



Request for City Council Committee Action From the Department of Public Works

Date: October 25, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barbara Johnson, Chair Ways & Means/Budget Committee

Subject: Authorization to change tow fee at the City of Minneapolis Impound Lot

Recommendation:

- a. Amend the 2005 Operating Budget appropriation resolution for the PW – Traffic operating agency in the Municipal Parking Fund (7500 685 6898 5110) by \$137,972.21 increase per year.
- b. Increase revenue source 3455 (7500 685 6898) by \$137,972.21 to be reimbursed by tow fee increase.
- c. Impound Lot tow fee to be changed from \$133.00 to \$138.00 per tow.
- d. New Tow Fees per Contractor effective October 1, 2005:

Schmit Towing Inc.	District A & Zone 3	Price per tow	\$54.07
Corgan Transport, Inc.	District B & Zone 5	Price per tow	\$64.96
Chief's Towing, Inc.	Zone 4	Price per tow	\$135.45
Chief's Towing, Inc.	Zone 6	Price per tow	\$140.70
Wrecker Service, Inc.	Zone 1	Price per tow	\$126.00
Shorties Towing, Inc.	Zone 2	Price per tow	\$157.50

Previous Directives:

- August 12, 2003 T&PW – Approval of Official Publication No. 6128 – Bid for Public Impound Towing.
- September 16, 2003 T&PW – Approval of Official Publication No. 6150 – Re-bid for Public Impound Towing.

Prepared by: Mike Sachi, Parking and Skyway Systems Engineer, 673-2159

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenter: Jon Wertjes, P.E., PTOE, Director, Traffic and Parking Services

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The City of Minneapolis Impound Lot, according to contractual terms, is changing the amount paid to the towing companies currently under contract with the City of Minneapolis Impound Lot.

This change is calculated subject to a maximum percentage increase or decrease in proportion to the U.S. Consumer Price Index (all items) of the Bureau of Labor Statistics, U.S. Department of Labor, Minneapolis/St. Paul area during the initial contract term.

Based upon this calculation, the tow contractors will receive an additional 5% over the remaining 3 years of the contract period. The approximate cost of this increase will be \$137,972.21 per year based on current tow volume levels.

This change will require a tow rate change from \$133.00 per tow, to the new rate of \$138.00 per tow to compensate for this CPI increase. The operating budget impact will be \$137,972.21 per year.

cc: J. Wertjes
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