1. Call to Order
Chairman Nowakowski called the Public Safety and Veterans Subcommittee meeting to order at 9:05 a.m. with Councilmembers Gallego, Williams, and Pastor present.

2. Call to the Public
None.

3. Arizona Department of Corrections Maricopa Reentry Center
Assistant Police Chief Mary Roberts described the genesis of the Arizona Department of Corrections' (DOC) Adobe Mountain Reentry Center, a halfway house that opened in July 2016.

Councilwoman Williams said she has written to the Governor describing her issues with the center. She commented it has brought many homeless people into the area, and the nearby
shopping center, employment center, and Park and Ride facilities have been experiencing problems.

Ann O’Brien, who lives near the reentry center, said the surrounding community needs to know what to expect from the Phoenix Police Department when they report crimes. She observed the center does not have nearby public transportation and affordable housing to support it.

Chairman Nowakowski wondered if sex offenders had been removed from the facility, and if so, where they were relocated. Assistant Chief Roberts said there are less than 20 sex offenders at the center, and they are being transitioned by DOC to adequate housing that meets requirements concerning their registration. Chairman Nowakowski expressed concern ex-sex offenders are often dropped off at Central Arizona Shelter Services (CASS) in Downtown Phoenix, which adds to the large homeless population there. He suggested following up with DOC to see where they are dropping off sex offenders.

Chairman Nowakowski expressed his support for programs that reacclimate formerly incarcerated individuals into society, but believed other cities should host the programs, in addition to Phoenix.

Councilwoman Williams noted she and Councilman Waring had conversations with DOC and state legislators representing the area emphasizing the City of Phoenix should not be the only city absorbing relocation efforts. She desired to continue relocation conversations with the legislature and the Governor’s Office.

Vice Mayor Gallego reiterated other cities throughout the county should assist in finding social services solutions, adding better outcomes are possible when individuals have services near where they have historical ties.

Councilwoman Pastor wondered if there were similar successful programs in Arizona and if the City is keeping performance data on the effectiveness of these programs. Ms. Roberts replied the DOC oversees the program.

Harry Markley provided information about Phoenix’s activities regarding the facility. He said the City expanded their notification area to let residents in proximity of the facility know, they are going to community meetings and reaching out to business owners, and they are in conversations with the facility to better understand its characteristics.

Chairman Nowakowski encouraged the City to come together to find the right solution for the community.

4. Animal Hoarding
Vicki Hill, City Prosecutor, reviewed details of an ordinance to make it a Class 1 misdemeanor to hoard animals. The ordinance would make it so a person who has 10 or more animals treated in a substandard way, i.e., abandoned, kept in unsanitary conditions, or not appropriately fed or hydrated, would be ordered to have a mental
health evaluation, pay for the animal’s cost of care, and could be prevented from owning animals in the future.

Councilwoman Williams observed the ordinance would help investigators.

Vice Mayor Gallego wished to know how this would affect police training. Ms. Hill said they have investigators who are well trained and experienced in this type of investigation, and they also bring in expert witnesses from the Arizona Humane Society for assistance.

Vice Mayor Gallego asked for clarification about what constitutes a companion animal. Ms. Hill said all animals except fish and rodents.

Chairman Nowakowski clarified under the ordinance residents would still be allowed to have more than 10 animals, but they could not treat them in a substandard way.

Councilwoman Williams thanked Police Chief Joseph Yahner for his work to combat animal cruelty and improve associated police training.

Councilwoman Williams made a motion to approve the item. Chairman Nowakowski seconded the motion, which passed 4-0.

5. Approval of Towing Request for Proposals Process
Denise Olson, Chief Financial Officer, gave an overview of the item. She described the City’s current contract, which has four towing zones, with fees varying by zone, and three vendors.

Jessica Rothschild, Management Assistant II, described the difference between the current competitive pricing model and a fixed pricing model, which would be more expensive. She compared towing and daily storage fees in neighboring jurisdictions, then described fixed rate pricing models for the Arizona Department of Public Safety (DPS) and Maricopa County Sheriff’s Office (MCSO).

Procurement Manager Jim Campion stated the four towing zones maximize competition, and a tow provider is required to have a storage facility in the zone.

Joseph Yahner, Police Chief, proclaimed his satisfaction with the current configuration. He highlighted problems with wait times under the previous system, which takes officers away from patrolling, as they must remain at an incident until the tow truck shows up.

Mr. Campion presented the recommendation to stay with current model with a three-year contract term and one, two-year option to extend. He provided recommended RFP evaluation criteria.
Vice Mayor Gallego noted her interest in hearing from members of the towing industry regarding the addition of roadside, or, “other services,” i.e., tire change, jumpstart, lockout, fuel refill, to the RFP evaluation criteria.

Claude Mattox of Molera Alvarez advocated for the fixed pricing model, which he said promotes competition based on service, not price; eliminates variable prices for drivers around the City; simplifies audits due to a single vendor; and allows for economies of scale for the vendor. He stated his approval for acknowledging vendors with strong community involvement. He concluded by asserting the unfairness of holding current providers responsible for performance issues of the former single vendor and distributing a DPS model pricing sheet.

Randy Shipley of DV Towing asserted safety and on-time performance should be weighted more than pricing. Vice Mayor Gallego asked about factors that drive on-time performance. He said trucks must be staged throughout the zones to meet response time standards; this creates a large capital cost which needs to be recouped. Vice Mayor Gallego requested his input on roadside services; he was not in favor.

Jeff Dunn of All City Towing stated the DPS/MCSO model has been in place 10 years, and was the result of a full market study. He contended the contract should not be built on price, and reiterated the high cost of meeting 11 to 14-minute response times, including paying for trucks and employee benefits. He concurred regarding not wanting to provide roadside services.

Ron McClure of Unique Towing commented the cost of providing towing has gone up and Phoenix’s prices are too low, as they are not reflective of the cost of an actual tow. He noted DPS bases its tow rate on the average tow rate of high-performing vendors. He remarked the contract should weigh capacity and past performance more than pricing, and he advocated for multiple vendors. He was also concerned about the legality of revenue sharing and was opposed to providing roadside services.

Chairman Nowakowski asked how the price of scrap metal going down affects the industry. Chairman Nowakowski clarified if your car is abandoned, it goes to auction or is sold for scrap metal. Mr. McClure said selling scrap metal is one of the main businesses in the industry, and when the price of scrap metal goes down, towing companies get less money for abandoned or totaled cars, which has hurt their bottom line. He also described auction income, which the City gets a 34 percent cut of, and he noted the costs to prepare a car to go to auction are high.

Councilwoman Williams asked what percent of towed vehicles go to auction. Mr. McClure said about 20 percent.

Conor Gleason, President of the Arizona Professional Towing and Recovery Association (APTRA) said he was opposed to providing roadside services. He emphasized the cost to deliver a tow continues to rise, and pricing should not carry the biggest weight in the contract because service delivery is more important. He added
APTRA is working with DPS to determine the total cost of a tow. He expressed dissatisfaction with auction revenue sharing because these costs are often passed on to users.

Councilwomen Williams and Pastor and Chairman Nowakowski asked staff for clarification about auction revenue sharing. Mr. Campion said it is part of the pricing criteria in the RFP. Ms. Rothschild explained when a vehicle is abandoned, the towing company can auction it, and a portion of that comes back to the City. Mr. Gleason noted DPS does not require revenue sharing, and towing companies often do not recover much cost due to the cost of storing the vehicle.

Councilwoman Pastor inquired about total costs in revenue sharing scenarios. Ms. Rothschild said she did not have a pricing model. Mr. Gleason noted AFTRA could provide cost information.

Councilwoman Williams wondered how much towing income the city receives annually. Ms. Rothschild explained the vehicle owner pays the vendor directly for towing and storage fees. She said the City does cost recovery of $150 on 30-day impounds to fund the program and administration, including detectives who inspect vehicles and customer service staff. Councilwoman Williams asked if the program counts on the cost recovery for its funding; Chief Yahner affirmed.

Councilwoman Williams wished to know the role of inspectors. Ms. Rothschild replied they check if there is an incorrect VIN number or stolen vehicle, because if the City towed a vehicle and did not notify the correct owner, per state law the City pays for that. Councilwoman Williams asked how often this type of fraud happens; Ms. Rothschild said approximately twice a month.

Vice Mayor Gallego queried if other cities do revenue sharing and when AFTRA’s report on the cost of a tow would be done. Mr. Gleason said Phoenix charges more than other cities, and he could not say when the study would be done.

Vice Mayor Gallego asked if other City departments go through the Police Department for towing. Ms. Rothschild affirmed.

Councilwoman Pastor requested clarification on the RFP pricing evaluation criteria. Ms. Rothschild responded pricing is based on daily storage fees and the amount to tow each vehicle based on the gross vehicle weight.

Mr. Campion said pricing includes revenue sharing. He noted DPS is interested in looking at Phoenix’s model because their customers sometimes shop around to private providers for better rates.

Dan Rush of All City Towing contended less weight should be put on pricing because the current prices don’t reflect the full cost to tow a vehicle. He did not want to provide roadside service.
Councilwoman Pastor said she needed clarity around what total cost of a tow is to understand pricing.

Chief Yahner said provider concerns could be addressed during the RFP process when scrap metal concerns and other particulars are negotiated, but first the high-level contract parameters need to be defined.

Mr. Campion said the current contract was based off of the then-Council’s preference to have low prices for vehicle owners. He added contracts have been renegotiated based on the price of scrap metal in the past, and suggested the Council could remove roadside services from the evaluation criteria and add more weight to other categories.

Ms. Olson said vendors would have to submit a pricing sheet delineating the breakdown of their prices.

Chairman Nowakowski felt there were mixed messages about what a tow actually costs and how much the industry gets. He said he would like to see performance outweigh pricing in terms of evaluation points. He approved of continuing with four zones and allowing for multiple tow companies.

Councilwoman Williams made a motion to continue with the current model of four towing zones where proposers can be awarded one or more zones, and changing the RFP evaluation criteria to allocate 350 points to pricing; 300 to conformance with the scope of work and method of approach; 350 to capacity, experience, and performance; with removal of the other (roadside) services criteria category. Councilwoman Pastor seconded the motion, which passed 4-0.

Chairman Nowakowski asked if living wage requirements are built into the terms and conditions. Mr. Campion affirmed.

Assistant City Manager Milton Dohoney asked if the Subcommittee wanted another report from staff before they execute the RFP process. The Subcommittee said no.

6. Future Agenda Items
   The Subcommittee reviewed a listing of future agenda items, and Chairman Nowakowski asked if a Domestic Violence Court update could be added.

7. Adjournment
   All Councilmembers welcomed incoming Police Chief Jeri Williams and thanked Chief Joseph Yahner for his leadership and accomplishments during his tenure. Chairman Nowakowski adjourned the meeting at 10:44 a.m.

Respectfully submitted,
Carmen Ronan
Management Intern