



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 2, 2008

ITEM NUMBER:

SUBJECT: TOW OPERATOR PERMIT APPLICATION FILING FEE & MAXIMUM RATE SCHEDULE FOR TOWING SERVICES

DATE: AUGUST 21, 2008

FROM: CITY MANAGER'S OFFICE & CITY ATTORNEY'S OFFICE

PRESENTATION BY: TOM HATCH, ASSISTANT CITY MANAGER, KIMBERLY HALL BARLOW, CITY ATTORNEY, & CHRIS SHAWKEY, POLICE CHIEF

FOR FURTHER INFORMATION CONTACT:

CAROL PROCTOR, MANAGEMENT ANALYST
(714) 754-5688
DEBBIE CASPER, PURCHASING SUPERVISOR
(714) 754-5212
BOB DURHAM, POLICE SERGEANT/TRAFFIC
(714) 754-5265

RECOMMENDATIONS:

1. That the City Council approve the Tow Operator Permit Application filing fee by adoption of Resolution 08-__ (Attachment 1).
2. That the City Council adopt the current Maximum Rate Schedule for Towing Services by adoption of Resolution 08-__ (Attachment 2).

BACKGROUND:

On August 19, 2008, City Council gave second reading to Ordinance 08-7 (5-0). The Ordinance includes a requirement for a tow operator permit to be filed with the Chief of Police prior to conducting any towing service in the City of Costa Mesa. A filing fee is to accompany the application. The Ordinance also noted a maximum rate schedule for towing services under Section 9-293. This schedule needs to be approved by City Council.

ANALYSIS:

Filing Fee

The Tow Operator Permit Application filing fee covers the cost for the City to review and verify information on each application, including inspections of tow units and the premises of the tow storage facility of each tow operator. The application will contain information noted in Section 9-274 of the Ordinance. The application is currently being prepared by staff. The proposed fee of \$430 is similar to a user fee, and is based on staff hours and hourly rates (Exhibit A). The fee will be reviewed, and adjusted, as necessary with other user fees and charges.

Maximum Rate Schedule

The current maximum rate schedule (Exhibit B) is also included with this report. This is the existing schedule that applies to contracted Police Department rotational tow services

operators. As per Ordinance 08-7, Section 9-293, this schedule will also apply to nonconsensual tow operators. The City Council needs to adopt a resolution approving this rate schedule. The schedule was based on the percentage change in the cost of doing business as measured by the US Department of Labor, Bureau of Labor Statistics, Consumer Price Index for the preceding 12 months. This rate schedule would be automatically adjusted by a CPI formula in May of each year. Staff has included a survey from 2008 that notes tow service rate schedules from surrounding cities and the CHP (Attachment 3).

ALTERNATIVES CONSIDERED:

1. Do not approve the filing fee.
2. Do not approve the rate schedule.

FISCAL REVIEW:

The Finance and Police Departments assisted with the calculation of the application filing fee.

LEGAL REVIEW:

The City Attorney assisted with the preparation of the attached resolutions and has reviewed and approved this report.

CONCLUSION:

City Council should determine whether to adopt the proposed filing fee for all tow service operators and the maximum rate schedule for towing services.

CAROL C. PROCTOR
Management Analyst

THOMAS R. HATCH
Assistant City Manager

MARC R. PUCKETT
Director of Finance

KIMBERLY HALL BARLOW
City Attorney

DISTRIBUTION: Chief of Police
Traffic Sergeant
Finance Director
Purchasing Supervisor
Revenue Supervisor
Budget & Research Officer
Legislative & Public Affairs Manager

ATTACHMENT: 1 [Resolution 08- \(Tow Operator Permit Application Filing Fee\)](#)
EXHIBIT: A [Proposed Tow Operator Permit Fee Calculations](#)
ATTACHMENT: 2 [Resolution 08- \(Maximum Rate Schedule for Towing Services\)](#)
EXHIBIT: B [Current Tow Service and Rate Schedule](#)
ATTACHMENT: 3 [2008 Survey of Surrounding Agencies Tow Services Rates](#)