

## City of Santa Barbara Police Department

## Memorandum

**DATE**: 06/01/22

**TO:** Santa Barbara Fire & Police Commission

**FROM:** Officer Kamin

**SUBJECT:** Tow Company Fee Adjustment Proposal

## Commissioners,

It is my understanding that there was no agreement reached regarding a new cap on tow fees at last week's Fire & Police Commissioner's meeting on 05/26/22. In a memo I submitted on 03/01/22, I suggested a rate cap increase for the following class of tow services: light duty, medium duty, and heavy duty. My suggestion for change were as follows:

Light Duty Tow (hourly rate): \$265 \$290 Medium Duty Tow (hourly rate): \$325 \$350 Heavy Duty Tow (hourly rate): \$375 \$400

Based on my understanding of the meeting's results, no consensus could be reached regarding a rate increase. I recommended the aforementioned rate increases for the local tow companies currently on rotation with the Santa Barbara Police Department based on a number of different criteria. The criteria included the length of time since the SBPD last suggested a rate increase (four years) and current rate caps imposed on the tow companies by other law enforcement agencies within the region (CHP, SBSO and the UCPD).

It has been brought to my attention that within the last two months, Captain Michael Logie of the CHP had authorized a rate cap increase for Smitty's Towing for the following classes of tow:

Light Duty Tow (hourly rate): \$330

Medium Duty Tow (hourly rate): \$412.50 Heavy Duty Tow (hourly rate): \$522.50

Since then, it appears that Smitty's Towing has requested an additional increase in the rate cap to:

Light Duty Tow (hourly rate): \$350 Medium Duty Tow (hourly rate): \$450 Heavy Duty Tow (hourly rate): \$550

I do not know if their request has been approved but according to CHP Officer David Nees, current tow rate caps are in the process of being updated with any rate adjustments scheduled to go into effect on July 1<sup>st</sup>, 2022.

I reached out to all of the tow companies on the SBPD rotation list both prior to the meeting on May 26<sup>th</sup> and again prior to the meeting scheduled for June 8th. All of their concerns and input were taken into consideration for my suggestions.

The current rate cap imposed by the Police and Fire Commission were put into effect four years ago (2018). They are:

Light Duty Tow (hourly rate): \$265 Medium Duty Tow (hourly rate): \$325 Heavy Duty Tow (hourly rate): \$375 Light Storage per day: \$95 Medium Storage per day: \$125 Heavy Storage per day: \$135 Motorcycle Storage per day: \$85

The cost of operating a business has risen over the years. Per section 5.30.040 of the Santa Barbara Municipal Code, the Fire and Police Commission is tasked with setting maximum rates and charges for any emergency or involuntary towing assignment for the City (i.e., rotation towing for the Santa Barbara Police Department).

My recommendation to the Fire & Police Commission would be to simply match the price caps set by the local CHP Office for local tow services. Having said that, the most recent fee cap authorized by the local CHP Office on 04/05/22 is as follows:

Light Duty Tow (hourly rate): \$330 Medium Duty Tow (hourly rate): \$412.50 Heavy Duty Tow (hourly rate): \$522.50

I would suggest an additional permissible upcharge of \$25/hour for services provided outside of normal business hours be considered. I believe that the current Santa Barbara daily storage fees are reasonable but, in an effort to stay in line with other agencies, my recommendations would be as follows:

Light duty storage/day: \$100 Medium duty storage/day: \$135 Heavy duty storage/day: \$165 Along with the aforementioned updates in storage charges, an upcharge of \$25/day for indoor storage (facilities permitting) would be fair.

Many tow companies will choose on their own accord to charge fees lower than the maximum cap to stay competitive in a free marketplace. I'm aware of the high cost of doing business in the Santa Barbara region and that local economic factors play a role in necessitating higher rates. <u>I believe in leaving it to the Fire & Commission to decide</u> whether an allowable rate increase/higher rate cap is appropriate and acceptable.

Thank you for your consideration in this matter,

Officer Kamin Tow Compliance Officer Santa Barbara Police Department