



MAY 25, 2016

Vol. 25, No. 21

Shelby - Utica News

Judge dismisses towing lawsuit against township

BY SARAH WOJCIK

swojcik@candgnews.com

SHELBY TOWNSHIP — On May 18, a federal judge dismissed without prejudice a lawsuit brought against Shelby Township, several of its board members and its police chief by two towing companies that lost their combined bid for towing services.

On Oct. 28, Ruehle's Towing, the township's former provider, and Jimmy's Towing Recovery and Transport filed a legal complaint following the township's decision to award a three-year towing contact to Utica Van Dyke Service.

The complaint alleged that Shelby Township Police Chief Robert Shelide and/or individual board

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member defendants “preordained that UVDS would be awarded the contract and manufactured scoring results to fit that choice,” because they “accepted dinner invitations to opulent restaurants, sporting or entertainment event tickets, and forms of influence engendering perks from UVDS principals.”

Township Attorney Rob Huth said the township hired towing consultant Shane Anders, secretary of the Michigan Towing Association, to help create a Michigan State Police-style request for proposals, which established fixed prices for all bidders.

Huth said Shelide got involved because the best way to handle the selection process, according to the towing consultant, was to have somebody impartial and objective review the proposals.

Shelide and motor carrier officer Derek Stansbury inspected each of the five venues that submitted bids and awarded or subtracted points based on a 44-point scoring system.

Vito Strolis, owner of Ruehle’s Towing, was disqualified from the bidding process because he did not attend a mandatory meeting for interested participants. Strolis said he was unaware of the meeting, so he partnered with Jimmy’s Towing Recovery and Transport.

Utica Van Dyke Service lost one point for being located in Sterling Heights, outside of Shelby Township. Shelide said Jimmy’s Towing lost two points because it contracts out its lot and the lot is not secured.

The court ruled in favor of the defendants because the township’s request for proposals retained the “right to reject any and all proposals, to make an award based directly on the proposals, or to negotiate further with one or more companies.”

The complaint also stated that Ruehle’s Towing and the township had an existing three-year contract for towing services, and Shelby Township’s continued use of Ruehle’s Towing services past its contract expiration “served to renew the

agreement for an additional three years” per the agreement’s “plain language.”

Ruehle’s had provided the township’s towing services since securing the contract on Feb. 21, 2012. After putting its towing services to bid, the township awarded the contract to Utica Van Dyke Service July 21, 2015. The con-

tract became effective Sept. 1.

The court ruled that, under Michigan law, “an oral agreement to renew a contract for a term longer than one year is void under the statute of frauds.”

The suit also called for a jury trial and requested that the township restore Ruehle’s contract and pay Ruehle’s the “compensatory

and exemplary damages in whatever amount they are found to be entitled, along with all costs, interest and attorneys fees incurred.”

Strolis said he was not losing sleep about the verdict of the lawsuit either way.

“To be honest, the only thing I ever wanted was to get a couple depositions to get the truth on a

couple things, and the only way to get that information, according to the attorneys, was to file a suit against the community,” Strolis said. “I never did that in 30 years, and I didn’t like doing it then.”

He said the dismissal of the lawsuit was a setback, but that it did not mean everything was

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Spotlight on business ...

How Long Will It Take to Save Up for a Home in Your City?

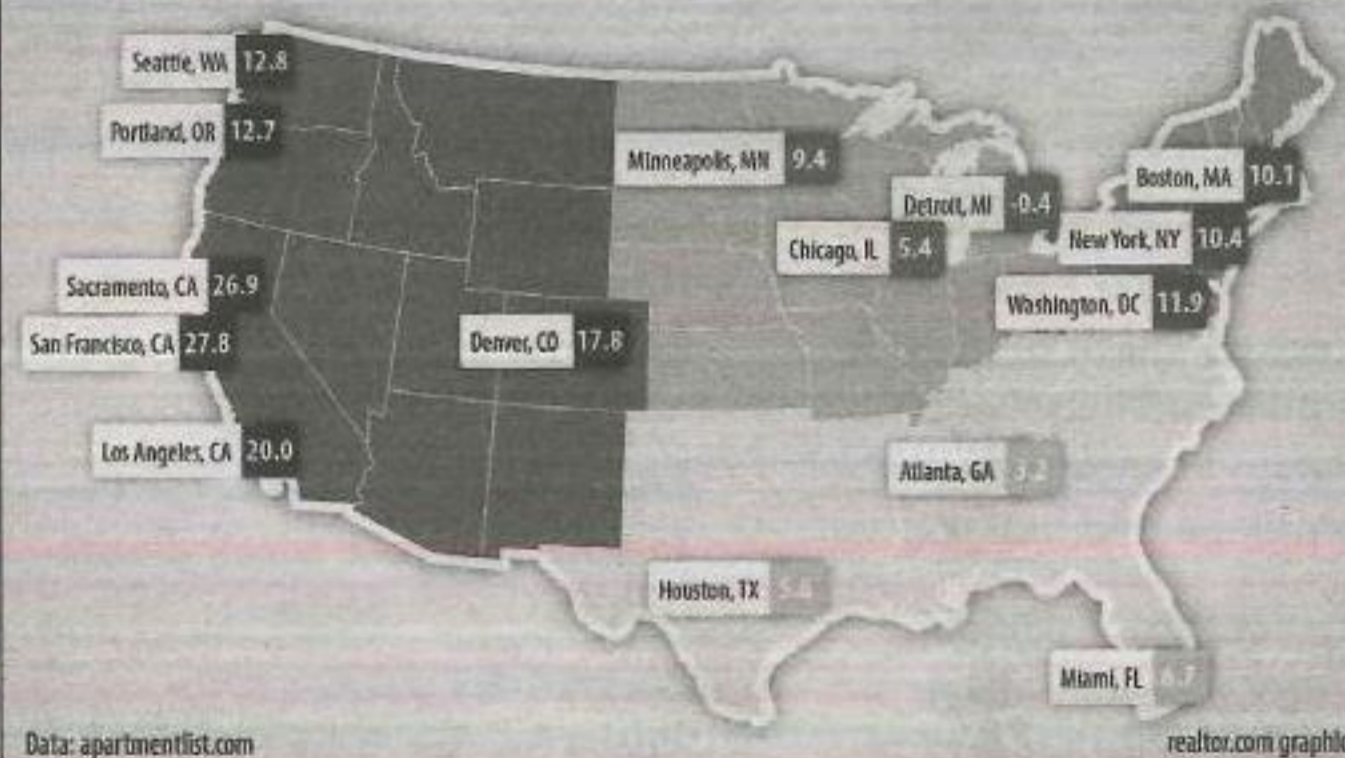
By Clare Trapasso, realtor.com

For many younger renters across the country, the road to homeownership is bumpier—and longer—than ever. Depending on where they want to live, it could take them a few years to save up for a down payment... or a few decades, according to a recent study.

Millennial renters in San Francisco will need a stunning 28 years to muster up a 20% down payment on a residence, if their rate of saving stays the same, according to a recent Apartment List survey of more than 30,000 renters of ages 18 to 34. Meanwhile, Detroit millennials likely have what it takes to buy a starter home, the survey found.

The rental website looked at median prices of starter homes in 130 cities and 93 metropolitan areas and then asked respondents how much they were setting aside—or might expect from family—for a down payment on a house. Then they calculated how long it would take renters to buy a home in their cities.

How Many Years It Will Take Young Renters to Save Up for a Down Payment



The survey found that many young renters didn’t grasp just how much money they’d need to become a homeowner. In the San Francisco market, for example, millennial respondents assumed they’d need about \$69,650—less than half of the \$142,800 that’s actually required in the current market. No, that’s not a typo. The median home price in San Fran is \$1,200,000, according to realtor.com®.

The overwhelming majority of millennial respondents, 79%, say they hope to one day buy a home. But almost the same percentage, 77%, say they simply can’t afford it.

“It’s not really surprising, as home prices have really shot up so much,” says Andrew Woo, a data scientist at Apartment List. But “it seems like a lot of millennials don’t realize they’re not saving enough.”

But in Detroit, where home prices have dropped to peanuts as auto and other manufacturing plants have closed shop or downsized, the median price for a starter home is just \$18,000. Many younger buyers already have the \$3,600 down payment it would take to purchase one of those dwellings, according to Apartment List.

But most would rather splurge on a nicer home in the \$95,000 range, says Woo. And it will take them nearly seven years to save up for those residences.

“We’ve seen home prices [rise] pretty quickly in the past five or so years. But it’s hard to say what will happen going forward,” Woo says. “That will have a big impact, too.”

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wrong or everything was right. He added that he continues to support the community by attending local functions.

"The decision by Ruehle's and Jimmy's Towing to file a lawsuit naming board members and the police chief personally was disappointing," Huth said. "Still, the township board was unwilling to back down when faced with outrageous claims by disappointed bidders. Thankfully, the federal court wasted no time and tossed all claims."

Shelby Township Supervisor Rick Stathakis said he was glad that the federal judge confirmed what he said he and the other defendants knew all along.

"Police Chief Robert Shelide acted prudently, responsibly and professionally as he conducted the bid process for the township's towing contract," Stathakis said. "This ruling serves as further evidence that Chief Shelide's leadership and commitment to the township and our residents is unparalleled. Also, I am proud of Township Attorney Rob Huth for his efforts successfully leading the township and Board of Trustees through this process."

This was the third time since 2012 that Shelby Township was involved in a towing lawsuit.

On Nov. 19, 2013, the Board of Trustees voted 6-1, with Treas-

urer Michael Flynn against, to settle a lawsuit filed against Shelby Township on June 18, 2012, by Nightingale Service for \$745,000. The settlement and legal fees of approximately \$266,700 cost the township more than \$1 million.

On Sept. 28, 2012, Utica Van Dyke Service filed a lawsuit against the township. Huth said the case was resolved at no cost to Shelby Township.

All three suits contended breaches of contracts and failure to follow due process.

James Ferns, owner of Jimmy's Towing Recovery and Transport, and plaintiffs' attorney Eric Bui-kema did not return calls for comment by press time.

Call Staff Writer Sarah Wojcik at (586) 498-1029.

