



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
July 20, 2011**

TO: Mayor and City Council
FROM: Gary Peterson, Chief of Police
SUBJECT: AAA Optimization Plan
DATE: July 14, 2011

RECOMMENDATION:

Staff recommends that the City Council review and approve the attached resolution expressing concern with AAA's plan to consolidate service providers given the potential impacts to local business and public safety.

BACKGROUND:

In April 2011, AAA Northern California, Nevada and Utah advised AAA Club providers they were under increasing pressure to enhance the overall performance of their business. They suggest that their current path is unsustainable. As provided by contract with their AAA contract call stations (Tow Service Providers) they summarily announced changes aimed at building a more economically sound contractor network.

In order to optimize the network, AAA announced that they would be transitioning to seven or eight service areas with fewer and larger call stations that will compete for the right to receive a significantly higher volume of calls (5000-7000).

AAA recognized that the transformation would impact their current network partners. They said that some providers would thrive with added AAA call volume, but others would probably need to shift their business focus. Some may be forced to consolidate with other operators or go out of business.

The only AAA call station currently located within the City of Martinez is Ron's Tow Service. Under AAA's new strategy, Ron's Tow Service would lose 500-600 calls per month. Like many other small tow service businesses, Ron's lacks the resources or capacity to compete for the right to service the central county area. The lost calls will impact Ron's Tow Service and will invariably cause layoffs. The local business community involved in automotive and mechanical repairs will also be impacted because the new service providers will tow vehicles outside the city, thereby decreasing the likelihood of repair business occurring within the city.

Ron's Tow Service is the primary AAA service provider to residents in the City of Martinez. When police respond to a traffic collision within the city that requires tow service, officers inquire whether the driver has AAA service. If residents request AAA service from our officers, we then call Ron's Tow Service, who quickly responds and assists with the clearing of the roadway. The rapid response allows officers to resume their patrol duties or respond to other service calls.

Under the AAA plan, it is uncertain who will provide service to the City of Martinez. We do know that they will not be located within our city. Consequently, the new service provider will have farther to travel, which may result in increased response times.

The potential for increased response times is a particular concern. Increased response times would negatively impact public safety because officers cannot leave the scene of a collision until the roadway is clear, which delays our response to other service calls.

FISCAL IMPACT:

No fiscal impact.

ACTION:

Motion approving a resolution expressing concern with AAA's plan to consolidate service providers given the potential impacts to local business and public safety.

Attachment: Resolution

APPROVED BY:



City Manager

RESOLUTION NO. -11

**EXPRESSING CONCERN ABOUT AAA'S PLAN REDUCING SERVICE PROVIDERS
BY CONSOLIDATING SERVICE PROVIDERS GIVEN THE POTENTIAL IMPACTS
TO LOCAL BUSINESSES AND PUBLIC SAFETY**

WHEREAS, the City of Martinez encourages local businesses and commerce, and

WHEREAS, the AAA Optimization plan will negatively impact our current AAA service provider; and

WHEREAS, the plan will likely have a negative impact on local businesses involved in automotive and mechanical repair, and

WHEREAS, increased service response times would impact public safety,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez does hereby adopt this resolution.

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I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 20th day of July, 2011, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ