



It's real.

MEMORANDUM

To: City of Seguin Mayor and Council
From: Andy Quittner, City Attorney *AQ*
Date: October 27, 2022
Re: Ordinance amending maximum fees charged by towing companies

In 2014, City Council approved an ordinance that set up a police rotation system for assignment of tow trucks that would remove vehicles involved in accidents within the city limits. The ordinance limits the number of tow companies (to six), sets requirement for application to be on the rotation list, and sets maximum fees that can be charged by companies responding to rotation calls. The ordinance also has a two-year review period wherein city staff and the tow companies meet to discuss any issues that arise with the rotation system.

Since 2014, with the exception of a couple of minor revisions, the Ordinance, and the maximum fees, has remained unchanged. Over the last two years inflation, particularly with respect to motor vehicles, motor vehicle insurance and diesel has dramatically increased the costs for tow truck operation. For example, tow trucks, which by their very nature are heavy duty, large engine vehicles, must remain idling – at a high idle rate – during the time they are actively on the road picking up a vehicle. Working in the interstate ROW is high-risk, so insurance rates are climbing.

Currently there are five companies on the rotation, and one of the changes sets the limit on companies to the five existing ones. Another change adds a flat fee for evidentiary tows and tows of city fleet vehicles (for which the City pays the fee).

After meeting with the companies on October 18, 2022, the attached changes to the fees – and a couple of other changes, were agreed upon by all. City staff recommends that the Ordinance be adopted.