

**City of Reading
City Council
Work Session
Monday, April 20, 2009**

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

Others Attending: L. Kelleher, C. Younger, R. Hottenstein, L. Murin, F. Denbowski, M. Reese, T. Close, S. Perry from Maximus, W. Heim, B. Reinhardt

Mr. Spencer called the work session to order at 7:05 p.m.

Managing Director's Report

The Managing Director's Report was distributed to Council covering the following:

- Great American Clean Up
- Gain sharing
- Meeting of Blue Ribbon Panel, April 29 from 11 a.m. to 1 p.m. in the Penn Room

Mr. Waltman asked that members of the Council Finance Committee to attend the Blue Ribbon Panel meeting on April 29th.

Mr. Waltman requested that the administration install a mobile surveillance camera at the Reed and Washington area due to the chronic dumping that occurs at this area.

Municipal Trash Collection

Mr. Hottenstein explained the gain sharing approach.

Mr. Murin explained that the current AFSCME contract has a gain sharing provision that allows the exploration of cost savings by doing certain tasks and projects in house versus out sourcing.

Mr. Denbowski described the process to review and determine the study of certain service areas. He stated that the group has studied the redesign of trash collection at municipal buildings. He noted that various solutions resulted from

the meeting process.

Mr. Reese noted that this is the first time city management and AFSCME have successfully found solutions beneficial to all parties. He noted the excitement of all involved in this process.

Mr. Fuhs congratulated the Committee.

Mr. Murin stated that trash removal from municipal buildings is estimated at \$127,862.00. The study has shown that retaining the service in house, with the proposed redesign, will cost \$77,436.00; \$50,426.00 less than the estimated operating cost period. The committee conducted time studies, interview of workers, gathered relevant documents, etc., to determine the needs of RAWA, DID, and Reading Parking Authority. He stated that keeping the service in house will preserve one and half city jobs.

Mr. Murin explained that the redesign of the collections service will provide the following:

- Continuation of service at the RAWA store yard at cost, which will eliminate the duplicate service provided by RAWA personnel
- Continued service at Ontelaunee by RAWA staff
- Continue the reimbursement of land fill fees for Ontelaunee trash by RAWA, but at a lower volume rate
- Discontinue the reimbursement of land fill fees by RAWA to the City for store yard service
- Retro fit two city compactors to handle dumpsters
- Eliminate the use of trash barrels at 16 city wide sites
- Purchase and place 17 dumpsters at the selected sites, which will reduce frequency of pick up service
- Discontinue the service at Easter Seal Offices, now provided by the City at no charge
- Continue City service to Camp Lily at no charge as provided in the lease agreement with Easter Seals and renegotiate the land fill fees based on volume

Mr. Waltman gave his appreciation for the group's effort to improve service and reduce costs by approximately forty percent.

Mr. Murin explained the group will next review vehicular towing and recycling collection services.

Ms. Goodman-Hinnershitz expressed her belief in the true benefit of having City workers perform City work.

Mr. Marmarou noted he recently caught a citizen depositing his personal trash at 11th and Pike. He inquired if the placement of dumpsters at various sites would encourage this activity. Mr. Denbowski replied that the dumpsters will be locked and surveillance cameras will be installed to curtail this activity.

Mr. Spencer expressed his belief in the concept and the process. He also noted that this committee eliminates the need to pay a consultant to define solutions.

Mr. Reese explained the use of the penny fund to cover the cost associated with these service studies.

Maximus Report

Tim Close and Shelley Perry representing Maximus provided the company's history and stated that the fee study was performed in response to the City's RFP to calculate the full cost of services reflected for specific areas. Mr. Close explained that this is a cost study not an efficiency study. He also noted that police services were not included.

Mr. Close asked Council to thoroughly review pages 6-18 in the report which explains the approach and the application of the three fee types; subsidized, unsubsidized, and deterrent. He stated that this study will allow the legislative body to apply increases to various fee areas that can be supported by the study.

Mr. Spencer inquired about the life of the cost study report. Mr. Close replied that the City should undertake this activity every five to eight years. He also explained the difficulty of completing this cost study in house, as cost accounting is a specialized field that falls outside the scope of staff trained in municipal accounting. Mr. Waltman stated that this well done report will assist Council in reviewing service areas and their costs. He questioned the need for an efficiency study to go along with this report. Mr. Close stated that an efficiency study usually occurs before the cost study. He noted that the information in the appendix contains a breakout of personnel cost versus operational cost.

Mr. Fuhs inquired why an efficiency study should be done first. Mr. Close stated that the efficiency study provides an exploration of a service area as a whole with recommended reorganization plan. He noted that this study cannot be used to show efficiencies.

Mr. Spencer inquired if the study includes input from staff on the rationale of the current fees. Mr. Close stated that, that information was used where it was available.

Mr. Spencer inquired if other cities generally adopt legislation to increase or decrease fees to the levels recommended in the report. Mr. Close replied that many do adjust fees to the recommended levels. Mr. Close explained the need to consider fees that should be subsidized by the tax payer and fees that should be covered by the user. He stated that Council may want to consider phasing increases in areas where the recommended increase is quite high.

Mr. Marmarou inquired if the evaluation of departments was not included in the study. Mr. Close stated that this report provides a cost study not an efficiency study.

Vacant Property Registration Ordinance

Mr. Waltman stated that this ordinance was drafted by Ms. Kelleher at his request in Fall 2008. He asked Ms. Kelleher to give a high level review of the ordinance.

Ms. Kelleher stated that this ordinance was modeled after ordinances currently in place in York and Wilmington. She stated that vacant building registration is used to promote the rehabilitation of vacant buildings. Under this ordinance registration is required for buildings that have been vacant for more than 45 consecutive days. Registration fees start at \$500 and phase up to \$5,000 a year for buildings that have been vacant for more than 10 years. She described the ability of the property owner to have the registration fee waived if the building's owner has shown good faith and effort to rehabilitate, demolish, or improve the building, or if the property owner has shown proof that they are actively marketing the property for reuse. Ms. Kelleher noted the need for the ordinance to also contain some type of "snow bird" provisions for property owners who only reside in the property for a certain number of months per year. Ms. Kelleher noted that this ordinance has already been reviewed and approved by the legislative aide committee.

Mr. Waltman suggested forwarding this ordinance for Public Safety Committee review.

Mr. Hottenstein stated that the administration supports this ordinance but suggested its delayed enactment until Codes staff gets the housing permit

process under control.

Mr. Fuhs agreed with the proposed delay in the enactment of the ordinance.

Chief Heim described the attempt of Codes personnel to standardize and improve the efficiency of various Codes functions. Mr. Reinhart agreed that enactment should be delayed until Codes staff has mastered its current functions.

Ms. Goodman-Hinnershitz and Mr. Waltman suggested delaying Public Safety Committee review until the ordinance is moved forward for enactment.

Mr. Sterner expressed the belief that the ordinance should be enacted now to address widespread deterioration of properties. He stated that this ordinance properly places responsible for the up keep of vacant properties on the property owner.

Chief Heim expressed the belief that vacant properties can be successfully managed using the property maintenance and health codes.

Rental Registration and Process

Chief Heim and Mr. Reinhart distributed a housing permit work flow chart and an update on the housing permit process. The total number of properties in the housing permit process is 7,033. Currently 571 properties have been placarded by Codes personnel for failure to enter the housing permit process or complete the housing permit process. Mr. Reinhart stated that Codes staff is no longer accepting partial packets from property owners. Incomplete packets are returned to the property owner with instructions to complete.

Mr. Reinhart expressed the belief that the business privilege license should be removed from the process, as Code staff does not have the ability to require it.

Ms. Goodman-Hinnershitz expressed the belief that the current provisions should stand as Codes has the ability to shut down the rental property until the application complies with the City's requirements.

Mr. Waltman expressed concern with the number of properties handed off to the Zoning office. Mr. Reinhart stated that currently Codes is waiting for a Zoning response on 1,522 properties.

Mr. Reinhart stated that Codes staff has identified 1,429 rental properties without

permits, in addition to those properties identified by Council staff.

Mr. Spencer inquired about the length of time needed to bring rental properties into compliance. Mr. Reinhart stated that the Allentown approach applied an investigation ward by ward. Allentown did a ward by ward assessment of each property, which took over eight years.

Ms. Kelleher noted that Council has still not received the list of properties approved by the Administrative Hearing officer. Mr. Hottenstein stated that that information will be provided at the May Work Session, along with a flow chart showing the zoning process used for rental properties.

Review of Business Privilege Tax Ordinance

Mr. Waltman stated that he is interested in reviewing the City's ability to amend the business permit ordinance to add a revocation provision. He stated that he asked Ms. Kelleher to undertake a research project to find examples of revocation provisions. He distributed the packet of information which includes the Act 511 City's current ordinance and samples from Harrisburg, Easton, and other United States cities. He asked Council to review this information for further consideration at the Finance Committee meeting.

Properties of Merit Areas

Ms. Kelleher stated that at the Blighted Property Review Committee meeting last week the committee discussed the formation of Properties of Merit areas. The committee decided that Properties of Merit areas should be designated in each of the six council districts. After a careful review of the Blighted Property map they decided to center the six Properties of Merit areas around main streets. Ms. Kelleher stated that the Blighted Property Review Committee recommends that the following areas be designated as Properties of Merit areas.

- Council District 1 - Park Avenue to Lancaster Avenue - Noble Street to the Lancaster Avenue Bridge.
- Council District 2 - Chestnut Street to South 16th Street - Cotton Street to the Haak Street
- Council District 3 - Oley Street to Walnut Street - North 13th Street to North 10th Street
- Council District 4 - Windsor Street to Perry Street - North 13th Street to North 10th Street
- Council District 5 - Schuylkill Avenue to city-line - West Douglass St to city-line

- Council District 6 - Washington St to West Greenwich Street - Schuylkill Avenue to North 4th Street

She stated that City Councilors should work to find at least three volunteers in each area to coordinate the program.

As no further business was brought forward, the work session was adjourned.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW-UP ISSUES

- Schedule Properties of Merit Community Reception
- AHO Agendas and listing of the rental properties approved
- Amendment to the Prop. Maintenance Code to allow ticketing system
- Flow Chart showing the rental registration process in zoning office
- Update on the rental housing issue
- Business Privilege Tax Revocation
- Fee Increase Review