



MAY 13, 2010

AGENDA ITEM # 4

SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY STATUS REPORT, 2ND QUARTER FY 2009-10

Action Requested: Receive and file

Key Staff: Norman Hom, Administrative Services Officer III

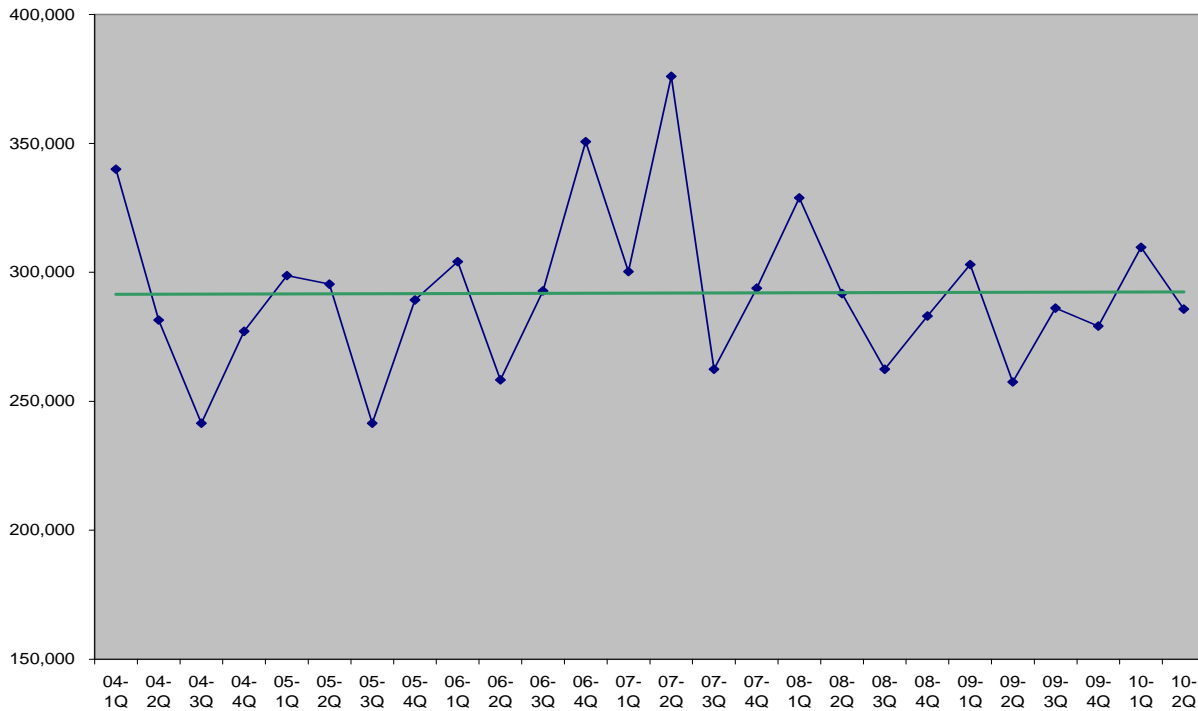
Recommendation

Receive and file the SAVSA status report for the 2nd quarter of FY 2009-10.

Discussion

Revenues. Second Quarter FY 2009-10 SAVSA revenues received were \$285,732 (shown as the last point in the graph below). This represents the amount of the \$1 vehicle registration fee collected in Sacramento County from July 2009 through September 2009 for abandoned vehicle abatement and paid to us on November 13, 2009.

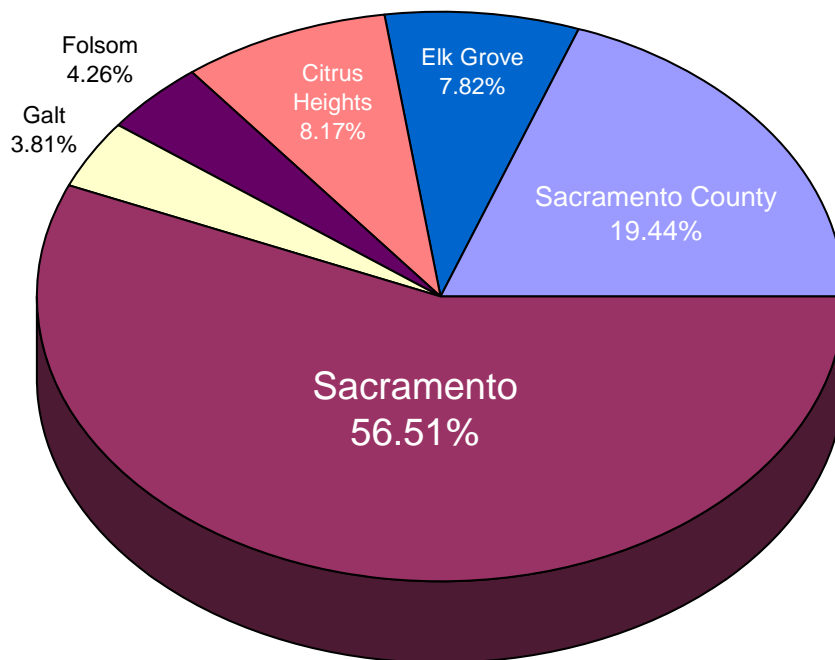
Graph 1: Quarterly SAVSA Revenues, 2004-Present



As can be seen by the trend line, SAVSA revenues have been flat for the past 6 years. The \$1 annual vehicle registration fee collected for abandoned vehicle abatement (AVA) has not changed but, given the 99,000 person population increase since 2006, an upward trend in vehicle registrations would have been expected. There is more discussion on this in the last section.

**Abatements.** A total of 1,996 abandoned vehicles were abated in the second quarter. The City of Sacramento continues to perform the most abatements. The County of Sacramento had the second-most abatements, followed by the Cities of Citrus Heights, Elk Grove, Folsom, and Galt. The City of Isleton has not reported any abatements since the second quarter of 2006.

**Chart 1: Abatements by Agency, 2<sup>nd</sup> Quarter FY 2009-10**



The 1,996 abatements is the lowest quarterly figure in many years as shown in this graph.

**Graph 2: Quarterly SAVSA Abatements, 2004-Present**

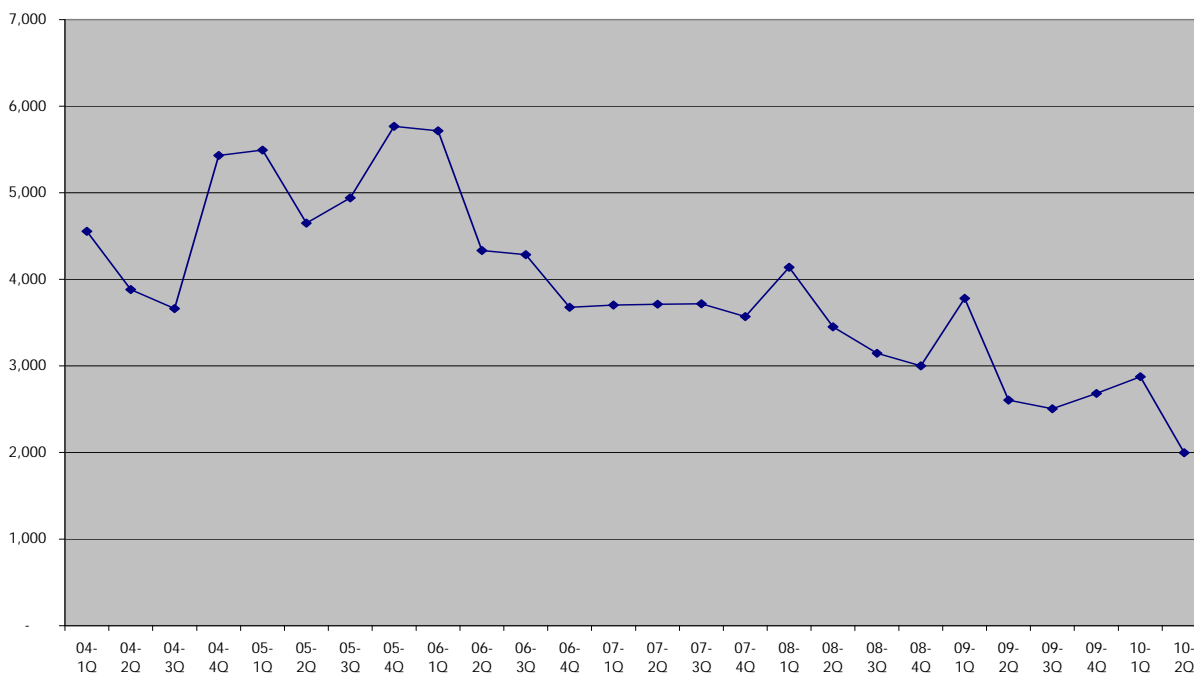


Table 3 below shows how the number of abatements during the 2<sup>nd</sup> quarter compares with the historical quarterly average. Abatements are down among all SAVSA agencies.

**Table 3: Comparison of Quarterly Abatements by Agency**

	2nd Quarter FY 2009-10		Historical Quarterly Average 2006-2009	
Sacramento County	388	19.44%	1,034	26.04%
Sacramento	1,128	56.51%	2,111	53.15%
Galt	76	3.81%	182	4.58%
Isleton	-	0.00%	-	0.00%
Folsom	85	4.26%	211	5.32%
Citrus Heights	163	8.17%	186	4.69%
Elk Grove	156	7.82%	247	6.21%
<b>Total</b>	<b>1,996</b>	<b>100.00%</b>	<b>3,971</b>	<b>100.00%</b>

Local abandoned vehicle abatements have been following a statewide trend downward. Reasons for this decrease may include:

- 1) The Economic Downtown. As the economy has worsened, more people are choosing to keep their old cars in running condition and driving them longer instead of turning to something newer.
- 2) Price of Scrap Metals. Scrap prices started rising in 2007, creating incentive for more owners to sell their nonoperational cars to scrap dealers than simply abandoning them. Rising scrap prices in combination with the downturn in the economy may also have created a cottage industry for private abandoned vehicle abatements.
- 3) The "Cash for Clunkers" Program. The Car Allowance Rebate System (a.k.a., Cash for Clunkers Program) during the summer of 2009 removed 76,659 older cars from California roadways. Although the portion of that attributable to Sacramento County is unavailable, the impact of that program in reducing the number of potential abandoned vehicles may now be showing up in this and subsequent quarters.
- 4) Reduced Staffing Levels. Any recent reductions in local agency staffs mean fewer field personnel to perform the actual abatements.

**Distributions.** The adopted formula for each quarter's distribution is 50 percent based on relative population within Sacramento County and 50 percent based on relative abatement performance. The 2<sup>nd</sup> Quarter distributions were made as follows:

**Table 4: Second Quarter Distributions**

	Population 50%		Abatements 50%		Distribution	
County of Sacramento	41.22%	\$ 57,107	19.44%	\$ 26,929	\$ 84,036	30.33%
City of Sacramento	35.08%	\$ 48,600	56.51%	\$ 78,289	\$ 126,889	45.80%
City of Galt	1.76%	\$ 2,438	3.81%	\$ 5,275	\$ 7,713	2.78%
City of Folsom	5.18%	\$ 7,174	4.26%	\$ 5,899	\$ 13,074	4.72%
City of Citrus Heights	6.39%	\$ 8,846	8.17%	\$ 11,313	\$ 20,159	7.28%
City of Elk Grove	10.31%	\$ 14,287	7.82%	\$ 10,827	\$ 25,114	9.06%
City of Isleton	0.06%	\$ 83	0.00%	\$ -	\$ 83	0.03%
<b>Totals</b>	<b>100.00%</b>	<b>\$ 138,533</b>	<b>100.00%</b>	<b>\$ 138,533</b>	<b>\$ 277,067</b>	<b>100.00%</b>

**Administration.** Staffs from all the SAVSA agencies met for the first time on March 22. Representatives from the California Department of Motor Vehicles (DMV), the State Controller's Office and the California Highway Patrol also attended and provided valuable input. The City of Rancho Cordova was invited but did not send a representative.

DMV indicated that they are seeing a trend of decreasing registrations. They believe it is due to an increasing number of vehicle owners who are choosing to register their extra automobiles for non-operation because of economic difficulties but will change once the economy improves. Based upon this, the proposed FY 2010-11 SAVSA budget will reflect a decrease of 4 percent.