



CITY COUNCIL

Work Session

***Work Session
Penn Room***

***Monday, October 19, 2009
7:00 P.M.***

- I. Call To Order** 7:00 p.m.
- II. Managing Director's Report** 7:05 p.m.
- III. Update Delinquent Collections (permits, taxes, etc)** 7:15 p.m.
Sharon Humble Linebarger Goggan Blair & Sampson LLP
- IV. Update - Summer Youth Employment Program** 7:45 p.m.
(Frank Denbowski)
- V. Update - Rental Housing Process (Codes & Zoning)** 8:00 p.m.
 - a. Progress Report on rentals approved through the process
 - b. Number of properties placarded
 - c. Disposition of properties addressed through the MDJ Court System
 - d. AHO Process
- VI. Zoning fee increases** 8:15 p.m.

Zoning revenue at current rates - \$113,400 and revenue at the rate recommended by Maximus - \$157,330
- VII. Review Business Privilege License Ordinance** 8:30 p.m.
(allowing revocation under certain criteria)
- VIII. Budget Review-Discussion**

IX. Adjourn

City of Reading

City Council

Work Session

Monday, September 21, 2009

Councilors Attending: V. Spencer, M. Baez, S. Fuhs, M. Goodman-Hinnershitz, S. Marmarou, D. Sterner, J. Waltman

Others Attending: C. Geffken, H. Jackson, B. Hill, C. Heim, J. Oehler, B. Reinhart, L. Kelleher

Vaughn D. Spencer, President of Council, called the work session to order at 7p.m.

Managing Director's Report

As Mr. Hottenstein was absent, Mr. Geffken read the Managing Directors report distributed to Council at the meeting covering the following:

- Centre Park Artifacts Bank Door Buster Sale on Sunday, September 27.
- Act 47 Public Hearing, October 14th at 7 pm
- Follow-up on Raymond Street complaint

Mr. Marmarou noted the importance of residents reporting neighborhood issues so they can be investigated and remedied where possible..

Earth Day 2010

Nick Herfer stated that he is aware that the City's financial problems may lessen the City's financial support for the annual Earth Day celebration. He noted that in the past the City has helped with reducing the cost of liability insurance providing electricity, offering free rental chairs and tables. He stated that the organizing committee wishes to move Earth Day 2010 to City Park. He stated that last years celebration, which was located at Riverfront, cost approximately \$3K. He noted that the organization is a non-profit and requested the City's reconsideration for supporting the event.

Mr. Spencer stated that the City is not dodging the question; however, Council has not yet seen the proposed 2010 budget. He noted the need for Council to understand the 2010

budget before making a commitment for financial support. Mr. Herfer stated that Earth Day 2010 is scheduled for late April.

Mr. Fuhs inquired if the organization has considered venues outside the City. Mr. Herfer noted the importance of holding the event in the City, as they focus on walk-ability and a holistic environment. He noted that last year the County Commissioner's assisted with tent rentals.

Ms. Goodman-Hinnershitz noted that the changing economics often requires organizations to take alternative approaches.

Kenhorst Police Service Contract

Kenhorst Councilor Bob Hill and Kenhorst Manager Harold Jackson joined Council at the table. Chief Heim explained that the police shared service concept provides turn key police services. He stated that the proposed service matches up to a regional type model. Chief Heim stated that Kenhorst has 2,679 residents, .4 square miles, and 11 roads. He stated Kenhorst is not large enough to provide its own force; however they still need preventative policing. He stated that the proposed service contract would provide 300 patrol hours per month. The two (2) officers assigned to Kenhorst will provide approximately 290 hours of patrol and the remainder made up by other police officers responding to calls each month. He stated that Kenhorst will be paying for the equivalent of a third officer to compensate the City for responding to calls and additional patrol when the two (2) assigned officers are not working.

Mr. Spencer noted that he and the Mayor began these discussions with Kenhorst officials as Kenhorst borders touch Reading.

Mr. Hill and Mr. Jackson stated that they look forward to working with the Reading Police Department.

Mr. Fuhs inquired if the City provides back up service to other communities. Chief Heim stated that Reading provides a back up service on an as-needed basis.

Mr. Fuhs inquired if police officers who will serve Kenhorst will be new employees or if they would come from the existing force. Chief Heim stated that it depends on the proposed budget. Mr. Fuhs noted that the agreement with Kenhorst could save the jobs of 2-3 police officers.

Chief Heim next explained the factors of figuring overhead costs, such as days off, vacation

days, sick leave, health insurance, pension, into this cost of service. He also noted that his service concept was derived after reviewing the calls for service made to the County 911 system.

Ms. Goodman-Hinnershitz inquired if serving Kenhorst will negatively affect patrol services in the City. Chief Heim replied not that he does not expect any reduction in service for Reading residents. He stated that currently police officers respond to a 83% percent of the calls for service in less than twenty (20) minutes.

Rental Housing Process (Codes and Zoning)

Mr. Reinhart and Ms. Oehler joined Council at the table. Ms. Oehler and Mr. Reinhart distributed a report on the Zoning and Codes housing permit process updates.

Ms. Oehler stated that 242 properties applied for Zoning in August. A total of 2,380 have been approved through the AHO process. In May, June, and August 2009, 3160 properties have been approved through the AHO process. Mr. Reinhart explained that staff began working on the billing process for those currently having housing permits. He stated that since August 25th staff has been working on non-compliant files in anticipation of billing for 2008-2009 housing permits. Mr. Reinhart stated that 10,836 properties are currently in the housing permit process.

Mr. Marmarou inquired how many rental units are out of compliance. Mr. Reinhart stated that approximately 3,500 rental units are out of compliance; however, they fall into two (2) categories.

- Landlords who have chosen not to respond to Codes notification.
- Landlords who have dropped out of the process at some point.

Mr. Sterner asked Mr. Reinhart how many of the properties placarded have displaced tenants. Mr. Reinhart replied that end dates are set to provide balance due to the effect displacement has on the tenant.

Mr. Waltman explained the five (5) and ten (10) year criteria policy developed by City Council. He described the work of City Council with landlords and realtors and staff to create the housing permit ordinance, along with the implementation ordinance which sets out the AHO criteria and process.

Zoning Fee Increase

Ms. Oehler distributed a handout showing the current zoning fees the (Maximus proposed

fee and fees used in West Reading, Exeter, and Wyomissing). She explained the need to provide balance between fees charged to residents and fees charged to commercial users.

Ms. Kelleher added that some other fee examples are provided with the agenda pack. She noted that Spring Township, for example, charges more for variance, special exception, and conditional use. She noted that these three (3) fees are usually set higher as a deterrent. Ms. Kelleher also suggested adding a PRD fee.

Mr. Geffken stated that the zoning fees will be determined and forwarded to Council for introduction.

Business Privilege Tax

Mr. Younger stated that he is working to address Council's suggestions and explained his review of the various legal issues. He suggested adding the revocation language in a separate ordinance.

Mr. Fuhs stated that he will agree with a stand alone revocation ordinance.

Mr. Waltman agreed and noted that this stronger approach will strengthen the City's ability to strike hard against those who choose to continually bend the rules.

Ms. Goodman-Hinnershitz noted the need for clear definition of the revocation terms and due process.

Mr. Fuhs suggested using an approach similar to the Blighted Property Review Committee ordinance criteria.

Sidewalk Vendor Ordinance Amendment

Ms. Kelleher explained that Ms. Butler suggested revisiting allowing sidewalk vendors in residential neighborhoods due to Council's denial of the two (2) sidewalk vendor permits.

Mr. Sterner stated that the Public Safety Committee has reviewed this issue and believes in the need to amend the ordinance to prohibit sidewalk vendor activity in residential neighborhoods.

Mr. Waltman noted the need to enforce the current regulations. He questioned the continued operation of Tacos Mexicanos at 501 North 8th Street and the two (2) vendors set up in the parking lot at 9th and Oley Streets. Ms. Kelleher stated that Tacos Mexicanos has applied for a zoning permit to operate on private property and the taco stand in the 9th and

Oley parking lot received a temporary zoning permit that will allow them to operate until the Taco Restaurant is constructed at 9th and Green Streets.

Ms. Goodman-Hinnershitz noted the need for simplified language so it is easy to determine where sidewalk vendor carts are in and where they are out.

Mr. Sterner suggested prohibiting sidewalk vending in residential neighborhoods. He asked Ms. Kelleher to draft the appropriate ordinance.

The Work Session adjourned at approximately 9pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW-UP ISSUES

- Amendment To Property Maintenance Code – Ticketing System
- Business Privilege Tax Ordinance Adding Revocation
- Zoning Fee Increase Ordinance
- Copy DEP Report WWTP Inspection
- Zoning and Codes – Housing Update

Proposed Changes to the Rental Inspections Program by Eric Weiss

Date: February 3, 2009, based on our January 22, 2009 meeting
Presented to City Council February 17, 2009

1. Enter property information into Hanson regarding placarded (tagged unfit) properties during January 2009. This will require follow-up inspections to be carried out over the following month for approximately 75 properties to verify use and occupancy along with enforcement actions as needed. All tagged unfit properties found to be occupied will be prioritized for enforcement until complied or vacated.
2. Create Divisions of responsibilities of staff by program or specialty, similar to divisions among the lines of business of a corporation. This specialization will improve effectiveness while allowing for adjustments to staffing in each division as needed during the year in order to address fluctuations in the workload. By February 1, 2009, deploy inspections staff as follows:
 - a. 6 rental health & safety inspectors
 - b. 4 complaints inspectors
 - c. 2 illegal use inspectors
 - d. 2 "floating" inspectors to respond to temporary workload increases
 - e. 1 inspector handling health inspections
3. By April 1, 2009, to resolve the Housing Permits backlog problem, issue Housing Permits to approximately 1,500 owners who have applied and have had zoning verified. Defer the requirements for BPL and housing inspections on these properties to resolve the backlog and to clear the path for the commencement of the 5 year systematic inspections cycle. These Permits should indicate the conditions of issuance, that is: must be inspected, must comply with BPL requirements, etc.
4. Begin the 5-year, systematic rental inspections cycle by separating the Magisterial Districts into 5 one-year (2009 through 2013) geographic rental inspections areas. The number of rental dwelling units for inspection should be approximately equated each year and care should be taken not to overload challenging Districts into one year. This establishes goals and timetables with achievement expectations for administration, elected officials, staff, property owners and the general public and will transform the current reactive efforts into a proactive, mission-driven systematic process.
5. By June 30, 2009, to resolve the Rental Unit Invoices backlog, make the necessary ordinance amendments to establish a Registration provision for qualified rental units in chapter 11- Housing Rental. Registered Rental Units will be units documented by the City and based on the owner's application and payment of a yearly fee. A unit will remain Registered, providing the yearly fee is paid, until a Rental Permit is issued when the unit is brought into compliance with all requirements in Chapter 11 following inspection during the five (5) year inspections cycle. The Registration does not warrant the zoning, safety, condition or habitability of these units. It merely

documents the owner's application for inclusion of the units(s) in Reading's Rental Unit Permitting process.

In resolving the invoice backlog, the 2008 and 2009 Rental Unit Invoices for units that are in compliance should be sent as Rental Permit Fee invoices. Rental units for which compliance is pending or units that have not been brought into compliance with the Rental Housing Ordinance requirements, should have 2008 and 2009 invoices sent as Rental Registration Fee invoices.

2007 Rental Fee Invoices, already in progress, can remain as Rental Permit Fee Invoices.

This will bring the rental billing cycle current without mandating all units be in compliance with all requirements while allowing Registered Units to remain Registered until they are included in the five (5) year inspection cycle and achieve their Rental Permit.

6. List all permitted rental units on a Master Rental Permit posted in a common area (lobby) of every rental property. The permit will list all legal units identifying them by number or letter or location (example: 2nd floor rear). This will document the permitted allowable rental units in every rental building at an accessible location open to public view.

Additional Programmatic Changes:

1. By April 1, 2009 institute Sweep Ticketing Program. Sweep Ordinance is being revised to include all anticipated violations to be addressed by the ticketing process. The process initially will be by standard ticket book issuance similar to the Allentown Program. Potential benefits to using hand-held computers for ticketing will be looked into. Consortium of Code Officials in Reading, Allentown, Bethlehem and Easton has been formed and will best practice solutions, including the Sweep Ticketing Program, to common code problems among the cities.
2. By January 2009 decide on, measure staff size requirements, purchase and issue uniforms to inspectors. The inspectors "uniforms" will be khaki pants and a button down shirt rather than either a more law enforcement officer or a more maintenance worker style uniform. Projected first day for uniforms to be worn is the middle of February.
3. Zoning files are the City's official record of a property's legal allowable use. Having clear, complete, official municipal records of every property's allowable use is essential to a City's success by several measures. It is recommended that a sufficient number of staff be assigned to investigate and resolve issues of allowable uses for properties in rental inspections yearly geographic workload prior to inspections. Consider fee increases for rental housing permits and/or zoning

applications to cover additional staff to verify allowable use and to gain compliance of zoning violations. Maximus Company is evaluating Reading's fee structure. We can review the Maximus draft when it is ready.

Additional note:

Look into the optimal use of State Act 97 by putting a procedure in place to have fire inspectors gather fire insurance coverage information at every fire response and transfer this information to a program coordinator who will assure that insurance providers adhere to the provisions of Act 97 by escrowing with the City Treasurer the required portion of the insurance proceeds. Compliance signed off by the Building Inspections staff when the CO is issued following building restoration should be required prior to release of these funds to the owner/insured. If the owner/insured balks or fails to restore the building, the City should proceed to use the escrowed funds for the repairs. If no insurance is in place at the time of the fire, public nuisance abatement procedures using public funds should be employed to repair the building damage to at least a condition that will not allow further deterioration nor negatively impact surrounding properties. Code enforcement action, blighted property review procedures or municipal lien execution should follow until the fire damaged building is restored.

ZONING

Zoning performs inspections to assure compliance with applicable codes and ordinances adopted by the City. Zoning ensures consistent conformance with applicable laws regulating the use of land and buildings in the City. All persons or entities desiring to undertake any new construction, structural or site alteration, razing, grading, or changes in the use of a building or lot shall apply to the Zoning Administrator for a zoning permit by completing the appropriate application form and by paying all required fees.

The following is a summary of the cost and fee analysis.

Summary of Zoning Costs

The cost distribution for the Zoning user fee analysis was comprised of three (3) components: 2008 budget appropriations, 2006 indirect costs, and 2008 divisional support. The 2008 budget appropriations for Zoning were derived directly from the City's adopted budget. The 2006 indirect costs are from the City's 2006-based full cost allocation plan. The divisional support costs from Codes Administration, Planning, and City Clerk was calculated through separate MAXFEE analyses, respectively. In the 2008 budget the Zoning Administrator position was in Codes Administration. In order to accurately distribute the labor costs, the portion of Codes Administration support costs related to salaries and fringe benefits for the Zoning Administrator position was included in the 2008 budget appropriations for Zoning. The actual/estimated quantities (units of service) were derived from Zoning's permit database for the period January 1, 2008 through October 31, 2008. The data was sorted by permit code to arrive at the total number of units for each fee area. The total units for the sample period were then annualized to arrive at a projected total number of units for a calendar year. It should be noted that the total number of rental housing units was computed based on 50% of the three year (2006-2008) average housing stock as reported by the City Auditor's report of the number of real estate transfer transactions. This method of computing total rental housing units was recommended by the City Manager.

CITY OF READING, PENNSYLVANIA Analysis of Fees for Services Report

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Zoning

Cost Summary

(All Costs Shown in Dollars)

2008 Budget Appropriations

Salary and Wages \$ 136,011

Benefits 45,905

Operating Expenses 24,000

Total Direct Budgeted Costs \$ 205,916

2006 Full Cost Allocation Plan \$ 36,061

Total Indirect Costs \$ 36,061

Divisional Support

Codes Admin. \$ 44,039

Planning and City Clerk 7,467

Total Divisional Support \$ 51,506

Total Zoning Costs \$ 293,483

Of the total cost of \$293,483 for the fee-related services considered, \$134,700 was considered to be non-fee related leaving \$158,783 or 54.10% of the total costs as the fee related costs.