INTRADEPARTMENTAL CORRESPONDENCE

November 8, 2022
1.0

TO: Honorable Board of Police Commissioners

FROM: Executive Director, Board of Police Commissioners

SUBJECT: OFFICIAL POLICE GARAGE TOWING AND STORAGE RATES FOR 2023

RECOMMENDATION

APPROVE the report of the Executive Director and increase the Official Police Garage towing and storage rates as indicated in Option A. This action would raise the rates by 7.65% effective January 1, 2023.

DISCUSSION

The Los Angeles Municipal Code (LAMC) requires the Board of Police Commissioners (Board) to annually determine the Official Police Garage towing and storage rates.

On November 7, 2006, the Board approved a methodology for determining changes to Official Police Garage towing and storage rates. The methodology was revised in 2012 by two Board decisions. The Board determined that the methodology would more accurately reflect changes in the Consumer Price Index if it was based on Consumer Price Index data from the Bureau of Labor Statistics taken at an interval of (12) months apart rather than eight (8) months apart.

In addition, the Board opted to expand the methodology by implementing California Vehicle Code Section 22651.1 which stated in part, *"Law enforcement agencies may include the costs of providing for payment by credit when agreeing with a towing or storage provider on rates."*

In 2012, the methodology was expanded to include a fee structure that listed discounted rates for payment by a means other than credit card and rates for payment by credit card. Based on Commission staff research, the processing fee of 1.5% for credit card use in establishing the 2012 rates has been increased to 2.4% for the 2023 rates.

Based on the approved methodology, Commission staff recommends an increase of rates by 7.65% (as shown in Option A in Attachment 1) for 2023. This option adjusts the rate to keep pace with the escalating costs of providing goods and services measured by the "Consumer Price Index for All Urban Consumers in the Los Angeles-Long Beach-Anaheim, CA Area – All Items" between August 2021 and August 2022 (over 12 months).

With these considerations, I agree with the staff recommendation of Option A in Attachment 1. If you have any questions or require additional information, please contact Senior Management Analyst I Mignon Washington at (213) 236-1423.

RICHARD M. TEFANK, Executive Director
Board of Police Commissioners

Attachments

RMT:mrw

CITY OF LOS ANGELES OFFICIAL POLICE GARAGE (OPG)
TOWING AND STORAGE RATES
2023 RATE CHANGE OPTIONS AND
POLICE COMMISSION STAFF RECOMMENDATION

Background

Subject to approval of the City Council, the Board of Police Commissioners (Board) enters contracts awarded to Official Police Garages (OPGs) in the City of Los Angeles. The Los Angeles Municipal Code (LAMC) and the contract require the Board to determine the towing and storage fees. The determined fees are then in effect for a calendar year. The OPGs pay the General Fund 7% of all revenue generated from the towing and storage of vehicles.

Methodology

The task of determining the OPG towing and storage rates annually was simplified on November 7, 2006, when the Police Commission approved a methodology for adjustment. Over the years, there have been a few amendments to the methodology. The current approved methodology requires the following:

a. Staff shall prepare two options for adjusting the OPG rates for Board consideration. One option, **Option A**, shall be based on ***"The All Items Consumer Price Index (CPI) for All Urban Consumers in Los Angeles-Long Beach-Anaheim, CA."*** A second option, **Option B,** shall be based on "***The Transportation Index of the Consumer Price Index for All Urban Consumers for Los Angeles-Long Beach-Anaheim, CA". Inclusion of this index meets the LAMC requirement for consideration by the Board.***

> Note: In January 2018, Bureau of Labor Statistics introduced a new geographic area sample for the Consumer Price Index. For this revision, primary sampling units (PSUs) are defined using Office of Management and Budget (OMB) Core Based Statistical Area (CBSA) definitions. Riverside, CA which was previously included in the Los Angeles-Riverside-Orange County, CA Metropolitan Statistical Area (MSA) is now its own CBSA. Los Angeles, on the other hand, now belongs to the new CBSA of Los Angeles, Long Beach and Anaheim, CA. The number of new geographic sample designs is now 23 from the previous 27.

b. Staff shall prepare the required options from the indices named above, which are available annually by September 15th from the U.S. Department of Labor, Bureau of Labor Statistics (BLS). Staff shall use the elapsed period of twelve (12) months to calculate the rate of change in each index beginning with August of the previous year and ending with August of the current year.

> Note: Prior to 2012, staff used the elapsed period of eight months to calculate the rate of change in each index beginning with January and ending with August of the current year. This amendment to consider 12 months was approved by the Board on November 11, 2011 (Document Reference: BPC # 11-0436).

c. The Board shall strive to approve an annual rate revision by December 1 and thus allow the new rate to properly take effect on January 1 of the following year.

d. The revised rates shall take effect each year on January 1, following completion of the public posting requirement, and shall be in effect for a calendar year.

e. The percentage increase (or decrease) that changes the rates shall be multiplied to the second digit (as in 5.58% rather than 5.6%). No rounding shall occur until the final rate is calculated and then the rate shall be rounded to the nearest fifty cents.

f. The cost of providing for payment by credit shall be included in the calculations of the new rates. This inclusion took effect on January 1, 2009, when the California Vehicle Code was amended in compliance with Section 1748.1 of the Civil Code thus giving law enforcement agencies the option of including this cost when agreeing on rates with a towing or storage provider. Beginning with the OPG rates set for 2012, the Board directed staff to provide two rates for towing and storage. The first rate provides a "Rate for Payment by Credit Card" and the second rate provides a "Discounted Rate for payment by a means Other than Credit Card." It must be noted that since we round the rates to the nearest 50 cents, some rates do not appear to be discounted. It must also be noted that it is illegal for proprietors to advertise the rate for payment by credit card as a "surcharge for paying by credit." The accurate explanation is, "The rate for paying by a means other than by credit card is discounted to encourage payment by cash, check, or other means not involving the use of a credit card and it is offered to all consumers."

g. For the sake of clarification, the Vehicle Release Fee is not a towing or storage fee and as such it is not addressed in this report.

Discussion

The CPI is calculated for two population groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W). The CPI-U represents about 87 percent of the total U.S. population and is based on the expenditures of *all* families living in urban areas. The CPI-W is a subset of the CPI-U and is based on the expenditures of families living in urban areas who meet additional requirements related to employment: more than one-half of the family's income must be earned from clerical or hourly-wage occupations. The CPI-W represents about 32 percent of the total U.S. population. Since these are the two available choices, we use the CPI-U.

The BLS publishes a separate index for each of 23 Core Based Statistical Areas (CBSAs) in the United States. The CPI-U that includes Los Angeles is ***"The All Items Consumer Price Index for All Urban Consumers in the Los Angeles-Long Beach-Anaheim, CA CBSA.*** Refer to note above under Methodology (a). This index is most appropriate for our use because:

- The CPI is a measure of the average change in prices over time of goods and services purchased by households. Specifically, a CPI is based on prices (including tax) of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. The prices of fuel and a few other commodities and services are collected every month in some areas and every other month in other areas via telephonic or personal visits from BLS personnel.

- In calculating the index, price changes for the various items in the selected statistical area are averaged together with weights, which represent their importance in the spending of the selected population group.

- The CPI–U covers approximately 87% of the total population and includes wage earners, clerical worker households, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, retirees, and others not in the labor force.

- The Los Angeles-Long Beach-Anaheim, CA CBSA is one of 23 urban areas nationwide for which an index is separately provided. Area indices do not measure differences in the level of prices among cities; they only measure the average change in prices within each area for the designated base period.

- The designated base period reference point is the cost (expressed in dollars) of a basket of goods and services averaged over the years of 1982 to 1984. The figure at that point is 100 and anything priced since that starting point is expressed in percentage points above or below that point (100).

  EXAMPLE: An increase of 16.5 percent from the reference base, for example, is shown as 116.5. This can also be expressed as follows: the base period basket of goods and services in the CPI has risen by $10 in 1982-84 to $116.50 in year X.

Data in support of an OPG Rate Change Decision for 2023

The CPI-U in Los Angeles-Long Beach-Anaheim, CA was at 291.333 by August 2021 and at 313.608 by August 2022. This corresponds to an increase of 22.275 index points or an increase of 7.65% over 12 months. This increase in index is used to calculate the OPG rates for 2023 and is presented as Option A in Attachments 1 and 2. The adjusted OPG rates using this option will keep pace with the escalating cost of providing goods and services in this market as measured by this index.

The Transportation Index of the Consumer Price Index for All Urban Consumers for Los Angeles-Long Beach-Anaheim, CA was at 236.982 by August 2021 and at 269.677 by August 2022. This corresponds to an increase of 32.695 index points or an increase of 13.80% over 12 months. This rate is presented in Attachment 3 as Option B. This increase in index is used to calculate the OPG rates for 2023 and is presented as Option B in Attachment 3. The adjusted OPG rates using this option will keep pace with the escalating cost of providing goods and services in this market as measured by this index.

LAMC (Sec. 80.77.4. B. 3.) requires the Board to consider the Transportation Index for Los Angeles–Long Beach–Anaheim, CA when adjusting the towing and storage rates. The Transportation Index, however, includes indices for gasoline, new vehicles, used cars and trucks, public transportation, and airline fares. This combination of factors does not match the range of costs involved in operating an OPG, but it is provided for the sake of comparison and to meet the Commission's obligation to the LAMC to consider the Transportation Index when determining OPG rate changes.

Therefore, the staff does not recommend the use of the Transportation Index and consequently Option B is not recommended.

The CPI-U Table for the period ending August 2022 was chosen as the ending date of the measurement because it is the most recently available index at the time of this research. This calculation must annually begin in mid-September to facilitate making the rate change effective each year on January 1. The changes in the economy as experienced by the OPGs over 12 months is most fairly tracked between the starting and ending dates.

Guidelines to Use When Comparing Indices

1. The CPI-U for All Items in Los Angeles-Long Beach-Anaheim, CA uses the years 1982-1984 (three years averaged) for the base period against which every other figure is measured.

2. The word "All" refers to All Items in the Expenditure Category. The measurement we are interested in is the cost of all goods and services. The term "All" is inclusive of eight major categories and 19 sub-categories. These categories and sub-categories encompass everything that the Kosmont Study[1] indicated as being of importance in the 2007 rate change.

3. The figure shown for the percent change August 2022 is inclusive of all change for the year-to-date (August 2021 through August 2022).

4. Consumer Indices make a distinction between seasonally adjusted and not seasonally adjusted figures. The Local (Los Angeles-Long Beach-Anaheim, CA) CPI data is not seasonally adjusted. That means the price of goods and services is whatever it is at the time the information is gathered by the BLS. There is no adjustment for extended rainy weather, heat waves, an incident of crop contamination, or any other extenuating circumstance. The price is the price.

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[1] The Official Police Garage Association (OPGA) commissioned Lee Kosmont Advisory Services to independently analyze the towing and storage fees before the rate change of 2007. The Kosmont Study addressed the selection of the index and the factors for necessary consideration. The option to use the Consumer Price Index for all Urban Consumers (CPI-U) for All Items in Los Angeles-Long-Beach-Anaheim, CA was approved by the Police Commission because it is inclusive of all the factors indicated as important in the Kosmont Study. Additional detail on this may be found on page four of Attachment 4.

The table below compares Option A and Option B using the "All Index" and the "Transportation Index" CPIs for the months of August 2021 and August 2022. The Percent of Change showing the increase or decrease of the indices between the two years were used to calculate the recommended rates for 2023.

Consumer Price Index (CPI) Reference Period	OPTION A	OPTION B
	"ALL INDEX" CPI–U – LA Area	"TRANSPORTATION INDEX" CPI–U – LA Area
August 2021	291.333	236.982
August 2022	313.608	269.677
Index Point Difference	313.608 – 291.333 = 22.275	269.677 – 236.982 = 32.695
Percent of Change	22.275/291.333 = .076459 = 7.65%	32.695/236.982 = .137964 = 13.80%

A table named "History of Official Police Garage Rate Changes, 2000 – 2022 & Proposed Rate Change for 2023," is provided (Attachment 4). This table and the associated footnotes provide a record of the changes to the Official Police Garage rates.

Staff Recommendation for 2023 OPG Rate Change

1. Staff recommends Option A (shown above as an increase of 7.65% and in Attachment 2 as shown as an adjustment to each rate) because the All Items Index is superior to the Transportation Index. The Transportation Index includes indices for public transportation and airline fares, among other things, which do not match the range of costs involved in operating an OPG (previously discussed on page 4). Option B is provided in Attachment 3 for the sake of comparison and to meet the Commission's obligation to the LAMC to consider the Transportation Index when determining OPG rate changes.

2. Staff recommends continuing to offer towing and storage rates that are inclusive of the cost of providing for payment using credit as a payment option as allowed in California Vehicle Code Section 22651.1. This Code states in part, "Law enforcement agencies may include the costs of providing for payment by credit when agreeing with a towing or storage provider on rates."

3. Staff recommends continuing to offer a discount rate for towing and storage rates as allowed in California Civil Code Section 1748.1 (a), which states in part, "A retailer may, however, offer discounts to induce payment by cash, check or other means not involving the use of a credit card, provided that the discount is offered to all prospective buyers."

ATTACHMENT 1

LOS ANGELES POLICE DEPARTMENT
OPG TOWING & STORAGE RATES

OPTION A: Using "ALL INDEX" CPI	FOR PAYMENT BY CREDIT CARD		DISCOUNTED FOR PAYMENT BY MEANS OTHER THAN CREDIT	
TOW RATES	**2022**	**2023**	**2022**	**2023**
Standard Vehicle for the first hour or fraction thereof	$ 145.50	$ 156.50	$ 142.00	$ 153.00
Standard Vehicle for each additional half-hour or fraction thereof beyond the first hour	$ 72.00	$ 78.00	$ 70.50	$ 76.00
Upright Heavy Duty Vehicle for the first hour or fraction thereof	$ 279.00	$ 300.50	$ 272.50	$ 293.50
Upright Heavy Duty Vehicle for each additional half-hour or fraction thereof beyond the first hour	$ 139.50	$ 150.00	$ 136.00	$ 146.50
Per hour or fraction thereof for each additional person required	$ 62.00	$ 66.50	$ 60.50	$ 65.00
Specialized equipment required – heavy duty removal for the first hour or fraction thereof	$ 421.50	$ 453.50	$ 411.50	$ 443.00
Hazardous or dangerous cargo - heavy duty removal	$ 630.50	$ 678.50	$ 615.50	$ 662.50
Upright Medium-Duty Motorhome GVWR 10,001 to 26,000 lbs*	$ 630.50	$ 678.50	$ 615.50	$ 662.50
DAILY STORAGE RATES				
Standard Vehicle	$ 45.00	$ 48.50	$ 44.00	$ 47.50
Trucks Over One Ton				
-Trucks, Boats and trailers Under 20'	$ 50.00	$ 54.00	$ 49.00	$ 52.50
-Trucks, Boats and trailers 20' to 40'	$ 63.50	$ 68.00	$ 62.00	$ 66.50
-Trucks, Boats and trailers over 40'	$ 79.50	$ 85.50	$ 77.50	$ 83.50
Motorcycles	$ 12.50	$ 13.50	$ 12.00	$ 13.00
Major Component Parts	$ 9.00	$ 9.50	$ 9.00	$ 9.50
Bulk Items per Square Foot	$ 0.50	$ 0.50	$ 0.50	$ 0.50
MISCELLANEOUS RATES				
Mileage Rate (*per mile*)	$ 8.00	$ 8.50	$ 8.00	$ 8.50
Removal of Stolen Component Parts	$ 82.00	$ 88.00	$ 80.00	$ 86.00
Removal of Bulk Items	$ 145.50	$ 156.50	$ 142.00	$ 153.00
Maximum Reimbursement for Salvage Vehicles	DNA	DNA	$ 615.50	$ 662.50

* Any other vehicle with a GVWR OF 10,001 lbs. and over will use the heavy-duty rate.

ATTACHMENT 2

2023 Recommended Official Police Garage Towing and Storage Rates - Option A

OPTION A: "ALL INDEX" Consumer Price Index	**2022 Discounted Rate for payment by a Means Other than Credit Card**	Increase 2022 Rate by 7.65 % based on CPI "All Index"	Rate for 2023 based on CPI rate	Rounded to the nearest $.50	Difference to Round to nearest $.50	**Adjusted Rate for 2023**	Cost of accepting payment by credit (at 2.4%)	Adjusted Rate for 2023 for payment by Credit Card before rounding	Rounded to the nearest $.50	Difference to Round to nearest $.50	**2023 Rate for Payment by Credit Card**	**2023 Discounted Rate for payment by a Means Other than Credit Card**
TOW RATES												
Standard Vehicle for the first hour or fraction thereof	142.00	10.86	152.86	153.00	0.14	153.00	3.67	156.67	156.50	(0.17)	156.50	153.00
Standard Vehicle for each additional half-hour or fraction thereof beyond the first hour	70.50	5.39	75.89	76.00	0.11	76.00	1.82	77.82	78.00	0.18	78.00	76.00
Upright Heavy Duty Vehicle for the first hour or fraction thereof	272.50	20.85	293.35	293.50	0.15	293.50	7.04	300.54	300.50	(0.04)	300.50	293.50
Upright Heavy Duty Vehicle for each additional half-hour or fraction thereof beyond the first hour	136.00	10.40	146.40	146.50	0.10	146.50	3.52	150.02	150.00	(0.02)	150.00	146.50
Per hour or fraction thereof for each additional person required	60.50	4.63	65.13	65.00	(0.13)	65.00	1.56	66.56	66.50	(0.06)	66.50	65.00
Specialized equipment required – heavy duty removal for the first hour or fraction thereof	411.50	31.48	442.98	443.00	0.02	443.00	10.63	453.63	453.50	(0.13)	453.50	443.00
Hazardous or dangerous cargo - heavy duty removal	615.50	47.09	662.59	662.50	(0.09)	662.50	15.90	678.40	678.50	0.10	678.50	662.50
Upright Medium-Duty Motorhome GVWR 10,001 to 26,000 lbs*	615.50	47.09	662.59	662.50	(0.09)	662.50	15.90	678.40	678.50	0.10	678.50	662.50
DAILY STORAGE RATES												
Standard Vehicle	44.00	3.37	47.37	47.50	0.13	47.50	1.14	48.64	48.50	(0.14)	48.50	47.50
Trucks Over One Ton		0.00			0.00							
-Trucks, Boats and trailers Under 20'	49.00	3.75	52.75	52.50	(0.25)	52.50	1.26	53.76	54.00	0.24	54.00	52.50
-Trucks, Boats and trailers 20' to 40'	62.00	4.74	66.74	66.50	(0.24)	66.50	1.60	68.10	68.00	(0.10)	68.00	66.50
-Trucks, Boats and trailers over 40'	77.50	5.93	83.43	83.50	0.07	83.50	2.00	85.50	85.50	(0.00)	85.50	83.50
Motorcycles	12.00	0.92	12.92	13.00	0.08	13.00	0.31	13.31	13.50	0.19	13.50	13.00
Major Component Parts	9.00	0.69	9.69	9.50	(0.19)	9.50	0.23	9.73	9.50	(0.23)	9.50	9.50
Bulk Items per Square Foot	0.50	0.04	0.54	0.50	(0.04)	0.50	0.01	0.51	0.50	(0.01)	0.50	0.50
MISCELLANEOUS RATES												
Mileage Rate (*per mile*)	8.00	0.61	8.61	8.50	(0.11)	8.50	0.20	8.70	8.50	(0.20)	8.50	8.50
Removal of Stolen Component Parts	80.00	6.12	86.12	86.00	(0.12)	86.00	2.06	88.06	88.00	(0.06)	88.00	86.00
Removal of Bulk Items	142.00	10.86	152.86	153.00	0.14	153.00	3.67	156.67	156.50	(0.17)	156.50	153.00
Maximum Reimbursement for Salvage Vehicles	615.50	47.09	662.59	662.50	(0.09)	662.50					DNA	662.50

* Any other vehicle with a GVWR OF 10,001 lbs. and over will use the heavy-duty rate.

ATTACHMENT 3

2023 Recommended Official Police Garage Towing and Storage Rates - Option B

OPTION B: "TRANSPORTATION INDEX"	**2022 Discounted Rate for payment by a Means Other than Credit Card**	Increase 2022 Rate by 13.80 %	2023 Rate based on 2021 CPI Transportation Index	2023 Rate Rounded to the nearest $.50	Difference to Round to nearest $.50	**Adjusted Rate for 2023**	Cost of accepting payment by credit (at 2.4%)	Adjusted Rate for 2022 for payment by Credit Card before rounding	Rounded to the nearest $.50	Difference to Round to nearest $.50	**2023 Rate for Payment by Credit Card**	**2023 Discounted Rate for payment by a Means Other than Credit Card**
TOW RATES												
Standard Vehicle for the first hour or fraction thereof	128.50	17.73	146.23	146.00	(0.23)	146.00	3.50	149.50	149.50	(0.00)	149.50	146.00
Standard Vehicle for each additional half-hour or fraction thereof beyond the first hour	64.00	8.83	72.83	73.00	0.17	73.00	1.75	74.75	75.00	0.25	75.00	73.00
Upright Heavy Duty Vehicle for the first hour or fraction thereof	247.00	34.09	281.09	281.00	(0.09)	281.00	6.74	287.74	287.50	(0.24)	287.50	281.00
Upright Heavy Duty Vehicle for each additional half-hour or fraction thereof beyond the first hour	124.00	17.11	141.11	141.00	(0.11)	141.00	3.38	144.38	144.50	0.12	144.50	141.00
Per hour or fraction thereof for each additional person required	54.00	7.45	61.45	61.50	0.05	61.50	1.48	62.98	63.00	0.02	63.00	61.50
Specialized equipment required – heavy duty removal for the first hour or fraction thereof	375.50	51.82	427.32	427.50	0.18	427.50	10.26	437.76	438.00	0.24	438.00	427.50
Hazardous or dangerous cargo - heavy duty removal	555.00	76.59	631.59	631.50	(0.09)	631.50	15.16	646.66	646.50	(0.16)	646.50	631.50
Upright Medium-Duty Motorhome GVWR 10,001 to 26,000 lbs*	555.00	76.59	631.59	631.50	(0.09)	631.50	15.16	646.66	646.50	(0.16)	646.50	631.50
DAILY STORAGE RATES												
Standard Vehicle	40.00	5.52	45.52	45.50	(0.02)	45.50	1.09	46.59	46.50	(0.09)	46.50	45.50
Trucks Over One Ton												
-Trucks, Boats and trailers Under 20'	44.00	6.07	50.07	50.00	(0.07)	50.00	1.20	51.20	51.00	(0.20)	51.00	50.00
-Trucks, Boats and trailers 20' to 40'	54.50	7.52	62.02	62.00	(0.02)	62.00	1.49	63.49	63.50	0.01	63.50	62.00
-Trucks, Boats and trailers over 40'	70.50	9.73	80.23	80.00	(0.23)	80.00	1.92	81.92	82.00	0.08	82.00	80.00
Motorcycles	11.00	1.52	12.52	12.50	(0.02)	12.50	0.30	12.80	13.00	0.20	13.00	12.50
Major Component Parts	9.50	1.31	10.81	11.00	0.19	11.00	0.26	11.26	11.50	0.24	11.50	11.00
Bulk Items per Square Foot	0.50	0.07	0.57	0.50	(0.07)	0.50	0.01	0.51	0.50	(0.01)	0.50	0.50
MISCELLANEOUS RATES												
Mileage Rate (*per mile*)	8.00	1.10	9.10	9.00	(0.10)	9.00	0.22	9.22	9.00	(0.22)	9.00	9.00
Removal of Stolen Component Parts	72.00	9.94	81.94	82.00	0.06	82.00	1.97	83.97	84.00	0.03	84.00	82.00
Removal of Bulk Items	128.00	17.66	145.66	145.50	(0.16)	145.50	3.49	148.99	149.00	0.01	149.00	145.50

* Any other vehicle with a GVWR OF 10,001 lbs. and over will use the heavy-duty rate.

ATTACHMENT 4

HISTORY OF OFFICIAL POLICE GARAGE RATE CHANGES, 2000 – 2022 & RECOMMENDED CHANGE FOR 2023

	2000-02	2003-04	2005-06	2007	2008	2009	2010	2011	2012
TOW RATES									
Standard Vehicle for the first hour or fraction thereof	$86.00	$93.00	$96.00	$101.50	$104.00	$107.50	$109.50	$110.50	$113.00
Standard Vehicle for each additional half-hour or fraction thereof beyond the first hour	43.00	46.50	48.00	50.50	51.50	53.50	54.50	55.00	56.50
Upright Heavy-Duty Vehicle for the first hour or fraction thereof	167.00	180.50	186.50	197.00	201.50	208.50	212.00	213.50	218.50
Upright Heavy-Duty Vehicle for each additional half-hour or fraction thereof beyond the first hour	83.50	90.50	93.50	98.50	100.50	104.00	106.00	107.00	109.50
Per hour or fraction thereof for each additional person required	37.00	40.00	41.00	43.50	44.50	46.00	47.00	47.50	48.50
Specialized equipment required – heavy duty removal for the first hour or fraction thereof	250.00	270.00	279.00	294.50	301.00	311.50	317.00	319.50	327.00
Hazardous or dangerous cargo – heavy duty removal	375.00	405.00	418.00	441.50	451.50	467.00	475.00	478.50	490.00
Upright Medium-Duty Motorhome GVWR 10,001 to 26,000 lbs*	375.00	405.00	418.00	441.50	451.50	467.00	475.00	478.50	490.00
DAILY STORAGE RATES									
Standard Vehicle	20.00	25.00	30.00	31.50	32.00	33.00	33.50	34.00	35.00
Trucks Over One Ton									
-Trucks, Boats and trailers Under 20'	21.50	27.00	32.00	34.00	35.00	37.00	37.50	38.00	39.00
-Trucks, Boats and trailers 20' to 40'	28.00	35.00	42.00	44.50	45.50	47.00	48.00	48.50	49.50
-Trucks, Boats and trailers over 40'	35.00	44.00	53.00	56.00	57.00	59.00	60.00	60.50	62.00
Motorcycles	6.00	7.50	9.00	9.50	9.50	10.00	10.00	10.00	10.00
Major Component Parts	5.00	6.00	7.00	7.50	7.50	8.00	8.00	8.00	8.00
Bulk Items per square foot	0.20	0.25	0.30	0.50	0.50	0.50	0.50	0.50	0.50
MISCELLANEOUS RATES									
Mileage Rate (per mile)	5.50	6.00	6.50	7.00	7.00	7.00	7.00	7.00	7.00
Removal of Stolen Component Parts	48.00	52.00	54.00	57.00	58.50	60.50	61.50	62.00	63.50
Removal of Bulk Items	86.00	93.00	96.00	101.50	104.00	107.50	109.50	110.50	113.00
See related comment below.	A	B	C/D	D1	D2	D3	D4	D5	E

* Any other vehicle with a GVWR OF 10,001 lbs. and over will use the heavy-duty rate.

HISTORY OF OFFICIAL POLICE GARAGE RATE CHANGES, 2000 – 2022 & PROPOSED CHANGE FOR 2023

	2013[1]	2014[1]	2015[1]	2016[1]	2017[1]	2018[1]	2019[1]	2020[1]	2021[1]	2022[1]
TOW RATES										
Standard Vehicle for the first hour or fraction thereof	$115.50	$116.50	$118.50	$120.00	$121.50	$125.00	$130.00	$134.00	$136.50	$142.00
Standard Vehicle for each additional half-hour or fraction thereof beyond the first hour	58.00	58.50	59.00	59.50	60.50	62.00	64.50	66.50	68.00	70.50
Upright Heavy-Duty Vehicle for the first hour or fraction thereof	223.50	223.50	227.50	230.00	233.50	240.00	249.50	257.00	262.00	272.50
Upright Heavy-Duty Vehicle for each additional half-hour or fraction thereof beyond the first hour	12.00	113.00	114.00	115.50	117.00	120.50	125.00	128.50	131.00	136.00
Per hour or fraction thereof for each additional person required	49.50	50.00	51.00	51.50	52.00	53.50	55.50	57.00	58.00	60.50
Specialized equipment required – heavy duty removal for the first hour or fraction thereof	334.50	337.50	343.50	347.50	352.50	362.50	376.50	387.50	395.50	411.50
Hazardous or dangerous cargo – heavy duty removal	501.50	505.50	514.50	520.50	528.00	543.00	564.00	580.50	592.00	615.50
Upright Medium-Duty Motorhome GVWR 10,001 to 26,000 lbs*	501.50	505.50	514.50	520.50	528.00	543.00	564.00	580.50	592.00	615.50
DAILY STORAGE RATES										
Standard Vehicle	36.00	36.50	37.00	37.50	38.00	39.00	40.50	41.50	42.50	44.00
Trucks Over One Ton										
-Trucks, Boats and trailers Under 20'	40.00	40.50	41.00	41.50	42.00	43.00	44.50	46.00	47.00	49.00
-Trucks, Boats and trailers 20' to 40'	50.50	51.00	52.00	52.50	53.50	55.00	57.00	58.50	59.50	62.00
-Trucks, Boats and trailers over 40'	63.50	64.00	65.00	65.50	66.50	68.50	71.00	73.00	74.50	77.50
Motorcycles	10.00	10.00	10.00	10.00	10.00	10.50	11.00	11.50	11.50	12.00
Major Component Parts	8.00	8.00	8.00	8.00	8.00	8.00	8.50	8.50	8.50	9.00
Bulk Items per square foot	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
MISCELLANEOUS RATES										
Mileage Rate (per mile)	7.00	7.00	7.00	7.00	7.00	7.00	7.50	7.50	7.50	8.00
Removal of Stolen Component Parts	65.00	65.50	67.00	68.00	69.00	71.00	73.50	75.50	77.00	80.00
Removal of Bulk Items	115.50	116.50	118.50	120.00	121.5	125.00	130.00	134.00	136.50	142.00
See related comment below.	E1	E2	E3	E4	E5	E6	E7	E8	E9	E10

[1]Discounted Rate for Payment by a Means Other than Credit Card. See Attachment 1 for the Proposed 2023 Rate for Payment by Credit Card.

* Any other vehicle with a GVWR OF 10,001 lbs. and over will use the heavy-duty rate.

HISTORY OF OFFICIAL POLICE GARAGE RATE CHANGES, 2000 – 2022 & PROPOSED CHANGE FOR 2023

	2023[1]
TOW RATES	
Standard Vehicle for the first hour or fraction thereof	$153.00
Standard Vehicle for each additional half-hour or fraction thereof beyond the first hour	76.00
Upright Heavy-Duty Vehicle for the first hour or fraction thereof	293.50
Upright Heavy-Duty Vehicle for each additional half-hour or fraction thereof beyond the first hour	146.50
Per hour or fraction thereof for each additional person required	65.00
Specialized equipment required – heavy duty removal for the first hour or fraction thereof	443.00
Hazardous or dangerous cargo – heavy duty removal	662.50
Upright Medium-Duty Motorhome GVWR 10,001 to 26,000 lbs*	662.50
DAILY STORAGE RATES	
Standard Vehicle	47.50
Trucks Over One Ton	
-Trucks, Boats and trailers Under 20'	52.50
-Trucks, Boats and trailers 20' to 40'	66.50
-Trucks, Boats and trailers over 40'	83.50
Motorcycles	13.00
Major Component Parts	9.50
Bulk Items per square foot	0.50
MISCELLANEOUS RATES	
Mileage Rate (per mile)	8.50
Removal of Stolen Component Parts	86.00
Removal of Bulk Items	153.00
See related comment below.	E10

* Any other vehicle with a GVWR OF 10,001 lbs. and over will use the heavy-duty rate.

A. In a correspondence dated Nov. 18, 1999, OPGA Executive Director Ken Spiker, Jr., requested for an adjustment to the 2000 OPG rates. The Bureau of Labor Statistics' Transportation Consumer Price Index for Los Angeles–Riverside-Orange County indicated an increase of 2.8% change between September 1998 and September 1999. In April 2000, the Board approved the rate increase shown in the above table. No rate changes occurred from 2001 to 2002.

B. The Board of Police Commissioners approved a rate increase in July 2003, re-stating its approval in August 2003. In addition, the Board agreed to have no rate increase from 2003 to 2004 and that the next rate change would be in January 2005.

C. In a letter dated January 24, 2005, the OPGA proposed a 3.23% increase in towing rates and a 20% increase in storage rates. The letter was received at the Police Commission on January 28, 2005. It was noted that the Los Angeles-Riverside-Orange County Transportation Index from August 2003 (at the time of the prior increase) to December 2004 was 4.63%; the change in the Private Transportation Index was 5.25%; and the change in the Motor Fuel Index was 13.94% for the same period. Therefore, it was determined that the 3.23% increase was reasonable. Staff noted that the increases were to be for a two-year period (2005-2006) and consideration for the next future increase would be by January 2007.

Staff determined the increase was realistic, merited, and consistent with prior Board increases since 1999 that occurred in $5.00 increments. The rate hike for a standard vehicle towed and stored for one day went from $168.50 to $177. This rate included a towing fee increase from $93 to $96, a storage fee increase from $25 to $30, a City Parking Tax (10%) on storage from $2.50 to $3.00 and a $48.00 City Vehicle Release Fee (which has remained unchanged). This adjustment which was approved on May 3, 2005, was based on consumer price index increases between August 2003 and December 2004.

Per correspondence from the Executive Director to the Board of Police Commissioners, (#05-0166, dated and received May 19, 2005), the following details about this rate increase were noted:

> *California Government Code requires that the proposed fee increases be publicly noticed in a newspaper regularly published once a week for a period of ten days. The proposed rates were published in the Los Angeles Daily Journal. The notice announced the Board's intent to raise the towing and storage fees charged by Official Police Garages and that the Board would hold a public meeting on this matter on May 24, 2005. The notice also informed the public that oral presentations could be presented on May 24, 2005 and that written presentations could be presented to the Board by May 17, 2005. The Office of the Board of Police Commissioners has not received written presentations or comments from any member of the public on this matter.*

Pending any public presentation on this matter, it is recommended (in correspondence #05-0166) that:
(1.) the Board reaffirm its action taken on May 3, 2005 regarding the proposed towing and storage fee increases; and
(2.) such fee increases become effective June 1, 2005.

The Board approved both recommendations on May 24, 2005, and no verbal or written public presentation was received nor delivered. The above-named California Government Code requirements were henceforth applied in the following years.

D. On January 28, 2005, the Board of Police Commissioners received correspondence from the Executive Director of OPGA of Los Angeles dated January 24, 2005, requesting that the OPG rate increase following 2005 not take place or be considered until January 2007. The request (as stated) was approved by the Police Commission on May 3, 2005.

The OPG rate changes proposed to take effect January 1, 2007, considered the annual consumer price indices since the last fee change effective date of June 1, 2005. The yearly indices are made available by the Bureau of Labor Statistics reports on September 15th of the current year. The data are from the month of September of prior year to August of the current year.

The 2007 figures shown in the table were increased by 5.6% (rounded to the nearest 50 cents) over the previous rate change in 2005. This rate was based on the "All Index" Rate and it became effective January 1, 2007, following the proper public review period required.

During the interval following the rate change for 2005, the OPGA commissioned Lee Kosmont Advisory Services to independently analyze the towing and storage fees. The Kosmont Study, released January 21, 2005, acknowledged that the LAMC (Sec. 80.77.4. B. 3.) requires the Commission to consider the Transportation Index for Los Angeles–Riverside–Orange County when adjusting the towing and storage rates, but also recommended examination of other factors before making rate adjustments.

The Kosmont Study specifically recommended consideration of the Private Transportation Index and the Motor Fuel Index rather than the Transportation Index by stating that these indices provide a better comparison for OPG operations. The Kosmont Study also recommended that the Commission consider changes in wages and salaries, increases in medical health premiums, changes in workers' compensation, real estate asking lease prices, and the increase in the average price for industrial properties in making rate adjustments.

As Commission staff researched the best method for giving weight to the most important factors, reference was made to the income and expenses from the eighteen (18) OPGs from January to December 2005. Commissioner Alan Skobin who was assigned to oversee OPG matters for the Commission, obtained the income and expense statements from the OPGs for the period of January to December 2005, analyzed the data and calculated the statistical average of each category of income and expense for Calendar Year 2005.

Commissioner Skobin and Commission staff considered the figures obtained from the expenses incurred by the 18 OPGs but found them to vary so widely in most categories that the averages lost meaning. Staff determined the Consumer Price Index (which weighs all goods that a Los Angeles Area family uses and weighs those items by percentage of the whole) to have greater meaning. As an example of how the weights are assigned, if the purchases of a family over the most recent period indicates that 40% of their current spending is on rent, then the category of "rent" is given an equivalent weight in the Consumer Price Index (CPI).

Commission staff consulted and sought collaboration with the City Administrative Officer (CAO) for this project. CAO advised staff to proceed and select the index that makes the most sense for towing and storage. CAO would not assign staff to work on this project, as it is their position that the preliminary research remains to be the responsibility of the Police Commission and that the CAO has no prior experience in devising formulas for revising OPG rates.

After researching the available indices, Commission staff concluded that since 87% of all households in the Los Angeles Area are polled for the Consumer Price Index – Urban (CPI-U), that the CPI-U index more fairly indicates the actual costs and factors affecting the marketplace than a comparison of eighteen (18) businesses in just fourteen (14) categories.

The outcome of the Kosmont Study strengthened the argument for considering more factors and led staff to research the possibility of a better choice over the Transportation Index that would encompass the additional factors. With additional research, staff discovered a broader index that addresses all the concerns of the Kosmont Study. This index is called, ***"The All Items Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange County Consolidated Metropolitan Statistical Area."*** This index is superior because:

- The Consumer Price Index (CPI) is a measure of the average change in prices over time of goods and services purchased by households. Specifically, a CPI is based on prices (including tax) of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. The prices of fuel and a few other commodities and services are collected every month in some areas and every other month in other areas via telephonic or personal visits from Bureau of Labor Statistics personnel.

- In calculating the index, price changes for the various items in the selected statistical area are averaged together with weights, which represent their importance in the spending of the selected population group.

- The Bureau of Labor Statistics publishes CPIs for two population groups. One of these population groups, called CPI-U covers approximately 87% of the total population and includes wage earners, clerical worker households, groups such as

professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force. The Los Angeles-Riverside-Orange County Metropolitan Statistical Area is one of 27 urban areas nationwide for which an index is separately provided. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices within each area for the designated base period.

- The designated base period reference point is the cost (expressed in dollars) of a basket of goods and services averaged over the years of 1982 to 1984. The figure at that point is 100 and anything priced since that starting point is expressed in percentage points above or below that point (100).

  EXAMPLE: An increase of 16.5 percent from the reference base, for example, is shown as 116.5. This can also be expressed as follows: the base period basket of goods and services in the CPI has risen from $10 in 1982-84 to $116.50 in year X.

From 2007 to 2011, the Board approved using the "The All Items Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange County Consolidated Metropolitan Statistical Area" (Option A) again.

D1. In 2007, Option A had an increase of 2.233%.

D2. In 2008, Option A had an increase of 3.425%.

D3. In 2009, Option A had an increase of 1.71%.

D4. In 2010, Option A had an increase of .785%.

D5. In 2011, Option A had an increase of 1.39%.

E. In 2012, staff requested the Board to allow use of the elapsed period of twelve (12) months to calculate the rate of change in each index beginning with August of the previous year and ending with August of the current year. In the past, staff used the elapsed period of eight (8) months to calculate the rate of change in each index beginning with January and ending with August of the current year. This amendment to the methodology was approved by the Board on November 11, 2011, and took effect with the preparation of the 2012 Towing and Storage Rates. Staff recommended using the "The All Items Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange County Consolidated Metropolitan Statistical Area" again this year (Option A is an increase of 2.41%). In addition, staff recommended and the Board approved providing for a new payment option that allowed for including in the fee structure the cost for accepting payment by credit as allowed in California per Vehicle Code Section 22651.1. Staff also recommended and the Board approved the option of providing a discount rate for inducing payment by

cash, check, or other means not involving the use of a credit card. Lastly, staff noted (for the sake of clarity) that that there is no change to the Vehicle Release Fee, which is not a towing or storage fee.

From 2013 to 2022, the Board approved using the "The All Items Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange County Consolidated Metropolitan Statistical Area (Option A)" again. In addition, the Board also approved a rate option that includes the cost of providing for payment by credit as allowed in California per Vehicle Code Section 22651.1. The Board also approved providing the option of a discount rate for inducing payment by cash, check, or other means not involving the use of a credit card.

E1. In 2013, Option A had an increase of 2.32%.

E2. In 2014, Option A had an increase of .84%.

E3. In 2015, Option A had an increase of 1.81%.

E4. In 2016, Option A had an increase of 1.14%.

E5. In 2017, Option A had an increase of 1.43%.

E6. In 2018, Option A had an increase of 2.82%.

E7. In 2019, Option A had an increase of 3.87%.

E8. In 2020, Option A had an increase of 2.97%.

E9. In 2021, Option A had an increase of 2.02%.

E10. In 2022, Option A had an increase of 4.00%.