

**Towing Board of Review
Minutes
March 16, 2011**

1. **Call to Order:** 1:37 PM by Towing Coordinator, Marian Gaylord, substituting for Chairwoman, Kathleen Butler. Ms. Gaylord welcomed Rebecca Child, the new representative from Multnomah County Sheriff's Office.
2. **Approval of the agenda** - Bob Baxter moved and Dick Griffin seconded approval of the agenda, as proposed. **Motion passed, unanimously.**

3. **Roll Call:**

Baxter	P	Gaylord	P	Tenney	P
Butler	A	Griffin	P	Child	P
Farres	P	Hunter	A	Wilson	A
Ferrero	P	La Fong	P	Osoinach	A

4. **Recognition of Towers/Others in Audience**

<u>Name</u>	<u>Company</u>
Don Beatty	Gerlock Towing
John Daniels	A & B Towing
Kim Karnes	Gerlock Towing
Dave Reichert	Speed's Towing

5. **Approval of Previous Month's Minutes** - Dick Griffin moved and Helen La Fong seconded approval of the January 2011 minutes, as submitted. **Motion passed, unanimously.**
6. **Report from the Towing Coordinator and staff**
 - A. **Status of Service Fee Payments:** Contract service fee payments from Sergeants Towing and Security Towing had not been received. It was later found that the payments had been delayed in the mail.
 - B. **Status of Monthly Report Submissions:** Monthly reports from Sergeants Towing and Security Towing had not been received. It was later found that they were delayed in the mail. Also, it appeared that monthly reports from Newhouse-Hutchins had not been received. This was an error. The reports were faxed on time but were overlooked.
 - C. **Bonding and Insurance Status:** Michelle Peterson has had a difficult time securing a bond for Sam's Towing. Ms. Gaylord has told them they will need to temporarily withdraw from the contract while they continue to search for a bond broker. Should they remain off the contract for more than thirty days and want to return, they would be subject to the Board's approval. Ms. Gaylord assured Ms.

Peterson that every step would be taken to have Sam's Towing reinstated as soon as they are ready.

Additionally, the City does not have original bonds on file for Retriever Towing and Speed's Towing. They said they have contacted their agent and are in the process of providing the City with their bond documents.

- D. **Tow Log for Previous Month:** Copies of the Tow Log for February and copies of the official warning letter to Safeguard Towing were distributed to the Board. Safeguard Towing had exceeded the 10% allowable pass ratio for February. It is the company's first offense.

The Towing Coordinator's report was accepted without objection.

7. **Report on ODOT Project Phase II** - Ms. Gaylord reported that the project ended February 28 and data is still being collected to perform an analysis. Ms. Gaylord also reported that the dry run payments have ceased. She urged towers who have yet to be paid to submit their invoices to her as soon as possible.
8. **Legislative Update** - Ms. Gaylord reported that there has been a proposal from the Oregon Tow Truck's Association (OTTA) to make some changes in the possessory lien laws in Oregon. The changes relate primarily to release of personal goods from a vehicle, collecting on deficit balances, and being able to foreclose a lien in a county adjacent to the location of the tow. On Monday, March 14, Ms. Gaylord attended a meeting of the Oregon State Senate Transportation committee where SB523 was introduced. Representatives of OTTA were amenable to amendments suggested by the Towing Coordinator and agreed to work cooperatively on a final version.
9. **Old Business**
- A. **Oregon Towing** - Mark still hasn't had his second surgery and it is unlikely he will be able to return during this contract term. Ms. Gaylord sent Mark a letter inquiring about the contract status of Oregon Towing. So far, he has not responded.
- B. **Contract Applications** - A report was distributed to Board members discussing whether or not the City would be required to issue a new Request for Qualification (RFQ) after the September expiration of the current contract. According to Ellen Osoinach, City Attorney, if the Board chooses to extend the contract, the City would not be required by public contracting laws or the City contract language to issue a new RFQ. Furthermore, new applications are customarily not accepted during a contract term, so the City would not be required to issue a new RFQ.

Ms. Gaylord recommended proceeding with the evaluation of tow contractors for the first extension year which runs

from October 2011 through September 2012. She further recommended that the Board only consider issuing a new RFQ if the monthly volume of tow requests were to rise above 200 per tow contractor or if there was clear evidence that the agencies' demands were not being met.

Ed Ferrero moved to accept and Helen La Fong seconded Ms. Gaylord's recommendation. **Motion passed, unanimously.**

- C. **Office hours proposal - Industry Reps** - Bob Wilson submitted a written request for a reduction of office hours at storage lots to 10:00 AM through 6:00 PM. Currently, office hours are 8:00 AM through 6:00 PM. There would be no gate fee charged between 8:00 AM through 10:00 AM.

Ms. Gaylord said she has no concerns as long as customers are not inconvenienced.

Dick Griffin moved to accept this proposal and Bob Baxter seconded. The change will take effect April 1, 2011 at 12:01 a.m. and is subject to a 30-minute response time. **Motion passed, unanimously.**

10. **New business**

- A. **Fuel surcharge proposal - Towing Coordinator and Industry Reps** - Ms. Gaylord recommended that tow contractors be allowed to add a \$4 fuel surcharge on contract tows. The amount is based on the average between the cost of one gallon of gasoline (\$3.71) and one gallon of diesel (\$4.09). Research shows that approximately 80% of the total contract fleet of trucks require diesel fuel. It is estimated that tow trucks get 8-10 miles to the gallon, with the longest distance within each district being about 8 miles. Ms. Gaylord also said the surcharge can be reviewed in 60 days when the Board will decide to continue, discontinue, or raise the surcharge depending on the latest data.

Ed Ferrero moved to accept and Bob Baxter seconded Ms. Gaylord's recommendation. The additional \$4 fuel surcharge will take effect as of 12:01 on March 17, 2011. **Motion passed, unanimously.**

- B. **Storage rate increase - Towing Coordinator** - Ms. Gaylord acknowledged that the daily storage rate, currently \$21, was not raised at the last time other contract rates received a CPI increase. She reported that applying the Federal Bureau of Labor Statistics (FBLs) inflation calculator to the current storage rate yields an increase of \$0.48. However, she recommended \$1.00, an increase of 4.7%.

Bob Wilson had submitted a written request to raise the daily storage rate to \$25 to relieve some factors such as a significant drop in tow volume, lien sales, and the high

cost of rent for property in the required districts. Mr. Wilson also asserts that the new amount he recommended (\$25/day) would be less than the amount allowed by other agencies.

Ms. Gaylord expressed sympathy for the towers' financial plight. However, it is not proper to raise fees to make up for lost volume. A raise to \$25 represents a 19% increase, unlikely to be defensible to City Council.

Ed Ferrero proposed looking at other alternatives to reduce cost and increase profitability such as modifying the requirements for storage lots. Ms. Gaylord said that towers are not prohibited from sub-leasing portions of their lots as long as they can guarantee the security of the storage area.

Ed Ferrero moved and Helen La Fong seconded raising the daily storage fee to \$22 effective April 1, 2011. **Motion passed, unanimously.**

C. Appeal of Intent to Deny - John Daniels, A & B Towing -

Mr. Daniels's criminal and driving records prompted the issuance of Intent to Deny letters.

After hearing Mr. Daniels's explanation about his felony convictions, the Board decided they needed further information in order to determine whether he should be allowed to remain on the contract. Ms. Gaylord said she would contact Mr. Daniels's former employer, Andy's Towing, to learn more details about the incident that led to Mr. Daniels's conviction.

Ed Ferrero moved and Bob Baxter seconded a motion to defer a decision until more information is received. **Motion passed, unanimously.**

11. Adjourn

Ms. Gaylord asked for a motion to adjourn. Dick Griffin moved and Ed Ferrero seconded, that the meeting be adjourned. **The motion passed unanimously.** Meeting adjourned at 2:58 PM.

Minutes submitted by Jenny Farres: Regulatory Program Specialist