



Memorandum

TO: CITY COUNCIL

FROM: Vice Mayor Magdalena Carrasco
Councilmember Sylvia Arenas

SUBJECT: Vehicle Abatement Audit

DATE: September 28, 2018

Approved: _____

Date: _____

9-28-18

RECOMMENDATION

Recommend that City Administration:

- 1) Support City Auditor's Recommendation 12a: "Revisit the calculation of impound costs and recommend that the City Council approve an adjustment to the vehicle release fee accordingly"
- 2) Bring forward a recommended fee adjustment as part of the Mid-Year Budget Review.

BACKGROUND

The City Attorney's Vehicle Abatement Services Audit highlights issues that we must work together – across departments to address. We appreciate the hard work of the City Auditor and Administration to chart a way forward on these issues. Included in the Auditor's recommendations is clear evidence that the city's Vehicle Release Fee must be recalculated.

Currently, San José has significantly higher vehicle release and tow fees that other jurisdictions surveyed – including the \$290 Vehicle Release Fee charged by the city. The cost of retrieving a vehicle compounds with each day of storage. Many vehicles that are towed are over 20-years old, which – after a few days of storage – means the cost of release would exceed the value of the vehicles held.

High but fair fees are sometimes an unfortunate reality, but the results of the audit make clear that it's likely that our city is inadvertently overcharging residents through the Vehicle Release Fee – possibly as much as twice the correct fee. The audit lays out issues in estimating staff time and classification.

We have months before the Mid-Year Budget is proposed and months more before it's finalized. There is sufficient time to do this work during the Mid-Year process, and little reason that it would need to wait for the June budget.

We agree with the administration response that the Police Department must do the work of conducting their own time task analysis, expand the number of samples used, and re-evaluate classifications of staff who participate in the process as part of this work. Simply – we should do this at the first opportunity possible – and we recommend the Mid-Year Budget Review for 12a.