

Duncan Solutions, Inc.

Progressive Collection Tools

WisPA 2012 Conference

Gary Smith – Duncan Solutions

Duncan Solutions, Inc. Overview

- **Duncan's parking meter business was founded in 1936, in a toy factory in Luck, Wis.**
 - Duncan Solutions traces its roots back to Donald F. Duncan, Sr. (1892 - 1971)
 - American entrepreneur/inventor who is most commonly associated with the Duncan yo-yo



Duncan Solutions, Inc. Today

- Headquartered in Milwaukee, Wis.
- Duncan employs over 500 employees around the globe
- Leading provider of integrated parking solutions
- Specialize in parking meter equipment products and services, including:
 - Parking meters
 - Handheld ticket issuance solutions
 - Ticket processing systems and services
 - Delinquent debt collection services
 - And more



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Citation Processing Services

- Duncan's AutoPROCESS is designed to help our clients improve citation processing, increase revenue and efficiencies
- Our experienced staff save you time and earn you money through:
 - Lockbox Services – from money management to payment research
 - Pay by Web, Pay by Phone, IVR capabilities
 - Boot and Tow Operations and Management
 - Cashiering
 - Customer Service and Call Center Operation and Management
 - Permit Issuance and Management
 - Data Entry Services – backlogs, payments, returned mail changes, manual citations, etc.
 - Adjudication Services
 - Notice Management
 - Mobile Data Terminals
 - And More!
- Collectively process over 5.7 million tickets, 2 Million payments totaling nearly \$100 million in revenue for more than 200 clients annually



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Debt Collections

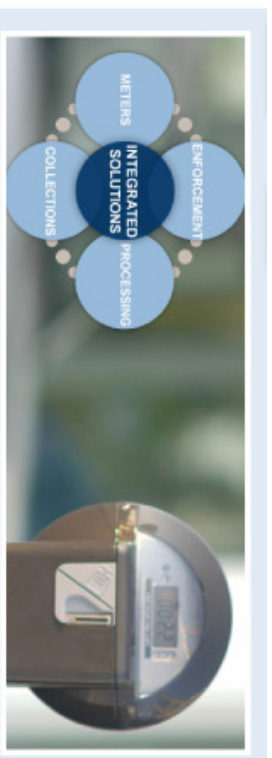
- **Duncan Solutions unlocks the cash flow from backlogged citations and brings in more payments faster with AutoCOLLECT**
- **Designed to locate, contact and compel payment for violation debts**
- **AutoCOLLECT is a combination of:**
 - Customer Service
 - Payment Handling
 - Web and IVR payment acceptance, credit cards, checks, mail-ins, walk-ins, Western Union, Web, cash
 - Notice Transmission
 - Collection Tools
 - Bankruptcy handling, tax refund intercept, credit bureau, registration suspension, booting and towing
 - Account scoring, license suspensions, warrants, dialing campaigns, automated messaging
 - Dozens of skip tracing databases
 - Collection Reporting and Credit Bureau Reporting
- **Duncan clients consistently see results 30% greater than in-house and competitors' services**



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Duncan Clients

- **We serve numerous cities throughout Wis. for Parking Ticket Processing and Collections, including:**
 - Milwaukee
 - Eau Claire
 - Fond Du Lac
 - Glendale
 - Kenosha
 - Manitowoc
 - Superior
 - Waukesha
 - And more



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Why is Parking Citation Collections Important

- Municipal Parking Programs manage a valuable public asset and have a fiduciary responsibility
- Enforcement is a critical function for managing our parking resources
- Failure to follow through on collection of delinquent parking citations reduces the effectiveness of the enforcement program and neglects our fiduciary responsibility
- Well run programs will collect 80%+ of issued citations and 85%+ of valid citations



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Start with the Basics: Good Data + Payment Options

- **Garbage in, Garbage out-bad citations create bad results**
 - Accurate license plate numbers, plate types and vehicle makes critical
 - Electronic ticket-writers eliminate data entry and related errors
 - Good citations help drive windshield rates
 - Train and measure
- **Make it easy to pay**
 - Pre-addressed mailers/envelopes
 - Conveniently located drop boxes and cashiering sites
 - Online and phone payments



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Start with the Basics: DMV Data Acquisition

- You can't send late notices to license plate numbers
- In-state DMV access should be automated and direct from the WI DMV
- Evaluate your need for out-of-state DMV data
 - Will vary by location and demographics
 - Identify your highest out-of-state issuance states
 - Obtain/grow internal subject matter expertise and leverage outside experts
- Manage data returned from DMV's accurately
 - Processing of duplicate plate returns
 - Vehicle make matching
- See "Hitting Moving Targets" by Mike Carneiro, The Parking Professional, November 2012



Start with the Basics: Delinquent Notices

- Your first direct appeal for payment, do it right
- Content is critical: the three C's
 - Clear
 - Concise
 - Complete
- Don't forget to make it easy to pay
- In-house or Mail-house?
 - Compare the costs honestly
 - In house labor costs
 - Postage rate availability
 - Opportunity costs of mailing delays
 - Compare the features
 - NCOA processing
 - Automated address correction
- Monitor and Measure
 - Timely and complete mail runs
 - Notice payment rates to measure effectiveness



Now Let's Get Serious: DMV Registration Holds

- WI DMV Registration Holds are an effective tool that programs in many other states envy
- Allow registration of the cited vehicle to be suspended and re-registration denied for all vehicles owned by the violator
- Admin. Code Trans 128 and Statute 345.28 provide the authority and program details
- Cost Recovery Possible (345.28(4)(d))
- Success Rate: 85% +
- If you don't get good license plate data and good WI DMV data and send the required notices you can't get here



Now Let's Get Serious: Tax Refund Intercept

- Another effective tool that programs in many other states envy
- Sections 71.93, 71.935, 73.03 (52), 73.03 (52m), and 73.03 (52n), Wis. Stats provide the authority
- Requires registration with Dept of Revenue (DOR)
- Requires acquisition/submission of debtor's SSN
 - Third-party resources
 - Collection agency service
- Cost Recovery: Cost paid by the debtor
- Success Rate: 65% (pre-notice and intercepts)



Now Let's Get Serious: Tow Em

- Governed by local ordinances but can be very effective if you can find your scofflaws on the street
- Use of Mobile License Plate Recognition (MLPR) increases efficiency at a cost
- MLPR costs can be offset by its value for time limit parking and permit parking enforcement
- Cost Recovery through assessment of towing and storage fees
- Let's all lobby for State approval of Booting



Now Let's Get Serious: Fleet/Rental Programs

- Well designed and executed programs can help secure collections where fleet or rental car company tickets are an issue.
- Commercial fleets and/or rental car companies register the license plates of their fleet
- Parking citations issued to registered license plates are held out from noticing/late fees and invoiced monthly
- Failure to pay off the monthly invoice starts the processing clock and can result in removal from the program
- Special processing can be created for rental vehicles to conform with WI statutes

Now Let's Get Serious: Collection Agency

- **Use of a private Collection Agency is a logical step in the progression**
- **What will they do that I can't or don't want to?**
 - Professional skip-tracing to locate debtors who you have not been able to find and to obtain SSN for tax intercept filing
 - Outbound calls to let debtors know they still owe and encourage them to pay
 - A series of collection agency notices targeted to securing payment
 - Complete management of the WI Tax Intercept Program
 - Reporting of delinquent parking citation debt to the national Credit Reporting Bureaus
 - Legal collections option for debtors with large balances
- **What kind of results can I expect: using all the right tools the best will recover 70% or more of referred debts**
- **What will it cost:**
 - Typically priced as a % of actual amounts collected
 - Costs can be recovered by assessing the fee to the debtor



Now Let's Get Serious: Collection Agency

- **How do I select one:**
 - **Aren't they all the same?**
 - Areas of concentration and experience: business debt, medical debt, student loans, municipal fines: do they know my business?
 - Resource availability: can they support my business?
 - Local knowledge: do they understand WI DMV Reg Holds, WI DOR Tax Intercept, etc?
 - Are they licensed and members of the ACA?
 - Track Record: how have they performed for other clients with needs similar to mine?
 - **Do a Net Back evaluation**
 - A low price point often indicates an agency that skims the cream and ignores the rest, resulting in a lower overall recovery rate
 - Net Back evaluates the value of the agency to your program in actual revenue
- | | Agency 1 | Agency 2 |
|---------------------|-----------|-----------|
| Placements: | \$300,000 | \$300,000 |
| Recovery %: | 40% | 25% |
| Fee: | \$120,000 | \$ 75,000 |
| Cost to Agency: | \$ 34,800 | \$ 13,500 |
| Net Back to Agency: | \$ 85,200 | \$ 61,500 |



Measure Your Success

- If it isn't measured and reported it didn't happen
- Establish a standard set of metrics to run against citations issued in a given period
 - Windshield Rate: Total Number Paid Before First Notice/Total Number Issued – Target 35%+
 - Collection Rate: Total Number Paid/Total Number Issued – Target 80% +
 - Void/Dismiss Rate: Total Number Dismissed/Voided (without payment)/Total Number Issued – Target 5% -
 - Clearance Rate: Total Number Closed/Total Number Issued – Target 85% +
- Track your success over time and then fine tune the program



Questions and Answers

Q and A

