



November 2, 2020

City of La Crosse

Proposal for Debt Recovery

T2 Systems is pleased to submit a proposal in response to a solution for delinquent citations. We appreciate the opportunity to further our partnership and help the City of La Crosse achieve their business objectives. Over the past 15 years, T2's Citation Collection Services (CCS) has assisted many customers with various services including methods of best practices and ways to recover uncollected debt.

Executing this service is a simple implementation with no upfront or out of pocket expense to your organization. To ensure a seamless process to new services, T2's CCS will review all working tasks currently set up in Flex and incorporate current business rules.

Delinquent Collections

Our office has reviewed the outstanding debt for City of La Crosse and are pleased to provide a proposal for delinquent collection services. All fees are based on actual collections and the success of the program. If you're permitted, collection fees may be added to the debt prior to the transfer and retained by T2's CCS for collection services.

The collection of outstanding debt is optimal when the debt is followed up soon after delinquency. As the citation ages, a decreased return in payment can occur. Below is a chart of your outstanding debt by year of issuance, the estimated return to your office, and our fee for the service.

Outstanding out of state debt as of November 2, 2020

<i>Year</i>	<i>Citation Count</i>	<i>Dollar Value of Outstanding Citations</i>	<i>Average price per citation</i>	<i>Estimated Return Rate</i>	<i>Estimated Client Revenue</i>
2020	357	\$ 32,413.80	\$ 90.79	31.00%	\$ 10,048.28
2019	412	\$ 46,166.00	\$ 112.05	31.00%	\$ 14,311.46
2018	468	\$ 32,834.00	\$ 70.16	25.00%	\$ 8,208.50

After the backlog of debt has been implemented, future delinquent citations will be transferred to T2's CCS. We recommend transferring aged citations to collections between 30 and 90 days delinquent, however the final criteria will be determined by the City of La Crosse.

CCS will perform outbound collection procedures on individual debts including

- Citations that meet the criteria of delinquent collections will be pursued using collection processes that may include the state debt set off programs if applicable. In Wisconsin, state income taxes can be withheld for unpaid parking violations.
- Collect on the citations balance using our best-practices. This can include, but is not limited to, additional letter notifications and outbound calling.
- Obtaining up to date personal information, including social security numbers for state debt set off programs, through skip-tracing programs.

We pride ourselves on our internal operational processes. We consistently and successfully manage debt on behalf of our clients. Our goal is to collect the outstanding debt while using a customer service approach that safeguards your good reputation with the public.

In addition to the proposal attached are our internal policies and processes on collecting accounts for our clients.

Project Costs for Collections

Collections are charged at a 30% contingency fee per citation collected. If the City of La Crosse is approved to charge the public the cost for collections by adding the 30% fee prior to transfer, your return will be much greater. In the instance you pass the cost of collections to the public you will receive 100% of your fine amount. Charges to the City of La Crosse are based on citation volume, services, and age of debt.

Together we can help meet the demands of your department, reduce the staff's workload, and ultimately increase revenue.

To get started we need the following:

- The statement of work established to ensure a mutual understanding of services provided.
- A signed quote.
- Collections agreement and addendum to your current contract.

If you have additional questions please feel free to contact Mike Coyne or myself.

Sincerely,
Christy Boggs
Director, Citation Services

