

Policy Memo

To: Town Council

Date: May 1, 2025

From: Michelle Bailey Hedgepeth, Town Administrator

Subject: Collection Services | Background



Dear Mayor and Council,

Introduction: The Town of Bladensburg currently does not utilize a third-party collection agency to manage outstanding debts related to Automated Traffic Enforcement citations (Speed, Red Light, and Stop Sign), parking tickets, other citations, or fees. As a result, our internal staff and vendors are responsible for managing the entire follow-up process, which is time-consuming and yields a lower collection rate for debts not paid after 90 days. This memo outlines the importance of engaging a third-party collection service to enhance our revenue recovery efforts and align our practices with those of other municipalities in Prince George's County.

Municipal Benchmarking: Several neighboring towns within Prince George's County already utilize third-party municipal collection agencies to streamline their processes and improve collections. These include:

- **Mount Rainier**
- **Colmar Manor**
- **Forest Heights**
- **Cottage City**
- **Seat Pleasant**
- **New Carrollton**
- **Edmonston**

Many of these municipalities have partnered with **MuniCollect**, a well-regarded service provider in this space.

Why This Is Important for the Town: The use of a third-party collection agency will significantly improve our ability to collect outstanding revenue owed to the Town and alleviate the administrative burden on our current staff. Key benefits include:

- **Increased Revenue Recovery:** Professional collectors have proven systems and processes to increase recovery rates.
- **Operational Efficiency:** Town staff can redirect time and resources from collection efforts to core service delivery.
- **Legal Support and Compliance:** State law allows municipalities to utilize third-party collectors and pass along collection fees to the debtor, making the process cost-neutral for the Town.
- **Consistency and Accountability:** Engaging a third-party vendor ensures consistent follow-up, documentation, and escalated enforcement where needed.

Services Provided by Municipal Collection Agencies: Municipal collection vendors typically offer a full range of services including:

- **Debt Collection and Monitoring**
- **Flagging and Reporting to State and Financial Agencies**
- **Customized Reporting and Analytics**
- **Customer Communication and Dispute Resolution**
- **Compliance with Local and State Statutes**

Vendors Contacted: The Town has reached out to the following vendors to assess available services and determine the best fit:

- **MuniCollect**
- **Municipal Collection Agency, Ltd.**
- **Municipal Collection Services**
- **First Services**

Each of these companies has extensive experience working with local governments, and all offer cost-neutral or no-cost service models, with fees passed through to the responsible party.

Proposed Implementation Timeline

Council Action and Contracting

- **May 2025:** Selection and Contract Execution with Preferred Vendor
- **June 2025:** Council Review and Adoption of Enabling Legislation (Ordinance)

Implementation Phase

- **May - June 2025:** Staff Execution of Contract
- **July – August 2025:** Internal Operations Planning and Training
- **August – September 2025:** Rollout of Third-Party Collection Services

Conclusion: Implementing a third-party municipal collections process is a critical step toward improving the Town’s fiscal health and aligning with best practices across the region. It represents a responsible, cost-neutral approach to revenue recovery that can increase compliance, improve efficiency, and support delivering essential public services. Staff recommends moving forward with enabling legislation and vendor selection in the upcoming months to remain on track for implementation by the start of the next fiscal quarter.

Respectfully submitted,



Michelle Bailey Hedgepeth, Town Administrator

C: Leadership Team