EXHIBIT NO. 1

City of Alexandria, Virginia

MEMORANDUM

16
5-14-02

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5-18-02

DATE: MAY 8, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER PS

SUBJECT: ORDINANCE AMENDING THE FEES ASSOCIATED WITH VEHICLE TOWING AND IMPOUNDING

ISSUE: City Council consideration of an ordinance amending the fees associated with the towing and impounding of vehicles by the City, making these services fully fee-supported.

RECOMMENDATION: That City Council pass the proposed ordinance (Attachment 1) on first reading and schedule it for public hearing, second reading and final passage on Saturday, May 18, 2002.

DISCUSSION: Prior to July, 2001, the City's towing contractor provided tows at no charge to the City. In July, when that contract expired, the contractor began charging the City for each tow, significantly raising the City's cost for towing services. The City bid the towing services resulting in a $96,000 increase in the City's budget for towing caused by tows which had previously been free and which are now costing the City approximately $75 per tow.

While the towing contract was being negotiated, the Office of Management and Budget conducted an analysis of the towing and impounding operations, in cooperation with T&ES and the Police Department, to determine whether the current fees charged by the City cover the direct and indirect costs associated with towing, storing, and disposing of vehicles brought to the impound lot. The analysis included organizational issues associated with towing and impound operations as well as the related costs of those operations.

The analysis found that the current fee structure, last amended in 1994, does not cover the City's actual direct and indirect costs for managing the towing and impounding operations. The analysis resulted in the following recommendations regarding those operations:

(1) Combine towing operations with impound lot operations under the management of T&ES to match costs with the associated revenue and improve the oversight and management. The management and cost of the towing operation are currently directed by the Police Department while T&ES manages the impound operation.

(2) Increase the towing charge from $50 to $75 per vehicle to cover the City's actual cost. The increase is the result of the newly negotiated towing contract.

(3) Increase the Impound Lot service charge from $40 to $60 per vehicle to recover the City's actual processing costs at the Impound Lot.

(4) Increase the vehicle storage fee from $20/day to $30/day to cover the City's actual costs related to the storage of impounded vehicles.

(5) When possible, tow HOV violators to the Impound Lot and apply all appropriate fees. Amend the existing towing contract to insure that tow trucks are available to move violators as quickly as possible from the HOV lanes. The Police Officer or Parking Enforcement Officer on the scene will retain the authority to move HOV violators to a closer parking area if the situation warrants.

The HOV recommendation represents a change in policy from the current process of towing violators to a nearby location. The goal of the HOV towing program is to clear the HOV lanes as quickly as possible and to take the vehicles to a safe and secure location. With Jones Point being impacted by Woodrow Wilson Bridge construction, secure space for towed vehicles will be eliminated later this year. The Impound Lot will be our best and most secure alternative at that time.

Also, not taking those vehicles to the Impound Lot means that we cannot recover any towing costs. Virginia law does not allow the collection of towing fees unless the car has been taken to an impound facility. Without impounding the towed vehicle we are unable to recover the $20,000 cost paid to the towing contractor. The new fee proposal and towing policy will provide the revenue necessary to put additional tow trucks on-site at rush hour, provide that the HOV lanes are cleared immediately and insure that towed vehicles are safely stored at the Impound Lot. In situations where the number of HOV violators is unusually high creating a conflict with the number of tow trucks available, the Police Officer or Parking Enforcement Officer on the scene will be given authority to determine how best to clear the HOV lanes as quickly as possible.

Under both the current and proposed towing contract, the towing company removes vehicles from public property at the request and direction of either the Police Department or Code Enforcement. The towing contractor has no authority to tow vehicles without that official City request.

The administrative changes to the process are minimal. The Impound Lot is open until 7:00 PM each week day, allowing time for the owner to determine that the vehicle has been towed, get to the Impound Lot, pay fees and fines and retrieve the vehicle. Tows are made at the beginning hour of the HOV period, 4:00 PM to 5:00 PM. The tow truck driver will deliver all paper work associated with the tow to the Impound Lot, along with the vehicle, allowing the vehicle owner immediate access. The recommended fee increase will insure that the costs incurred by the City for towing HOV violators are covered.

The total annual revenue resulting from the proposed fee changes is estimated to be $570,000 which will allow the City to recover the annual $568,000 cost of towing and impounding operations. Both the added expense for towing and the higher fees for towing and impounding have been included in the proposed FY 2003 General Fund Budget.

Alexandria's towing and impound operations are unique among Northern Virginia jurisdictions which contract all these services to private operators. Vehicle owners pay the rates established by the towing companies with only broad limitations established by the jurisdictions. Towing fees in Fairfax and Arlington Counties range from $85 to $100 plus a mileage charge. Administrative fees range from $25 to $125 (depending on how the fee is applied) and daily storage rates range from $40 to $50. The recommended fees for towing and impounding in Alexandria remain below the market rates charged in other jurisdictions.

ATTACHMENTS:
Attachment 1: Proposed Ordinance.

STAFF:
Joe Hilleary, Deputy Chief, Alexandria Police Department
Doug McCobb, Deputy Director, Transportation, T&ES
Gene Swearingen, Director, OMB

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5-18-02

#6
5-14-02

Introduction and first reading:	05/14/02
Public hearing:	05/18/02
Second reading and enactment:	05/18/02

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Section 5-8-25 (REPOSSESSION OF IMPOUNDED VEHICLES; TOWING AND STORAGE CHARGES) of Article C (DISPOSITION OF ABANDONED, UNATTENDED AND IMMOBILE MOTOR VEHICLES), Chapter 8 (PARKING AND TRAFFIC REGULATIONS), Title 5 (TRANSPORTATION AND ENVIRONMENTAL SERVICES) of The Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance (a) increases the towing charge for a motor vehicle impounded by the city from $50 to $75, (b) increases the storage charge for a vehicle impounded by the city from $20 to $30 per day, and (c) increases the charge for administrative costs incurred by the city from $40 to $60.

Sponsor

Staff

Gene Swearingen, Director of Management and Budget
Richard Baier, Director of Transportation and Environmental Services
Steven L. Rosenberg, Senior Assistant City Attorney

Authority

Virginia Code § 46.2-1200, et seq., as amended

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

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5-18-02 #6 5-14-02

ORDINANCE NO. _____

AN ORDINANCE to amend and reordain Section 5-8-25 (REPOSSESSION OF IMPOUNDED VEHICLES; TOWING AND STORAGE CHARGES) of Article C (DISPOSITION OF ABANDONED, UNATTENDED AND IMMOBILE MOTOR VEHICLES), Chapter 8 (PARKING AND TRAFFIC REGULATIONS), Title 5 (TRANSPORTATION AND ENVIRONMENTAL SERVICES) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 5-8-25 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows.

Sec. 5-8-25 Repossession of impounded vehicles; towing and storage charges.

(a) The owner of any vehicle impounded under this article, a person duly authorized by the owner and any person possessing a security interest in the vehicle shall be permitted to repossess the vehicle up to the time of its sale by:

(1) payment of ~~the~~ a towing charge of $75;

(2) payment of ~~the~~ a storage charge of $~~20~~30 per day;

(3) payment of a charge of $60 to cover the administrative costs incurred by the city in impounding the vehicle, in learning the identity of the vehicle owner and the holders of a security interest in the vehicle and in conducting the sale; and

(4) in the case of vehicles identified in section 5-8-(22)(f), payment of the outstanding parking violation notices for which the vehicle was removed.

(b) Payment of the charges and costs identified in subsection (a) shall not operate to relieve the owner of the impounded vehicle or the owner's agent from liability for any fine or penalty.

Section 2. That this ordinance shall become effective on July 1, 2002.

KERRY J. DONLEY
Mayor

Introduction:	5/14/02
First Reading:	5/14/02
Publication:	5/16/02
Public Hearing:	5/18/02
Second Reading:	5/18/02
Final Passage:	

N.B. Underlining is not part of the ordinance but denotes material that is new or amended. Strike-outs or dashes are not part of the ordinance but denote material that is being deleted.

ORDINANCE NO. 4250

AN ORDINANCE to amend and reordain Section 5-8-25 (REPOSSESSION OF IMPOUNDED VEHICLES; TOWING AND STORAGE CHARGES) of Article C (DISPOSITION OF ABANDONED, UNATTENDED AND IMMOBILE MOTOR VEHICLES), Chapter 8 (PARKING AND TRAFFIC REGULATIONS), Title 5 (TRANSPORTATION AND ENVIRONMENTAL SERVICES) of The Code of the City of Alexandria, Virginia, 1981, as amended.

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(2) payment of a storage charge of $30 per day;

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(4) in the case of vehicles identified in section 5-8-22(f), payment of the outstanding parking violation notices for which the vehicle was removed.

(b) Payment of the charges and costs identified in subsection (a) shall not operate to relieve the owner of the impounded vehicle or the owner's agent from liability for any fine or penalty.

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KERRY J. DONLEY
Mayor

Final Passage: May 18, 2002