



CITY COUNCIL AGENDA STATEMENT



December 3, 2019

File ID: 19-0549

TITLE

- A. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE CITY-INITIATED TOW LICENSE FEE

- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE CITY-INITIATED TOW AND STORAGE RATE SCHEDULE

RECOMMENDED ACTION

Council adopt the resolutions.

SUMMARY

On December 18, 2018, City Council approved the tow license fee and tow/storage rates for calendar year 2019. The Police Department is requesting Council approval to update these fees for calendar year 2020.

ENVIRONMENTAL REVIEW

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not Applicable

DISCUSSION

RESOLUTION A: CITY-INITIATED TOW LICENSE FEE UPDATE

California Vehicle Code Section 12110 authorizes the City to assess a Tow License Fee (TLF) in connection with an award of a franchise to tow companies for City-initiated tows "to reimburse the public entity for its actual and reasonable costs incurred in connection with the towing program." The TLF relates to staff recovery costs for requesting a tow call for service, from the start time a police employee calls for a tow request to the end time that the tow company leaves the scene. The computation of the City's TLF is detailed below:

(Annual estimate of police-initiated tows) x (Estimated time spent per tow) x (Fully burdened hourly rate)
= Tow License Fee

Position	Annual Estimate of Police-Initiated Tows ¹	Hours Spent per Police-Initiated Tow ²	Fully Burdened Hourly Rate ³	Tow License Fee
Peace Officer	1,617	0.53	\$130.75	\$112,054
Community Service Officer	1,293	0.53	\$65.12	\$44,626
Sr Parking Enforcement Officer	682	0.53	\$67.12	\$24,261
Police Dispatcher	3,592	0.08	\$85.19	\$24,480
TOTAL				\$205,421

¹ 2-year average of calendar years 2017 and 2018 is 3,592 tows

Does not include private tows or tows during grant-funded operations

Tow request breakdown by classification (Officer 45% of tow requests; CSO 36%; PEO 19%)

² Estimated 32 minutes of Officer/CSO/PEO time during a tow call for service

Estimated 5 minutes of Police Dispatcher time

³ Fully Burdened Hourly Rate provided by Finance Department

The proposed Tow License Fee for 2020 is \$205,421. This amount is \$46,203 higher than the 2019 TLF of \$159,218. The amount is higher because of increases in police-initiated tows and fully burdened hourly rates. The TLF is apportioned equally among the City's four (4) contracted providers for tow services and is billed in quarterly installments. The City re-calculates and revises the TLF every year using the same methodology.

RESOLUTION B: CITY-INITIATED TOW AND STORAGE RATE UPDATE

The chart below provides a complete schedule of all charges and fees that the City's tow contractors are authorized to collect from consumers for City-initiated tow and impound services.

Service	2019 Current Rates	2020 Proposed Rates	Difference
Basic Tow	\$217.00	\$225.00	\$8.00
Medium Tow	\$249.00	\$261.00	\$12.00
Heavy Tow	\$283.00	\$300.00	\$17.00
Mileage	None	None	None
Dolly Charge	None	None	None
Labor per hour (if exceeding one hour of service)	\$65.00	\$65.00	\$0.00
Basic Storage Rate (per 24-hour period)	\$55.00	\$59.00	\$4.00
Medium Storage Rate (per 24-hour period)	\$59.00	\$66.00	\$7.00
Heavy Storage Rate (per 24-hour period)	\$69.00	\$75.00	\$6.00
Evening Release (after 5:00pm & Holidays)	\$65.00	\$65.00	\$0.00

This rate schedule is identical to the California Highway Patrol Southern San Diego Region tow rates. The CHP manages one of the largest government entity-initiated tow program in the state, and its rates are

viewed as representative and reliable benchmarks. As shown above, there are cost increases proposed to the City's 2020 tow and storage rates, with the largest increases to medium and heavy tows. Medium and heavy tows for very large vehicles make up one (1) percent of City-initiated tows. Basic tows, for most passenger cars, make up ninety-nine (99) percent of City-initiated tows.

If approved, the proposed TLF and tow and impound fees will be effective January 1, 2020. Each contracted tow company must post in plain view to the public the City-Initiated Tow and Storage Rates at their place of business.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Approval of Resolution A would result in an updated Tow License Fee of \$205,421, which is equally apportioned to the City's tow contractors, effective January 1, 2020. Due to increased police-initiated tows and fully burdened hourly rates, the updated Tow License Fee is \$46,203 more than the 2019 Tow License Fee of \$159,218. Consequently, there is a positive fiscal impact of \$23,101 for the remainder of the current fiscal year.

Approval of Resolution B would result in updated fees paid by consumers to the tow contractors for City-initiated tow and impound services. There is no fiscal impact to the City for these fees.

ONGOING FISCAL IMPACT

The Tow License Fee will be re-calculated every year during the term of the tow contract. The Police Department will coordinate with the Finance Department to budget the appropriate Tow License Fee in each respective fiscal year.

ATTACHMENTS

None.

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