



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 13, 2022

DATE: September 13, 2022

TO: Peter Zanoni, City Manager

FROM: Mike Markle, Chief of Police
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Amending Chapter 57 of the Code of Ordinances to modify auto wrecker ordinance

CAPTION:

Ordinance amending sections 57-231, “Denial, suspension and revocation of permit—procedure, appeal”; 57-233, “Promulgation of wrecker regulations”; 57-243, “Responding to calls”; and 57-249, “Maximum auto wrecker service and storage fees” of the City Code and providing for severance, publication, and an effective date of October 1, 2022.

SUMMARY:

The changes are primarily administrative in nature along with an increase in fee structure. The new language added to this section provides a process for the City to enter into a contract with a third-party vendor (using a competitive process) to manage any functions under the wrecker ordinance outside of law enforcement responsibilities and the ability of the City to decide what towing companies to utilize for police-initiated tows.

BACKGROUND AND FINDINGS:

Entering into a contract with a third-party vendor provides increased oversight for wrecker companies to assure that they are operating as efficiently as possible. Currently, a Corpus Christi Police Department (CCPD) officer is tasked with overseeing the operations of the wrecker companies. A third-party vendor will allow this officer to return to the streets and will reduce the overall time that CCPD officers have to wait for a wrecker on the roadway. It also will provide a platform to extract meta data on wrecker operations. Currently, Dallas, Ft. Worth, San Antonio, Austin, Harris County, and Round Rock utilize a tow management company.

If the proposed amendment is approved, CCPD will work with the City’s Procurement team to create a Request for Proposals. This process is estimated to take between four to six months

CCPD and the Legal Department met with the wrecker companies two times in person. In addition, there were numerous emails and communication with the wrecker companies and their attorneys.

The Ordinance was last modified in 2017. The proposed changes to the ordinance are listed below:

Sec. 57-231. Denial, suspension and revocation of permit—Procedure, appeal - This amendment gives greater discretion to the Police Chief regarding the use of wrecker companies who have demonstrated conduct or a pattern of conduct which calls into question their ability to perform rotation list tows with honesty and integrity. This section also further clarifies the process for the denial and appeal of a permit revocation or denial.

Sec. 57-233. – Promulgation of regulations - This section is renamed “Administration” for a more apt caption. The new language added to this section allows the City to enter into a contract with a third-party vendor (using the contracts & procurement process) to manage any functions under the wrecker ordinance outside of law enforcement responsibilities and the ability of the City to decide what towing companies to utilize for police-initiated tows.

Sec. 57-243 – Responding to calls - This section is modified to allow up to 60 minutes for Category B wreckers as they require additional preparation and staging time.

Sec. 57-249 – Maximum auto wrecker service and storage fees - This section increases the fees allowed to be charged by wrecker companies:

- Cat. A Tows: +\$30 for Rotation List Tow and +\$10 for Private Property Impounds
- Increases unusual distance fees +\$25
- Increases the fee for tows requiring a wrecker to leave City limits by \$25
- Creates separate categories and prices for Medium Duty and Heavy-Duty Category B tows
- Modifies the current specialized equipment charge to be allowed only at industry standard rates for equipment that is owned and with a 25% upcharge in cases where the equipment is leased or rented by a third-party company wholly separate from responding wrecker company
- Adds an additional rate for “Rotators” and sets limitations for its use and application
- Storage fees are modified to refer to state law which are adjusted every two years in relation to the Consumer Price Index (CPI)
- Adds an additional rate for the pass-through cost of utilizing a Third-Party Tow Management Company

PROCUREMENT DETAIL:

Not applicable.

ALTERNATIVES:

The alternative is not to change the Ordinance which will result in the City's inability to update the fees based off the CPI and proper categorization of wreckers which will cause a loss in additional fee revenue. This will prevent the FY 2023 Policy Budget from having an additional \$200,000.00 from revenues derived from the increase in fees.

FISCAL IMPACT:

The increase in fees is estimated to be \$200,000.00 which will be recouped from the owner of the vehicle upon pick up at the impound lot or from the sale of the vehicle if unclaimed. Additionally, there is a \$200,000 increase in expenditures to pay the wrecker companies upon invoice. The FY 2023 Police Budget has been modified to reflect an increase in revenue of \$200,000.00 and an increase in expenditures of \$200,000.00.

FUNDING DETAIL:

Fund:	1020
Organization/Activity:	11770
Mission Element:	151
Project # (CIP Only) :	N/A
Account:	530000
Amount:	\$200,000.00

RECOMMENDATION:

Staff recommends approval of this amendment to the ordinance, as presented.

LIST OF SUPPORTING DOCUMENTS:

Wrecker Ordinance