

**Towing Board of Review
Minutes
July 18, 2012**

1. **Call to Order:** The meeting was called to order at 1:35 PM by Chairwoman, Kathleen Butler.

2. **Roll Call:**

Butler	P	Fullilove	P	La Fong	A
Child	P	Gaylord	P	Ridenour	P
Copeland	P	Griffin	P	Tenney	A
Farres	P	Haugen	P	Wallis	A
Ferrero	A	Hunter	P		

Mike Ridenour attended in place of Helen La Fong.

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

<u>Name</u>	<u>Company</u>
Don Beatty	Gerlock Towing
Eric Benson	A & B Towing
Craig Davis	ReAct
Byron Gross	Buck's Towing
John Hailey	Beaver Towing
Russell Hickey	Retriever Towing
Dave Reichert	Speed's Towing
Natalie Tanase	ReAct
Jim Vandecoevering	ODOT Incident Response

4. **Approval of the Agenda** - Item 5B remained and item 6B was removed from the agenda. Debbie Haugen moved and Dick Griffin seconded approval of the agenda. **Motion passed, unanimously.**

5. **Approval of Previous Month's Minutes** - There was no meeting in May. Ms. Gaylord said she neglected to bring the March minutes; however, she can bring it to the next meeting.

6. **Report from the Towing Coordinator and staff**

A. **Status of Service Fee Payments:** All contract service fee payments were received on time except for Handy Andy's Towing. The company hasn't sent payment for June.

B. **Status of Monthly Report Submissions:** According to Ms. Farres, all reports were received on time. She later discovered this was a mistake; the June reports for Gerlock were late and were received on July 16. There were no reports received from Handy Andy's. Ms. Farres said she did not send them the reports for June because she was under the impression that the company was off the contract.

C. **Bonding and Insurance Status:** All insurance certificates are current. Except for Sergeants and Security, Ms. Farres has received confirmation from all the tow companies' bond agents that the bonds are current.

1. **Bond claim V Safeguard** - Ms. Gaylord said there is nothing new to report. She is working with Mr. Fullilove and anticipates they will make a direct collection effort.
 2. **Bond cancellation - Handy Andy's Towing** - Ms. Gaylord reported that she received notice from the company's bond agent that the bond will be cancelled as of July 26.
- D. **Tow log for previous month:** No one was over the allowable pass percentage in June.

Debbie Haugen moved to accept the Towing Coordinator and staff reports and Donald Hunter seconded. **Motion passed, unanimously.**

7. **Old Business**

- A. **60 day review of fuel surcharge** - Information was distributed to the Board regarding gasoline and diesel prices. Ms. Gaylord reported that there has been a slight decrease in gasoline prices; however, the price of diesel has started creeping back up. She recommended continuing the surcharge for another two months.

Mike Ridenour moved to approve the recommendation and Dick Griffin seconded. **Motion passed, unanimously.**

- B. **ReAct presentation** - Ms. Butler reminded the Board that ReAct had been working with Speed's Towing on a trial basis as a subcontractor to clean up spills of hazardous waste material. As of the last meeting, they were ordered to stop until the Board could make a decision.

Natalie Tanase, a representative of the company, presented to the Board. Ms. Tanase also sent a proposal to the Board some time ago and said that she would re-send it.

Ms. Tanase explained that although towers are required to clean up spills, they aren't necessarily trained or equipped to clean up hazardous spills. Currently, towers are required to carry 10 lbs. of cat litter to use as absorbent material. When hazardous spills aren't properly removed from the road, there is a risk of fluids entering the storm drain system. Ms. Tanase said that ReAct employees are OSHA certified and use an eco-friendly product to soak up spills of 1-10 gallons and dispose of it safely.

According to Ms. Tanase, the insurance company of the citizen at fault in the accident is billed for the service, which costs \$200-400 with a 2-hour minimum. In the 60 days they were in operation, she said they were called to the scene 50% of the time. Except for some delays, they have not experienced problems with getting paid. She also said they

have suffered a loss on occasion when the at-fault citizen happened to be uninsured.

Ms. Tanase said she has talked with Ms. Butler about possibly changing the contract to allow the use of their service. She also proposed being on a rotation to prevent a monopoly.

Ms. Gaylord said she distributed to the Board some information regarding the state law that addresses clean up of hazardous waste, the City code, and what is required in the contract. She said none of them specifically address the clean up process. She added that the tower can charge a stand by fee if they are at the scene more than 30 minutes.

Board members agreed there was a potential need for better clean up but they also agreed the process for getting there is unclear. Members expressed a number of concerns. The service was seen as an extra fee imposed on the citizen. Currently, the clean up towers are required to do is included in the tow fee. Issues with confidentiality were raised. Currently, contractors undergo background checks and sign confidentiality agreements. Additionally, towers must get Board approval before subcontracting work. There is also the issue of a conflict of interest.

Ms. Butler said there should be standards set for when a more extensive clean up should take place, and that the Bureau of Environmental Services (BES) should set the standards. She added that such standards would require a contract or a rotation of companies offering a similar service. A Board member suggested that if the tow companies wanted to use ReAct's service, each company would have to get Board approval. Another option for ReAct would be to act as an agent of BES.

The Board requested Ms. Gaylord to look into how other jurisdictions are handling the matter. The aim is to have this issue resolved in the new contract.

- C. **Six-month review of Category 2 towers** - Ms. Gaylord reminded the Board that Loop, Handy Andy's, and Newhouse (all districts) were placed on a 6-month probation following the extension audit review in September 2011.

Ms. Gaylord reported that Handy's Andy's is currently without a storage facility and as of April 13, 2012 they have voluntarily removed themselves from the contract. As mentioned previously, their bond cancels July 26, 2012. They currently owe Tow Desk dispatch fees in the amount of \$713.

Loop has lagged in timely payments to Tow Desk and currently has a past due invoice. Additionally, Newhouse is chronically late paying Tow Desk and was late paying the City service fee once. The company also has one employee who has yet to attend the workshop.

Ms. Gaylord recommended the last two companies be approved, but she suggested issuing a strong statement to Newhouse about their late Tow Desk payments.

It was brought to the Board's attention that Newhouse owes Tow Desk over \$2,000 in dispatch fees. There were also some concerns raised about continuing to give chances to companies that consistently pay late.

Dick Griffin moved to send Newhouse a letter giving them until the end of this month to bring their payments current and to stipulate that any further late payments will disqualify them from the second extension year of the contract. Debbie Haugen proposed an amendment stating that further late payments could potentially result in a suspension from the current contract extension and could result in disqualification from the next extension. Don Hunter seconded. **Motion passed, unanimously.**

Ms. Gaylord recommended giving notice of a breach of contract to Handy Andy's. The notice gives them 15 days to correct all breaches. If they do not have an executed bond and an approved storage facility by August 1, the contract will be cancelled. Dick Griffin moved to accept the recommendation and Mike Ridenour seconded. **Motion passed, unanimously.**

8. New Business

- A. **Review and approve amended "Rules of Procedure" document** - Copies of the document were distributed to the Board and Ms. Gaylord pointed out where the changes were made. Mike Ridenour moved to accept the changes and Debbie Haugen seconded. **Motion passed, unanimously.**
- B. **PSU request** - According to Ms. Gaylord, this item has been resolved.
- C. **Six month review of abandoned auto rate** - Ms. Gaylord reported that the current scrap iron price for San Francisco is \$210. Using the formula provided in the contract, Retriever Towing will pay the City \$66.15 per abandoned vehicle towed. No action was required for this item.
- D. **HCKM, Inc. (Tow Desk) request for rate increase** - Ms. Gaylord explained that there is a provision in the contract that allows the contractor to request an increase based on

the Consumer Price Index after the second year. Don Beatty, Operations Manager, wrote a letter requesting an increase from \$15.50 to \$15.85. Rounding up results in a dispatch fee of \$16 per completed call.

Ms. Gaylord explained that the increase wouldn't affect the customer. It's a matter of a few cents going to Tow Desk instead of the tower. She recommended approval of the rate increase. Mike Ridenour moved to accept the recommendation and Don Hunter seconded. **Motion passed, unanimously.**

- E. **Appeal of Intent to Deny - John Hailey** - Mr. Hailey had previously worked on the contract. After he re-applied recently, an Intent to Deny letter was sent because of a contract change in 2008 requiring board review of felony convictions.

A summary of Mr. Hailey's criminal history was distributed to the Board. Mr. Hailey spoke before the Board and explained the circumstances of his past. Ms. Gaylord added that Stan King, Mr. Hailey's employer, spoke highly of him.

Dick Griffin moved to approve Mr. Hailey and Don Hunter seconded. Mike Ridenour, Debbie Haugen, and Rebecca Child opposed. They expressed concerns with certain felony convictions in Mr. Hailey's record that would potentially conflict with areas of the job that would expose him to customers' personal information and valuables in the vehicles. **Motion denied.**

9. **Adjourn**

Ms. Butler asked for a motion to adjourn. Debbie Haugen moved that the meeting be adjourned, and Don Hunter seconded. The **motion passed, unanimously.** Meeting adjourned at 3:19 PM.

Minutes submitted by Jenny Farres: Regulatory Program Specialist