

# MADISON HEIGHTS POLICE DEPARTMENT

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COREY K. HAINES  
Chief of Police

BRENT S. LEMERISE  
Deputy Chief of Police

Date: May 15, 2023  
To: Melissa R. Marsh  
City Manager  
From: Corey K. Haines  
Chief of Police  
Subject: Service Towing Rate Increase Request

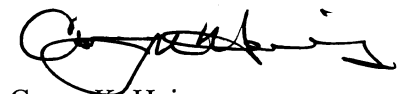
Melissa,

I was approached by one of the owners of Service Towing, Dennis Hertz Sr., and he requested the opportunity to present City Council with a request to increase their fees charged to the public for towing services. Mr. Hertz presented me with the attached breakdown of requested charge increases. The original contract states under Appendix "B"-Pricing Sheet, "The City and Service Towing agree that either party can approach the City at any time during the term of the contract to request increases of any/all fees charged and that both parties must agree before any increases are put into effect." Service Towing is requesting to exercise this portion of the contract.

Service Towing signed a 10-year contract with the City on March 21, 2016, which is valid until March 31, 2026. Since that agreement was signed there have been no requested increases in their fees, however, the lease payment for the auto pound rental has continued to increase along with costs for fuel, vehicles, wreckers, labor, and other equipment. Service Towing continued this contract throughout the entire pandemic at fees that were set well before the pandemic.

I have researched the towing contracts for the City of Warren, City of Royal Oak, and the City of Troy, most of which have been recently updated. The new fees requested by Service Towing are in line with those contracts. Service Towing's cost of doing business has increased, as with most businesses, and they are requesting an increase in the fees they charge for services to help cover their increasing costs. It should be noted that none of these fees are passed onto the City of Madison Heights.

Thank you for your consideration.



Corey K. Haines  
Chief of Police

### **PROPOSAL FOR RAISE**

The undersigned hereby declares that he/she has carefully examined the instructions and specifications and will supply towing service and storage of abandoned, accident, City-owned, and other motor vehicles and equipment for the prices set forth in this document. It is understood that all prices bid shall remain firm throughout the term of the contract. The City and Service Towing agree that either party can approach the City at any time during the term of the contract to request increases of any/all fees charged and that both parties must agree before any increases are put into effect.

\_\_\_ Vehicles (within one mile of City of Madison Heights)

- |   |                                |
|---|--------------------------------|
| 1. Towing of vehicles 5,000 GVW and less  | \$ 125                         |
| 2. Towing of vehicles 5,000 GVW to 10,000 GVW   | \$ 165                         |
| 3. Towing of vehicles 10,000 GVW and up   | \$ 205 per hour 2 hour minimum |
| 4. Storage per day to commence after 24 hours of impoundment                                      |                                |
| Vehicle 5,000 GVWR and under  | \$ 25/day                      |
| Vehicle 5,001 to 10,000 GVWR  | \$ 25/day                      |
| Vehicle 10,001 GVWR and over  | \$ 50/day                      |
| Tractor Trailer   | \$ 70/day                      |
| 5. Long term storage rates (Long term rates commencing on the 2 <sup>nd</sup> day of impoundment) |                                |
| Vehicle 5,000 GVWR and under  | \$ 25/day                      |
| Vehicle 5,001 to 10,000 GVWR  | \$ 25/day                      |
| Vehicle 10,001 GVWR and over  | \$ 50/day                      |
| Tractor Trailer   | \$ 75/day                      |
| 6. Extra charge for dollies   | \$ 65                          |
| 7. Extra charge for additional personnel at scene   | \$ 95 per hour/per person      |
| 8. Extra charge for winching (off roadway)  | \$ 115                         |
| 9. Extra charge for flatbed use   | \$ 65                          |
| 10. Motorcycles   | \$ 160                         |
| 11. Non-motorized, wheeled vehicle  | \$ 125                         |
| 12. Hourly rate for additional service  | \$ 95 per hour per person      |
| 13. Added rate per mile if more than one mile from City   | \$ 6 per mile                  |
| 14. Contractor paperwork fee on impounds  | \$ 25                          |
| 15. Disconnect service fee  | \$ 90                          |

16. Emergency lock out – open vehicle

\$ 75