



City of Arts & Innovation

Public Safety Committee Memorandum

TO: PUBLIC SAFETY COMMITTEE MEMBERS **DATE: SEPTEMBER 21, 2016**
FROM: PUBLIC WORKS DEPARTMENT **WARDS: ALL**
**SUBJECT: SHOPPING CART RETRIEVAL PROGRAM UPDATE AND CONSIDERATION OF
POTENTIAL CHANGES TO CHAPTER 9.58 OF THE RIVERSIDE MUNICIPAL
CODE TO IMPROVE THE PROGRAM**

ISSUES:

Receive an update on the shopping cart retrieval program and consider potential changes to Chapter 9.58 of the Riverside Municipal Code (RMC) relating to abandoned shopping carts.

RECOMMENDATIONS:

That the Public Safety Committee:

1. Receive an update on the Shopping Cart Retrieval Program; and
2. Consider potential changes to Chapter 9.58 of the RMC relating to the retrieval, impound, and disposal of lost, stolen, or abandoned shopping carts.

LEGISLATIVE HISTORY:

On October 23, 2012, the City Council approved Ordinance No. 7192 amending Chapter 9. 58 of the RMC relating to the retrieval, impound, and disposal of lost, stolen, or abandoned shopping carts and Resolution No 22467 amending Chapter 3. 30.030A to add "shopping cart impound release" as a City service with an abandoned Shopping Cart Impound fee of \$13 per cart to the Master Schedule of Fees and Charges.

Chapter 9. 58 of the RMC requires that all retailers possessing shopping carts for customer use must either submit a detailed prevention plan to the City explaining how they will prevent shopping carts from leaving their business premises, or agree in writing to reimburse the City for shopping cart retrieval services. Other provisions of Chapter 9. 58 include the following:

1. Retailers are required to post signage regarding shopping cart regulations;
2. Customers are prohibited from removing shopping carts from business premises;
3. Retailers are to submit a prevention plan within 30 days notification by the City;
4. Prevention plans shall include details of measures being implemented and how;

5. Annual reports on the effectiveness of a prevention plan are required;
6. The City may reject or revoke inadequate prevention plans;
7. Public Works may issue administrative citations for noncompliance with the chapter;
8. The City may impound and dispose of abandoned shopping carts; and
9. Retailers are exempt from submitting prevention plans if contracting with the City.

BACKGROUND:

On June 28, 2016, the City Council approved a Professional Consultant Services Agreement with California Shopping Cart Retrieval Corporation (CSCRC) for shopping cart retrieval services in the amount of \$200,000 over a 3-year term ending June 30, 2019. During discussion of the item, it was requested that a report regarding the program and service delivery be provided to the Public Safety Committee in 90 days. Additionally, Councilmember Soubirous requested research regarding the potential of requiring existing retailers to install disabling devices on their shopping carts.

Current Program:

Abandoned shopping carts constitute a nuisance, create safety hazards, cause blight, and interfere with pedestrian and vehicular traffic within the City of Riverside. In order to reduce these hazards, Chapter 9.58 of the RMC relating to abandoned shopping carts was established which:

1. Prohibits customers from removing shopping carts from the business premises;
2. Requires retailers to submit a prevention plan or sign up with the City for cart retrieval services;
3. Allows the City to revoke prevention plans if more than 60 carts are retrieved for a retailer within a 6 month period; and
4. Requires the retailer to install disabling devices and allows the City to impose fines if they do not have an approved plan in place or have not signed up for service.

Each year, City staff sends notifications to known retailers utilizing shopping carts explaining Chapter 9.58 of the RMC and requesting that they either sign up for City retrieval services or submit a prevention plan explaining what measures they use to keep carts from leaving their business premises. If the retailer has an approved prevention plan on file with the City, then they must submit an evaluation report each year explaining the effectiveness of their plan. The notifications are typically mailed in October or November of each year for the following year.

Retailers choosing to sign up with the City for cart retrieval services will have their abandoned shopping carts retrieved from the City right-of-way and returned to them by the City's contractor, California Shopping Cart Retrieval Corporation (CSCRC). Retailers will be invoiced by the City for the direct cost of the retrieval services with no additional charge for administrative costs or overhead. Current retrieval rates are \$3.50 per cart for retailers with small volumes of carts and \$18 per load for retailers with high volumes of carts. Retailers signed up for the City's program are invoiced on a quarterly or semi-annual basis depending on volume.

Those retailers choosing not to sign up with the City for cart retrieval services are required to prepare and implement a prevention plan to keep abandoned shopping carts from leaving the business premises. Stray shopping carts found in the City right-of-way from those retailers who do not contract with the City for retrieval services, will be retrieved and taken to the City's Corporation Yard at 8095 Lincoln Street in accordance with the RMC. Retailers will be notified within 24 hours of a carts impound and it can be picked up within 3 days of notification at no cost. Retailers picking up carts after 3 days will be charged an impound fee of \$13 per cart. Carts not retrieved by the retailer within 30 days will be destroyed or recycled by the City. Carts retrieved by the City's Contractor without any identifying markers are destroyed or recycled immediately.

If 60 carts are retrieved by the City's cart retrieval contractor within a 6 month period, then the City can revoke the retailer's Prevention Plan. The retailer must submit and implement a new Prevention Plan in order to be in compliance. Any retailer not in compliance can be required to install disabling devices on their carts and could be subject to fines of \$1,000 plus \$50 per day.

DISCUSSION:

Program Performance:

There are currently 83 retailers who have signed up for the City's retrieval service and 21 retailers who have not. Of the 21 retailers who have not signed up for the City's retrieval service, all of them have approved plans on file and are currently in compliance with Chapter 9.58 of the RMC.

Approximately 84 of the total 104 known retailers that utilize shopping carts in the City of Riverside had less than 10 abandoned carts retrieved per month in fiscal year 2015-16. About 46 of those 84 retailers had no abandoned carts retrieved at all. This means that 92% of the abandoned carts retrieved are from 26 retailers with larger volumes of carts, such as Stater Brothers, Wal-Mart, and Ralph's, all of which are retailers who are signed up for the City's cart retrieval services and are not currently required to submit a prevention plan.

The following chart includes information on the ten retailers with the highest number of carts retrieved in fiscal year 2015-16.

Retailer	Address	Carts Retrieved	Ward	Locking Wheels	City Program
K-Mart 3106	7200 Arlington	366	5	Yes	Yes
Stater Bros. 22	4680 La Sierra	388	7	Yes	Yes
Albertson's 6572	2975 Van Buren	493	5	No	Yes
Lowe's 1048	9851 Magnolia	601	6	No	Yes
Stater Bros. 79	10370 Arlington	689	7	Yes	Yes
Smart & Final 514	5202 Arlington	716	3	Yes	Yes
Big Lots 4256	4022 Madison	777	3	No	Yes
Ralphs 609	5295 Canyon Crest	1,102	2	No	Yes
Stater Bros. 42	6160 Arlington	1,131	5	No	Yes
Wal-Mart 2028	5200 Van Buren	2,281	6	No*	Yes
Ralphs 144	6155 Magnolia	2,640	3	No	Yes

*Wal-Mart 2028 installed wheel locking devices in August 2016

Cart retrieval through the City's program has been performed by CSCRC since 2006. During

Fiscal Year 2015-16, CSCRC retrieved 15,808 carts which equates to about 1,317 carts per month.

The chart below shows the annual trend in cart retrieval between July 2005 and June 2016.

Service Provider	Fiscal Year	Carts Retrieved
City	2005-06	11,000
CSCRC	2006-07	53,983
CSCRC	2007-08	52,468
CSCRC	2008-09	46,320
CSCRC	2009-10	46,696
CSCRC	2010-11	49,687
CSCRC	2011-12	51,089
CSCRC	2012-13	46,600
CSCRC	2013-14	33,473
CSCRC	2014-15	23,842
CSCRC	2015-16	15,808

CSCRC provides one full-time driver and two part-time drivers to patrol the City on a daily basis. The contract requires abandoned carts reported to the City's Call Center before 3pm to be retrieved the same day and abandoned cart reported after 3pm to be retrieved the next day. The City experienced an increase in calls to the Call Center after advertising the cart retrieval program on GTV and sending out information on the program in a utility bill insert in 2014.

The following chart shows the number of calls received per fiscal year by the City's 311 call center:

Fiscal Year	Number of 311 Calls
2007-08	754
2008-09	844
2009-10	779
2010-11	841
2011-12	745
2012-13	531
2013-14	1,339
2014-15	1,807
2015-16	1,355

CSCRC also receives calls for service through their website and their cart snap mobile application. In fiscal year 2015-16, they received 2,392 total requests for service (including 311 calls). The total carts collected in fiscal year 2015-16, 15% were collected in response to calls received and the remaining 85% were part of their proactive patrol and retrieval program. CSCRC patrols known hot spots throughout the City to retrieve carts. There are currently 62 identified hot spots, the majority of which are located within wards 5, 6, and 7. (see attachment).

In the spring of 2016, Councilmembers and residents expressed concerns about current services. It appeared that shopping carts reported to the City's call center were not being retrieved within the time frames identified in the contract, and some were being missed entirely. In response to these concerns, CSCRC immediately hired new drivers in an effort to improve performance.

Additionally, the field supervisor from CSCRC has been auditing the service of the drivers more frequently. City staff have quarterly meeting with CSCRC representatives to discuss service concerns and ways to further improve service. CSCRC have expressed their commitment to the City of Riverside and improving service.

While investigating the service concerns, it became apparent that communication between the City and CSCRC could also be improved. Currently, service requests go through several steps prior to the request reaching the driver which can cause delays in cart retrieval. Therefore, the City is working with CSCRC and the City's Innovation and Technology Department to improve communication through a new 311 phone application for use by CSCRC staff. Providing CSCRC and their drivers with this application, currently used by City employees for graffiti service requests, will allow drivers to have quicker access to abandoned shopping cart requests and give them the ability to close the request directly. Additionally, they will be able to immediately access the photos of the shopping carts that are submitted by the reporting parties.

Potential Municipal Code Changes:

In response to concerns about excessive abandoned carts, Councilmember Soubirous asked if it was possible to require all retailers to install disabling devices on their carts to prevent them from being removed from their business premises. Public Works Department staff researched this question in collaboration with staff from the City Attorney's Office. A well maintained disabling device system on the carts can help to reduce the number of carts being abandoned in the public right- of-way.

Disabling device systems cost approximately \$15,000 to install and \$50 dollars per cart for the wheels and batteries. The annual maintenance to ensure the devices continue to work properly can cost up to \$5,000 per year. Businesses that do not own their parking lot may have other logistical issues with installing disabling devices.

In lieu of requiring all retailers to install these devices, it is recommended that this only be a requirement for stores who routinely have large numbers of carts being retrieved and who are unable to improve conditions through other methods as set forth in their prevention plan. It may be more reasonable to allow for the City to work with each retailer individually to determine what prevention measures would work best for them given their size and location. If it is recommended that staff pursue establishing more aggressive requirements for installing disabling devices, then further review and development of thresholds for implementation of such a plan would be necessary.

Staff analysis of RMC Chapter 9.58 has identified potential changes that would strengthen the requirements for retailers to implement measures to keep carts on their business premises. Potential changes presented for consideration include:

1. All retailers utilizing shopping carts, whether they utilize City services or not, must submit a prevention plan stating how they will prevent carts from leaving the business premises;
2. Require the prevention plan to provide details on how the retailer will actively locate carts within one mile of the business premises and respond to complaints from the public or notifications from the City regarding abandoned carts;
3. Require the prevention plan to include an employee training program regarding the prevention plan and state law as they relate to shopping carts;

4. Require retailers who have more than 24 carts retrieved in a year to submit an annual evaluation report for that year;
5. Require retailers to install disabling devices if their prevention plan has been revoked more than three times in a four year period. If the retailer already uses disabling devices, then they will be required to show proof of proper maintenance and repairs ensuring the devices are working properly;
6. Establish a varied schedule of thresholds, based on a retailer's number of carts retrieved compared to the number of carts they own, to determine if the City should revoke their prevention plan and require more stringent prevention measures; and
7. Require new construction projects that will accommodate stores with carts to install disabling devices.

An initial consultation with the Chamber of Commerce has been conducted and additional outreach with the business community would be helpful to gain feedback prior to any program changes being implemented.

FISCAL IMPACT:

There is no fiscal impact associated with the receipt of this report.

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availability of funds: Scott G. Miller, PhD., Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment:

1. Hot Spots
2. Riverside Municipal Code Chapter 9.58 – Current
3. California Business and Professions Code Section 22435-22435.8
4. Program Store List
5. Non-Program Store List
6. Presentation