



Auto Tag Management Group
3155 SW 10th Street, Suite D
Deerfield Beach, FL 33442

July 19, 2019

Bertha Henry
County Administrator
100 N. Andrews Avenue
Fort Lauderdale, FL 33301
bhenry@broward.org

Dear Mrs. Henry:

On behalf of the Auto Tag Management Group's family of 245 employees, I want to thank you for the many years of successful partnership with Broward County. We remain very proud to call Broward home. Today, I am writing with the goal of highlighting some concerning trends in the industry that will ultimately justify making modest changes to the fee schedule enumerated in our contracts with Broward County.

The first concerning trend is the proliferation of largely unregulated courier services throughout Broward County. Courier services mimic private auto tag agencies by using misleading wording in their marketing/branding and charging completely unregulated prices. Since courier services can charge their customers much higher fees, they can also outspend the approved private auto tag agencies when it comes to marketing, including but not limited to, Google ads. Also, courier services are not restricted to where they open business. In many cases, they intentionally open offices within a couple blocks of our office to try to confuse the customers to think they are walking into one of the approved/bonded private auto tag agencies. Sadly, there is virtually no enforcement of this activity. As a result, we have experienced serious decline in our walk-in transactions. In addition to couriers proliferating, the ability to renew registrations online has diverted a lot of transactions. Couriers, Tax Collectors and DHSMV are all creating online portals for renewals, however, our MOU prohibits us from doing so. Walk-in business has declined in our agencies by 12-15% since 2017. The decline in walk-in business is an issue because we have a commitment to maintain a certain level of quality service to the public. The proposed fee increase will enable us to compete more in the online marketing space.

In addition, we are faced with increased rent and other fixed costs on an annual basis, including increased personnel costs due to increased wages and benefits which we must pay in order to be competitive with other local businesses. Although our walk-in volume has decreased, we cannot reduce staff due to risking service levels that are expected by our customers and the County. Our average wait time is less than 15 minutes.

Another example of increasing costs, the Florida Department of Highway Safety and Motor Vehicles (DHSMV) is shifting an additional \$10,000 annually to each of the private tag agencies in circuit expenses. A copy of the July 1, 2019 letter from DHSMV is attached hereto (Tom Kennedy received a copy of this letter directly from DHSMV). This will cost the Broward agencies \$70,000 per year and our company as a whole, \$120,000 per year. The circuit manages our connection to the DHSMV's FRVIS system. We cannot function without it. Those expenses have always been covered by the DHSMV. Additionally, Florida is in the process of rolling out a statewide kiosk program. Kiosks will be made available in Publix Supermarkets across the state which will further dilute our walk-in population for renewals and title transfers.



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We firmly believe that a fee increase is warranted to mitigate declining volume and increasing expenses. We can't, nor do we want to, simply downsize our staff to keep pace. In order to be compliant with the county and state contracts, the offices must be sufficiently staffed with qualified trained personnel to ensure that complicated vehicle transactions are processed properly, sales tax is properly remitted, and store wait times are minimal. We take a lot of pride in making sure that these offices are extremely efficient and the county gets very few complaints regarding our service. With our requested nominal and targeted increase, we can maintain our track record of excellence.

Specifically, we are requesting a onetime adjustment to the fee schedule specific to only three transaction types. With the onetime adjustments below made, we would respectfully request an annual Consumer Price Index (CPI) adjustment. Our requested onetime adjustments are as follows:

Issuance, Transfer, Replacement of license plate and/or decal and registration

Current: \$3.50

Request: \$5.00

Application for original or transfer certificate of title (all kinds, including lien recordings, verifications, all required forms, notarizations, sales tax collection or exemption)

Current: \$15.00

Request: \$18.00

Fast Title Application

Current: \$20.00

Request: \$25.00

Thank you for your consideration. We look forward to continuing this conversation and ultimately receiving Board approval. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Stochak". The signature is stylized and fluid.

Jason Stochak
President
Auto Tag Management Group

CC: Tom Kennedy (tkennedy@broward.org)