

# CITYWIDE TOWING SERVICE

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October 29, 2022

Chief Josh Antoine  
Spring Lake Park Police Department  
1301 81st Avenue Northeast  
Spring Lake Park, MN 55432

Dear Chief Antoine,

We have enjoyed our long-lasting working relationship with the Spring Lake Park Police Department. We would very much like to continue it by exercising section 2.2 of our existing agreement. This section allows for renewal of the agreement if we both agree.

Section 4 of the agreement allows for discussion about rate adjustments from time to time based upon relevant circumstances, including nature and volume of services provided. The volume or frequency of calls for towing service were reduced by approximately 40% in 2020 and 15% so far in 2021. This has been largely due to the Covid-19 pandemic restrictions that have reduced general traffic flow. The initial reduction in traffic flow when the restrictions were first put in place was about 70%. Over the summer months of 2020, it slowly bounced back to about 85% of what "normal" used to be. Although it appears that traffic is back to normal levels in 2021, many experts suggest that it is still reduced, and that this traffic amount will be the new normal for quite some time.

In addition, since the initial rates were adopted in 2018, we have been subject to many of the costs that figure into us delivering prompt and professional service skyrocketing. One of the biggest increases in costs is the price of skilled labor. We have had to adjust our compensation and benefit plans drastically, increasing by approximately 40%, in order to recruit and retain the quality of employee that we demand and that you have come to expect from us. Other items, such as the cost to

acquire and maintain a fleet of towing equipment, insurance, property taxes and property maintenance, have all also risen substantially since 2018.

We provide an emergency type of service, meaning that we have to be "at the ready" at all times. When you call for a tow, our response is immediate so that we can clear the road, restore traffic flow, and clear the officer on the scene so they can be available for other emergencies. As a business, we have done self-audits and reduced expenses where ever possible to help offset the lower volume of calls and increased expenses to respond to them. However, that is not proving to be enough. We need to increase our rates to further close that gap.

We are proposing an increase in our charges for the 2022 agreement. The increase will help us offset the rise in our cost of delivering service and allow us to continue to provide the top-notch service that you are accustomed to. The rates would be the following:

1. Typical (Non-Heavy Duty) Tow for Impound vehicle or Other Tow at City Request would increase from \$95 to \$120
2. Typical Tow for Accident-Related Vehicle would increase from \$125 to \$175

All other charges listed in Exhibit A Rate Schedule would remain the same for the next agreement period.

As always, please feel free to call me with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brett Letourneau", with a long horizontal flourish extending to the right.

Brett Letourneau

President