



**FINANCE
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MARTHA E. STARK
COMMISSIONER

Testimony of Martha E. Stark

Commissioner, NYC Department of Finance

**Before a Hearing of the City Council Finance Committee
On Intro 637, Codifying Department of Finance
Commercial Settlement Programs**

April 17, 2008

Good morning Chairman Weprin, Council Member Yassky and other members of the Finance Committee. As you know, I am Martha E. Stark, New York City's Finance Commissioner. Thank you for inviting me to testify today about Intro 637, Council Member Yassky's bill that would codify into local law Finance's commercial parking ticket settlement programs. We support this bill.

I want to do three things. First, explain why we created these programs. Second, describe how the programs work. And third, I'll discuss how we were able to reduce administrative costs for the various companies that deliver goods and services to City businesses and residences. We have also significantly reduced Finance's costs for adjudicating these tickets as well. Finally, I will be happy to answer your questions.

I. Why Finance Created Commercial Settlement Programs

Two years ago, I testified about one of our commercial settlement programs, NYC Delivery Solutions, before a joint hearing of the Council Committees on Transportation and Small Business. For those of you who were there, this will be a quick refresher on why we started that program.

As you know, Finance has a dual role as it relates to parking violations: We collect revenue and we provide a forum for people who wish to challenge a ticket. These roles are completely separate. While we collected \$555 million in parking fine revenue in the last fiscal year, our role when adjudicating tickets is not about

revenue. The Adjudication Division's mandate is to provide a fair and efficient forum for drivers to challenge their tickets.

Needless to say, we get more calls and letters about parking than anything else, including from your offices as well as other elected officials. Challenging a parking ticket should not be onerous or time-consuming for individuals or for companies delivering goods and services. But, it was.

Thanks to the great leadership of our Chief Administrative Law Judge and attention to data about the outcome of hearings, we figured out a way that we could more efficiently adjudicate these summonses. For companies delivering goods and services in New York, there is clear recognition in the law and traffic rules that under certain circumstances a company may park in what otherwise would be a parking violation. However, in order to grant that privilege, Finance needed to qualify the companies to ensure that their business model was consistent with the rules.

So we crafted a data-driven settlement program -- to complement one that had been established prior to my tenure, the Commercial Abatement Program -- that made it more efficient and less costly for both businesses and government to resolve parking tickets—a win-win for both.

II. How Commercial Settlement Programs Work

Intro 637 recognizes two discrete Finance programs: a Fleet program and a stipulated fine program.

Let me give a little background. Finance has an established Fleet program, which was created in the early 1980s and is open to

any organization that does business in New York City -- not just delivery businesses. What those almost 5,000 enrolled entities have in common is that all of them get parking tickets in the course of doing business. In fact, several dozen government agencies are enrolled in the Fleet program. By enrolling, the organizations provide Finance with a list of their license plates; we then compile regular statements, e-mailed weekly and available on-line, which track the violations by plate number. The program creates a streamlined system by which to pay the fines: businesses no longer have the burden of relying on drivers telling their employers they got a ticket, and we at Finance do not have to process each individual ticket. We would even be happy to enroll the City Council's fleet in the program.

The second program the bill codifies is a settlement program of stipulated fines for delivery vehicles who receive parking violations: of the two such programs that Finance operates now, one program is known as the Commercial Abatement Program and the other is the program you know better -- New York City Delivery Solutions.

The Commercial Abatement Program is open to all commercial vehicles that make deliveries or service calls. The second, New York City Delivery Solutions is only available to companies whose business model requires them to expeditiously deliver goods and services. The Department of Transportation's traffic rules define expeditious delivers as those that take 30 minutes or less. Under these programs, delivery companies already enrolled in the Fleet program can join and agree to pay a settlement amount that

reflects the hearing results data that we continuously monitor and compile. In return for agreeing to pay stipulated amounts, they waive their right to contest all parking tickets they receive.

Our settlement programs are not an attempt to affect ticket issuance, or congestion or traffic flow. We are simply attempting to provide an efficient, effective, consistent, less costly and less burdensome way for businesses to resolve their tickets. We will continue to keep track of the number of tickets issued to participating companies by violation type. We are certainly not trying to encourage bad parking behavior and the data show that enrolling in the program has not resulted in an increase in parking violations written to their vehicles, and there has been little change in the percent of no parking, no standing, and no stopping ticket patterns.

I am pleased that Intro 637 vests authority in the Finance Commissioner to continuously re-evaluate the data to make the process as efficient as it can be.

III. Settlement Programs Deliver Great Results

After over a decade of the Commercial Abatement Program and four years of NYC Delivery Solutions, the results are clear. Companies are saving time and money. One firm told us it has saved \$250,000 annually in ticket broker fees. And the City has seen significant administrative savings as well. By eliminating a million commercial hearings per year, we have been able to reallocate and save a total of \$4.5 million by among other things devoting more judges to hearing from every day people. This in turn has helped us

reduce wait times in the business centers from an average of more than two hours to the current average of 45 minutes. We've also been able to completely eliminate a 200,000-ticket backlog in our hearings by mail unit, reducing the average response time from 4 months to less than three weeks.

The Commercial Abatement Program has 328 enrolled companies and NYC Delivery Solutions now has 605 firms signed up. Just for the record, when I testified here about NYC Delivery Solutions just over two years ago, there were only 165 companies enrolled, so we have almost 4 times as many companies as when we began.

As you know, Finance is a team effort and I am very proud of the team's accomplishments. Let me introduce them to you. I am joined today by: Rochelle Patricof, my First Deputy Commissioner; Mary Gotsopoulis, who is our Chief Administrative Law Judge; and my Chief Counsel, Dara Jaffee. Also here is our behind the scenes parking ticket technology guru, Joel Bernstein.

Finally, I would like to thank our partners in government at the Department of Transportation, the New York Police Department, and the Office of Management and Budget. They have certainly provided valuable feedback about how to make the program the best that it can be. We are thankful for their expertise and support.

I'll stop there and answer any questions you may have. Thank you again for inviting me to testify, and thank you for your leadership in introducing this bill.