



CITY COUNCIL AGENDA STATEMENT



December 18, 2018

File ID: 18-0550

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 19, 2017, City Council approved the tow license fee and tow/storage rates for calendar year 2018. The Police Department is requesting Council approval to update these fees for calendar year 2019.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, 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:

$$\text{(Annual estimate of police-initiated tows)} \times \text{(Estimated time spent per tow)} \times \text{(Fully burdened hourly rate)} \\ = \text{Tow License Fee}$$

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	1,308	0.53	\$123.35	\$85,511
Community Service Officer	1,047	0.53	\$65.55	\$36,374
Parking Enforcement Officer	552	0.53	\$61.40	\$17,963
Police Dispatcher	2,907	0.08	\$83.29	\$19,370
TOTAL				\$159,218

¹ 2-year average of calendar years 2016 and 2017 is 2,907 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

14221 Peace Officer; 14241 Community Service Officer; 14242 Parking Enforcement Officer; 14260 Police Dispatcher

The proposed Tow License Fee for 2019 is \$159,218. This amount is \$30,559 higher than the 2018 TLF of \$128,659. The amount is higher because of increases in police-initiated tows. 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	2018 Current Rates	2019 Proposed Rates	Difference
Basic Tow	\$209.00	\$217.00	\$8.00
Medium Tow	\$235.00	\$249.00	\$14.00
Heavy Tow	\$278.00	\$283.00	\$5.00
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)	\$51.00	\$55.00	\$4.00
Medium Storage Rate (per 24-hour period)	\$56.00	\$59.00	\$3.00

Heavy Storage Rate (per 24-hour period)	\$65.00	\$69.00	\$4.00
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 2019 tow and storage rates, with the largest increase of \$14 to medium 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, 2019. 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 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining 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.

LINK TO STRATEGIC GOALS

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The update of tow/storage rates and tow license fee supports the Operational Excellence goal by utilizing reasonable tow fees based on the most recent information.

CURRENT-YEAR FISCAL IMPACT

Approval of Resolution A would result in an updated Tow License Fee of \$159,218, which is equally apportioned to the City’s tow contractors, effective January 1, 2019. Due to increased police-initiated tows, the updated Tow License Fee is \$30,559 more than the 2018 Tow License Fee of \$128,659. Consequently, there is a positive fiscal impact of \$15,279 in 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.

Staff Contact: Jonathan Alegre, Police Department