.***

**Collection Methods** According to TDS reports, the City has over \$6.5 million in outstanding parking citations (uncollected from August 2008 through July 2013). Collection success diminishes over time. According to the Commercial Collection Agency Association, the probability of collecting on a delinquent invoice (i.e., citation) significantly decreases after the first six to twelve months. ***Parking Services has not monitored the effectiveness of the various collection methods utilized by TDS for delinquent/unpaid parking citations. It is unclear if TDS is providing the most effective collection services on behalf of the City.***

We recognize Parking Services has experienced staffing challenges over the past several years. Our recommendations are intended to strengthen internal controls. We thank the staff of the Parking Services Division and Turbo Data Systems for their assistance during the course of this review.

## OBJECTIVES, SCOPE and METHODOLOGY

### Objective

Our audit objective is to:

- Determine whether existing policies, procedures and internal controls related to parking citations are sufficient;
- Determine whether processes comply with State and local mandates and vehicle codes;
- Identify potential cost savings or additional revenue generation opportunities; and
- Identify any weaknesses in the parking citations program.

### Scope and Methodology

The review was conducted during July and August 2013 for records and transactions through June 30, 2013. To address the audit objectives and as part of our assessment of risk, we:

- Reviewed the California Vehicle Code (CVC) and Riverside Municipal Code (Chapter 10.52) related to parking, vehicle disposition and procedures for public parking violations;
- Interviewed Parking Services management and staff to obtain an understanding of the parking citations collection processes;
- Reviewed the contract/agreement between Parking Services and Turbo Systems Data(TDS<sup>1</sup>);
- Reviewed and analyzed financial transactions in IFAS for Fund 570 to determine compliance with applicable policies/procedures, and regulatory agencies; and
- Reviewed and compared data provided by TDS to data recorded in the City's financial system.

Our review was conducted in accordance with *Generally Accepted Government Auditing Standards* and according to the *Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. Those standards require that the audit is planned and performed to afford a reasonable basis for judgments and conclusions regarding the department, division, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe our audit provides a reasonable basis for our conclusions.

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<sup>1</sup> The City has contracted with Turbo Data Systems, Inc. (TDS) to provide a complete parking citation management program.

## BACKGROUND

Parking Services (within the Public Works Department) is a non-major enterprise fund (Fund 570), responsible for operating and managing the City’s parking facilities including parking enforcement, citation processing, preferential parking, and installation/management of parking meters and signs.

The Parking Services Division is funded for 15 full-time employees - one supervisor, 12 parking control representatives (PCR), and two support staff. PCRs survey the various areas throughout the City and issue citations (electronically), while the support staff assists with day-to-day operations. All citations are issued for violations of applicable sections of the California Vehicle Code (CVC) and Riverside Municipal Code (RMC). See *Appendix A* for Riverside’s parking citation fine (bail) schedule.

Parking Services also provides parking citation services on behalf of Public Work’s Street Sweeping Division (a unit within non-major enterprise Fund 540 – Refuse).

The City of Riverside’s Police Department has two Senior Parking Control Representatives (civilian employees), who issue citations electronically using the same “hand-held” devices as Parking Services. All other Police Officers issue manual citations using ticket books provided by Parking Services Division.

On average, 85K public parking citations are issued annually, generating an annual net revenue stream of approximately \$2M for Fund 570 and \$1M for Fund 540.

### Parking Citations Street Sweeping (CVC 10.52.030 (a)) and Public Parking

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/2013	Totals
<b><u>Citations Issued:</u></b>					
Street Sweeping	38,062	42,053	38,464	37,868	156,447
Public Parking	<u>50,001</u>	<u>47,056</u>	<u>45,471</u>	<u>40,170</u>	<u>182,698</u>
Total	<u>88,063</u>	<u>89,109</u>	<u>83,935</u>	<u>78,038</u>	<u>339,145</u>
<b><u>Base fines:</u></b>					
Street Sweeping	\$ 1,434,342	\$ 1,670,277	\$ 1,577,029	\$ 1,552,755	\$ 6,234,403
Public Parking	<u>3,396,354</u>	<u>3,104,310</u>	<u>3,009,404</u>	<u>2,634,599</u>	<u>12,144,667</u>
Total	<u>\$ 4,830,696</u>	<u>\$ 4,774,587</u>	<u>\$ 4,586,433</u>	<u>\$ 4,187,354</u>	<u>\$ 18,379,070</u>
<b><u>Amount Collected:</u></b>					
Street Sweeping	\$ 1,360,840	\$ 1,597,922	\$ 1,445,208	\$ 1,089,285	\$ 5,493,255
Public Parking	<u>2,522,715</u>	<u>2,292,631</u>	<u>2,098,835</u>	<u>1,394,567</u>	<u>8,308,748</u>
Total	<u>\$ 3,883,555</u>	<u>\$ 3,890,553</u>	<u>\$ 3,544,043</u>	<u>\$ 2,483,852</u>	<u>\$ 13,802,003</u>
<b><u>Amount Outstanding:</u></b>					
Street Sweeping	\$ 340,042	\$ 348,390	\$ 427,421	\$ 747,530	\$ 1,863,383
Public Parking	<u>1,029,250</u>	<u>827,057</u>	<u>971,900</u>	<u>1,408,685</u>	<u>4,236,892</u>
Total	<u>\$ 1,369,292</u>	<u>\$ 1,175,447</u>	<u>\$ 1,399,321</u>	<u>\$ 2,156,215</u>	<u>\$ 6,100,275</u>

\$s collected and outstanding includes base fine + delinquent fees as well as state/county surcharge fees.

Source: TDS

Parking Services annual budget (570-415000) includes a utilization charge to PW-Street Sweeping (540-413040) to recover a portion of the services provided.

### **Third-Party Administrator**

The City of Riverside has contracted with Turbo Data Systems, Inc. (TDS) to provide a complete parking citation management system/program. The current contract was approved as of December 1, 2010 with a five-year term ending December 31, 2015. Under the terms of the contract, TDS provides the following:

- TicketPro Handheld system<sup>2</sup>;
- Citation processing – electronic and handwritten (manual);
- Notification letters – reminder and final notices;
- Payment processing<sup>3</sup> – in-person, mail, telephone, and internet;
- Customer service call center – staffed with well-trained, professional, and courteous representatives and Interactive Voice Response available 24 hours a day/7 days a week;
- Collections – delinquent and out-of-state; and
- Administrative Review and Adjudication process.

TDS deposits daily payments received on behalf of the city to City Treasury. Revenue is recorded in 570-353200. On a monthly basis, Public Works creates a journal entry to record the transfer of revenue related to Street Sweeping<sup>4</sup> citations to 540-353250 (net of State/county surcharges and citation processing fees) from 570-353200.

TDS also provides monthly analytical/statistical reports on demand. TDS is responsible for maintaining the networked parking citation database, performing daily backups, and transferring the backup data off-site for disaster recovery. TDS has established a collection service program with the Department of Motor Vehicles (DMV), Innovative Collection Services (ICS) and the Franchise Tax Board (Intercept Program) for collections of delinquent/outstanding parking citations.

### **Collections**

Per CVC Section 40202, citations are to be paid within 21 days of issuance. On the 14<sup>th</sup> day, the City of Riverside provides an extension period of up to 21 days before the delinquent fee will be applied. Below is a chart that describes the overall timeline of a parking citation. The city is in compliance with CVC Section 40202.

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<sup>2</sup> TicketPro hand-held ticket writers are electronic devices (Parking Services - 15 units; Police Department - 5 units) that record and print a parking citation at the scene.

<sup>3</sup> Parking Citations paid in person at the City of Riverside Downtown City Hall Building are logged into TDS.

<sup>4</sup> Per CVC/RMC Section 10.52.030(A) standing/stopping/parking a vehicle on the street during designated Street Sweeping days and times is a municipal parking violation and results in an issuance of a citation.

**City of Riverside  
Parking Citation Notification & Collection Timeline**

Timeline	Processing Procedure
<b>Day 1</b>	Citation Issued and information uploaded electronically (1 business day) or manually (2 business days) into TDS database for managing and processing parking citations.
<b>Day 15 – 21</b>	First Notice Letter via postal mail. (Notice of Delinquent parking citation.)
<b>Day 29 – 35</b>	Delinquent fee applied.
<b>Day 36 – 42</b>	Second Notice Letter via postal mail. (Notice letter is mailed after 7 days in delinquent status)
<b>Day 57 – 63</b>	Citation forwarded to DMV. A DMV hold will be placed on vehicle registration and \$3 DMV hold fee will be assessed. Motorists are required to pay their outstanding parking citation before they can renew their registration. A hold period can be up to 2 years.
<b>Year 2 +</b>	<p>Citation forwarded to ICS for collection.</p> <ul style="list-style-type: none"> <li>• First special collection notice mailed</li> <li>• Second special collection notice mailed</li> </ul> <p>(Note: Delinquent citations can be forwarded to ICS earlier than Year 2, depending on when the hold is released by DMV)</p> <p>If citations are not collected by ICS, they are forwarded to the FTB <i>Intercept Program</i> for 3 years. FTB will apply the outstanding citation fine to the taxpayers State income tax.</p>

Notices mailed and outstanding citations forwarded to the DMV/FTB are performed by TDS.  
Source: Parking Services Division

After a five year period, any delinquent and unpaid parking citations are removed from the “current” (or “active”) TDS outstanding parking citations file; however, the information continues to remain in the database to refer to and post a payment, closing the delinquent account.

As noted above, TDS uses various methods for collecting outstanding parking citations not paid within approximately two months of issuance.

**DMV Registry Holds**

**Collection Notices (ICS)**

***FTB Intercept Program***

Unpaid parking citations are submitted by TDS to the California Department of Motor Vehicles (DMV) to place a “hold” on the vehicle registration for a two year period; registration cannot be renewed until the outstanding parking citations are paid.

Collection notices are mailed by TDS’s collection agency (ICS) to debtor to notify them of the delinquent and unpaid parking citation.

The FTB *Intercept Program* allows the State of California to intercept State tax refunds and/or lottery winnings and levy the outstanding fine against these funds. Parking Services has participated in this program since November 2008 and continues to do so annually, re-applying in October.

Parking Services has not monitored the effectiveness of the various collection methods utilized by TDS. TDS does not provide a standard report indicating which collection method is most successful.

According to the TDS database, the city has as of July 2013 over 60K outstanding/unpaid parking citations, at a gross value of over \$6.5M.

**Unpaid Delinquent Parking Citations**  
**Time Period: August 1, 2008 through July 31, 2013**

	Violation Code	Number of Citations	Original Fine	Delinquent	Total <sup>5</sup>
Street Sweeping	10.52.030(A)	24,414	\$ 922,392	\$ 1,154,635	\$ 2,077,027
Public Parking	Various	37,296	3,026,616	1,390,167	4,416,783
<b>Total</b>		<b>61,710</b>	<b>\$ 3,949,008</b>	<b>\$ 2,544,802</b>	<b>\$ 6,493,810</b>

Source: TDS Citation System Report

*Scofflaw*

Scofflaw is defined as chronic violators with several unpaid delinquent parking citations. Per CVC 22651(i), vehicles with *five or more delinquent and unpaid* parking citations can be impounded (towed) and not be released until satisfactory evidence is provided that all parking penalties have been cleared.

PCR’s are notified by the TicketPro hand-held ticket writer if the vehicle they are citing is a Scofflaw and eligible to be impounded (towed). Currently, only four (out of 12) PCR’s are authorized to contact the Riverside Police Department Dispatch’s office and request a tow for a Scofflaw vehicle. All other PCR’s must contact RPD remain with the vehicle until an officer arrives and authorizes the vehicle to be impounded (towed). Per the Police Department’s records, there were 74 vehicles (Scofflaws) that were in violation of CVC 22651 (i) and impounded (towed) during July 1, 2012 through June 30, 2013.

Per TDS’s *Multiple Citation Detail Report (5+)* as of July 2, 2013, the city had 367 licensed vehicles with five or more delinquent parking citations, totaling \$271,207 in outstanding fines/penalties. CVC Section 22651.7 allows for the immobilization (booting) of any vehicle having been issued five or more parking citations that are delinquent/unpaid. All of the city’s Scofflaw vehicles are currently listed with the DMV, ICS or FTB for collection. The city has chosen to not seek out and immobilize Scofflaw vehicles at this time (limited benefit based on cost).

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<sup>5</sup> Total outstanding amounts are gross, and include applicable state/county surcharges.

### **State/County Mandated Surcharges**

The State requires the City to impose parking citation surcharges on each parking citation collected by the City. The surcharges were imposed by the State for construction, maintenance, and rehabilitation of court facilities. Per CVC Section 40200.4(a) the city is required to deposit with the county treasurer all sums due the county (surcharges) as the result of processing a parking violation not later than 45 calendar days after the last day of the month in which the parking penalty was received. The county is responsible for remitting the state's share of the surcharges to the State Treasurer. *Appendix B* provides a summary of all current State mandated surcharges.

In addition, per CVC Section 40225, when a vehicle registration, failure to display a license plate or equipment violation is entered on the notice of parking violation, 50% of the penalty collected shall be paid to the county for remittance to the State Treasurer; the remaining 50% is retained by the city.

### **City Parking Violation Fines/Bails**

The city's parking citation base fines (*Appendix A*) were adjusted in June 2009 (Resolution 21837<sup>6</sup>), amending the bail schedule with an additional \$13.00 to include the state-mandated surcharges totaling \$9.50 and a citation processing fee of \$3.50.

In October 2010, Senate Bill 857 added a \$3.00 surcharge on all parking citations to fund court operations. The City Council adopted Resolution 22103<sup>7</sup> and amended the bail schedule to account for this increase. City parking violation fines/bails have not increased since.

### **Processing of Monthly County/State Parking Citation Surcharges**

In September 2012, the County of Riverside Auditor-Controller's Office notified the city of past due parking citation surcharges and requested payment for several years of surcharges owed to the state/county (from FY2006 through FY2011). Upon investigation it was obvious that Parking Services Division had not been consistent in remitting the state-mandated surcharges to the county. According to the county, the city owed a total of \$1.8 million (no interest/ penalties were assessed). The Accounting Division accrued the \$1.8 million due the state/county in fiscal year 2011/12; remittance was made in October 2012 (FY2012-13) from Fund 570 cash/revenue. There was no financial impact to the General Fund. The CAFR for Fund 570 and Fund 540 was misstated for the years the surcharge was not remitted to the state/county.

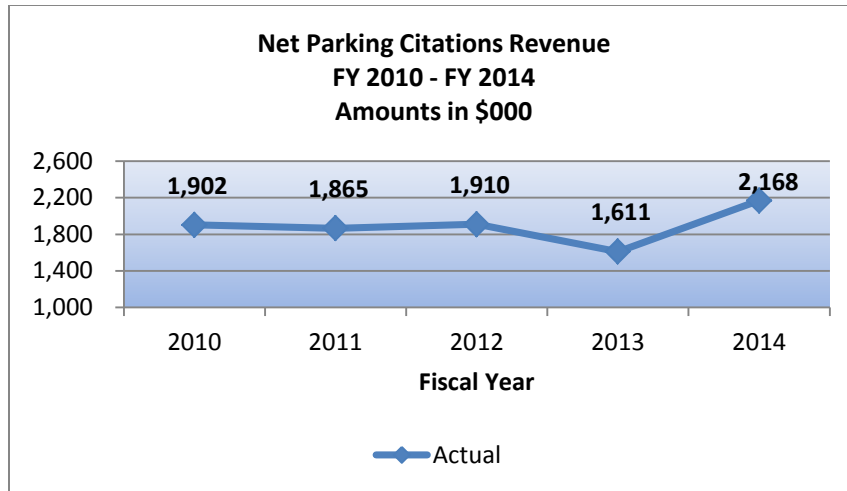
Internal Audit has restated Fund 570 net revenue for FY2010 through FY2013 for this report (see below).

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<sup>6</sup> Repealed Resolution 17542

<sup>7</sup> Repealed Resolution 22035





Restated actual net revenue; FY14 budgeted \$

Monthly TDS produces a report, *Allocation of Parking Penalties*, which provides detailed surcharge amounts for parking violations collected that month and due to the county. TDS notify Parking Services staff monthly when the report is available on the TDS online dashboard.

Based on investigation by Public Works management, it appears that this email notification and TDS report was consistently overlooked, resulting in the \$1.8M past-due payment to the county in FY12.

Parking Services Division recently established a new workflow process to ensure state-mandated surcharges are remitted to the County Treasurer monthly as required by CVC Section 40200.4(a). While it appears that management is monitoring the process to ensure surcharge payments are sent to the County in a timely manner, the new process has not been formally documented in Parking Services' standard operating procedures.

## CONCLUSION

Our review provides an independent assessment of the activities and practices that would benefit from improved financial oversight and lead to a more effective administration of the Parking Citations program.

During our review, we met with Public Works management to discuss the review and our assessments. A draft report was provided to the PW - Parking Services Division management; a meeting to discuss our assessment of the efficient and effectiveness of the collection efforts over parking citations and content of the draft report was conducted in September 2013. Comments and concerns during the discussion were evaluated prior to finalizing the report. Management's responses are included with the following finding/recommendations.

## FINDINGS & RECOMMENDATIONS

**Finding 1: Lack of documented standard operating procedures and financial management oversight resulted in a significant retro payment of \$1.8 million to the state/county from cash/revenue.**

Monthly TDS produces a report, *Allocation of Parking Penalties*, which provides detailed surcharge amounts for parking violations collected that month and due to the county/state. TDS notify Parking Services staff monthly when the report is available on the TDS online dashboard. Processing this surcharge due to county/state has not been documented in Parking Services standard operating procedures; no one person was designated or assigned the responsibility of ensuring the monthly surcharge payment was made to the county/state.

As noted in a prior audit of Parking Services (AU08-02), standard operating procedures (SOP) have not been documented, identifying relevant tasks to be performed daily/monthly, etc. SOPs make it easy when there is a change in staffing to know what policies and procedures are in place to handle repetitive situations/tasks; clear roles/responsibilities and expectations are established for the employee.

In addition, management acknowledges that over the years with turnover in the Parking Services division, there has been no full-time analyst responsible for monitoring and providing financial oversight, ensuring all financial transactions meet regulatory compliances.

Adequate operating procedures are a foundation for strong internal controls.

### **Recommendation(s):**

***1a. Develop standard operating procedures for the various Parking Services responsibilities/assignments. The operating procedures initially should be those that an employee will be responsible for performing independently. Ensure adequate management review is established in the procedures. Update the procedures as processes change.***

***1b. Ensure desk procedures include providing fiscal year-end outstanding citation balances for Fund 570 and Fund 540 to Finance/Accounting. Accounting will record an Accounts Receivable and Bad Debt to ensure the financial condition of the Public Parking Fund is represented more accurately in the CAFR. (Refer to attached memo sent to the Finance Director, who has agreed to this annual year-end transaction.)***

***1c. Assign a full-time analyst to perform monthly financial transactions required of Parking Services and monitor monthly transactions performed by TDS.***

### **Management's Response**

#### **Response 1a:**

Since August 2012, Public Works management has taken several steps to incorporate checks and balances to ensure payments to the county are consistent and timely.

- Setup automatic notification reminder at the beginning of each month - Public Parking Services Supervisor and both Senior Office Specialist.

- Send the monthly “allocation of parking penalties” report - TDS has been instructed to send the report to Administrative Services Manager for review and initiate notification to process payment procedure.
- Allocation of Parking Penalties report is distributed to Public Parking Services Supervisor and both Senior Office Specialist with the understanding that the Senior Office Specialists alternate each month to prepare payment documents and forward to Accounts Payable within 5 working days.
- Hard copy of the documentation is kept in a binder/folder for reference.
- Integrated a consistent approval routing - Parking Services Supervisor, Administrative Services Manager.
- During the budget preparation process for FY 13/14, Public Works worked closely with Finance and City Manager’s Office staff to create an expenditure budget line item to provide a mechanism to monitor and analyze future payments to the County.
- These new procedures as well as additional procedures for further management review will be incorporated into a written standard operating procedure as recommended.

**Response 1b:**

Public Works and Finance staff has started implementing this recommendation for fiscal year ending June 30, 2013 based on citation and collection data. This will continue going forward and will be incorporated into written desk procedures.

**Response 1c:**

While a full-time analyst position would certainly be beneficial, reconciling transactions and monitoring those performed by TDS may not by themselves warrant a full time position. Additionally, current budget restraints do not allow for such a position to be filled. This recommendation will be considered in future years as part of the department budget. In the interim, existing analysts within Public Works will monitor the monthly transaction reports submitted by TDS.

**Finding 2: Monitoring the effectiveness of the various collection methods may reveal ineffective TDS processes.**

Parking Services has not monitored the effectiveness of the various collection methods utilized by TDS. TDS does not provide a standard monthly/quarterly or annual report indicating which collection method is/has been most successful. Review of the various collection methods may assist in determining if TDS should continue to utilize current collection sources that provide little to no financial benefit/results or seek other innovative means of collecting outstanding fines. Analyzing and possibly eliminating the collection methods that have little to no financial results may provide the city with a negotiation tool when the contract with TDS comes up for renewal.

**Recommendation(s):**

***2a. Request TDS provide (at least annually at fiscal year-end) the total number of outstanding parking citations and related total outstanding fine (base + delinquent) for each of their collection methods:***

***With TDS (current/not delinquent)***

***With the DMV (holds)***

***With ICS***

***In the FTB Intercept Program***

***2b. Request TDS provide a summary report at end of the city's fiscal year (or quarterly) that indicates each source of revenue (TDS, DMV, ICS, and FTB) and total gross amount for funds collected during that timeframe to monitor the effectiveness of the various collection sources.***

**Management's Response**

**Response 2a:**

This recommendation will be implemented quarterly and incorporated into the written desk procedures that will be prepared.

**Response 2b:**

This recommendation will be implemented quarterly and incorporated into the written desk procedures that will be prepared.

**Processing of monthly County/State Parking Citation Surcharges:**

"The CAFR for Fund 570 and Fund 540 was misstated for the years the surcharge was not remitted to the State/County."

**Comment:**

Public Works staff will address any adjustments as needed as recommended by Finance.

## Appendix A

### Exhibit A CITY OF RIVERSIDE BAIL SCHEDULE

RMC/CVC	VIOLATION	BASE FEE	DMV HOLD
09.08.110	PARKS CLOSED	\$41.00	\$96.00
09.08.150	VEHICLE MAINTENANCE PROHIBITED	\$41.00	\$96.00
09.08.165	PARKING OF RECREATIONAL VEHICLES IN CITY PARKS	\$116.00	\$216.00
10.52.015 (a)(b)(c)	MANNER OF PARKING ON STREETS	\$41.00	\$96.00
10.52.020	STANDING IN PARKWAY PROHIB	\$41.00	\$96.00
10.52.025	PARKING ON REC TRAILS PROHIB	\$41.00	\$96.00
10.52.030 (a) (b) (c) (d) (e)	PARKING OR STOPPING, STANDING OR PARKING PROHIB OR LIMITED	\$41.00	\$96.00
10.52.032	72 HR STORAGE ON STREETS	\$41.00	\$96.00
10.52.040	PARKING FOR MAINT REPAIR OR WASHING PROHIB	\$41.00	\$96.00
10.52.043 (a) (b)	PARKED IN A HANDICAPPED PARKING STALL	\$341.00	\$366.00
10.52.045 (b)	MISUSE OF DISABLED PLACARD	\$341.00	\$366.00
10.52.050 (a) (b)	PARKING ON DIVIDED HIGHWAY	\$41.00	\$96.00
10.52.055 (a)	REMOVING IGNITION KEY	\$41.00	\$96.00
10.52.060 (c)	ANGLE PARKING ON STREET	\$41.00	\$96.00
10.52.065 (b)	PARKING PROHIB ON NARROW STREETS	\$41.00	\$96.00
10.52.070	PARKING NOT ALLOWING 10' OF TRAVEL	\$41.00	\$96.00
10.52.075 (a)	NO PARKING IN ALLEY	\$41.00	\$96.00
10.52.080	NO PARKING ON HILLS	\$41.00	\$96.00
10.52.090 (a) (b)	PARKING ON PRIVATE PROPERTY PROHIB	\$41.00	\$96.00
10.52.100 (c)	TEMP NO PARKING, SPECIAL EVENTS OR EMERGENCY PARKING SIGNS	\$41.00	\$96.00
10.52.110 (a)	UNLAWFUL PARKING BY PEDDLERS AND VENDORS	\$41.00	\$96.00
10.52.112	METERED PARKING	\$41.00	\$96.00
10.52.140 (c)	PARKING IN ZONES PERMITS REQUIRED	\$41.00	\$96.00
10.52.145 (a)	EXEMPTION TO TIME LIMITS OR METERED PARKING PERMIT REQUIRED	\$41.00	\$96.00
10.52.150	DISPLAY WARNING DEVICES COMM VEH DISABLED	\$41.00	\$96.00
10.52.155 (a)	PARKING OF CERTAIN COMM VEH OR OTHERS PROHIB	\$116.00	\$216.00
10.52.160	PARKING OF CERTAIN COMM VEH RES AREAS PROHIB	\$71.00	\$151.00
10.52.170	RESTRICTIONS TO ALL NIGHT PKG RECREATIONAL OR OTHERS PROHIB	\$71.00	\$151.00
10.52.175	USE OF VEHICLES FOR DWELLING PURPOSES PROHIB	\$116.00	\$216.00

**Exhibit A  
CITY OF RIVERSIDE BAIL SCHEDULE**

10.52.190 (b)	PARKING ON CITY PROPERTY	\$41.00	\$96.00
10.52.220	STANDING IN CURBSIDE PASSENGER LOADING ZONE	\$41.00	\$96.00
10.52.230 (a)	STANDING IN FREIGHT CURB LOADING ZONE	\$41.00	\$96.00
10.52.250 (a) (b) (c) (d) (e)	STOPPING STANDING AND PARKING OF BUSES AND TAXICABS	\$41.00	\$96.00
10.60.020 (a) (b)	UNLAWFUL TO PARK MUNICIPAL FACILITY	\$41.00	\$96.00
10.60.040	RULES AND REGULATIONS PARKING FACILITIES	\$41.00	\$96.00
10.60.060	MANNER OF PARKING, PARKING IN AISLE, DRIVEWAY, 2 SPACES, OTHER	\$41.00	\$96.00
10.66.040	ON STREET SALES PROHIB	\$116.00	\$216.00
16.32.080	FIRE APPARATUS ACCESS ROADS	\$46.00	\$101.00
4000 (a) (1) CVC	EXPIRED REGISTRATION (10.00 W/PROOF OF CORRECTION)	\$116.00	\$141.00
5200 (a) CVC	LICENSE PLATE MISSING (10.00 W/PROOF OF CORRECTION)	\$66.00	\$91.00
5204 (a) CVC	TABS MISSING (10.00 W/PROOF OF CORRECTION)	\$76.00	\$126.00
15620 (a) CVC	UNATTENDED CHILD	\$121.00	\$144.00
21209 (a) 1. CVC	NO PARKING BIKE LANE	\$41.00	\$96.00
22500 (a) CVC	PARKED WITHIN AN INTERSECTION	\$46.00	\$101.00
22500 (b) CVC	PARKED BLOCKING CROSSWALK	\$41.00	\$96.00
22500 (c) CVC	PARKED IN A RED ZONE	\$46.00	\$101.00
22500 (e) CVC	BLOCKING DRIVEWAY	\$41.00	\$96.00
22500 (f) CVC	BLOCKING SIDEWALK	\$41.00	\$96.00
22500 (g) CVC	PARKED BLOCKING TRAFFIC AT STREET OR HIGHWAY EXCAVATION	\$41.00	\$96.00
22500 (h) CVC	DOUBLE PARKED	\$41.00	\$96.00
22500 (k) CVC	PARKED BLOCKING BRIDGE	\$41.00	\$96.00
22500 (l) CVC	PARKED BLOCKING SIDEWALK WHEELCHAIR ACCESS	\$341.00	\$366.00
22500.1 CVC	PARKED UNLAWFULLY IN A FIRE LANE	\$46.00	\$101.00
22502 (a) CVC	PARKED OVER 18" FROM CURB	\$41.00	\$96.00
22502 (e) CVC	PARKING ON ONE-WAY STREETS	\$41.00	\$96.00
22507.8 (c) CVC	PARKED BLOCKING HANDICAPPED ACCESS	\$341.00	\$366.00
22511 (a) CVC	PARKED OFF-STREET ELECTRIC CHARGING STATION	\$41.00	\$96.00
22514 CVC	FIRE HYDRANT, PARKED UNATTENDED VEHICLE WITHIN 15'	\$46.00	\$101.00
22519 CVC	OFF-STREET PARKING CITY OWNED FACILITY	\$41.00	\$96.00

**Appendix B**

**Parking Citations  
State and County Surcharges**

<b>Government Code Section</b>		<b>Total Surcharge</b>
<b>County GC § 76000(b)</b>	<b>Courthouse Construction Fund – GC § 76100</b>	
	GC § 76000 (b) - \$2.50 parking penalty to the local <b>Courthouse Construction Fund</b> established pursuant to GC § 76100 less \$1 to the general fund of the county per GC § 76000 (c)	\$ 1.50
	GC § 76000 (c) - \$1 of the \$2.50 from GC § 76000 (b) – to the general fund of the county	\$ 1.00
	<b>Subtotal – Courthouse Construction Fund and County General Fund</b>	<b>\$ 2.50</b>
	<b>Criminal Just Facilities Construction Fund – GC § 76101</b>	
	GC § 76000 (b) - \$2.50 parking penalty to the local <b>Criminal Justice Facilities Construction Fund</b> established pursuant to GC § 76101 less \$1 to the general fund of the county per GC § 76000 (c)	\$ 1.50
	GC § 76000 (c) - \$1 of the \$2.50 from GC § 76000 (b) – to the general fund of the county	\$ 1.00
	<b>Subtotal - Criminal Just Facilities Construction Fund and County General Fund</b>	<b>\$ 2.50</b>
	<b>Total – County GC § 76000 (b)</b>	<b>\$ 5.00</b>
<b>State GC § 70372 (b)</b>	<b>State Court Facilities Construction Fund – GC § 70371</b>	
	<i>GC § 70372 (b) - \$4.50 State Court Construction Parking Penalty</i> Note: Per GC § 70372 (f) (2), 1/3 of \$4.50 (or \$1.50) to the <b>State Court Facilities Fund</b> .	\$ 1.50
	<i>GC § 70372 (b) - \$4.50 State Court Construction Parking Penalty</i> Note: Per GC § 70372 (f) (2), 2/3 of \$4.50 (or \$3.00) to the <b>Immediate and Critical Needs Construction Fund</b> .	\$ 3.00
	<b>Total – State GC § 70372 (b)</b>	<b>\$ 4.50</b>
<b>State GC § 76000.3</b>	<b>State Trial Court Trust Fund – GC § 76000.3</b>	
	Effective December 7, 2010, the City is required to assess a \$3.00 parking citation surcharge. This surcharge is used to fund the <b>State Trial Court Trust Fund</b> and was scheduled to be sunset on July, 1, 2013 per GC § 76000.3 <sup>(1)</sup> . <b>Surcharge is now permanent.</b>	
	<b>Total – GC 76000.3</b>	<b>\$ 3.00</b>
<b>Total – State and County Surcharges</b>		<b>\$ 12.50</b>

(1) A sunset provision provides that the law shall cease to have effect after a specific date, unless further legislative action is taken to extend the law. The legislature removed the sunset provision with Senate Bill 1021 and signed by the Governor/filed with Secretary of State on June 27, 2012.

Source: TDS Report (Allocation of Parking Penalties) and <http://leginfo.legislature.ca.gov/faces/codes.xhtml>

**Management Letter to Finance Director**

August 16, 2013

We are completing our performance audit of Public Works – Public Parking Services. During our review we noted the following, which we bring to your attention.

**Accounting for Outstanding Receivables – Parking Citations**

Currently, the city records parking citation revenues using the “cash basis” of accounting; revenues are recorded as payments are received. Standard accounting practices indicate that amounts due should generally be recorded as Accounts Receivable when payment obligations are incurred and the associated revenue recognized at that time. Due to the high volume of parking citations, recording AR daily/weekly/monthly is not realistic.

However, to ensure the financial condition of the Public Parking Fund is represented as accurately as possible in the financial reports (CAFR), we recommend Finance record parking citations issued and uncollected as Accounts Receivable(AR) at fiscal year-end in Fund 570 (as well as for Fund 540 – Street Sweeping Citations), per data from TBS, as provided by Public Works/Parking Services. However, the city would also need to estimate a bad debt percentage.

The following data reflects the total outstanding AR as of June 30, 2013:

	FY2009	FY2010	FY2011	FY2012	FY2013
<b><u>Outstanding Accounts</u></b>					
<b><u>Receivable</u></b>					
Fund 540 – St Sweeping	\$ 340,042	\$ 348,390	\$ 427,421	\$ 747,530	\$ 1,863,383
Fund 570- Public Parking	<u>1,029,250</u>	<u>827,057</u>	<u>971,900</u>	<u>1,408,685</u>	<u>4,236,892</u>
Total	<u>\$ 1,369,292</u>	<u>\$ 1,175,447</u>	<u>\$ 1,399,321</u>	<u>\$ 2,156,215</u>	<u>\$ 6,100,275</u>

Note: above totals include base parking fine + delinquent fees as of June 30, 2013.

According to PW/TDS reports, approximately 90-95% of street sweeping parking citations are collected; approx. 70% of public parking citations are collected. This information is useful when establishing an allowance (bad debt expense) for uncollectible citation fines.