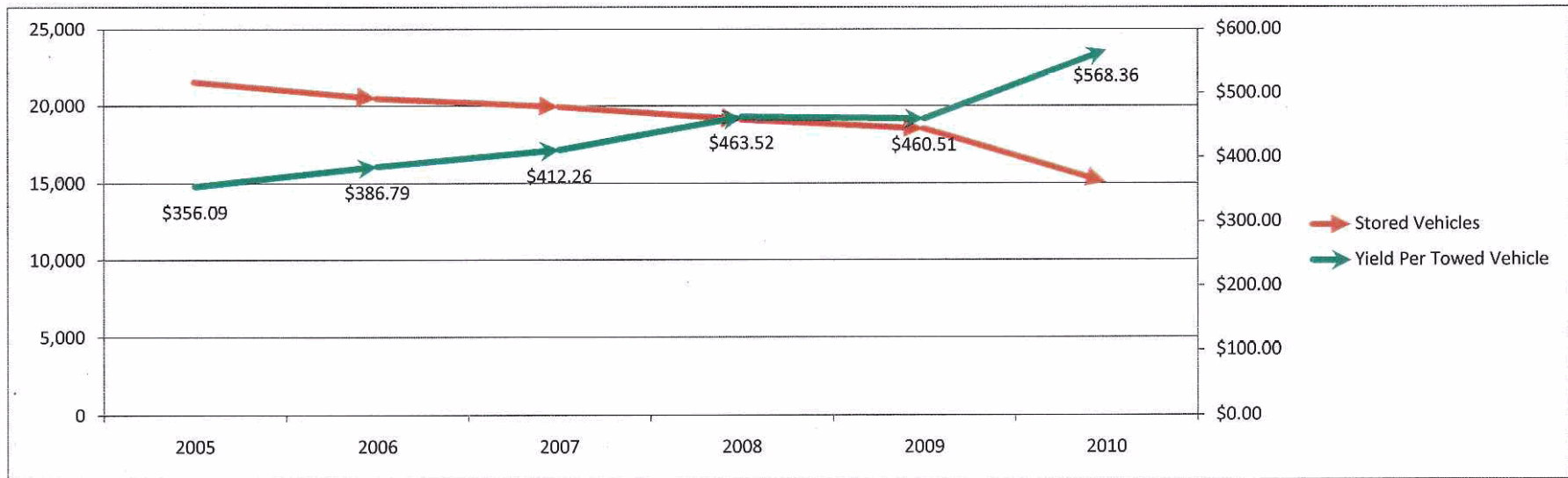


Towing Operation, History of Efficiency and Profitability

	2005	2006	2007	2008	2009	2010	Total
Service Call Volume	26,007	25,383	24,752	23,904	22,421	20,205	142,672
Stored Vehicles	21,572	20,500	19,960	19,126	18,512	15,058	114,728
Total Revenue Collected	\$ 7,681,596	\$ 7,929,114	\$ 8,228,779	\$ 8,865,295	\$ 8,524,873	\$ 8,558,415	\$ 49,788,072
Operating Expenses	\$ 3,983,180	\$ 3,950,105	\$ 4,183,658	\$ 4,419,707	\$ 4,354,499	\$ 3,875,343	\$ 24,766,492
Bond/Land/Overhead Exp	\$ 1,542,811	\$ 1,818,804	\$ 1,733,316	\$ 1,900,865	\$ 2,011,944	\$ 1,619,205	\$ 10,626,945
Net Profit	\$ 2,155,605	\$ 2,160,205	\$ 2,311,805	\$ 2,544,723	\$ 2,158,430	\$ 3,063,867	\$ 14,394,635
General Fund Transfer	\$ 1,190,712	\$ 2,878,172	\$ 2,943,720	\$ 3,411,739	\$ 1,358,680	\$ 3,476,041	\$ 15,259,064
Net Fund Contribution/(Draw)	\$ 964,893	\$ (717,967)	\$ (631,915)	\$ (867,016)	\$ 799,750	\$ (412,174)	\$ (864,429)
Yield Per Towed Vehicle	\$356.09	\$386.79	\$412.26	\$463.52	\$460.51	\$568.36	



FLEET SERVICES BUREAU TOWING / LIEN SALES DIVISION

REVENUE INCREASE AND COST SAVINGS IDEAS

TYPE	EFFICIENCY MEASURE	SUBMITTED
1	Fee Establish a Bidder Default fee. - (Give default auction customers an option of waiting a one year period to return to the auction, or pay a fee to cover the cost of storing the vehicle an additional week and reselling it. Current storage cost would be \$322.00).	2009
2	Fee Invest Make keys for high value auction vehicles to enhance value, increase sales price. - (A vehicle that sells for \$3000.00 without a key would theoretically sell for 20% to 30% more if a key was available and the vehicles engine was started. A fee is required to charge the vehicle owner if the vehicle is picked up on the last storage days before the auction).	2010
3	New \$ Reallocate bond payment to reflect actual construction cost of building and storage lot. - (Questions have been raised regarding the correct distribution of facility cost, and the percentage of payment required by each Department at the PW-Temple & Willow Operations Center.	2010
4	Reduce Cost Sub lease storage space to other departments. - (Due to the successful Title Surrender program, the Towing Division now has excess unused storage space).	2011
5	Reduce Cost Establish an MOU with LBPD for long term vehicle storage. - (Evidence vehicles are currently held in storage for multiple years free of charge).	2010
6	Reduce Cost Correctly allocate superintendants pay codes to pay for LBPD helicopter program supervision oversight. - (All of the superintendants time is currently charged to the Towing Division).	2010
7	Reduce Cost Allocate Water land lease cost to all Temple & Willow Operations Center occupants. - (Questions have been raised regarding the correct distribution administrative costs).	2010
8	Reduce Cost Revise the allocation of Fleet Services overhead to all Fleet Divisions. - - (Questions have been raised regarding the correct distribution costs).	2010
9	Reduce Cost Create a supervisory ladder in the Towing Division -(Add Grade-II Supervisor position(s) to assist superintendant).	2010
10	Efficiency Add cashing system as recommended by City Auditor - (On hold per Financial Management).	2010

EFFICIENCY MEASURE

SUBMITTED

TYPE	EFFICIENCY MEASURE	SUBMITTED
11 Reduce Cost	Hold auctions every other Saturday. - (A significant reduction in tow volume and the number of vehicles going to auction has created and opportunity to save on employee cost, utility cost, and police overtime for security by reducing the number of weekly auctions).	2010
12 Reduce Cost	Rebid auxiliary towing service contracts to lower cost. - (This process would lower the cost of contract towing, and is on hold per FM).	2010
13 Invest	Upgrade the existing medium duty tow truck and acquire existing City vehicle low boy trailer to reduce medium/heavy duty contract cost. (Currently the majority of the tows performed by the Heavy Duty Tow Contractor could be performed by Towing Division staff if the current medium duty tow truck was replaced and upgraded with increased capacity and equipped with air brakes). (Motor homes, box vans, etc).	2011
14 New \$	Sell pick up trucks and sedan City vehicles at TLSD auction. - (These vehicles are currently being sent out to a private auction vender and the City is paying a service fee to have them sold).	2002
15 Fee	Accept parking citation payments on weekends and holidays for a convenience fee. - (Customer Service Improvement).	2002
16 Fee	Establish an "Investigation Fee" for police hold vehicles. - (Currently vehicles impounded for police evidence are held for ten days, or until a detective releases the vehicle. If there is no correspondence from a detective, or the city prosecutor decides not to file the case within the ten day hold period the vehicle is release back to the owner, and they are charged towing and one day of storage, \$194.00. This proposed fee would charge five days of storage instead of one, \$378.00. This fee would cover the storage cost for the Towing Division and help to reimburse the City for the cost of the detectives, prosecutor, and clerks that process criminal investigations). Detectives could waive fees if vehicle owner is determined to be a crime victim).	2010
17 Invest	Establish a towed vehicle repair contract to fix damaged vehicles to reduce damage claims at the City Clerks office. - (Use a local body shop / tire shop vender to repair minor paint scratches, and fix flat tires that may have resulted from towing).	2011
18 New \$	Provide vehicle storage and lien sales services for other cities and law enforcement agencies. - (Other City's in the area are currently looking at combining resources to reduce cost).	2011
19 Reduce Cost	Move the vehicle auction back to Tuesdays, allow internet bidding, close customer service window on Saturday. - (Many auctions are now changing to "Online Bidding" to reach a larger market, increase sale prices, and reduce employee cost. This change would still allow customers who wish to bid on auction vehicles access to bid if they are working on Tuesday. The DMV is open for registration services if they do not have off street storage. In addition this would eliminate the six day work week at the Towing Division and would reduce employee and utility cost).	2011

EFFICIENCY MEASURE

SUBMITTED

TYPE	EFFICIENCY MEASURE	SUBMITTED
20	Share office and or storage facility with another City department. - (The Towing Division has a fairly new, large, and secure office building. This building is well maintained and set up to collect payment from the public with a secured lobby with bullet proof counters. It has large locker rooms with showers, and a large out door 24 hour secured storage space).	2011
21	Look at consolidation options with LYPD or other city Departments for under utilized Hold Garage and carport. - (Facility is currently under utilized).	2011
22	Rent unused storage space to the public for recreational vehicles. - (The Towing Division has 24 hour security, a payment center, and a lien sale program if vehicles are abandoned or if monthly payments are not received).	2011
23	Turn off storage lot lights at night and install motion sensors.	2011
24	Create a voluntary Vehicle Abatement Program - (If a vehicle owner no longer wants a broke down vehicle they can donate it to the City).	2012
25	Recycle Catalytic Converters Cores - (Remove parts from junk cars and sell separately).	2012
26	Establish a key fee for auction vehicles - (Fee would pay for making keys for selected vehicles to increase sale price, and labor involved in cataloging and distributing existing keys).	2011 STARTED
27	Increase the reduction of permanent staff levels and utilize local college students for part time help. - (The Towing Division provides excellent training opportunities for young students to get hands on experience in many fields. Police Dispatch, Police Officer, Harbor and Marine Patrol, Customer Service, and Equipment Mechanic. This program provides the Towing Division with high quality career minded part time employees).	2010 STARTED
28	Reduce towing vehicle fleet size to reflect lower tow request volume	2010 STARTED
29	Implement bidder card fee - (\$20.00 charge to participate in auction, viewing is free).	2010 DONE
30	Send outstanding invoices to collections.	2010 DONE
31	Reduce customer service hours. - (This was proposed some time ago, implemented in 2010).	2007 DONE
32	Create a vehicle title surrender program. - (This program has been very successful in reducing the amount of time a vehicle is in storage, and encourages people to pay for their tow fees, or be sent to collections. An additional benefit of the program is a reduction in lot inventory allowing for facility overhead cost reduction).	2009 DONE
33	Reassign Garage Service Attendants to Fleet during slow towing periods, and vice versa. - (Reduces employee cost).	2010 DONE