

City of York Pennsylvania



Five Year Plan and Financial Management Study

Early Intervention Program
Multi-Year Financial Plan

Discussion Draft
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Introduction



Introduction

The City of York faces critical challenges and opportunities during the remainder of this decade. Like many other Cities of the Third Class in the Commonwealth, York has been subject to a retrenchment of its population base and has worked hard to welcome new residents. The City's proximity to Maryland has helped in this process, as Maryland residents seek the lower home prices and different tax structure available in Pennsylvania. York also benefits from the strong growth along the I-83 corridor in the Susquehanna Valley, and the presence of a dynamic college within its borders. At the same time, York has faced many of the same cost pressures as other older cities in the Commonwealth, with expenditures growing faster than revenues from a fairly stable population and employment base. Growth in York trails that in other parts of York County and south central Pennsylvania.

Public Financial Management, Inc. (PFM) and the Matrix Consulting Group (Matrix) have been retained by the City to prepare a five-year financial plan under the auspices of the Commonwealth of Pennsylvania's Early Intervention Program (EIP). Sponsored by the Governor's Center for Local Government Services in the state's Department of Community and Economic Development, the EIP is intended as a way for Pennsylvania cities to address long-term budget challenges before a crisis develops, and to strengthen the overall fiscal capacity of local governments.

The EIP for York has several major elements:

Financial Condition Assessment and Financial Trend Forecasting. This portion of the EIP reviews historic and current City revenues and expenditure and creates a baseline projection of how the City will fare over the next several years if no changes are made in its current condition and financial strategy.

Public Safety Services Audit. An in-depth analysis of the City's Police and Fire departments, led by Matrix. Reports prepared by Matrix are part of the Police and Fire chapters of this plan.

Unfunded Pension Liabilities. An analysis of the City's approach to managing recent dramatic increases in pension liability. The analysis is included in the Workforce chapter of this plan.

Management Audit and Multi-Year Financial Plan. The Management Audit includes summaries of departmental operations and identification of critical needs. The Multi-Year Financial Plan identifies priority actions that the City may take to establish financial stability. These elements are combined in the subject chapters of this plan.

Implementation Plan. This final element of the EIP will be undertaken by the City of York and will identify the deadlines for the objectives in the Plan.

This document transmits the reports of PFM and Matrix on financial condition, trend, management review and multi-year plan aspects of the EIP. It represents the considered judgment of professionals from PFM and Matrix, a team that includes experienced former local government officials who have advised cities throughout the Commonwealth and the nation. This work is not intended in any way as an evaluation or judgment of the quality of prior or current administration of the City and its finances. Rather, it is intended to provide a thorough



assessment of the City's current and projected financial situation, and preliminary recommendations on how to react to those findings.

It is also important to view this as one step in a dynamic process, not a pre-packaged solution. As outside observers, PFM and Matrix's team members provide the advantage of a third party view informed by best practices in the Commonwealth and across the country. At the same time, while PFM and Matrix staff have talked to many people in York, decisions on the City's future ultimately lie in the hands of the City's residents, business community, and elected officials. Accordingly, PFM and The Matrix Consulting Group strongly recommend and look forward to a robust public discussion on the findings of this study. It is important that the City use this report and other work produced by PFM and Matrix as a tool to help move forward.

Acknowledgements

PFM and Matrix are grateful for the time and cooperation extended by professional staff throughout the City in assisting us in preparation of this report. In particular, Business Administrator Michael O'Rourke, Finance Director Carol Brown, and others in the administrative cluster have been unstinting with their time and advice. Police Commissioner Whitman, Fire Chief Senft, and other department heads and their senior staff have been similarly supportive. Mayor John Brenner, Council President Texter and his four colleagues have been provided timely constructive criticism and suggestions. DCED Deputy Secretary Fred Reddig, Regional Director Harry Krot and others from the Commonwealth have also provided critical help and direction.



Demographic and Economic Analysis

The City of York

The City of York is located in south central Pennsylvania approximately 17 miles north of the historic Mason-Dixon Line, and is the seat of York County. The City constitutes the largest municipality in the York Standard Metropolitan Statistical Area (MSA), which incorporates York and Adams Counties. At the 2000 census, the City was home to 40,862 people. Laid out in 1741, York was briefly home to the Second Continental Congress and became the First Capital of the United States when the session adopted the Articles of Confederation.

With its strategic location at the intersection of Interstate 83 and US Route 30, the City has long served as an economic anchor for York County and a center of trade for almost 400,000 county residents. While serving as a marketplace for the prime farmland in neighboring townships, York City continues to be centered on manufacturing. York's industrial heritage includes the production of products as diverse as automobiles, steam engines, turbines, farm implements, pottery and refrigeration machinery.

York is home to a diverse variety of large- and medium-sized employers. In the downtown area, government and financial organizations employ the largest number of individuals. York County Government— which recently took possession of its newly-constructed Courthouse – employs almost 2,000 in the York area. Harley-Davidson Motorcycles' largest production facility is a major area tourist attraction located in adjacent Springettsbury Township and employs close to 3,000 area residents. The York City School District, coterminous with the City's boundaries, employs over 800. Large York area manufacturing firms include York International Corp., a manufacturer of heating and air conditioning systems; Graham Companies, which produces architectural products, recycling and packaging; United Defense, a manufacturer of tanks and armored vehicles; and P.H. Gladfelter, a paper manufacturing company. Each employs more than 1,000 in the York area. In the retail sector, which is centered along US Route 30 and in the downtown area, large employers include Wal-Mart Stores, Inc. and The Bon-Ton Stores, which together provide over 2,000 jobs.

In addition to the Harley-Davidson facility, the York area is home to several major visitor attractions, including the Colonial Complex, the newly-renovated Strand-Capitol Performing Arts Center, the Fire Museum, and the restored downtown retail district centered on West Market Street. York has continued to pursue economic and community development, and is home to several programs designed to attract more residents, businesses, and industry. The City hosts a Keystone Opportunity Zone, which offers designated land parcels with greatly reduced tax burdens for residents and businesses; and a designated Business and Enterprise Park with projected employment when completed of over 2,000. Further potential development over the course of the Five-Year Plan may be undertaken at various sites throughout the City.

Population Trends

Like many comparable cities in Pennsylvania, York has experienced significant population declines in recent decades. The City's population has declined by 25 percent from a 1960 census



count of 54,504. After two decades of rapid population reductions from 1960 to 1980, the City's became more gradual over the past two decades. As the following table shows, York's population losses since 1965 represent the median among the Third Class Cities surveyed, and just 0.5 percentage points above the large cities mean average.



Figure 1

Large Pennsylvania Cities: Population Trends

Place Name	State	Primary County	2000 Population	1990 Population	1980 Population	1970 Population	1960 Population	10 Year (1990- 2000) % Change In Population	20 Year (1980- 2000) % Change In Population	40 Year (1960 - 2000) % Change In Population
Commonwealth of Pennsylvania			12,281,054	11,881,643	11,863,895	11,793,909	11,319,366	3.4%	3.5%	5.0%
York	PA	York	40,889	42,192	44,619	50,335	54,504	(3.1%)	(8.4%)	(25.0%)
Allentown	PA	Lehigh	106,632	105,090	103,758	109,871	108,347	1.5%	2.8%	(1.6%)
Altoona	PA	Blair	49,525	51,881	57,078	63,115	69,407	(4.5%)	(13.2%)	(28.6%)
Bethlehem	PA	Northampton	71,329	71,428	70,419	72,686	75,408	(0.1%)	1.3%	(5.4%)
Chester	PA	Delaware	36,854	41,856	45,794	56,331	65,658	(12.0%)	(19.5%)	(43.9%)
Easton	PA	Northampton	26,263	26,276	26,027	29,450	31,955	(0.0%)	0.9%	(17.8%)
Erie	PA	Erie	103,725	108,718	119,123	129,265	138,440	(4.6%)	(12.9%)	(25.1%)
Harrisburg	PA	Dauphin	49,100	52,376	53,264	68,061	79,697	(6.3%)	(7.8%)	(38.4%)
Lancaster	PA	Lancaster	56,347	55,551	54,725	57,690	61,055	1.4%	3.0%	(7.7%)
Philadelphia	PA	Philadelphia	1,517,550	1,585,577	1,688,210	1,948,609	2,002,512	(4.3%)	(10.1%)	(24.2%)
Pittsburgh	PA	Allegheny	334,563	369,879	423,938	520,117	604,332	(9.5%)	(21.1%)	(44.6%)
Reading	PA	Berks	81,201	78,380	78,686	87,643	98,177	3.6%	3.2%	(17.3%)
Scranton	PA	Lackawanna	76,415	81,805	88,117	102,696	111,443	(6.6%)	(13.3%)	(31.4%)
Wilkes-Barre	PA	Luzerne	43,123	47,523	51,551	58,856	63,551	(9.3%)	(16.3%)	(32.1%)
PA Large Cities (>35k) Median			63,838	63,490	63,749	70,374	77,553	(4.4%)	(9.2%)	(25.0%)
PA Large Cities (>35k) Average			185,251	194,181	207,522	239,623	254,606	(3.8%)	(8.0%)	(24.5%)
Variance from York										
PA Large Cities (>35k) Median			42,794	41,601	40,010	39,498	30,795	1.3%	0.9%	0.0%
PA Large Cities (>35k) Average			78,619	89,091	103,764	129,752	146,259	0.8%	0.4%	0.5%

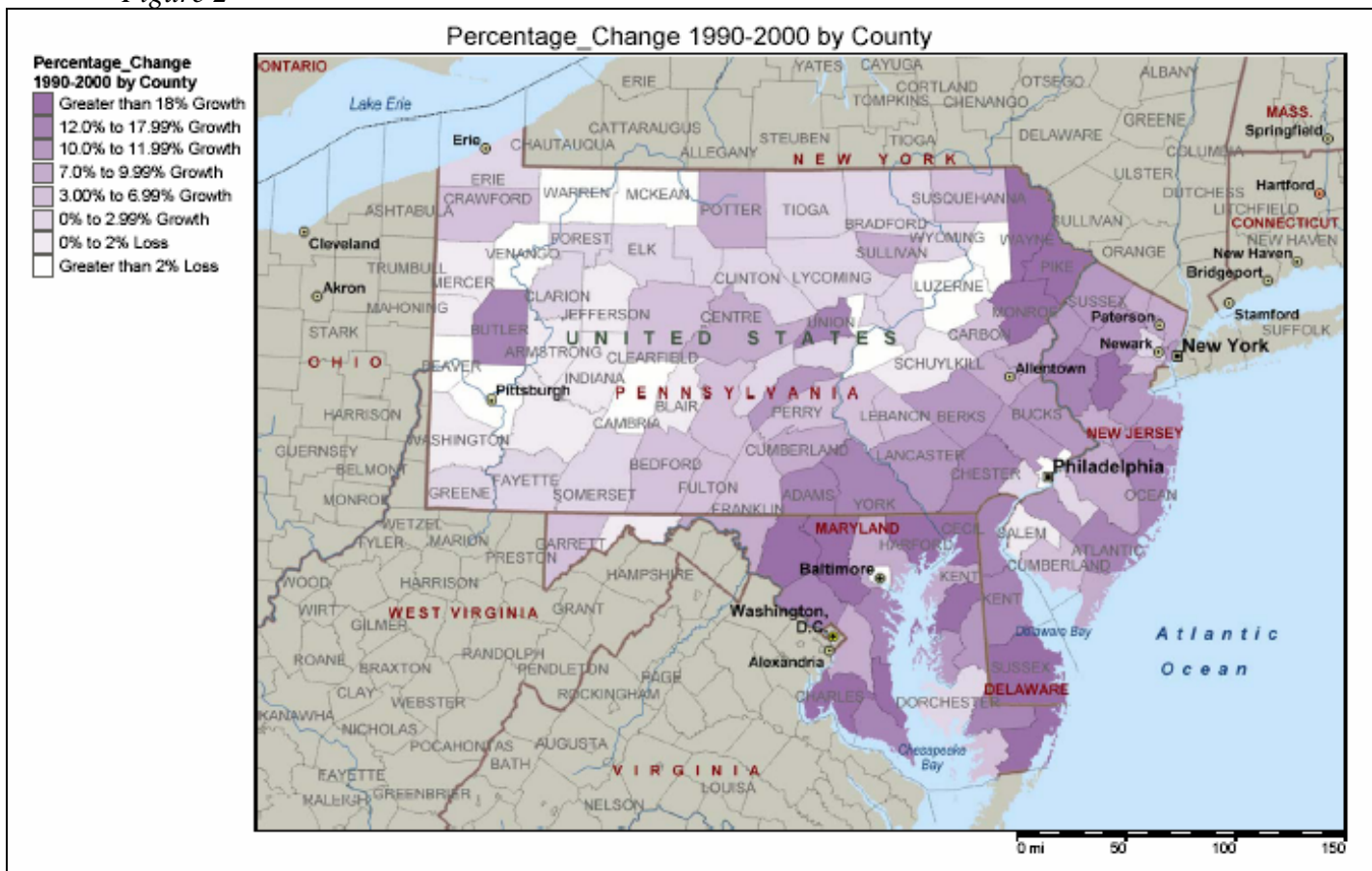
Source: U.S. Department of Commerce, Bureau of the Census



If York's population trends are considered in the context of regional demographic and economic patterns, rather than in comparison to other Pennsylvania cities, its population reductions are anomalous. As shown in *Figure 2: Percentage Change by County, 1990-2000* and *Figure 3: Percentage Change by County, 1960-2000*, York and south-central Pennsylvania are strategically located in an area of the east coast of the United States that has been undergoing substantial population growth over several decades.

These high growth rates, which extend for approximately 100 miles on either side of Interstate 95 in central Maryland, Delaware, New Jersey, and the eastern borders of Pennsylvania, are in contrast to many other urbanized regions of Pennsylvania. Situated within a multi-state region of strong growth, York's slowly declining population pattern indicates greater stability than central and western Pennsylvania peer cities but less dynamic expansion than nearby neighbors.

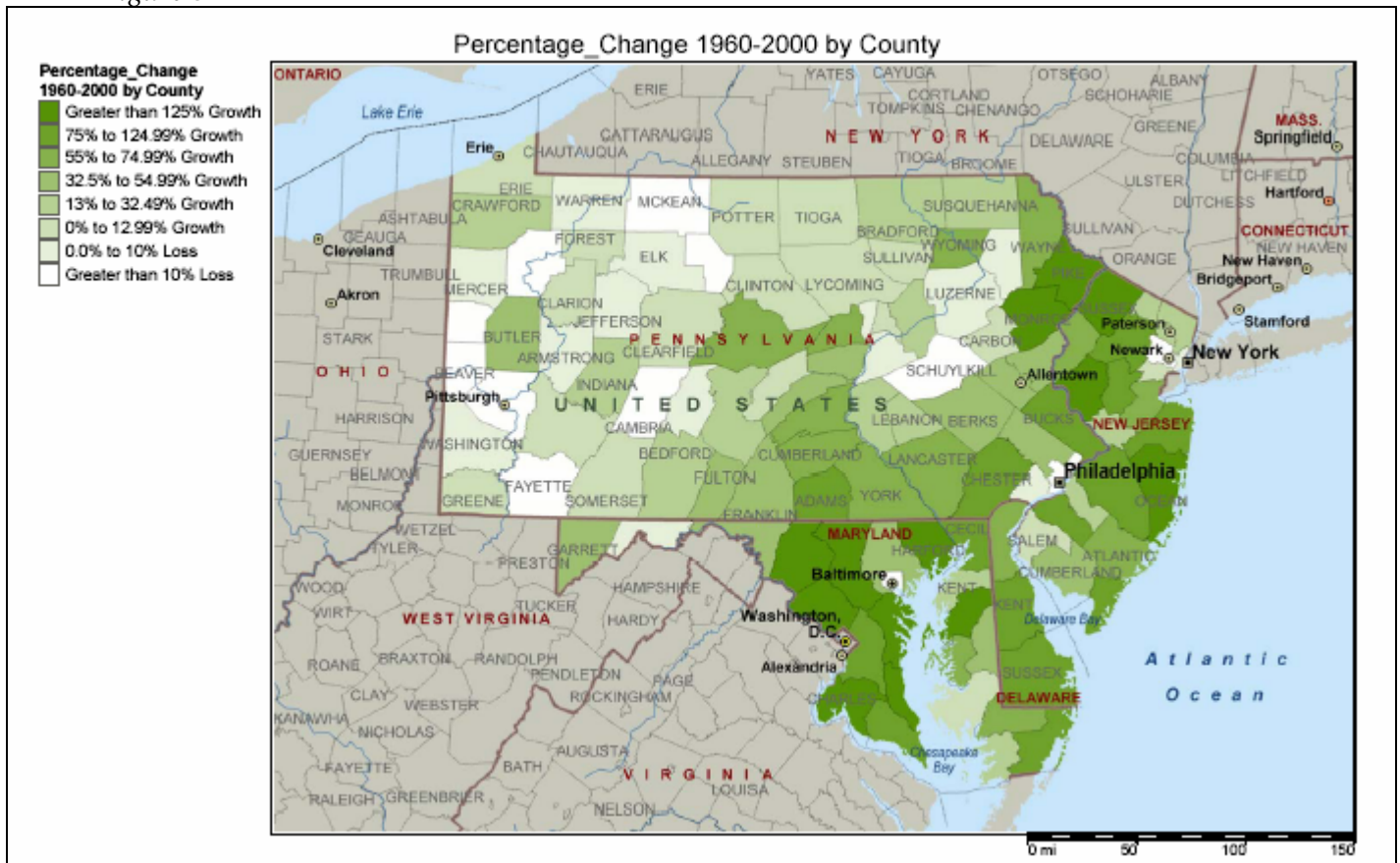
Figure 2



Source: U.S. Department of Commerce, Bureau of the Census



Figure 3

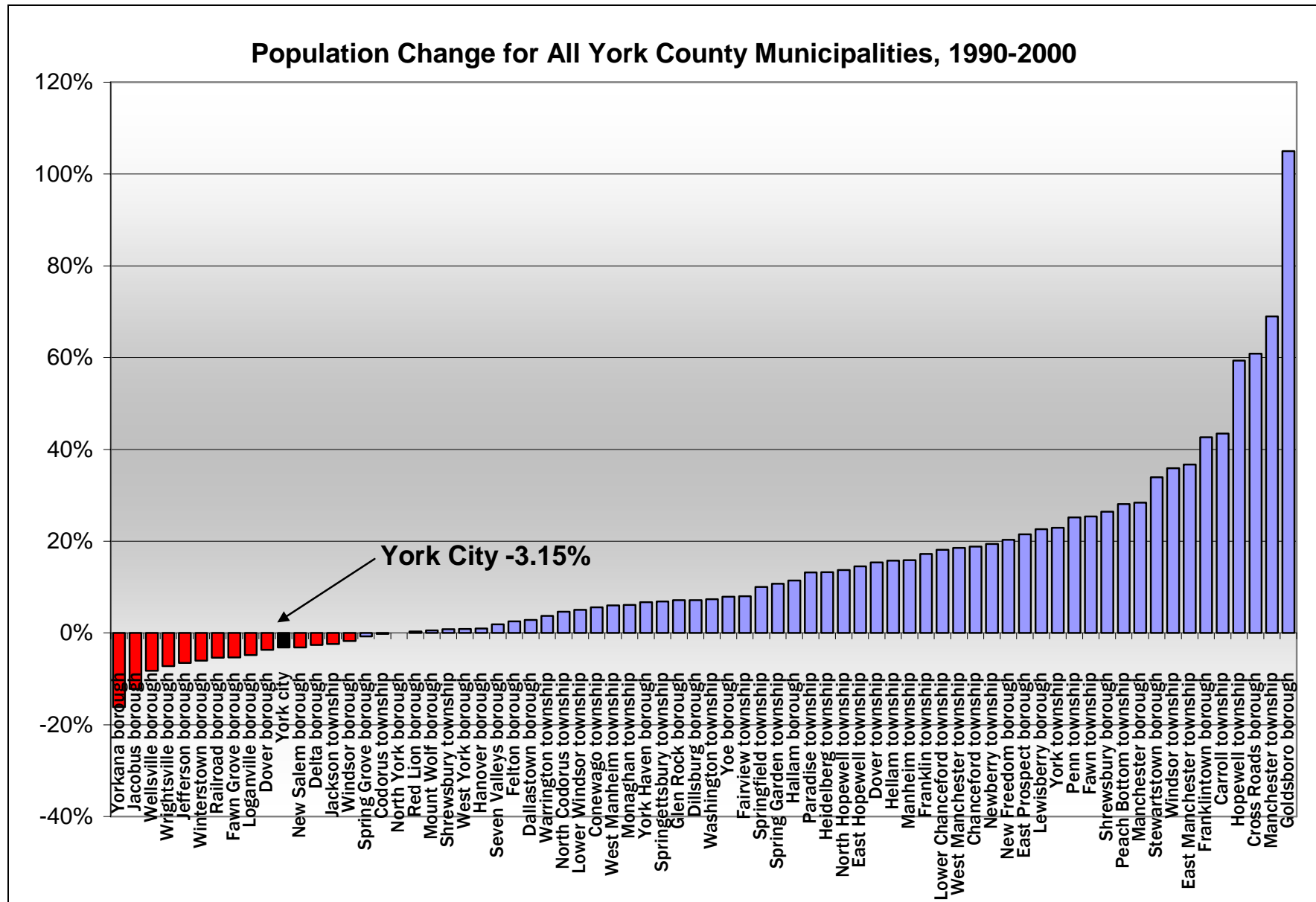


Source: U.S. Department of Commerce, Bureau of the Census

In addition, the City of York did not see the tremendous growth of some of its adjacent York County localities in the 1990s. Figure 4 shows the relative position of York among other York County municipal governments in that decade, and Figure 5 shows the US Census Bureau's estimate of its population trend in the early part of this decade.



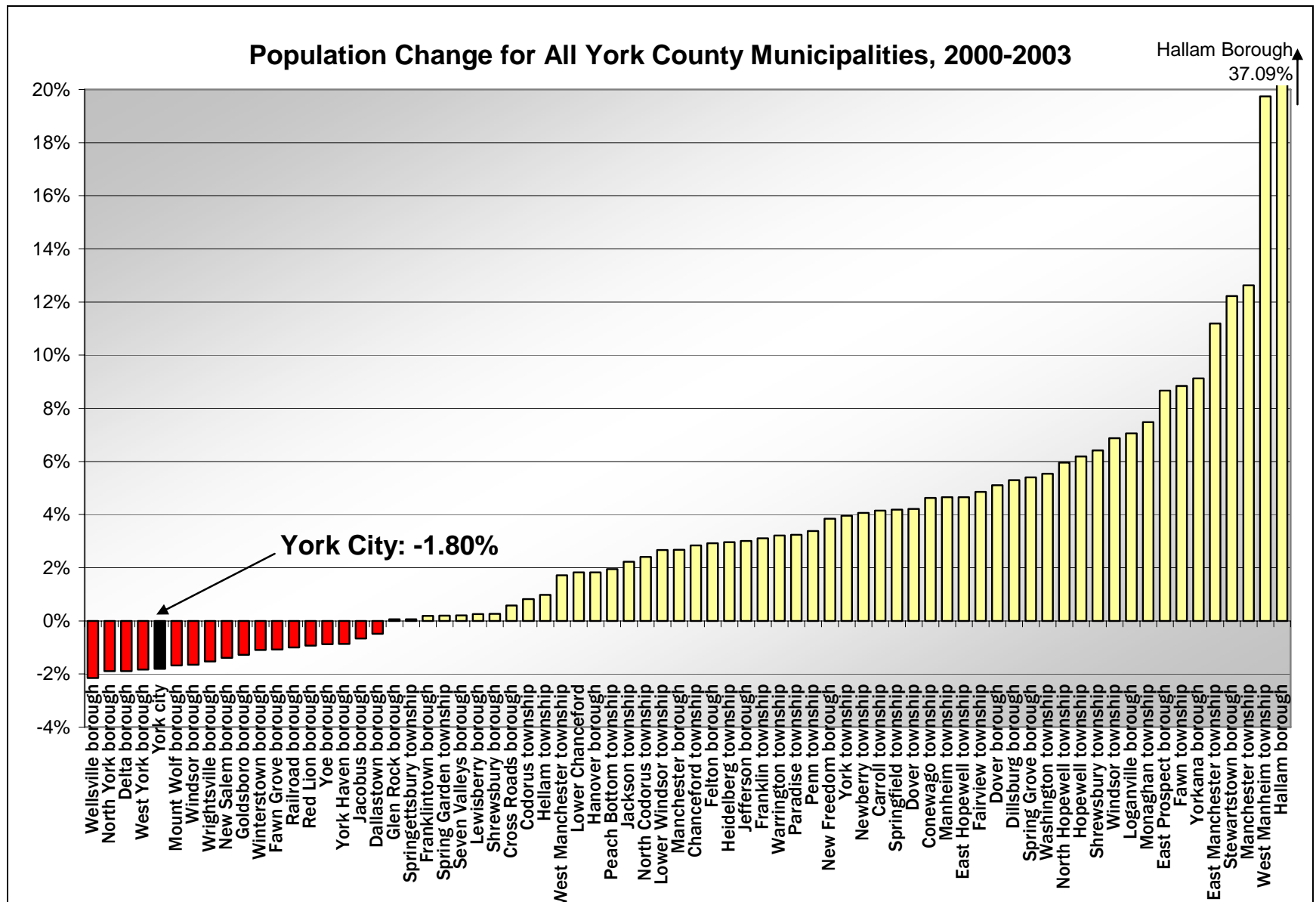
Figure 4



Source: U.S. Department of Commerce, Bureau of the Census



Figure 5



Source: U.S. Department of Commerce, Bureau of the Census



Income & Wealth

Using indices of income and wealth, rather than population, the City again proves to be similar to peer cities but different from the Commonwealth as a whole. As shown in Figure 6, the City's ten-year improvements in two of three key categories have been well close to the average of those recorded in other third class cities but somewhat below the statewide average over the decade from 1989 to 1999 (the most recent period for which this information is available).

Figure 6

Larger Pennsylvania Cities: Income Measures

Place Name	State	Primary County	1989 Median Household Income	1989 Per-Capita Income	1989 Median Home Value	1999 Median Household Income	1999 Per-Capita Income	1999 Median Home Value	10 Year (1999-1989) % Change in Median Income	10 Year (1999-1989) % Change in Per-Capita Income	10 Year (1999-1989) % Change in Median Home Value
Commonwealth of Pennsylvania			\$29,069	\$14,068	\$69,100	\$40,106	\$20,880	\$97,000	38.0%	48.4%	40.4%
York	PA	York	\$21,812	\$10,485	\$41,100	\$26,475	\$13,439	\$56,500	21.4%	28.2%	37.5%
Allentown	PA	Lehigh	\$25,983	\$12,822	\$75,900	\$32,016	\$16,282	\$76,900	23.2%	27.0%	1.3%
Altoona	PA	Blair	\$20,695	\$10,398	\$30,600	\$28,248	\$15,213	\$58,000	36.5%	46.3%	89.5%
Bethlehem	PA	Northampton	\$28,375	\$13,684	\$89,800	\$35,815	\$18,987	\$97,400	26.2%	38.8%	8.5%
Chester	PA	Delaware	\$20,864	\$9,115	\$37,800	\$25,703	\$13,052	\$43,100	23.2%	43.2%	14.0%
Easton	PA	Northampton	\$26,365	\$11,319	\$80,500	\$33,162	\$15,949	\$77,000	25.8%	40.9%	(4.3%)
Erie	PA	Erie	\$22,032	\$10,715	\$43,000	\$28,387	\$14,972	\$65,900	28.8%	39.7%	53.3%
Harrisburg	PA	Dauphin	\$20,329	\$11,037	\$38,000	\$26,920	\$15,787	\$56,900	32.4%	43.0%	49.7%
Lancaster	PA	Lancaster	\$22,210	\$10,693	\$58,300	\$29,770	\$13,955	\$71,300	34.0%	30.5%	22.3%
Philadelphia	PA	Philadelphia	\$24,603	\$12,091	\$48,400	\$30,746	\$16,509	\$59,700	25.0%	36.5%	23.3%
Pittsburgh	PA	Allegheny	\$20,747	\$12,580	\$40,500	\$28,588	\$18,816	\$59,700	37.8%	49.6%	47.4%
Reading	PA	Berks	\$22,112	\$11,041	\$37,300	\$26,698	\$13,086	\$44,500	20.7%	18.5%	19.3%
Scranton	PA	Lackawanna	\$21,060	\$11,108	\$56,100	\$28,805	\$16,174	\$78,200	36.8%	45.6%	39.4%
Wilkes-Barre	PA	Luzerne	\$19,525	\$10,513	\$43,600	\$26,711	\$15,050	\$64,700	36.8%	43.2%	48.4%
PA Large Cities (>35k) Median			\$21,922	\$11,039	\$43,300	\$28,488	\$15,500	\$62,200	27.5%	40.3%	30.4%
PA Large Cities (>35k) Average			\$22,622	\$11,257	\$51,493	\$29,146	\$15,519	\$64,986	29.2%	37.9%	32.1%
Variance from York											
PA Large Cities (>35k) Median			\$110	\$554	\$2,200	\$2,013	\$2,061	\$5,700	6.2%	12.1%	7.1%
PA Large Cities (>35k) Average			\$810	\$772	\$10,393	\$2,671	\$2,080	\$8,486	7.8%	9.8%	5.4%

Source: U.S. Department of Commerce, Bureau of the Census

Note: The City of Easton has fewer than 35,000 residents, but his included for reference.

At \$26,475 in 1999, York's median household income is below the average and median for other larger Pennsylvania cities, and below the \$40,106 level for the Commonwealth overall. The 21.4 percent growth of the City's median income level between 1989 and 1999 was also significantly below the peer city median of 27.5 percent, the peer city mean average of 29.2 percent, and the statewide growth rate of 38.0 percent.

York's 1999 per capita income of \$13,439 is below that of other larger Pennsylvania cities and below statewide averages. Again, the ten-year growth trend was also substantially less than larger Pennsylvania cities generally. The ten-year per capita income growth of 28.2 percent in



York was less than the statewide average growth rate of 48.4 percent and the Third Class City mean average of 37.9 percent.

The 1999 median home value in York was lower than all but two of the larger Third Class cities, but the ten-year improvement in this measure was above peer performance. The 37.5 percent ten-year increase from 1989 to 1990 was above the peer city median (30.4 percent) and mean (32.1 percent), but lagged behind average statewide growth rates (40.4 percent increase). However, despite this improvement, the comparably low base of median home value in York remains a cause for concern.

Age

Unlike much of Pennsylvania, residents of York tend to be slightly younger than the state and nation as a whole. 10.9 percent of York's population is over age 65, compared with 15.6 percent in Pennsylvania and 12.4 percent nationwide. This may be partially a result of the relative size of York College in terms of the City's population, and also a result of the replacement of an older residential population with new, younger families.



Baseline Assessment and Multi-Year Projection

Overview

In order to understand how the demographic and economic factors described in the previous section affect the City of York's future financial health, PFM has built a multi-year financial projection model of the City's budget. The foundation of the model is electronic data on past financial results and the FY2005 estimated/actual numbers provided by the City. This information has been supplemented by interviews with City officials and others to create a picture of the City's finances for the last several years. PFM has made certain assumptions about the future growth in various budget lines, as described below, and used these to project revenues, expenditures, and net operating balance from FY2006 through FY2010.

The results, presented and described in this section, show that if no changes are made to current policies the City will experience a current and widening gap between revenues and expenditures over the next several years. While the results of PFM's baseline projection would change slightly with different assumptions, most of the major revenue and cost drivers in the City's budget are steady and slow to change, are published negotiated figures (such as labor agreements), or are well-established externally-driven trends (such as health benefits costs). As a result, PFM is confident that the general baseline trend shown here is accurate. Note, however, that in recent years the City has been subject to significant one-time events with large financial consequences, such as the large increase in pension payments. Similar major changes, including a new solid waste collection and disposal contract, are included in the model where known or anticipated.

Summary of Findings

The results of PFM's baseline modeling show that the City of York must continue the tough work of belt-tightening and austerity that it has responsibly adopted over the last several years. While the City has been well-managed and has taken many steps to control costs and increase revenue, even more aggressive action to halt and reverse negative trends are necessary to ensure York's long-term financial health.

As a result of a variety of factors, most City revenues have grown modestly in recent years with the limited exception of the real estate tax; Act 511 local enabling taxes; and the adoption of the new Emergency & Municipal Services Tax. At the same time, the City has faced the pressures on every local government – citizen expectations that current levels of service will be maintained or improved; employee expectations that wages will grow at least as fast as their cost of living; skyrocketing costs for employee health care; and general price inflation rates that generally exceed the growth rate of municipal revenues.

In York, this situation is particularly acute because:

- The City's Minimum Municipal Obligation (MMO) for pension funding liabilities is projected to increase by over \$2.9 million from the FY2005 MMO;



- York's real estate tax rate is already the highest municipal taxes in all of York County municipalities. Further reliance on the property tax as a source of new revenue may be limited;
- In recent years, labor costs (especially benefits) have grown at a level above the rate of inflation;
- The City is subject to a variety of uncontrolled expenditure pressures, including recent liability settlements and fuel prices;
- City tax money contributions to the Ice Arena debt service have increased following the City's takeover of the Arena;
- The City has already undertaken many traditional responses to fiscal pressure, including personnel reductions, service reductions, fee revisions, and property tax increases.

As a result of these factors, expenditures in York have been greater than revenues for some time, leaving the City with negative net operating balances for each year from 2000 to 2005 (excepting a small positive net operating balance in 2004). The City has been working on the problem, and even with improved management, expenditure reductions, and tax and fee increases, estimated year end 2005 numbers are projecting a small negative net operating balance.

Although responsible, proactive steps taken by the Mayor and City Council in adopting and implementing the 2005 budget may result in a relatively small negative operating balance, the underlying imbalance continues. If left unaddressed this trend will accelerate over the next five years and create a widening budget gap for the City. PFM's model projects that if no corrective action is taken, expenditures will exceed revenues by up to \$4.9 million in 2010; over 15.4 percent of projected revenue.

As with all governments facing financial challenges, the options for the City of York are clear:

1. Reduce expenditures by providing services more efficiently and at a lower cost, or by eliminating services.
2. Increase revenues to pay for the growing cost of baseline services and any desired service enhancements, whether by growing the tax base, more effective collection of taxes and fees, or increasing taxes and fees.
3. Bring in more direct, indirect, and in-kind assistance from other sources, including the county, regional, state and federal governments or civic institutions.

This multi-year plan will provide a comprehensive set of options in each of these areas, designed to provide policymakers and the public with choices for creating long-term financial stability and (ultimately) growth.

The remainder of this section consists of a detailed baseline assessment and multi-year forecast.



Multi-Year Projection Methodology

Base Year

The projections in this baseline assessment draw primarily on the City of York's budgeted FY2006 revenue and expenditure numbers, with some reference to historical results dating to FY2000. All information was provided by the City of York's Department of Business Administration. The FY2006 budgeted numbers (as opposed to FY2005 estimated and actual numbers) were selected as the base in order to reflect the substantial changes in budget priorities in FY2006 and future years and the effect of major revenue changes taking place in FY2006.

Based on discussions with the Business Administrator and Finance Director, some adjustments were made to the baseline to account for one-time events that will occur in FY2006, or to budget lines expected to undergo substantial alteration in future years (i.e. due to program termination, or increases to service contracts as long-term agreements expire).

Following the determination of a baseline budget in this manner, a series of growth assumptions were applied to develop a trend line forecast for revenue and expenditure items in Fiscal Years 2007-2010. In general, PFM has sought to use prudent, moderately conservative assumptions to balance the need for adjustments against the most likely outcome. This approach allows the City to benefit from more positive results rather than becoming dependent on them to maintain fiscal health.

Most national projections for growth in the Consumer Price Index – All Urban Consumers (CPI-U) are at or around 2.5 percent for the next five to ten years. The budget projection model uses results from the Federal Reserve Bank's *Survey of Professional Forecasters* to provide a standard growth factor for revenues and expenditures where needed. The *Survey* is the oldest quarterly survey of macroeconomic forecasts in the United States. Since 1991, the Philadelphia branch of the Federal Reserve Bank has polled forecasters each quarter about their views on the 10-year annual average rate of CPI inflation. For several years, the survey's consensus (median) estimate has approximated 2.50 percent. The most recent survey — released on November 14, 2005 — projected a rate of 2.70 percent as the consensus out-year projection from 2005 to 2009. This increase reflects actual inflation of 3.9 percent in 2005, offset by a downward adjustment to 2.40 percent for 2006 and 2007.

Revenues

Overview

Steady growth in the City of York's revenue is central to its long-term fiscal health, yet for several years many of its primary revenue streams have shown little real improvement. With inflationary pressures on the expenditure side of the budget that cannot be avoided without extensive service cuts, an increase in revenue — either from existing sources, new sources, or both — is a necessary component for the creation of a fiscally sustainable City government. This portion of the report examines recent and current trends in City revenues, as well as future revenue projections absent any corrective action or efforts to increase revenue.

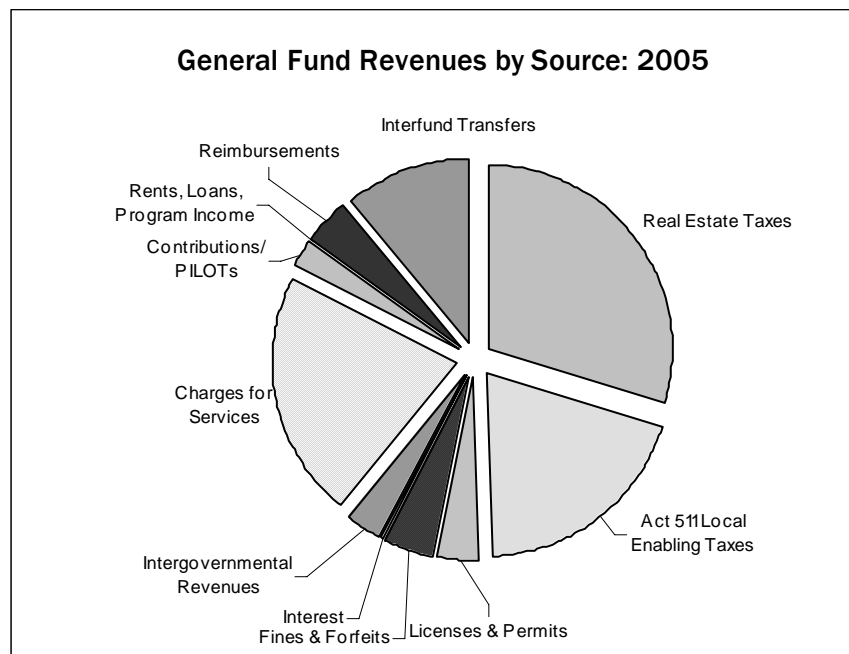


Revenue Trends: Past, Present, and Future

This section highlights the City's recent revenue history and describes this report's baseline revenue forecast – the forecast of future revenue through 2010 under current trends and laws and assuming no change to the property tax millage rate.

As shown in Figure 7, real estate taxes constitute 29.8 percent of the city's 2005 General Fund revenues. At 21.7 percent of General Fund revenues, charges for services are the second largest source, and Act 511 Local Enabling Taxes such as the Earned Income Tax and the Emergency & Municipal Services Tax represent an additional 19.8 percent of revenues.

Figure 7



Detailed Revenue Projections

Total revenue growth in the General Fund has been erratic over the last several fiscal years, with an overall average annual growth rate of 4.6 percent from 2001 to 2005. Most of that growth, however, has been focused in just four categories:

- Real Estate Tax
- Emergency & Municipal Services Tax (new)
- Refuse Fees
- Reimbursements

In the 2006-2010 plan period, it is expected that real estate taxes will grow only modestly, while there may even be a decline in the EMST due to legislative changes in the tax's structure. Refuse fees may rise, but so will expenditures for the refuse contract, and reimbursements are likely to be flat with the exception of a one-year spike in 2006. Therefore, over the plan period



the major revenue drivers of the past several years are not expected to continue to support robust overall revenue growth.

The first table on the following pages summarizes the dollar increases expected for the 2006-2010 plan period. The second projections table indicates the percentage increase (or decrease) on the previous year for each revenue item or category. The dynamics of individual revenue types will be described in greater detail in the pages that follow the revenue projection tables and in the revenue chapter of the plan.

The baseline revenue projections anticipate a large increase in overall revenue of 14.7 percent in FY2006, driven by expected increases in the property tax, earned income tax and refuse fee. Then, growth declines to 0.5 percent in FY2007; -0.1 percent in 2008; -0.4 percent in 2009 and 0.8 percent in 2010 (in contrast, the forecast projects average annual growth of 5.5 percent in expenditures). City revenues are projected to grow at a significantly lower rate than expenditures in each and every year of the Five-Year Plan; York is facing a major challenge as its costs are already beginning to outstrip the natural growth of its limited revenue sources.



City of York, Pennsylvania, Five-Year Projections Model
Summary for the General Fund

	HISTORICAL DATA						PROJECTED DATA				
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	act_00	act_01	act_02	act_03	act_04	est_crmt	proj_06	proj_07	proj_08	proj_09	proj_10
REVENUES	Actual	Actual	Actual	Actual	Actual	Estimated/Actual					
Real Estate Taxes											
Real Estate Taxes	6,318,635	6,361,641	7,489,487	6,908,224	7,217,778	7,587,711	8,696,447	8,706,013	8,715,589	8,725,176	8,734,774
Real Estate Taxes - Prior	157,931	719	16,935	1,303	20,054	12,871	-	-	-	-	-
Tax Claim	471,684	714,145	629,142	764,104	800,494	534,817	732,897	733,703	734,510	735,318	736,127
All Other Real Estate Taxes	2,939	237,595	-	-	-	-	-	-	-	-	-
Total Real Estate Taxes	\$ 6,951,189	\$ 7,314,100	\$ 8,135,564	\$ 7,673,631	\$ 8,038,326	\$ 8,135,399	\$ 9,429,343	\$ 9,439,716	\$ 9,450,099	\$ 9,460,494	\$ 9,470,901
Act 511 Local Enabling Taxes											
Ybida Taxes	-	-	-	-	-	-	-	-	-	-	-
Ybida - Prior	-	-	-	-	-	-	-	-	-	-	-
Earned Income	2,365,979	2,126,506	1,449,040	1,398,487	1,316,203	1,599,999	2,200,000	2,233,000	2,266,495	2,300,492	2,335,000
Earned Income - Delinquent	303,912	-	-	-	265,560	-	-	-	-	-	-
OPT/EMST	297,099	305,455	317,721	292,684	296,729	1,549,639	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Mercantile/Bp Taxes	2,013,086	2,090,483	2,320,061	2,307,158	2,337,526	2,266,000	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000
Total Act 511 Local Enabling Taxes	\$ 4,980,596	\$ 4,522,444	\$ 4,086,821	\$ 3,998,329	\$ 4,216,019	\$ 5,415,638	\$ 6,175,000	\$ 6,208,000	\$ 6,241,495	\$ 6,275,492	\$ 6,310,000
Licenses & Permits											
Health Licenses	46,380	65,090	31,460	70,785	53,665	61,000	50,000	50,000	50,000	50,000	50,000
Cable Tv Franchise Licenses	319,346	325,231	345,336	345,361	323,658	390,958	400,000	400,000	400,000	400,000	400,000
Building/Plumbing/Electrical Lic. 31160	166,415	780,035	454,328	638,541	893,526	375,260	392,000	392,000	392,000	392,000	392,000
Street Cut Permits	26,840	55,300	27,000	42,350	44,100	38,600	40,000	40,000	40,000	40,000	40,000
All Other Licenses & Permits	56,975	85,405	90,878	65,138	78,716	56,791	57,920	57,920	57,920	57,920	57,920
Total Licenses & Permits	\$ 615,956	\$ 1,311,062	\$ 949,002	\$ 1,162,175	\$ 1,393,665	\$ 922,609	\$ 939,920	\$ 939,920	\$ 939,920	\$ 939,920	\$ 939,920
Fines & Forfeits											
Traffic Fines	20,823	172,535	161,127	136,486	140,822	165,000	276,500	283,136	290,214	297,470	304,907
Criminal Fines	194,411	206,937	260,541	206,561	227,753	272,546	270,000	276,480	283,392	290,477	297,739
Parking Fine-City,State,Parkin	360,936	352,389	401,535	418,191	519,178	596,069	624,000	638,976	654,950	671,324	688,107
Parking Fines - Magistrate	73,010	88,191	100,769	87,722	108,205	117,893	110,000	112,640	115,456	118,342	121,301
Towing Fees	-	-	-	-	-	14,000	56,000	57,344	58,778	60,247	61,753
All Other Fines & Forfeits	314,977	233,437	91,259	98,757	118,345	110,351	134,100	137,318	140,751	144,270	147,877
Total Fines & Forfeits	\$ 964,157	\$ 1,053,489	\$ 1,015,231	\$ 947,717	\$ 1,114,304	\$ 1,275,859	\$ 1,470,600	\$ 1,505,894	\$ 1,543,542	\$ 1,582,130	\$ 1,621,684
Interest	\$ 233,727	\$ 67,128	\$ 41,653	\$ 51,352	\$ 70,611	\$ 55,000	\$ 75,000	\$ 75,750	\$ 76,508	\$ 77,273	\$ 78,045
Intergovernmental Revenues											
Police Grants	516,627	323,460	104,450	46,594	71,479	232,305	635,253	515,033	519,184	423,375	427,609
Miscellaneous Grant	-	12,000	732,851	3,753,952	821,545	381,896	43,246	43,678	44,115	44,556	45,002
All Other Intergovernmental Revenues	316,853	392,613	206,611	199,282	216,016	226,252	228,766	231,054	233,364	235,698	238,055
Total Intergovernmental Revenues	\$ 833,480	\$ 728,073	\$ 1,043,913	\$ 3,999,828	\$ 1,109,040	\$ 840,453	\$ 907,265	\$ 789,765	\$ 796,663	\$ 703,629	\$ 710,666
Charges for Services											
Refuse Fees	3,425,808	2,785,568	3,690,476	3,704,714	3,595,704	3,910,765	4,450,000	4,819,350	4,867,544	4,916,219	4,965,381
Police Reimb - Housing Authori	75,375	54,666	136,900	100,311	41,243	96,695	101,270	104,814	108,482	112,279	116,209
Police Reimb - Traffic Safety	367,311	166,468	142,409	160,605	212,979	373,850	407,592	411,668	415,785	419,942	424,142
License Fee	382,145	347,215	308,640	487,364	506,645	498,811	500,000	505,000	510,050	515,151	520,302
Inspection Fee	10,025	92,235	110,850	227,395	174,320	166,570	200,000	202,000	204,020	206,060	208,121
All Other Charges for Services	1,406,866	2,127,114	621,643	663,711	726,219	884,045	855,939	864,499	873,144	881,875	890,694
Total Charges for Services	\$ 5,667,530	\$ 5,573,265	\$ 5,010,917	\$ 5,344,100	\$ 5,257,110	\$ 5,930,736	\$ 6,514,801	\$ 6,907,331	\$ 6,979,024	\$ 7,051,526	\$ 7,124,849
Contributions/PILOTs	\$ 346,550	\$ 397,901	\$ 482,481	\$ 738,620	\$ 684,307	\$ 634,692	\$ 713,874	\$ 713,874	\$ 713,874	\$ 713,874	\$ 713,874
Miscellaneous Sales	\$ 178,474	\$ 105,695	\$ 59,944	\$ 58,446	\$ 66,630	\$ 63,650	\$ 76,350	\$ 76,350	\$ 76,350	\$ 76,350	\$ 76,350
Rents, Loans, Program Income	\$ -	\$ -	\$ -	\$ 149,616	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Reimbursements	\$ 101,118	\$ 177,309	\$ 1,611,564	\$ 978,919	\$ 904,790	\$ 994,863	\$ 877,459	\$ 898,518	\$ 920,981	\$ 944,005	\$ 967,606
Interfund Transfers	\$ 1,099,424	\$ 2,121,688	\$ 2,044,424	\$ 2,267,096	\$ 3,624,125	\$ 3,070,339	\$ 4,182,486	\$ 3,978,150	\$ 3,776,857	\$ 3,576,783	\$ 3,627,956
TOTAL REVENUES	\$ 21,972,202	\$ 23,372,156	\$ 24,481,515	\$ 27,369,830	\$ 26,481,927	\$ 27,342,238	\$ 31,365,099	\$ 31,536,268	\$ 31,518,313	\$ 31,404,478	\$ 31,644,850



City of York, Pennsylvania, Five-Year Projections Model
Growth Rate Assumptions for the General Fund



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	act_01	act_02	act_03	act_04	est_crrmt	proj_06	proj_07	proj_08	proj_09	proj_10
REVENUES	Actual	Actual	Actual	Actual	Estimated/Actual					
Real Estate Taxes										
Real Estate Taxes	0.68%	17.73%	-7.76%	4.48%	5.13%	14.61%	0.11%	0.11%	0.11%	0.11%
Real Estate Taxes - Prior	-99.54%	2256.04%	-92.31%	1439.51%	-35.82%	-100.00%	n.a.	n.a.	n.a.	n.a.
Tax Claim	51.40%	-11.90%	21.45%	4.76%	-33.19%	37.04%	0.11%	0.11%	0.11%	0.11%
All Other Real Estate Taxes	7983.67%	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Real Estate Taxes	5.22%	11.23%	-5.68%	4.75%	1.21%	15.91%	0.11%	0.11%	0.11%	0.11%
Act 511 Local Enabling Taxes										
Ybida Taxes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ybida - Prior	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Earned Income	-10.12%	-31.86%	-3.49%	-5.88%	21.56%	37.50%	1.50%	1.50%	1.50%	1.50%
Earned Income - Delinquent	-100.00%	n.a.	n.a.	n.a.	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.
OPT/EMST	2.81%	4.02%	-7.88%	1.38%	422.24%	0.02%	0.00%	0.00%	0.00%	0.00%
Mercantile/Bp Taxes	3.84%	10.98%	-0.56%	1.32%	-3.06%	7.02%	0.00%	0.00%	0.00%	0.00%
Total Act 511 Local Enabling Taxes	-9.20%	-9.63%	-2.17%	5.44%	28.45%	14.02%	0.53%	0.54%	0.54%	0.55%
Licenses & Permits										
Health Licenses	40.34%	-51.67%	125.00%	-24.19%	13.67%	-18.03%	0.00%	0.00%	0.00%	0.00%
Cable Tv Franchise Licenses	1.84%	6.18%	0.01%	-6.28%	20.79%	2.31%	0.00%	0.00%	0.00%	0.00%
Building/Plumbing/Electrical Lic. 31160	368.73%	-41.76%	40.55%	39.93%	-58.00%	4.46%	0.00%	0.00%	0.00%	0.00%
Street Cut Permits	106.04%	-51.18%	56.85%	4.13%	-12.47%	3.63%	0.00%	0.00%	0.00%	0.00%
All Other Licenses & Permits	49.90%	6.41%	-28.32%	20.85%	-27.85%	1.99%	0.00%	0.00%	0.00%	0.00%
Total Licenses & Permits	112.85%	-27.62%	22.46%	19.92%	-33.80%	1.88%	0.00%	0.00%	0.00%	0.00%
Fines & Forfeits										
Traffic Fines	728.59%	-6.61%	-15.29%	3.18%	17.17%	67.58%	2.40%	2.50%	2.50%	2.50%
Criminal Fines	6.44%	25.90%	-20.72%	10.26%	19.67%	-0.93%	2.40%	2.50%	2.50%	2.50%
Parking Fine-City,State,Parlin	-2.37%	13.95%	4.15%	24.15%	14.81%	4.69%	2.40%	2.50%	2.50%	2.50%
Parking Fines - Magistrate	20.79%	14.26%	-12.95%	23.35%	8.95%	-6.70%	2.40%	2.50%	2.50%	2.50%
Towing Fees	n.a.	n.a.	n.a.	n.a.	n.a.	300.00%	2.40%	2.50%	2.50%	2.50%
All Other Fines & Forfeits	-25.89%	-60.91%	8.22%	19.84%	-6.75%	21.52%	2.40%	2.50%	2.50%	2.50%
Total Fines & Forfeits	9.27%	-3.63%	-6.65%	17.58%	14.50%	15.26%	2.40%	2.50%	2.50%	2.50%
Interest	-71.28%	-37.95%	23.29%	37.50%	-22.11%	36.36%	1.00%	1.00%	1.00%	1.00%
Intergovernmental Revenues										
Police Grants	-37.39%	-67.71%	-55.39%	53.41%	225.00%	173.46%	-18.92%	0.81%	-18.45%	1.00%
Miscellaneous Grant	n.a.	6007.10%	412.24%	-78.12%	-53.51%	-88.68%	1.00%	1.00%	1.00%	1.00%
All Other Intergovernmental Revenues	23.91%	-47.38%	-3.55%	8.40%	4.74%	1.11%	1.00%	1.00%	1.00%	1.00%
Total Intergovernmental Revenues	-12.65%	43.38%	283.16%	-72.27%	-24.22%	7.95%	-12.95%	0.87%	-11.68%	1.00%
Charges for Services										
Refuse Fees	-18.69%	32.49%	0.39%	-2.94%	8.76%	13.79%	8.30%	1.00%	1.00%	1.00%
Police Reimb - Housing Authori	-27.48%	150.43%	-26.73%	-58.88%	134.45%	4.73%	3.50%	3.50%	3.50%	3.50%
Police Reimb - Traffic Safety	-54.68%	-14.45%	12.78%	32.61%	75.53%	9.03%	1.00%	1.00%	1.00%	1.00%
License Fee	-9.14%	-11.11%	57.91%	3.96%	-1.55%	0.24%	1.00%	1.00%	1.00%	1.00%
Inspection Fee	820.05%	20.18%	105.14%	-23.34%	-4.45%	20.07%	1.00%	1.00%	1.00%	1.00%
All Other Charges for Services	51.20%	-70.78%	6.77%	9.42%	21.73%	-3.18%	1.00%	1.00%	1.00%	1.00%
Total Charges for Services	-1.66%	-10.09%	6.65%	-1.63%	12.81%	9.85%	6.03%	1.04%	1.04%	1.04%
Contributions/PILOTs	14.82%	21.26%	53.09%	-7.35%	-7.25%	12.48%	0.00%	0.00%	0.00%	0.00%
Miscellaneous Sales	-40.78%	-43.29%	-2.50%	14.00%	-4.47%	19.95%	0.00%	0.00%	0.00%	0.00%
Rents, Loans, Program Income	n.a.	n.a.	n.a.	-97.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Reimbursements	75.35%	808.90%	-39.26%	-7.57%	9.96%	-11.80%	2.40%	2.50%	2.50%	2.50%
Interfund Transfers	92.98%	-3.64%	10.89%	59.86%	-15.28%	36.22%	-4.89%	-5.06%	-5.30%	1.43%
TOTAL REVENUES	6.37%	4.75%	11.80%	-3.24%	3.25%	14.71%	0.55%	-0.06%	-0.36%	0.77%



Tax Revenues

The City's tax revenues since FY2001 are shown below, in descending order from the largest revenue sources as of FY2005. Several points are worth noting. First, revenue from the four largest taxes is expected to account for 49.6 percent of all General Fund revenues in FY2005:

1. Real Estate;
2. Mercantile/Business Privilege;
3. Earned Income;
4. Emergency & Municipal Services;

Moreover, if revenues from service charges and interfund transfers are excluded from the General Fund revenue totals, these four taxes are projected to generate almost 73.9 percent of City revenues in FY2005.

All Other City Revenues Overview

Charges for Services (FY2005: \$5,931,000 – 21.7 percent of total GF revenues). Reflecting below-inflation historical average increases in this revenue category and prior year fee adjustments, most categories of Charges for Services are projected to increase by 1.0 percent per year. Such charges include Refuse Fees, Inspection Fees, Zoning Fees, and False Alarm Fees. Short-term growth spikes are reflected for Refuse Fees (2006 and 2007) and License Fees (in 2006).

Interfund Transfers (FY2005: \$3,070,000 – 11.2 percent of total GF revenues).

Representing the third largest source of General Fund revenue, interfund transfers relay monies from other City funds to cover General Fund operating costs. Most transfers to the General Fund are projected to increase at less than the rate of inflation over the next five years.

Fines and Forfeits (FY2005: \$1,276,000 – 4.7 percent of total GF revenues). Consistent with historical trends, revenue from Fines and Forfeits is projected to increase at the rate of inflation over the next five years.

Reimbursements (FY2005: \$995,000 – 3.6 percent of total GF revenues).

The primary revenue source in this category is the General Authority reimbursement to the General Fund for administrative and operating expenses. As revenues have decreased slightly over the past few years, the 2006 budget has assumed a decrease in this revenue category of 11.8 percent with projected inflationary increases in the out years.

Licenses and Permits (FY2005: \$922,600 – 3.4 percent of total GF revenues).

To account for expectations of limited new growth in the City, revenue from Licenses and Permits is projected to remain at the 2006 budgeted level for each of the out years in the plan.

Intergovernmental Revenues (FY2005: \$840,000 – 3.1 percent of total GF revenues).

Intergovernmental revenues such as grants for City Community Development programs and Police Department grants are projected to increase using a factor of 1.0 percent following decreases in each year since 2003. A reduction in awards for Strand-Capital renovations and



other miscellaneous grant sources reduced revenues in this category from \$1.1 million in 2004 to \$0.8 million in 2005, but are projected to increase slightly to \$0.9 million in 2006.

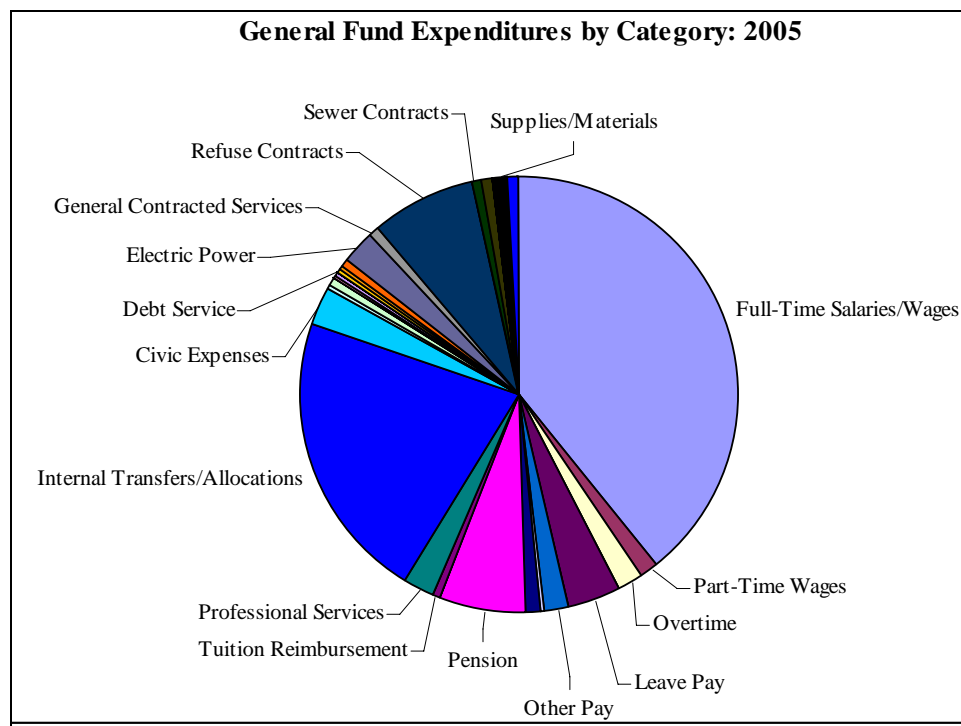
Other Income (FY2005: \$756,000 – 2.8 percent of total GF revenues). This category includes revenues from contributions and PILOTs; miscellaneous sales; interest; rent program incomes; and may capture other minor sources. A 0 percent growth factor is assumed for all categories with the exception of interest, which is projected to increase by a factor of 1 percent.

Expenditure Overview

Expenditure Trends

York's total expenditures have grown over the last five years, increasing on average by more than 5.0 percent annually and outpacing the natural rate of revenue growth. The major cost drivers have been wages, pension contributions, health insurance (reflected in the internal transfers category), and contract costs. This section highlights the City's major expenditures and cost drivers, and provides a baseline expenditure projection – the forecast of future expenditures through 2010 under current trends, collective bargaining agreements and applicable laws.

Figure 8



▪ **Salaries and Wages (FY2005: \$10,994,000 – 39.3 percent of total GF expenditures)**

As illustrated in the preceding chart, over 56 percent of York's General Fund budget is disbursed to city personnel, through full- and part-time salaries and wages; overtime and shift differential pay; leave and other pay; and FICA and pension expenditures. Other employee benefit



expenditures such as health and life insurance are represented by the internal allocations expenditures, which alone account for 21.8 percent of the General Fund budget. FY2006 is the last year of collective bargaining contracts with the Fraternal Order of Police (FOP) White Rose Lodge No. 15 and the International Association of Fire Fighters (IAFF) Local 713. The City's contracts with its municipal workers represented by the IBEW, YCEU, and YPEA expired in December 2005.

- **Internal Transfers/Allocations (FY2005: \$6,110,000 – 21.8 percent of total GF expenditures)**

Employee benefits and insurances are directly paid through various funds in the City of York. Expenditures for items such as health insurance, life insurance, and other employee insurances are reflected in the General Fund in the internal transfers/allocations category. This category also includes allocation costs for the Human Resources, Business Administration, Information Services, and Central Services departments. Reflecting continued strong increases in health insurance costs, expenditures in this category grew by over 14 percent from 2004 to 2005.

- **Refuse Contracts (FY2005: \$2,231,000 – 8.0 percent of total GF expenditures)**

The City's costs for refuse contracts are projected to increase by 14 percent in 2006 after a contract renewal resulted in a 40 percent increase in rates. A portion of this increase will be recovered through increased user fees.

- **Pension (FY2005: \$1,718,000 – 6.1 percent of total GF expenditures)**

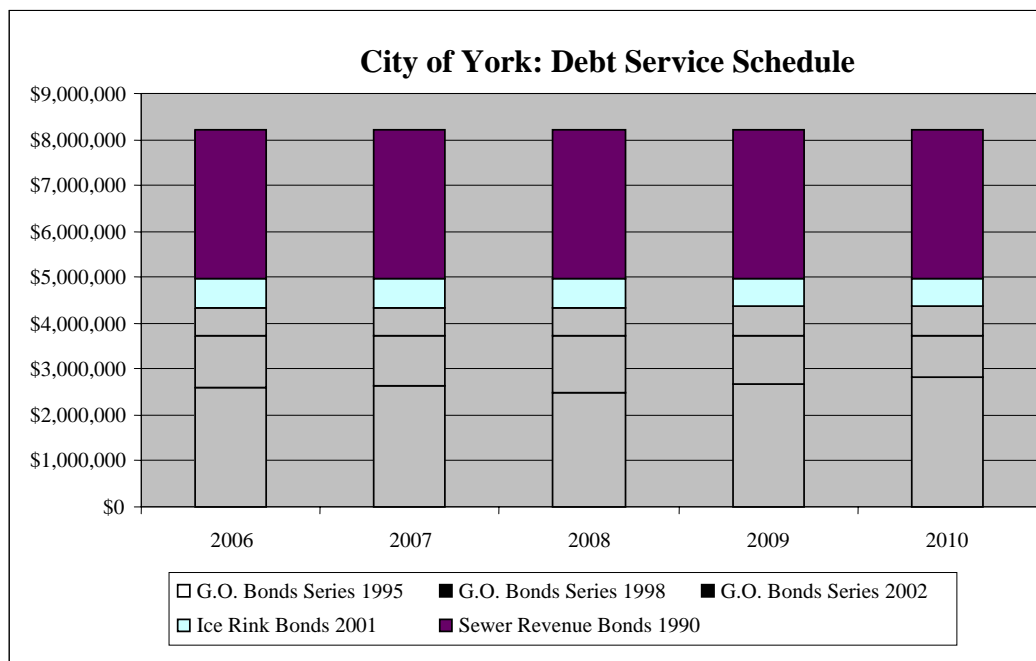
Police and Fire pensions are paid out of the City's General Fund. Actuarial valuation of the City's Minimum Municipal Obligation (MMO) payment will require City contributions of nearly \$4.8 million in 2006. This represents an increase in the MMO contribution of over \$2.9 million from 2005 to 2006. The pension contributions will be the major financial challenge for the City in the 2006 fiscal year.

- **Debt Service Fund Expenses (FY2004 Base Year: \$3,429,000)**

Debt service projections are based on existing York debt schedules and fund allocations, as illustrated by Figure 9. York's debt is relatively flat and fixed, and presents few opportunities for favorable refunding or restructuring.



Figure 9



Public sector finance experts and bond rating agencies generally opine that City debt service set at 10 percent of revenues or less is acceptable. Excessive debt, perhaps as much of 15-20 percent of annual revenues, is seen as risky and as a precursor to financial difficulty (especially in cities where the tax base is declining or stable). Standard and Poor's 1999 report on "Benchmark General Obligation Ratios" identified "moderate" ratios of debt service to operating expenditures to be around 10 percent, while categorizing ratios over 15 percent as "high". With general obligation debt service at around \$4.3 million per year, or 13.9 percent of the General Fund revenues, York would appear to be approaching an acceptable range. As a result of the City's 1996 Ice Rink bonds and 1990 Sewer Revenue bonds, however, total debt service expenditures are approximately \$8.2 million for each of the next five years. Since some may consider the ice rink bonds as part of the debt burden equation, the City should continue to monitor this ratio.

Detailed Expenditure Projections

As illustrated in the pages that follow, total expenditure growth in the General Fund averaged 5.0 percent per year in for the past five years, before a substantial (12 percent) projected increase in 2006 driven primarily by the increased pension MMO. After FY2006 budget expenditures were adjusted in the model for one-time costs and budget program decisions, each item is forecast to cost annual amounts approximating the dollar amounts in the first table that follows. The second projections table indicates the percentage increase (or decrease) on the previous year for each expenditure item or category.

The baseline expenditure projections forecast continued rapid growth in overall expenditures. Growth is driven largely by wages; health benefits; pension costs; and refuse contract costs. Annual increases of 12.0 percent in FY2006 are projected; rising to a high of 5.6 percent in FY2007; before increases stabilize to 3.3 percent in 2008, 2009, and 2010. Such growth factors compare with an average annual growth in city revenues of just 3.1 percent over the five years.



City of York, Pennsylvania, Five-Year Projections Model
Summary for the General Fund

	HISTORICAL DATA						PROJECTED DATA				
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXPENDITURES	Actual	Actual	Actual	Actual	Actual	Budget					
Payroll											
Full-Time Salaries/Wages	9,320,471	10,202,673	10,227,305	9,616,837	10,035,416	10,993,874	12,085,432	12,387,568	12,697,257	13,014,689	13,340,056
Part-Time Wages	242,870	222,258	327,060	290,218	328,451	359,273	312,231	330,132	338,490	347,060	355,847
Overtime	441,229	435,123	407,430	480,737	525,810	511,772	392,988	622,404	639,274	657,552	675,252
Shift Differential	64,643	65,341	63,151	61,679	63,859	72,201	71,397	73,182	75,011	76,887	78,809
Leave Pay	1,354,003	1,406,050	1,575,265	1,687,510	1,509,095	1,017,591	-	-	-	-	-
Workers' Compensation	146,282	145,360	115,800	99,646	91,857	52,197	-	-	-	-	-
Other Pay	338,569	296,757	314,775	191,900	280,348	435,437	416,057	426,042	436,693	447,611	458,801
Total Payroll 40999	\$ 11,908,066	\$ 12,773,563	\$ 13,030,787	\$ 12,428,526	\$ 12,834,837	\$ 13,442,345	\$ 13,278,105	\$ 13,839,328	\$ 14,186,726	\$ 14,543,798	\$ 14,908,765
Fringe Benefits											
Employee Benefits	-	-	2,366	-	107,039	55,200	59,261	60,683	62,200	63,755	65,349
FICA	320,577	359,805	364,960	354,101	381,675	384,471	438,274	448,792	460,012	471,513	483,300
Pension	408,926	546,042	605,546	1,013,741	1,596,720	1,717,841	4,571,491	4,681,206	4,798,236	4,918,192	5,041,147
Health Insurance	1,412,026	-	-	-	-	-	-	-	-	-	-
Other Employee Insurances	304,296	-	-	-	-	-	-	-	-	-	-
Uniforms	253,477	238,525	177,075	137,515	162,470	170,314	197,218	201,951	206,999	212,174	217,479
Tuition Reimbursement	2,332	4,131	8,906	7,837	7,913	12,718	15,135	15,498	15,886	16,283	16,690
Total Fringe Benefits 41999	\$ 2,701,634	\$ 1,148,503	\$ 1,158,852	\$ 1,513,194	\$ 2,255,816	\$ 2,340,544	\$ 5,281,378	\$ 5,408,131	\$ 5,543,334	\$ 5,681,917	\$ 5,823,965
Professional Services 42999	\$ 599,122	\$ 465,600	\$ 362,092	\$ 444,441	\$ 371,617	\$ 605,688	\$ 737,450	\$ 755,149	\$ 774,028	\$ 793,378	\$ 813,213
Special Items											
Internal Transfers/Allocations	680,761	4,048,475	5,965,730	5,257,918	5,355,350	6,110,399	6,331,129	6,764,866	7,200,040	7,629,316	8,091,757
Civic Expenses	3,522	179,490	779,348	3,816,861	589,540	783,857	548,412	561,574	575,613	590,004	604,754
Contributions	34,650	43,814	38,592	40,616	41,646	42,999	43,000	44,032	45,133	46,261	47,418
Refunds	79,930	268,313	379,044	330,779	404,127	166,282	1,500	1,536	1,574	1,614	1,654
Personnel/Operating Costs	-	-	-	-	-	2,574	19,548	20,017	20,518	21,030	21,556
Travel	82,207	48,992	23,408	27,073	28,263	4,215	8,080	8,274	8,481	8,693	8,910
Training	42,828	32,219	38,148	47,209	44,677	81,795	54,200	55,501	56,888	58,311	59,768
Misc. Special Items	257,949	4,996	1,477	2,284	10,134	46,300	46,300	47,411	48,596	49,811	51,057
Debt Service	277,783	120,079	76,594	107,992	58,667	-	-	-	-	-	-
Indirect Costs	-	-	10,000	-	-	5,752	8,200	8,397	8,607	8,822	9,042
Self-Insured Losses	114,986	-	-	-	-	-	-	200,000	200,000	200,000	200,000
Total Special Items 43999	\$ 1,574,616	\$ 4,746,378	\$ 7,312,341	\$ 9,630,733	\$ 6,532,404	\$ 7,244,174	\$ 7,060,369	\$ 7,711,607	\$ 8,165,451	\$ 8,613,861	\$ 9,095,916
Contractual Services											
Printing/Binding/Postage	60,623	45,673	34,507	41,022	30,273	35,431	34,311	35,134	36,013	36,913	37,836
Fuels	38,907	47,862	32,350	54,851	50,205	72,168	78,460	90,229	97,447	105,243	107,874
Property/Liability Insurance	152,825	-	8,193	7,304	50,850	63,300	76,175	78,003	79,953	81,952	84,001
Utilities	159,690	161,510	148,747	155,133	125,745	140,885	145,030	148,511	152,223	156,029	159,930
Electric Power	727,109	647,108	621,150	628,264	680,644	700,294	704,105	721,004	739,029	757,504	776,442
General Contracted Services	734,115	436,219	207,533	241,362	188,494	222,922	259,544	265,773	272,417	279,228	286,209
Refuse Contracts	2,149,696	1,999,908	2,134,417	2,072,567	2,066,247	2,231,212	2,545,000	2,883,485	2,955,572	3,029,461	3,105,198
Sewer Contracts	-	-	-	-	-	-	-	-	-	-	-
Repairs/Maintenance	96,907	131,168	87,508	77,405	100,496	105,005	115,422	118,192	121,147	124,176	127,280
Rentals	197,188	233,633	226,222	186,067	206,237	219,353	229,182	234,155	239,459	244,895	250,468
Dues/Conferences	24,095	14,144	14,697	19,818	14,602	23,078	25,729	26,346	27,005	27,680	28,372
Advertising	365,074	209,776	23,600	16,470	17,552	42,442	50,430	51,663	52,974	54,319	55,698
Total Contractual Services 44999	\$ 4,706,230	\$ 3,927,000	\$ 3,538,924	\$ 3,500,262	\$ 3,531,346	\$ 3,856,089	\$ 4,263,388	\$ 4,652,496	\$ 4,773,240	\$ 4,897,401	\$ 5,019,307
Supplies/Materials											
Supplies/Materials	363,303	377,156	278,778	238,030	297,017	271,756	279,002	285,698	292,840	300,162	307,666
Vehicle Fuels	135,788	121,918	97,095	132,817	170,101	211,433	254,000	266,700	280,035	294,037	308,739
Total Supplies Materials 45999	\$ 499,057	\$ 499,073	\$ 375,873	\$ 370,847	\$ 467,118	\$ 483,189	\$ 533,002	\$ 552,398	\$ 572,875	\$ 594,198	\$ 616,404
Capital Equipment 46999	\$ 58,499	\$ 112,639	\$ 30,840	\$ 34,636	\$ 15,831	\$ 31,918	\$ 209,354	\$ 214,378	\$ 219,738	\$ 225,231	\$ 230,862
Capital Construction 47999	\$ 108,391	\$ 299,613	\$ 388,755	\$ 64,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CBDG & HOME 48999	\$ -	\$ 269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 22,155,616	\$ 23,972,638	\$ 26,198,464	\$ 27,986,875	\$ 26,008,968	\$ 28,003,948	\$ 31,363,047	\$ 33,133,487	\$ 34,235,392	\$ 35,349,786	\$ 36,508,433



City of York, Pennsylvania, Five-Year Projections Model

Growth Rate Assumptions for the General Fund

	HISTORICAL DATA					PROJECTED DATA				
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXPENDITURES	Actual	Actual	Actual	Actual	Estimated/Actual					
Payroll										
Full-Time Salaries/Wages	9.47%	0.24%	-5.97%	4.35%	9.55%	9.93%	2.50%	2.50%	2.50%	2.50%
Part-Time Wages	-8.49%	47.15%	-11.26%	13.17%	9.38%	-13.09%	5.73%	2.53%	2.53%	2.53%
Overtime	-1.38%	-6.36%	17.99%	9.38%	-2.67%	-23.21%	58.38%	2.71%	2.86%	2.69%
Shift Differential	1.08%	-3.35%	-2.33%	3.53%	13.06%	-1.11%	2.50%	2.50%	2.50%	2.50%
Leave Pay	3.84%	12.03%	7.13%	-10.57%	-32.57%	-100.00%	n.a.	n.a.	n.a.	n.a.
Workers' Compensation	-0.63%	-20.34%	-13.95%	-7.82%	-43.18%	-100.00%	n.a.	n.a.	n.a.	n.a.
Other Pay	-12.35%	6.07%	-39.04%	46.09%	55.32%	-4.45%	2.40%	2.50%	2.50%	2.50%
Total Payroll 40999	7.27%	2.01%	-4.62%	3.27%	4.73%	-1.22%	4.23%	2.51%	2.52%	2.51%
Fringe Benefits										
Employee Benefits	n.a.	n.a.	-100.00%	n.a.	-48.43%	7.36%	2.40%	2.50%	2.50%	2.50%
FICA	12.24%	1.43%	-2.98%	7.79%	0.73%	13.99%	2.40%	2.50%	2.50%	2.50%
Pension	33.53%	10.90%	67.41%	57.51%	7.59%	166.12%	2.40%	2.50%	2.50%	2.50%
Health Insurance	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Employee Insurances	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Uniforms	-5.90%	-25.76%	-22.34%	18.15%	4.83%	15.80%	2.40%	2.50%	2.50%	2.50%
Tuition Reimbursement	77.10%	115.61%	-12.00%	0.96%	60.73%	19.00%	2.40%	2.50%	2.50%	2.50%
Total Fringe Benefits 41999	-57.49%	0.90%	30.58%	49.08%	3.76%	125.65%	2.40%	2.50%	2.50%	2.50%
Professional Services 42999	-22.29%	-22.23%	22.74%	-16.39%	62.99%	21.75%	2.40%	2.50%	2.50%	2.50%
Special Items										
Internal Transfers/Allocations	494.70%	47.36%	-11.86%	1.85%	14.10%	3.61%	6.85%	6.43%	5.96%	6.06%
Civic Expenses	4996.61%	334.20%	389.75%	-84.55%	32.96%	-30.04%	2.40%	2.50%	2.50%	2.50%
Contributions	26.45%	-11.92%	5.25%	2.54%	3.25%	0.00%	2.40%	2.50%	2.50%	2.50%
Refunds	235.68%	41.27%	-12.73%	22.17%	-58.85%	-99.10%	2.40%	2.50%	2.50%	2.50%
Personnel/Operating Costs	n.a.	n.a.	n.a.	n.a.	n.a.	659.42%	2.40%	2.50%	2.50%	2.50%
Travel	-40.40%	-52.22%	15.66%	4.39%	-85.09%	91.71%	2.40%	2.50%	2.50%	2.50%
Training	-24.77%	18.40%	23.75%	-5.36%	83.08%	-33.74%	2.40%	2.50%	2.50%	2.50%
Misc. Special Items	-98.06%	-70.44%	54.63%	343.79%	356.87%	0.00%	2.40%	2.50%	2.50%	2.50%
Debt Service	-56.77%	-36.21%	40.99%	-45.68%	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.
Indirect Costs	n.a.	n.a.	-100.00%	n.a.	n.a.	42.56%	2.40%	2.50%	2.50%	2.50%
Self-Insured Losses	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.00%	0.00%	0.00%
Total Special Items 43999	201.43%	54.06%	31.71%	-32.17%	10.90%	-2.54%	9.22%	5.89%	5.49%	5.60%
Contractual Services										
Printing/Binding/Postage	-24.66%	-24.45%	18.88%	-26.20%	17.04%	-3.16%	2.40%	2.50%	2.50%	2.50%
Fuels	23.02%	-32.41%	69.56%	-8.47%	43.75%	8.72%	15.00%	8.00%	8.00%	2.50%
Property/Liability Insurance	-100.00%	n.a.	-10.85%	596.19%	24.48%	20.34%	2.40%	2.50%	2.50%	2.50%
Utilities	1.14%	-7.90%	4.29%	-18.94%	12.04%	2.94%	2.40%	2.50%	2.50%	2.50%
Electric Power	-11.00%	-4.01%	1.15%	8.34%	2.89%	0.54%	2.40%	2.50%	2.50%	2.50%
General Contracted Services	-40.58%	-52.42%	16.30%	-21.90%	18.26%	16.43%	2.40%	2.50%	2.50%	2.50%
Refuse Contracts	-6.97%	6.73%	-2.90%	-0.30%	7.98%	14.06%	13.30%	2.50%	2.50%	2.50%
Sewer Contracts	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Repairs/Maintenance	35.35%	-33.29%	-11.55%	29.83%	4.49%	9.92%	2.40%	2.50%	2.50%	2.50%
Rentals	18.48%	-3.17%	-17.75%	10.84%	6.36%	4.48%	2.17%	2.27%	2.27%	2.28%
Dues/Conferences	-41.30%	3.91%	34.84%	-26.32%	58.04%	11.49%	2.40%	2.50%	2.50%	2.50%
Advertising	-42.54%	-88.75%	-30.21%	6.57%	141.80%	18.82%	2.45%	2.54%	2.54%	2.54%
Total Contractual Services 44999	-16.56%	-9.88%	-1.09%	0.89%	9.20%	10.56%	9.13%	2.60%	2.60%	2.49%
Supplies/Materials										
Supplies/Materials	3.81%	-26.08%	-14.62%	24.78%	-8.50%	n.a.	2.40%	2.50%	2.50%	2.50%
Vehicle Fuels	-10.21%	-20.36%	36.79%	28.07%	24.30%	n.a.	5.00%	5.00%	5.00%	5.00%
Supplies/Materials 45999	0.00%	-24.69%	-1.34%	25.96%	3.44%	n.a.	3.64%	3.71%	3.72%	3.74%
Capital Equipment 46999	92.55%	-72.62%	12.31%	-54.29%	101.62%	555.90%	2.40%	2.50%	2.50%	2.50%
Capital Construction 47999	176.42%	29.75%	-83.48%	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CBDG & HOME 48999	n.a.	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL EXPENDITURES	8.20%	9.28%	6.83%	-7.07%	7.67%	12.00%	5.64%	3.33%	3.26%	3.28%



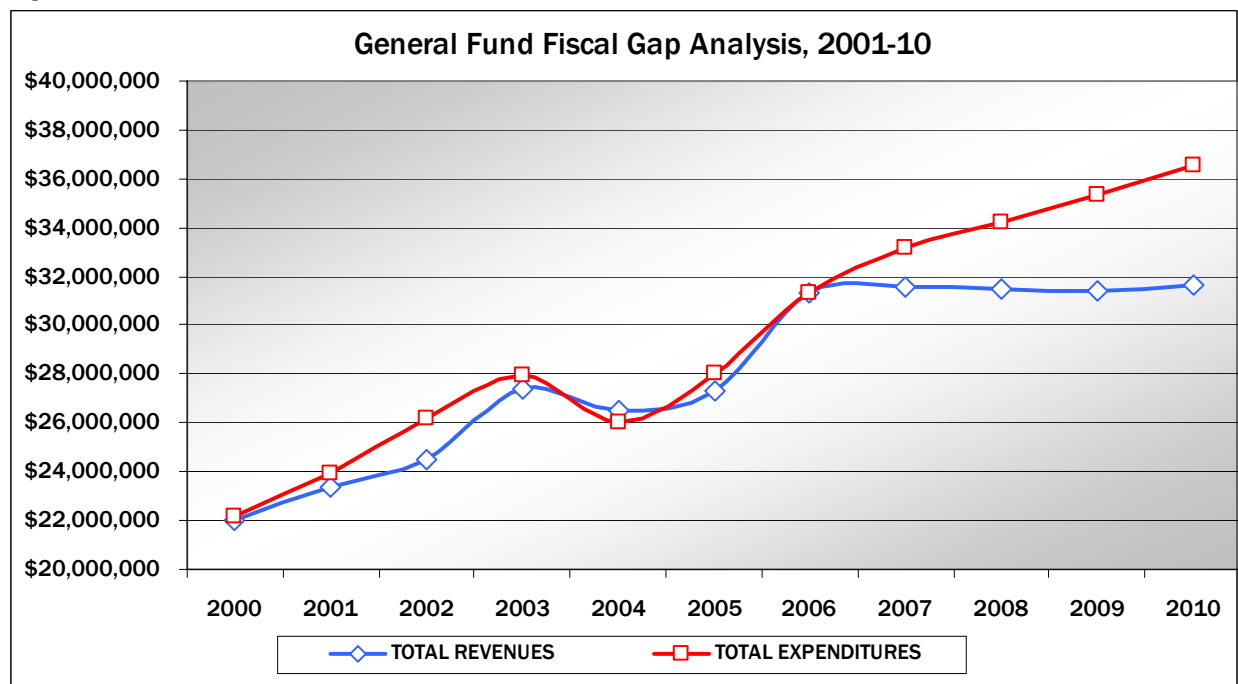
Fiscal Gap Projection

As shown in the table and chart below, given the divergent revenue and expenditure projections presented in the preceding pages, the financial projection model forecasts a series of annual budget deficits reaching \$4.9 million by 2010 *if no corrective action is taken*.

It is important to note that the City's goal should not be to reach an operating balance of zero, but to achieve a positive net operating balance that will allow the accumulation of a fund balance of approximately \$1.6 million to \$4.7 million (5 to 15 percent of revenues) over a period of years. The City will be required to make major changes to its finances just to break even, however.

	2003	2004	2005	2006	2007	2008	2009	2010
Revenues	27,369,830	26,481,927	27,342,238	31,365,099	31,536,268	31,518,313	31,404,478	31,644,850
Expenditures	27,986,875	26,008,968	28,003,948	31,363,047	33,133,487	34,235,392	35,349,786	36,508,433
Operating Balance	(617,046)	472,960	(661,710)	2,052	(1,597,219)	(2,717,079)	(3,945,308)	(4,863,583)

Figure 10



Because the City administration and Council must by law submit a balanced budget each year, this fiscal projection is not tenable. To close this projected series of deficits and to build a strong structural foundation for York's financial future, the following chapters will present numerous proposals and initiatives that could either reduce projected expenditures or raise City revenues over the course of the Plan. A list of the initiatives and their potential financial impact follows.



SUMMARY OF INITIATIVES

Ref	Initiative Name	Fiscal Impact					
		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
Revenues							
RV01	Institute a Parking Tax (Act 511)	\$187,500	\$225,000	\$250,000	\$250,000	\$250,000	\$1,162,500
RV02	Tax Collection Reform	\$0	\$130,100	\$261,924	\$262,212	\$262,500	\$916,736
RV03	Take initial steps to grow market based revenue opportunities	\$52,800	\$158,500	\$264,200	\$528,400	\$528,400	\$1,532,300
RV04	Per Capita fee on College/Graduate students	\$129,000	\$146,200	\$172,000	\$172,000	\$172,000	\$791,200
RV05	Institute collections of Admissions Tax (Act 511)	\$0	\$85,000	\$85,000	\$85,000	\$85,000	\$340,000
RV06	Institute Mechanical Devices Tax (Act 511)	\$12,500	\$25,000	\$25,000	\$25,000	\$25,000	\$112,500
RV07	Set fees and user charges to an inflation index	\$0	\$38,954	\$79,076	\$120,397	\$162,947	\$401,374
RV TOTAL	TOTAL	\$381,800	\$808,754	\$1,137,200	\$1,443,009	\$1,485,847	\$5,256,610
Elected Officials							
EL01	Tie Non-Legislative Salaries and Benefits to Non-Represented Employees						
EL02	Reduce City Council Salaries	\$23,900	\$23,900	\$23,900	\$23,900	\$23,900	\$120,000
EL03	Eliminate Benefits for City Council Members	\$12,150	\$13,000	\$13,850	\$14,700	\$15,650	\$69,350
EL TOTAL	TOTAL	\$36,050	\$36,900	\$37,750	\$38,600	\$39,550	\$188,850
Economic Development							
ED01	Advance Northwest Triangle						
ED02	Advance York Outdoor Recreation Complex						
ED03	Advance Merchants of West Market Street One-Year Plan						
ED04	Launch HOME (Home Owners Maximizing Equity) Program						
ED05	Advance Niche District (e.g. Entertainment District, Arts District, Antiques District).						
ED06	Develop tour de force economic opportunity marketing materials						
ED07	Develop Long-Term Plan with Possible Funding Mechanism to Enhance Memorial Park.						
ED08	Secure branding trademark						
ED09	Living history guide at Downtown						
ED10	Establish consistent hours between Heritage Trust & Visitors Center and Monday hours						
ED11	Bronze, life-sized “Toasting Lafayette” statue or other Sculpture in downtown						
ED12	Explore strategy for implementing a cassette/talking wand walking history tours of downtown						
ED13	Add new Bed and Breakfast						



Ref	Initiative Name	Fiscal Impact					
		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total Impact
ED14	B.I.D. And/Or Main Street York” Transition To A “Clean, Beautiful, & Safe Program						
ED15	Execute City Gateway Beautification						
ED16	Create Comprehensive Downtown Streetscaping & Banner Plan						
ED17	Execute Light The Night Program						
ED18	Promote, Pass & Implement: “1% For The Arts” Legislation						
ED TOTAL	TOTAL						
Fire Department							
FD02	Consolidate the 4 existing fire stations into 3	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000
FD03	Hire an administrative/clerical position to support the YCFD and the fire prevention bureau	(\$22,500)	(\$22,500)	(\$22,500)	(\$22,500)	(\$22,500)	(\$112,500)
FD TOTAL	TOTAL	(\$7,500)	(\$7,500)	(\$7,500)	(\$7,500)	(\$7,500)	(\$37,500)
Police Department							
PD01	Reduce the staffing by 10 positions with the implementation of the 8 or 12 hour shift schedule	\$750,000	\$768,750	\$787,969	\$807,668	\$827,860	\$3,942,247
PD02	Reduce the number of Detectives by 3	\$83,811	\$85,906	\$88,054	\$90,255	\$92,512	\$440,538
PD03	Seek Full Reimbursement for Housing Resource Officers from the York Housing Authority	\$0	\$104,087	\$106,689	\$109,356	\$112,090	\$432,222
PD04	Seek Reimbursement for School Resource Officers from York City School District	\$0	\$317,688	\$325,630	\$333,771	\$342,115	\$1,319,204
PD05	Add 1 data entry clerk	(\$32,506)	(\$33,319)	(\$34,152)	(\$35,005)	(\$35,881)	(\$170,863)
PD06	Hire a civilian Property and Evidence Technician	(\$39,000)	(\$39,975)	(\$40,974)	(\$41,999)	(\$43,049)	(\$204,997)
PD07	Create administrative/clerical position	(\$31,688)	(\$32,480)	(\$33,292)	(\$34,125)	(\$34,978)	(\$166,563)
PD TOTAL	TOTAL	\$730,617	\$1,170,657	\$1,199,924	\$1,229,921	\$1,260,669	\$5,591,788
Public Works Department							
PW01	Explore Potential of Joint Services with County and Others						
PW02	Reduce the Frequency of Trash Collection	\$69,930	\$69,930	\$69,930	\$69,930	\$69,930	\$349,650
PW03	Consider a Variable-Rate System						
PW04	Consider a Recycle Bank System to increase Recycling Diversion Rates	\$80,000	\$160,000	\$160,000	\$160,000	\$160,000	\$720,000
PW05	Reduce the Size of the Vehicle/Equipment Fleet	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$720,000
PW06	Implement a Personal Auto Program						
PW07	Administer a GPS Pilot Program						
PW08	Implement an Automated Vehicle Sharing Program						
PW	TOTAL	\$199,930	\$279,930	\$279,930	\$279,930	\$279,930	\$1,789,650



Ref	Initiative Name	Fiscal Impact					
		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total Impact
Capital							
CP01	Develop a Multi year Capital Plan						
CP02	Anticipate State and Federal funding in the Plan						
CP03	Annually solicit project requests from department heads						
CP04	Develop consistent criteria to evaluate proposed project						
CP05	Identify and plan for the operating impacts of capital projects						
CP06	Monitor the status of capital project implementation						
CP07	Charge staff time to the capital budget						
CP TOTAL	TOTAL						
Department of Business Administration							
Finance Bureau							
FI01	FI01: Continue to add new modules to the City’s automated financial system						
Bureau of Parking\							
PK01	Commence meter operations on Saturdays per York City Ordinance	\$90,150	\$90,150	\$90,150	\$90,150	\$90,150	\$450,750
PK02	Amend Ordinance to extend hours of meter operation from 5pm to 6.30pm	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$360,000
PK03	Amend Ordinance to extend hours of meter operation on Fridays and Saturdays until 12am	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500	\$347,500
PK04	Parking Garage Naming Rights						
Human Resources							
HR01	Centralize Time and Attendance Management and Record Keeping						
HR02	Hire a Benefits Consultant						
HR03	Develop a Preventive Health and Wellness Plan						
BA	TOTAL	\$231,650	\$231,650	\$231,650	\$231,650	\$231,650	\$1,158,250
Community Development							
Permits, Planning and Zoning Bureau							
PZ01	Implement two new fees for services (map production and environmental review)	\$6,660	\$6,600	\$6,600	\$6,600	\$6,600	\$33,060
PZ02	Improve Online Permitting Capabilities						
Bureau of Health							
HE01	Consider Merging with a York County Health Bureau						
CD TOTAL	TOTAL	\$6,660	\$6,600	\$6,600	\$6,600	\$6,600	\$33,060



Ref	Initiative Name	Fiscal Impact					
		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total Impact
Workforce							
WK01	Bargain to Improve and Maintain Management Flexibility						
WK02	Establish Collective Bargaining Savings Targets	\$0	\$600,000	\$800,000	\$850,000	\$900,000	\$3,150,000
WK TOTAL	TOTAL	\$0	\$600,000	\$800,000	\$850,000	\$900,000	\$3,150,000
Pension and Other Post Employment Benefits							
PE01	Explore Alternative Future Retirement Program						
PE02	Develop an OPEB Funding Plan						
PE TOTAL	TOTAL	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL		\$1,579,207	\$3,126,991	\$3,685,554	\$4,072,210	\$4,196,746	16,660,708

Note that even if the Mayor and Council were to adopt all of these initiatives, the City's budget would be tenuously balanced through 2009, and would fall out of balance again in 2010. Moreover, this presentation does not allow for any expenditures for new capital projects, and includes no significant accumulation of a fund balance or any measure of working capital. Finally, it does not provide for any payment against other post-employment benefit (OPEB) costs, a new item required to be reported beginning in fiscal year 2008.

Therefore, during the consideration of this discussion draft, it is important to consider each of the proposed initiatives, whether the City can successfully implement them, and what other options exist for raising some additional revenues or further reducing expenditures so as to fund a capital program, a modest fund balance, and future retiree health costs.



Workforce



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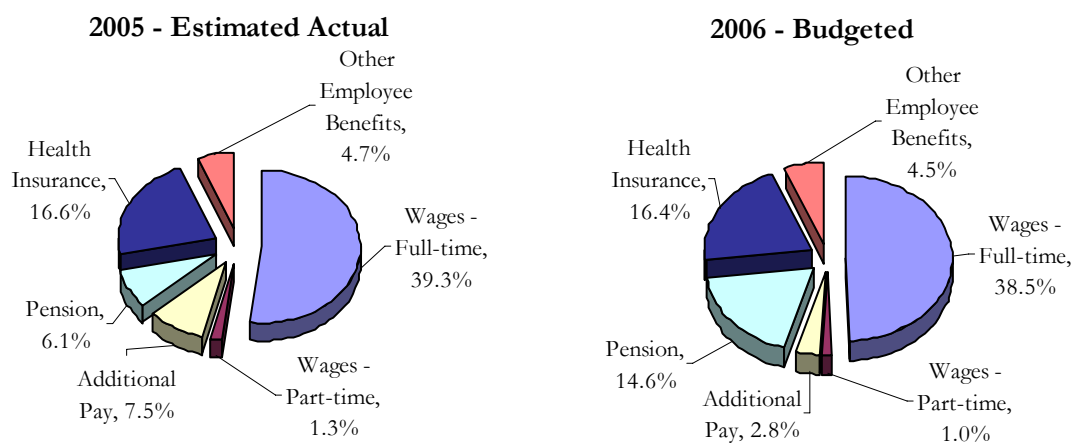
City Workforce

The City of York's largest General Fund category in all years of the plan will be for employee wages and benefits. In FY 2005, overall personnel expenditures account for more than 75% of all General Fund expenditures.

These costs are so significant because municipal government is so labor intensive. Vital local services such as the patrol of city streets, infrastructure repair, response to emergencies, and the maintenance of City parks and facilities all require people. The dedication and commitment of public employees is critical to efficiently providing community services, and it is, therefore, important to maintain a competitive compensation package.

At the same time, it is no less important to manage workforce costs so that the City can live within its means, and sustain a reasonable level of public services. Under the current structure, however, workforce cost growth – particularly for employee benefits – continues to pressure the budget. In FY 2006, the City expects that personnel expenditures will increase to 78% of all General Fund expenditures, driven largely by pension-related costs more than doubling as a percentage of the overall budget to 14.6%.

PERSONNEL EXPENDITURES, FY 2005 AND FY 2006



While the City of York has already acted in recent years to contain personnel expenditures by reducing staffing levels and restructuring non-union benefits, overall increases in workforce costs will nonetheless push General Fund expenditures to increasingly outpace locally generated revenues if no corrective action is taken. On the City's current course, York is projected to experience a \$4.9 million deficit in operating funds by FY 2010 – and this forecast is based on fiscal targets for FY06 that already require aggressive implementation to be successful.

Recognizing that personnel expenditure cost containment cannot focus solely on workforce reductions, the City's leadership has taken balanced measures in recent years to limit personnel expenditures.



FY 2005

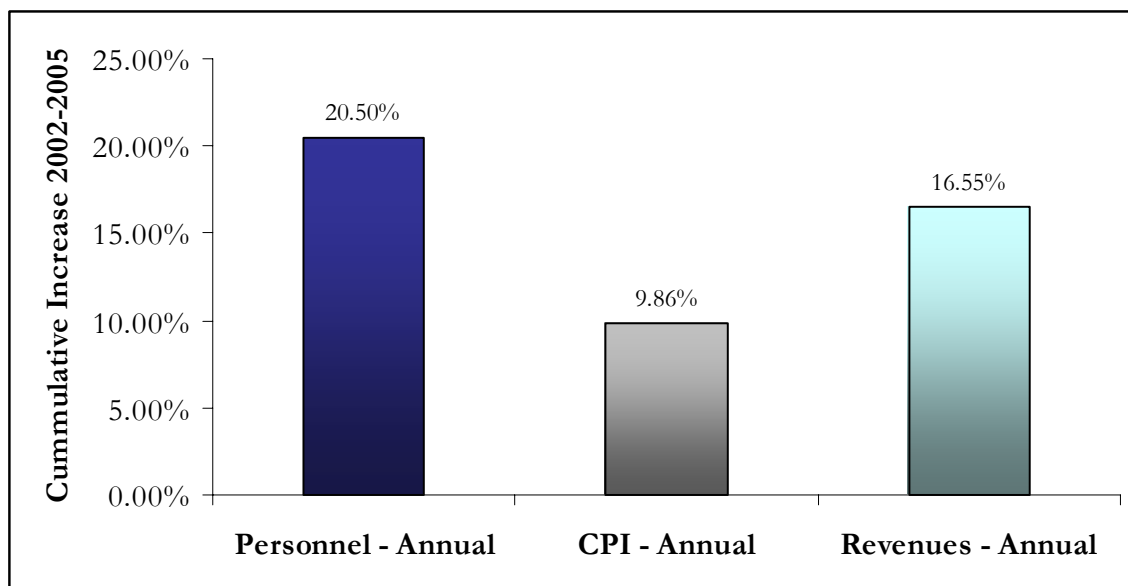
- 9 positions were eliminated.
- Non-union employee health care monthly premium contributions were tripled. Individual premium contributions increased from \$10 to \$30 and family premium rates increased from \$30 to \$90.
- Prescription drug co-pays for non-union employees increased from \$2 to \$10 for generic drugs, and from \$5 to \$25 for name brand drugs when a generic was not available (when the employee wants a name brand product in place of a generic option, they are required to pay the difference between what the City would pay for the generic and the cost of the brand name product).

FY2006

- All requests for new employees and capital programs have been eliminated.
- All employees have been asked to forgo a salary increase. Mandatory for non-union workers, the request to public safety departments asked for voluntary participation; however, the FOP and IAFF have not consented, instead taking a 3.5% wage increase as negotiated in their current contract.

Even with these efforts, overall personnel cost pressures remain high. Between FY 2001 and FY 2005, the cumulative rate of growth for personnel expenditures was more than twice that of the Consumer Price Index (CPI), while also significantly outpacing the City's growth in revenues despite tax rate increases.

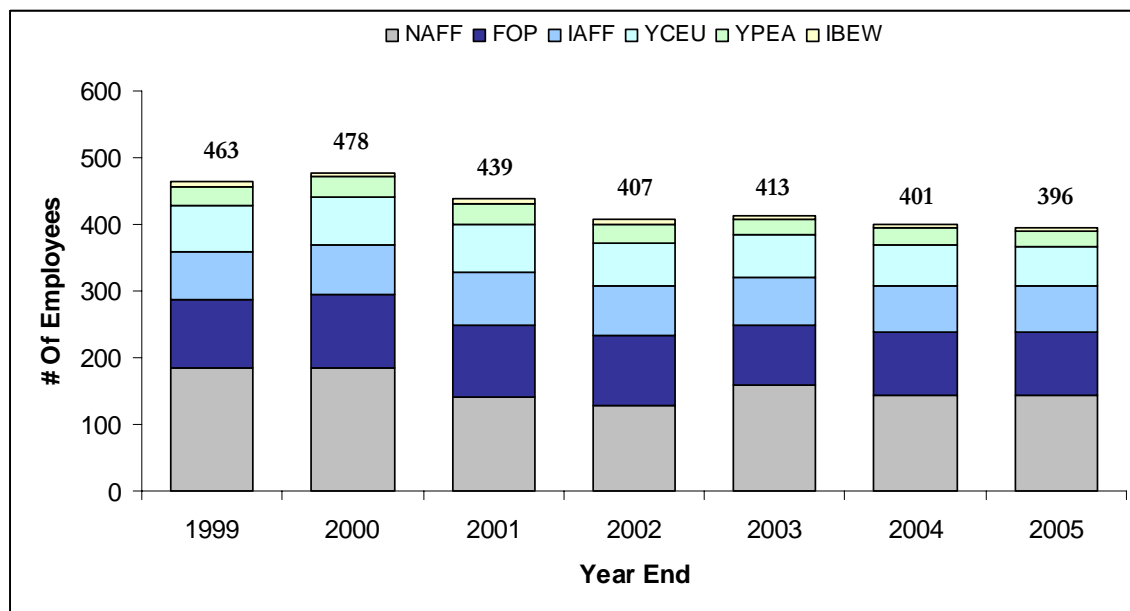
PERSONNEL EXPENDITURES GROWTH EXCEEDS CPI & GROWTH IN REVENUES, FY 2001 – FY 2005



Looking forward, to achieve bottom line stability, York must redouble its efforts to control workforce related expenditures. To achieve this fiscal imperative – while also striving to maintain quality services and minimize any hardship on public employees – this recommended workforce strategy incorporates three primary goals:

- **Reduce the per employee cost of compensation.** The cost of wages and benefits can be contained while still maintaining competitive compensation. To achieve this objective, this chapter outlines options for moderating future wage growth, bringing fringe benefits into line with public and private sector norms.
- **Achieve the right sized workforce and deploy that workforce effectively.** York should also work with employees to accommodate changing service needs over time. While many reductions have already been experienced, multiple strategies are set forth throughout this plan for improved technology, work procedures, and organizational change. Such initiatives would enable the City to maintain quality services with a smaller number of personnel.

CITY OF YORK POSITIONS – ALL FUNDS (1999 TO 2005)



- **Strengthen human resources management.** Also critical in a leaner, more technologically sophisticated environment, York should strengthen its overall human resources management. In the “Human Resources” section of this Plan, strategies are outlined for best practices important to providing quality services.

York should pursue these three goals in tandem, working with its operational managers and public employee unions to implement the changes needed to restore long-term financial stability. With human resources management covered in the Business Administration section of this plan, and service and staffing levels addressed throughout, this Chapter focuses on per employee compensation.



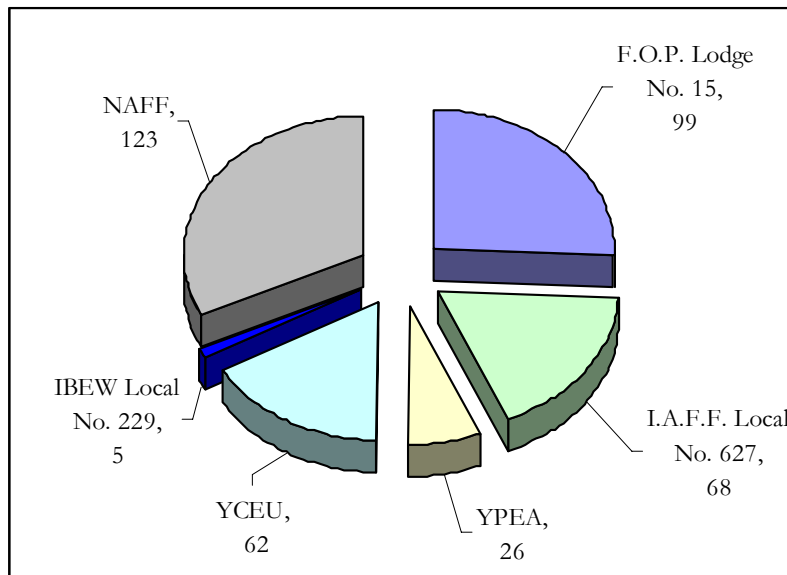
LABOR-MANAGEMENT RELATIONS

As indicated by the chart below, a large majority of York municipal workers, more than two out of every three employees, are represented by one of the following five unions:

- Fraternal Order of Police White Rose Lodge No. 15 (FOP)
- International Association of Fire Fighters Local No. 627 (IAFF)
- York Public Employee's Association (YPEA)
- York City Employee's Union (YCEU)
- The International Brotherhood of Electrical Workers Local No. 229 (IBEW)

The City also has a class of employees that are not affiliated with a union (NAFF). The Chart below shows the employees in each of the five unions and the non-affiliated employees. Of the 123 NAFF employees, 26 are part-time workers and 2 of the YCEU members also work part-time.

FY 2006 BARGAINING UNIT DISTRIBUTION



Because the great majority of the City workforce is unionized, the challenge of controlling personnel costs can only be fully addressed through the collective bargaining process and effective labor management relations. Further, with regard to all City employees – including managers – additional cost containment will likely be required to achieve financial stability without severe cuts in services.

In FY 2005, many of the changes undertaken to control personnel expenditures were made in the non-bargaining category comprised of 123 individuals. As previously noted, the non-bargaining category was reduced by 9 positions in 2005, health premium contributions were tripled, and co-payments for drug prescriptions were increased.

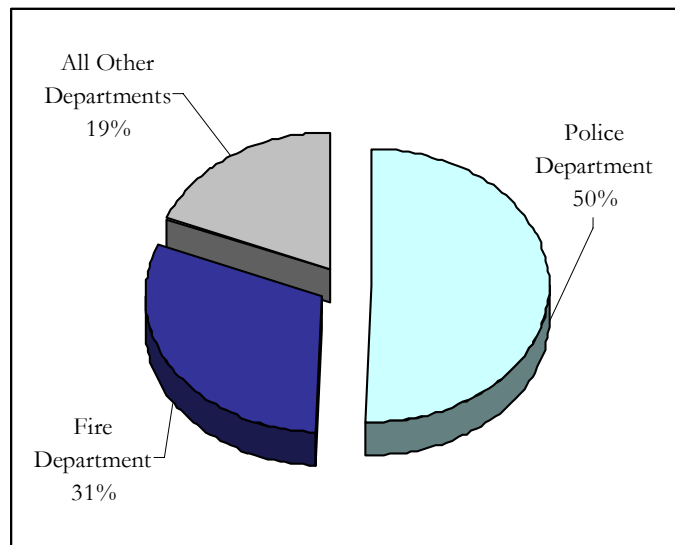


Given the current state of the City's budget, additional cost containment measures will likely be required. Union leadership and City management must begin to modify the existing state of payment and benefits to avoid large, unmanageable budget deficits. By making changes in the current environment, management and workers can mitigate the impact of budget shortfalls and avoid the use of draconian across-the-board service and employment cuts needed to address large budget deficits.

For the FY 2006 budget, City management has requested that all employees forego an annual pay increase. However, both the FOP and IAFF have elected to reject this request, continuing to receive wage increases previously negotiated. Given the current and projected fiscal pressures resulting from personnel expenditures, the City will now need to focus on approaches for restructuring wages and benefits to balance the budget in future years. With the IBEW contract expired, the YPEA and YCEU contracts ended in FY 2005, and the FOP and IAFF contracts ending in FY 2006, these upcoming negotiations provide an important opportunity for York to advance long-term, structural changes to control its workforce spending.

Given both the size and the average costs within the City's Police and Fire Departments, the City's next public safety contracts will represent particularly important milestones in any effort to manage the impact of personnel expenditures on the budget. In FY 2006, the Police and Fire Departments will account for more than 80% of all workforce expenditures – a figure that will likely continue to increase in future years as a result of increased employer pension contributions.

FY2006 PERSONNEL EXPENDITURES



While such restructuring may require dramatic changes in the short-term, the experience of other financially distressed governments strongly indicates that such reforms are essential to long-term, sustainable recovery:



- In 1992, the City of Philadelphia reached labor agreements through both civilian negotiations and police/firefighter arbitrations that included a two-year wage freeze (total four-year term of 0, 0, 2, and 3 percent), elimination of 4 holidays (from 14 to 10), lowered police and fire starting pay by \$6,000 (20 percent), reduced employer health benefit contributions, restructured longevity pay, and disability and sick leave reforms.
- As a component of its fiscal recovery in the mid-1990s, the City of New Haven, Connecticut negotiated a two-year wage freeze in FY1995-96, and significant health care cost containment.
- During its 1995 fiscal crisis, the District of Columbia imposed multiple changes including 6 percent wage *cuts* in the middle of negotiated contract term, 6 unpaid furlough days in FY95, and 6 more unpaid days in FY96.
- In the fiscally distressed City of Scranton, a four-year clerical employee settlement reached in late 2002 froze City health care costs, eliminated longevity for new hires, and provided no base wage increases (lump sum bonuses only) over four full years. The City's 2004 clerical employee settlement froze City health care costs, eliminated longevity for new hires, and provided no base wage increases over a full four years (lump sum bonuses only).
- Since 2004, the City of Pittsburgh has negotiated settlements with the majority of its municipal unions that include a two-year wage and step freeze and the introduction of a 15 percent employee health benefits contribution (or equivalent) along with significant cost containment plan redesign.

Even among governments not yet under fiscal oversight, widespread public sector fiscal challenges – including weakened revenues and rising retirement and healthcare benefit costs – have led many to adopt significant cost containment measures. For example:

- Commonwealth of Pennsylvania FY2004 settlements for approximately 80,000 state employees included a two-year wage freeze, one-year step freeze, and introduction of cost-sharing for health benefits.
- Many other state governments have also imposed wage freezes. State of Maryland workers, for example, received no general wage increases between January 2002 and July 2004. In 2004, after this 2.5 year pay freeze, fixed dollar increases of just \$752 (averaging 1.6 percent) were provided. Similarly, Ohio state employees received no wage or step increases for FY2004 or FY2005.
- Wilkes-Barre firefighters reached a new agreement in 2004 that provides for a first year wage freeze, along with average wage increases over the seven-year term of the agreement of just 2.85 percent. In addition, cost-sharing for health benefits was introduced for the first time.



While such workforce changes can be difficult in the short run, long-term spending must become aligned with revenue growth. Without a fiscally stable local government, future labor negotiations will always focus on how to divide a shrinking pie. Although achieving such stability may require real near-term sacrifices, as the City recovers, it will be able to share the rewards of its fiscal responsibility with its employees.

PER EMPLOYEE COMPENSATION

This section addresses the major components of the City's compensation package, and outlines a number of significant opportunities to address in current and upcoming contract negotiations to reduce the City's cost per employee. Potential changes are focused on strategies that will not impair the City's ability to recruit and retain qualified personnel or erode the City's position in comparison to compensation within the region. The recommended changes focus on mitigating the impact on the quality of life for individual employees and their families by implementing strategies that change the structure of salary and benefits delivery instead of a strict focus on headcount reduction and long-term wage freeze approaches.

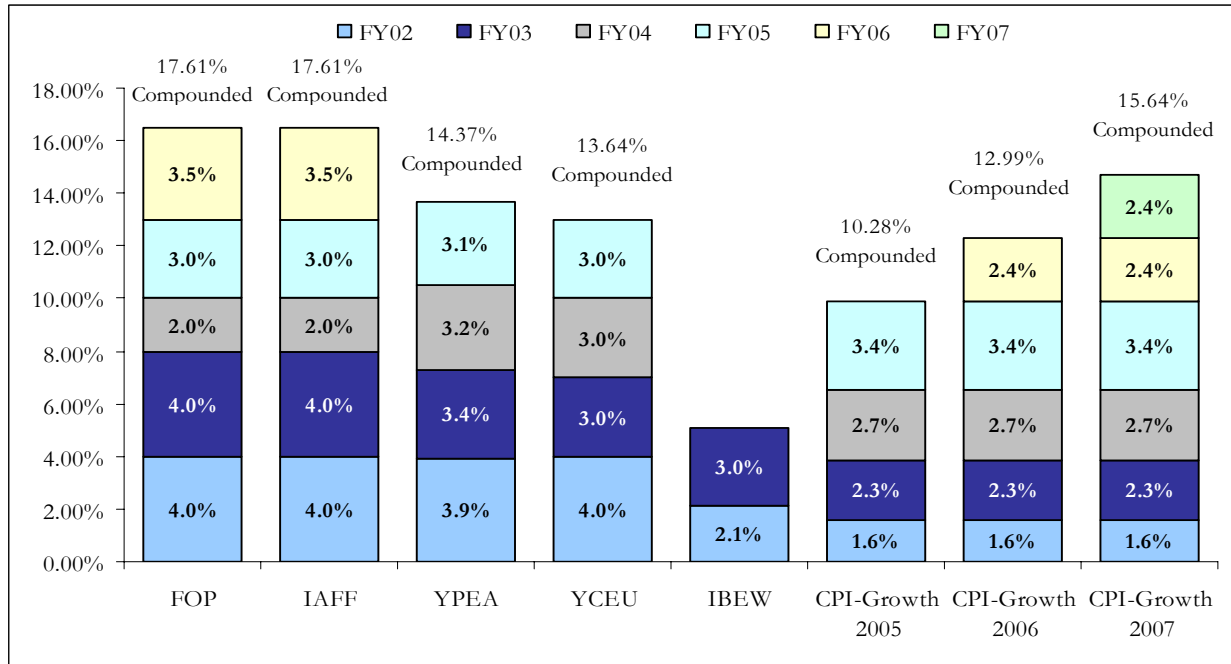
Salaries and Wages

The largest component of overall employee compensation is full-time salaries and wages, representing 53.7% of all personnel expenditures in FY 2005. In FY 2006, police officers and firefighters are scheduled to receive a 3.5% pay increase, which the City has determined will increase salary expenditures by more than \$400,000. The YPEA and YCEU contracts ended in FY 2005, and the IBEW contract has been expired since FY 2003. The City will freeze the salaries of non-represented employees in FY 2006 and has requested that the unions also forego any wage increases in FY 2006.

Each of the five unions has outpaced the growth in inflation comparing the terms by year to growth in inflation during the same period for the most recent contract. The FOP, IAFF, YCEU and YPEA members are all approximately the equivalent of one's years pay growth above the rate of inflation for the corresponding time period. Accordingly, even with wage moderation going forward, long-term City employee wage trends would remain strong.



EMPLOYEE WAGE INCREASES AND CPI GROWTH; FY2002 ACTUAL – FY2007 PROJECTED



Source: CPI Statistics; U.S. Bureau of Labor Statistics; Consumer Price Index – All Urban Consumers

Note: IBEW and YPEA receive defined wage increases that are equivalent increases across years of service. The wage increase is averaged for all unit members to establish the increase as a percentage change for the unit as a whole. Individual members may not have achieved the same percentage increase in wages.

A) POLICE

The wage increases for members of the FOP have outpaced growth in the CPI by approximately four percent since FY 2002. Prior to FY 2002, the members of the FOP had also received wage increases in excess of the CPI, receiving a 3.5% wage increase in FY 1999 and a 4% wage increase in both FY 2000 and FY 2001. The FOP contract ends at the close of FY 2006.

NEGOTIATED WAGE INCREASES, FOP

Jan 1999	Jan 2000	Jan / July 2001	Jan 2002	Jan 2003	Jan 2004	Jan 2005	Jan 2006
3.5%	4.0%	2.0% + 2.0%	4.0%	4.0%	2.0%	3.0%	3.5%



B) FIREFIGHTERS

IAFF members have followed a similar pattern as FOP members, with salary increases also outpacing the growth in the CPI. The contract for IAFF members also ends at the close of FY 2006.

NEGOTIATED WAGE INCREASES, IAFF

Jan 1999	Jan 2000	Jan 2001	Jan 2002	Jan 2003	Jan 2004	Jan 2005	Jan 2006
3.0%	3.0%	4.0%	4.0%	4.0%	2.0%	3.0%	3.5%

C) YCEU, YPEA & IBEW

The contract with the YCEU ended at the close of FY 2005. The City has asked the YCEU members to work without a pay increase in FY 2006 to help manage personnel expenditures. Even with such a wage freeze in FY 2006, the City and YCEU will need to make changes to the existing contract to avoid future wage freezes and personnel reductions.

NEGOTIATED WAGE INCREASES, YCEU

Jan 2001	Jan 2002	Jan 2003	Jan 2004	Jan 2005
4.0%	4.0%	3.0%	3.0%	3.0%

The contract with the YPEA ended at the close of FY 2005, and the IBEW agreement expired in FY2003. The City faces similar cost issues with these units as outlined above for YCEU members.

NEGOTIATED WAGE INCREASES, YPEA

Jan 2001	Jan 2002	Jan 2003	Jan 2004	Jan 2005
\$.45	\$.44	\$.39	\$.39	\$.39

NEGOTIATED WAGE INCREASES, IBEW

Jan 2002	Jan 2003
\$.60	\$.53



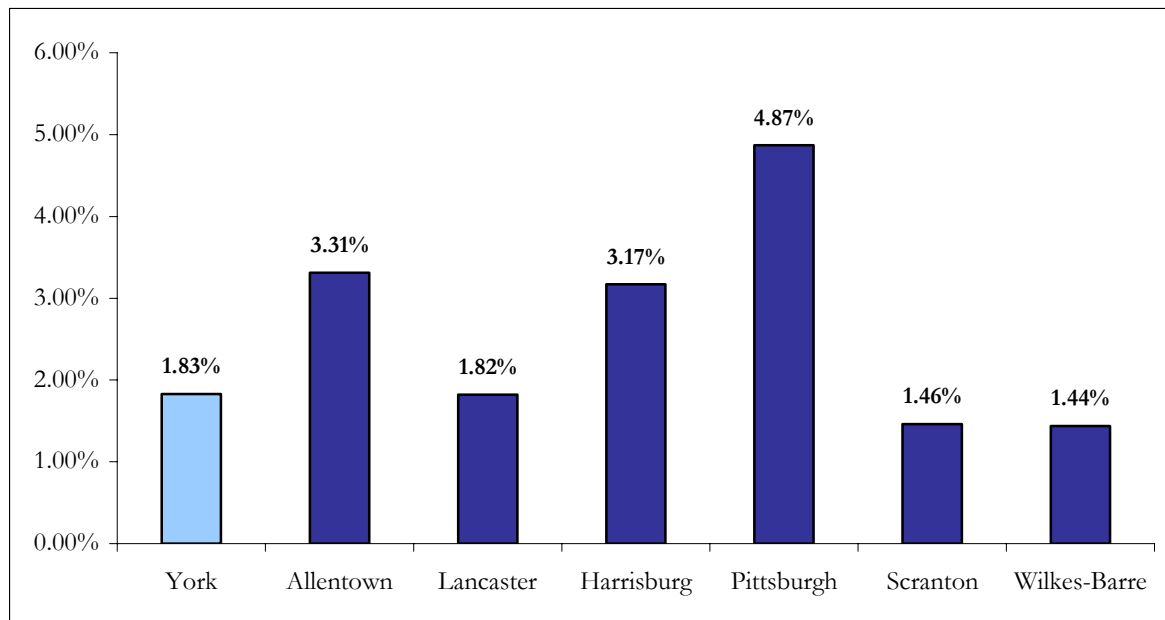
Overtime

Nearing year end, York employees were projected to receive a total of \$511,722 million in overtime pay in 2005. The 2005 overtime budget equates to 4.5 percent of salaries and 3.8 percent of all pay. Two departments – Police and Fire – were responsible for 93.3 percent of total overtime spending, with \$368,434 million and \$108,749 respectively in 2005 estimated actual expenditures.

Of course, overtime may sometimes serve as an efficient means of ensuring that personnel are available for handling unanticipated or episodic events. In certain cases, overtime can even be more cost effective than adding staff – particularly when the total cost of compensation, including benefits, is accounted for with additional hires. Nonetheless, when overtime becomes a routine means to meet normal service delivery requirements, or is used to provide supplemental compensation for non-critical tasks, it becomes an ineffective way to manage scarce resources.

In York, 2005 estimated actual overtime is moderate when compared to other Pennsylvania cities. The graph below shows the ratio of total overtime expenditures to total General Fund expenditures. The overall percentage is not troubling; however, attention should be given to the fact that a significant amount of overtime expenditures are dedicated to two departments, Police and Fire.

2005 OVERTIME AS % OF TOTAL GENERAL FUND BUDGET

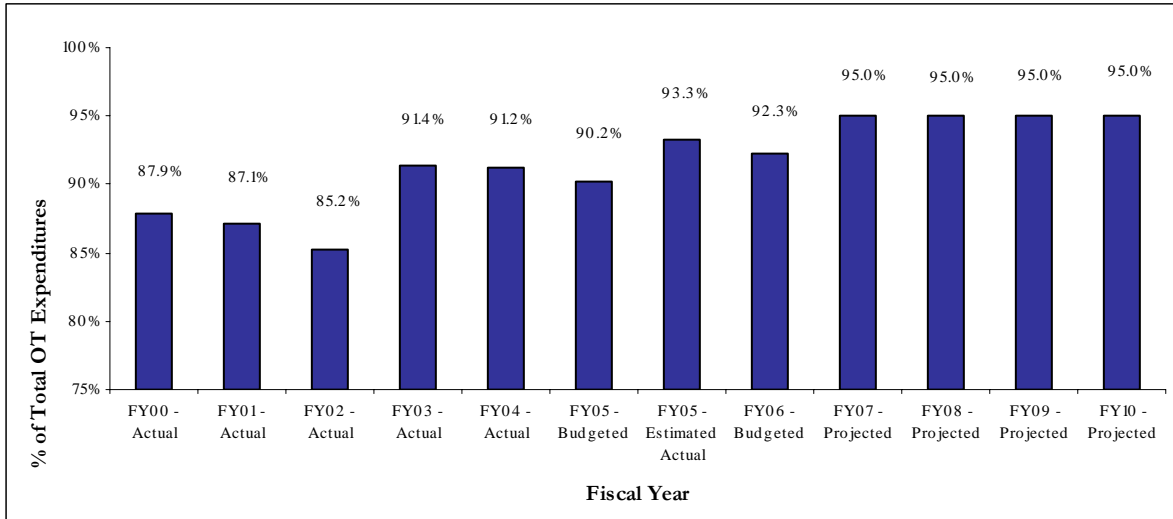


Of particular concern, police and fire overtime expenditures have grown significantly over recent years and are projected to continue to grow throughout the plan period. This increase can be further targeted to the Police Department, which accounts for 72% of the estimated actual overtime expenditures in FY 2005 at, again, \$368,434. In FY 2002, the Police Department recorded just \$280,933 in overtime expenditures – indicating 31.1%



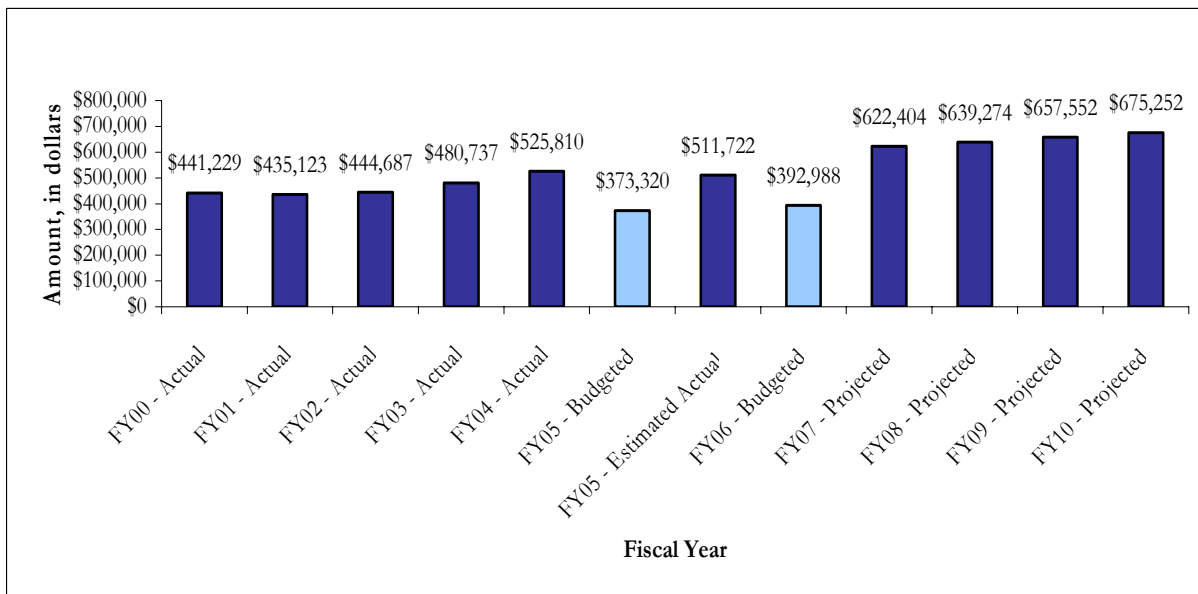
growth in just a few years. During the same period the use of overtime by the Fire Department has increased at a slower pace of 11.1%.

**PERCENTAGE OF TOTAL CITY OT FOR PUBLIC SAFETY DEPTS.
ACTUAL, BUDGETED & PROJECTED VALUES; FY 2000 TO FY 2010**



In FY06, the City has projected significant reduction in overtime, budgeting a 23.3% reduction. While a reasonable target given the appropriate oversight and management protocols, it is important to point out that without the proper attention the City may be faced with a repeat of FY 2005 – with the budgeted level for overtime was set significantly lower than the prior year actual performance, but actual performance only slightly lower than the prior year expenditures.

OT EXPENDITURES; ACTUAL, BUDGETED AND PROJECTED FY 2000 TO FY 2010



By defining the acceptable uses of overtime and by creating policies that reduce the impact of contributing factors such as excessive leave, the City can manage down overtime expenditures. The first step in managing overtime is to define what categories the administration believes require overtime and to match that against the categories of overtime expenses. By seeing how overtime is used, management can target changes in protocol or needed policy revisions to control the unwanted use of overtime.

Other Pay Premiums

In addition to wages and overtime, the City of York spends millions of dollars each year on additional pay and benefits. Examples include:

- **Longevity:** Beginning with five years of service, FOP members receive longevity pay based on 2.5% of salary. By the twenty-fifth year of service, the percentage increases to 12.5%. IAFF members receive a cash payment based on years of service at five year increments and rank. A firefighter with five years of service receives \$630 in longevity pay; after twenty-five years of service an individual at the rank of firefighter receives \$2933. Members of the YPEA receive longevity pay in five year increments up to a 20 year maximum. At five years of service YPEA members receive longevity pay based on 2% of their salary and at twenty years the percentage increases to 8%. Longevity pay for IBEW workers is based on 5 year increments, starting at the six year of service (2%) with the highest percentage paid at the twenty-sixth year of service (10%).
- **Holiday Pay:** City police officers receive a full day of pay for each of 14 holidays, plus time-and-a-half if they work on one of seven specified “festive” holidays. In addition, police officers are paid for ½ day in the pay period preceding Christmas. Firefighters are paid for 14 holidays. There are five specific holidays, with identified shifts, when scheduled workers receive an additional pay rate of time-and-a-half and unscheduled workers received two times the rate of normal pay. Firefighters also receive a lump sum payment of \$75 paid during the pay period preceding Christmas. YPEA members receive ten specific holidays and 4 floating holidays. Members of YPEA required to work on a holiday receive pay at time-and-a-half in addition to the regular holiday pay. YCEU members receive 13 paid holidays, 10 specified days and three floating holidays. If a member is required to work on an officially recognized holiday, the member is paid at time-and-a-half for each hour worked in addition to the holiday pay. YCEU members required to work on a holiday not officially recognized by the City (e.g. Christmas on a Saturday, officially recognized on a Monday) receive pay at the rate of time-and-a-half. IBEW members receive 10 defined vacation days and four floating holidays. If an IBEW members must work on any of the ten defined holidays are paid at a rate of two times for each hour worked in addition to the Holiday pay.
- **Clothing Allowance:** Uniformed police officers are given a yearly allowance of \$370 for uniforms, \$325 for uniform maintenance, and \$100 for footwear. Plain clothes duty officers receive \$600 for clothing allowance in addition to \$325 for



clothing maintenance and \$100 for footwear. Firefighters are supplied with uniforms at no charge and are given \$275 for clothing maintenance and \$50 for a shoe allowance annually. YPEA members classified as Parking Enforcement Officers are reimbursed \$155 for clothing maintenance and \$45 for shoe allowance per year. YCEU members receive all uniforms as required by the City at no cost and a shoe allowance that begins at \$75 and is prorated downward based on date of hire. The City must also provide all required tools to Automotive/ Diesel Mechanics and Parks Utility Technicians or reimburse them on a monthly basis of \$50 and \$30 respectively. IBEW members are given a \$75 annual shoe allowance, which is prorated downward based on date of hire. In addition, all IBEW worker uniforms are furnished by the City at no cost to the employee.

- **Education Pay:** Police officers are reimbursed for 50% of all expenses related to tuition, required special fees and required textbooks for classes in criminal justice and political science based on a minimum grade level. Police officers receiving a degree are also paid an annual bonus ranging from \$200 for an associate's degree to \$600 for a Master's Degree. Firefighters are able to receive 50% reimbursement for college courses taken in Fire Science if a minimum grade level is achieved. YCEU, YPEA and IBEW members can receive 50% education reimbursement for classes after receiving approval from their department and the human resources director upon achievement of a minimum grade level.
- **Shift Differential:** Additional compensation is available for police staffing the 2nd shift (2.5% salary increase) and the "night" shift (3.5% salary increase). YCEU employees working the 2nd shift receive an additional \$.30 per hour and 3rd shift employees receive an additional \$.32 per hour. YPEA members required to work any other shift other than their day shift receive an additional \$.25 per hour for the 2nd shift and \$.40 per hour for the 3rd shift.

Pay Categories	2005 Estimated Actual
Salaries - Full & Part Time	\$11,353,147
Premium Pay (Overtime)	\$511,772
Leave Pay, including Vacation, Sick, Holiday, and Bereavement	\$1,017,591
Other Premium Pay, including, Shift Differential, Worker's Compensation, Call Back, Jury Duty, Union Activities, Reimbursable Overtime, Tuition Reimbursement and Uniform Allowance	\$742,867
Total	\$13,625,377

Paid Leave

York employees are eligible for multiple forms of paid leave. The City pays for time not worked through paid holidays, vacation days, personal days, sick and injury leave. By adding these categories of leave time a cumulative number can be derived to account for total leave time. Comparing the 5 unions and the non-represented class of employees, PFM found that the range of cumulative leave days is between 59 and 66 days. The table



also indicates that York cumulative leave allowances are well above both the US State and Local Government and the US Private Sector Average.

**PAID LEAVE FOR 15-YEAR YORK EMPLOYEES
VERSUS U.S. PUBLIC AND PRIVATE SECTOR¹**

	Holidays	Sick Day Allowances	Vacation Days	Personal Days	Total
FOP Lodge No. 10	14.0	30.0	21.0	1.0	66.0
IAFF Local No. 627	14.0	30.0	20.0	1.0	65.0
YPEA	14.0	30.0	22.0	0.0	66.0
YCEU	13.0	24.0	22.0	1.0	60.0
IBEW Local No. 229	14.0	24.0	21.0	0.0	59.0
Non-Represented Employees	10.0	30.0	22.0	1.0	63.0
US State and Local Governments	11.4	12.6	21.1	0.0	48.2
US Private Sector Average	8.0	10.5	17.8	0.0	39.8

Sick Leave

York sick leave allowances are extraordinarily high, at 30 days for the police, fire fighters and clerical workers and 24 days for the trade people in the YCEU and IBEW. These sick leave allowances are as much as two and a half times the average allowances offered by US state and local governments and as much as three times the allowances offered in the private sector. When excessive, leave usage not only reduces productivity, but also triggers increased costs for overtime and call-back time to cover the duties of absent employees.

According to a survey by Commerce Clearing House (CCH) Inc.², the average number of sick days granted by U.S. government employers was 11.9 per year. These findings are generally consistent with similar surveys by the U.S. Bureau of Labor Statistics, which found the average number of days provided to State and local government employees to range from 12.3 to 12.6 per year in cumulative plans (depending on length of service)³, and the comparable average for private sector employees in medium to large establishments to range from 9.0 to 11.6 days per year.⁴ In turn, the CCH findings also indicate a relationship between the number of days granted and the number of days actually used: of the eight

¹ *A 15-year tenure is used for benchmarking leave allowances based on typical average experience among governments with which PFM has worked nationally.*

² *2001 Commerce Clearing House (CCH), Inc. Unscheduled Absence Survey. Over 230 human resources executives in organizations covering nearly 1.4 million employees in 42 states were included in this survey, one of the largest and most comprehensive of its type. Recent CCH reports have not included this level of detail.*

³ *U.S. Bureau of Labor Statistics (December 2000): Employee Benefits in State and Local Governments, 1998.*

⁴ *U.S. Bureau of Labor Statistics (September 1999): Employee Benefits in Medium and Large Private Establishments, 1997.*



industry sectors listed below, only one, Finance/ Banking, had a usage rate of less than 70 percent of granted sick days.

AVERAGE SICK DAYS GRANTED AND USED BY INDUSTRY SECTOR

	Number of Days Granted	Number of Days Used	Percentage of Available Days Used
Government	11.9	9.6	80.7%
Service	8.3	8.4	101.2%
Utility	4.1	4.1	100%
Health Care	7.0	5.9	84.3%
Manufacturing	7.2	5.6	77.8%
University	9.9	7.4	74.7%
Retail/Wholesale	8.6	6.1	70.9%
Finance/Banking	14.3	6.1	42.7%

Source: CCH, Inc. (2001)

The City of York does not routinely track sick leave usage, and no data was available for FOP actual usage. Reviewing limited FY 2004 data for other employee groups, and excluding firefighters due to non-comparable schedules, York average sick leave usage was above the national public sector average for the IBEW and YCEU, and above the national manufacturing average for all union groups.

Going forward, the City should further review employee specific sick leave usage to examine whether there is a defined group of individuals that may be using excessive leave, and should also review the data for the FOP.

In addition to reducing the overall number of sick days allowed, the policy for how leave hours are applied to shift work might also be modified. According to the Human Resources Department, the City's allowances are even more generous when considering that a sick day is considered the equivalent of a shift. For instance, fire fighters work either 10 hour or 14 hour shifts and when each of these shifts is multiplied by the sick "days" allowed, the range of sick days for fire fighters when converted by to 8 hour days is between 37.5 days and 52.5 days for sick leave alone. The fire department is not the only department that equates shift work with leave days. Police uniformed personnel assigned to 10 hour shifts also equate leave days with the entire shift. An opposing model used by the City is the policy used for the YCEU employees who are assigned to shift work. YCEU members working 12 hours shifts have their sick leave based on 8 hour days; therefore, they must use 12 hours of sick leave to call out of an entire shift. This policy should also be applied to uniform personnel to bring their leave time back in line with that of other city employees.

IAFF and FOP members also receive bonus days for not using sick leave during defined periods. FOP members can earn half a day's leave with pay if no sick leave is used during the quarter, and they can receive an additional day of leave with pay if no sick leave is used during the year. Therefore, if a police officer does not use sick leave during



the year, the officer can earn the equivalent of three extra leave days with pay. IAFF members can earn a bonus day of pay if they do not use more than one sick day between November 1st and April 30th, and an additional bonus day if they do not use more than one sick day between May 1st and October 31st.

The City also reimburses retirees for sick leave accumulation upon reaching retirement status based on credits. The numbers of days allowable for accumulation varies from 135 days to 200 days based on date of hire and union membership. The City policy for employees reaching retirement status is to pay 25% of the first 200 sick days accumulated or to allow the employee to use the days for early retirement.

High sick leave allowances can contribute both to high leave usage and to costly payouts resulting from such accumulated day policies. For these reasons, it is important to closely track leave time to ensure that leave use is documented accurately. Inadequate systems can result in days not applied to the books and erroneous payouts by the City. Aggressive programs to manage leave usage, particularly sick leave, can help to control the major overtime costs correlated with leave usage. Reports and feedback for operational managers can help to improve accountability. Over the longer-term, reduced sick leave allowances, strengthened wellness and disease management programs, and tightened control policies can also achieve positive results.

Holidays

The Police and Fire departments are granted the same holidays without loss of pay.

IAFF & FOP

- | | |
|---------------------------------|----------------------------|
| 1. New Year's Day | 8. Labor Day |
| 2. Dr. Martin Luther King's Day | 9. Veteran's Day |
| 3. Washington's Birthday | 10. General Election Day |
| 4. Good Friday | 11. Thanksgiving Day |
| 5. Easter | 12. Day after Thanksgiving |
| 6. Memorial Day | 13. Day before Christmas |
| 7. Independence Day | 14. Christmas Day |

Firefighters also receive one personal day a year that can be carried forward in the event that the firefighter does not use a sick day during the year. In addition, firefighters receive a lump sum payment of \$75.00 on the payday immediately following Christmas. Fire fighters scheduled to work on Thanksgiving Day, December 24th, December 25th, December 31st or January 1st are paid at 1 and a half times the regular pay rate. Firefighters called in to work who were not scheduled to work the aforementioned days are paid two times the rate of regular pay.

The City has also agreed to compensate each officer for half a day that is paid on the payday immediately preceding Christmas. If a holiday falls on a police officers scheduled day off, the officer is granted an additional day. If a police officer is required to work on a holiday, the officer is granted an additional day and will be paid a one and a



half times regular pay if required to work on New Year's Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

Upon retirement, FOP members also have the option of being paid for the holidays that would have been credited during the entire year or using the same days for early retirement. In effect, allowing police officer to receive either time off or pay for time not earned during the course of the year.

Both the IAFF and FOP are also entitled to any other day that is declared a holiday by the City.

YCEU members receive the 13 holidays listed below and are paid 8 hours of regular pay if they work the day prior to or the day after the holiday.

YCEU

- | | |
|---------------------------------|---------------------------|
| 1. New Year's Day | 8. Day after Thanksgiving |
| 2. Dr. Martin Luther King's Day | 9. Day before Christmas |
| 3. Good Friday | 10. Christmas Day |
| 4. Memorial Day | 11. Floating Holiday |
| 5. Independence Day | 12. Floating Holiday |
| 6. Labor Day | 13. Floating Holiday |
| 7. Thanksgiving Day | |

If a YCEU member works on the actual holiday or the observed holiday, the City pays the employee at one and a half times the regular pay rate. Employees on the 1st Night Crew and Parking Bureau employees are compensated at twice the rate of regular pay on the 1st Night. Rink Operators are paid 10 hours of holiday for the following holidays: New Year's Day, Martin Luther King's Day, Thanksgiving Day, the day after Thanksgiving, the day before Christmas, Christmas Day and Good Friday when the holiday falls before April 1st.

Under the same policy of working either the day prior to or the day after a holiday (including floating holidays), part-time employees are compensated at five hours of current base salary.

Both full-time and part-time employees can receive holiday pay if a sick leave day is used on the day prior to or the day after a holiday with the submission of a doctor's note.

YPEA and IBEW members share the same holidays and number of allowed floating holidays.

YPEA & IBEW

- | | |
|---------------------------------|---------------------------|
| 1. New Year's Day | 8. Day after Thanksgiving |
| 2. Dr. Martin Luther King's Day | 9. Day before Christmas |
| 3. Good Friday | 10. Christmas Day |
| 4. Memorial Day | 11. Floating Holiday |
| 5. Independence Day | 12. Floating Holiday |



6. Labor Day
7. Thanksgiving Day

13. Floating Holiday
14. Floating Holiday

YPEA members are paid 8 hours of regular pay or the equivalent of hours worked if shift is longer than eight hours. YPEA members required to work on a holiday are paid at one and a half times the rate of regular pay. Like YCEU members, YPEA members must work the day prior to or the day after the holiday to receive holiday pay.

IBEW workers must also work the day prior to or the day after a holiday to receive holiday pay, which is paid for eight hours at the regular pay rate. IBEW members who work on a holiday are paid at a rate of two times the regular rate of pay.

NAFF employees must work the day prior to and the day following the holiday to receive holiday pay. If the employee is sick on either day, a doctor's note must be provided.

NAFF

- | | |
|---------------------------------|---------------------------|
| 1. New Year's Day | 8. Day after Thanksgiving |
| 2. Dr. Martin Luther King's Day | 9. Day before Christmas |
| 3. Good Friday | 10. Christmas Day |
| 4. Memorial Day | 11. Personal Holiday |
| 5. Independence Day | |
| 6. Labor Day | |
| 7. Thanksgiving Day | |

The holiday allowances for the five unions are particularly high when compared to the holidays granted to the non-represented employees. In addition, the use of floating holidays for three of the unions creates scheduling issues and disrupts the continuity of service provided.

To create a sense of equity and to reduce the high volume of holidays granted, the City should consider defining a standard schedule of holidays for all employees using the non-represented employee schedule as the model for all employees. By reducing the number of holidays granted, the City would also reduce overtime pay related to scheduling issues that are common problems on holidays.

The City could also consider a policy that police officers only receive pay or the ability to use days for early retirement based on days actually earned during the calendar year, dropping the policy that upon retirement uniform members can receive pay or use days for the entire calendar year.

Vacation Days

York employees with fifteen years of employment with the City earn between 20 and 22 vacation days an annual basis, which is aligned with the US State and Local Government average of 21.1 days of vacation leave.



Other than considering a reduction total vacation days, the City should modify the two following policies.

- FOP members are able to receive a cash payment or use days for early retirement for the entire year regardless of the date of retirement.

The City should eliminate this policy and only pay for actual time earned.

- FOP, IAFF, and YPEA members equate a day with a shift, which results in employees actually earning more time than if an eight hour day were the equivalent of a vacation day. For instance, police officers working ten hour shifts have the potential to earn 210 hours of vacation time; whereas, an eight hour shift police officer would only earn 168 hours during the same time frame.

The City should equate all leave days with either a 7.5 hour or 8 hour day standard. The City has taken measures to limit accrual maximums. As the table below indicates, accrual maximums for most employee units is a week or less. The City should also negotiate a reduction in accrual maximums with the IBEW and IAFF members.

VACATION ACCRUAL RULES

FOP	7 days
IAFF	At time of retirement paid for all accrued time
YCEU	Two years if hired before 12/31/87; 15 days if hired between 1/1/88 and 12/31/96; 5 days if hired after 1/1/97
YPEA	30 days or 80% of 2 year maximum if hired prior to 1/1/97; 5 days if hired after 1/1/97
IBEW	One Year
NAFF	2 years if hired before 7/1/82; 5 days if hired after 7/1/82

Personal Leave

The table below displays the personal day allowances for each employee unit. In addition to giving consideration to a reduction in overall leave allowances, the City should consider eliminating personal leave allowances. At a minimum, the policy for FOP and IAFF members should be eliminated. The FOP policy allows officers to earn three personal days per year if no sick leave is used, and the IAFF members can earn two personal days a year if they use two days or less of sick leave.

FOP	One day annually; bonus ½ day for each quarter with no sick leave; bonus day if no sick leave for the year
IAFF	One day if employee does not use more than 1 entitled sick day between 11/1 and 4/30 and one day if employee does not use more than 1 entitled day between 5/1 and 10/31
YCEU	One day annually
YPEA	None
IBEW	None
NAFF	None

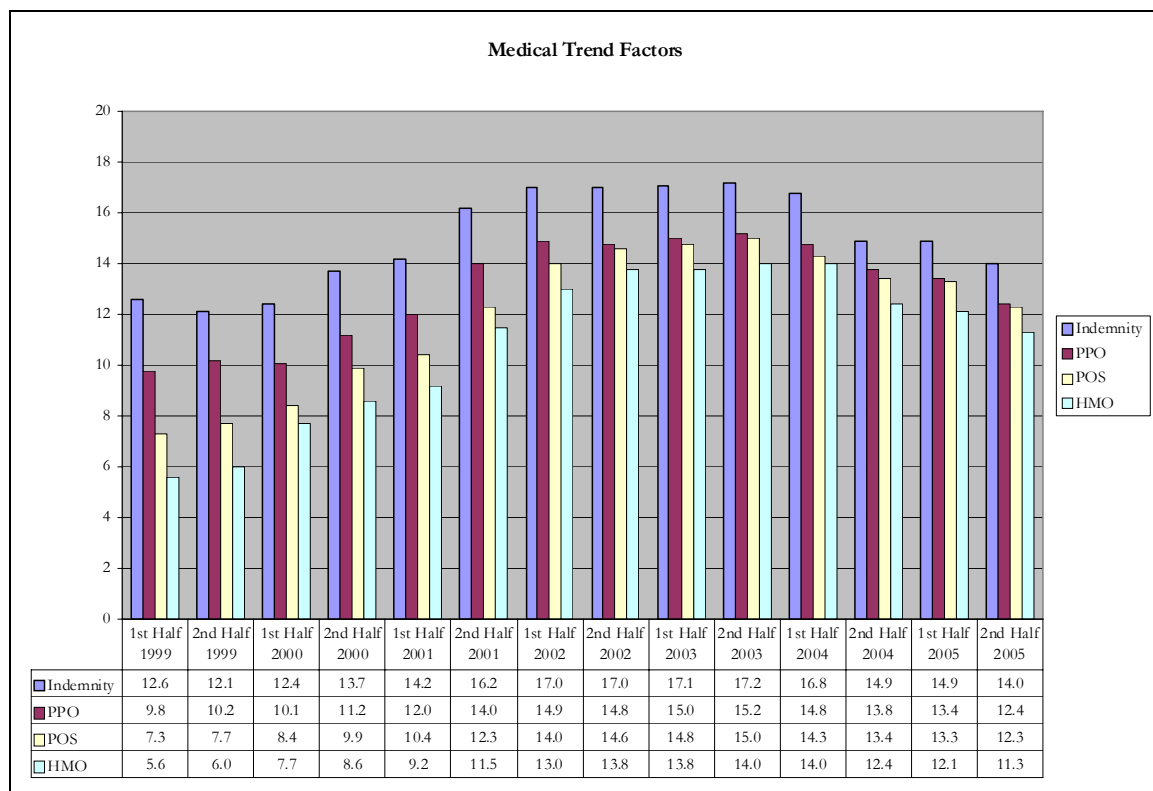


Health and Welfare Benefits

Medical coverage and life insurance for York employees and retirees cost the City over \$4.3 million in 2005 – 15.5% percent of total compensation. Further, costs of medical coverage are projected to rise dramatically over the course of the plan. By FY 2010, medical coverage and life insurance costs are projected to increase by nearly 56%.

The Buck Consultants National Health Care Trend Survey, Second Half 2005 indicates continued double digit growth in underlying medical plan cost trend pressures.

MEDICAL TREND FACTORS ANNUAL PERCENTAGE COST INCREASES BY PLAN TYPE



Source: Buck Consultants National Health Care Trend Survey, Second Half 2005. Reflects underlying medical premium trends prior to plan redesign or other cost containment measures.

In response, widespread plan design cost containment and cost-sharing actions by employers, along with some cyclicity in healthcare underwriting, have led to modest reductions in average medical premium increases relative to the peaks of the first part of the decade. Overall, however, growth in health insurance costs nationally remains approximately three times that of the general CPI, and most analysts expect ongoing high rates of growth for the foreseeable future.



Although York has taken some steps to contain the health benefit costs, including the introduction of premium cost sharing for exempt employees, benefits for all remain generous.

The following table shows employee contributions for medical plan premiums by employee units.

EMPLOYEE CONTRIBUTIONS TOWARD MEDICAL PLAN PREMIUMS

	FOP	IAFF	YCEU	YPEA	IBEW	NAFF
Active Employee Only	No Cost Sharing	1/2 of annual increase above 5% increase covered by City; Total Co-payment shall not exceed more than 2% of initial 5% increase.	\$15 per month	\$15 per month	\$15 per month	\$30 per month
Employee + One	No Cost Sharing	\$10.00 and 1/2 of annual increase above 5% increase covered by City; Total Co-payment shall not exceed more than 2% of initial 5% increase.	\$25 per month	\$25 per month	\$25 per month	\$60 per month
Employee & Family	No Cost Sharing	\$10.00 and 1/2 of annual increase above 5% increase covered by City; Total Co-payment shall not exceed more than 2% of initial 5% increase.	\$30 per month	\$30 per month	\$30 per month	\$90 per month
Retiree Only	50% of plan cost up to \$700 max per year	50% of plan cost up to \$700 max per year	50% of plan cost up to \$700 max per year; \$900 if retiring after 1/1/04	50% of plan cost up to \$700 max per year; \$900 if retiring after 1/1/04	50% of plan cost up to \$750 max per year	\$58.33 per month
Dependent of Retiree	50% of plan cost up to \$1400 max per year	50% of plan cost up to \$1400 max per year	50% of plan cost up to \$1400 max per year; \$1600 if retiring after 1/1/04	50% of plan cost up to \$1400 max per year; \$1600 if retiring after 1/1/04	50% of plan cost up to \$1500 max per year	\$116.67 per month

Source: City of York, Department of Human Resources



A recent Bureau of Labor Statistics report on private industry found employee contributions toward benefits to be commonplace (National Compensation Survey: Benefits in Private Industry in the U.S., March 2005):

- 88 percent of private industry workers with medical insurance are required to contribute toward premiums for family coverage (89 percent for establishments with 100+ workers) and 76 percent for single coverage (82 percent for establishments with 100+ workers)
- The typical covered worker pays 29 percent of the premium cost for family coverage (26 percent for establishments with 100+ workers) and 18 percent for single coverage (17 percent for establishments with 100+ workers)
- On a monthly basis, these employee contributions average \$68.96 for single coverage (\$64.05 for establishments with 100+ workers) and \$273.03 for family coverage (\$243.38 for establishments with 100+ workers).

Likewise, a majority of public sector employers nationally also require cost-sharing, including a growing number of Pennsylvania governments. Across the U.S., 46 out of 50 state governments require employees to contribute toward family coverage, while 37 of 50 states require a contribution for some or all individual plans (Workplace Economics, Inc. 2005). In Pennsylvania:

- Commonwealth of Pennsylvania: Pursuant to June 2003 collective bargaining agreements, the Commonwealth is phasing in its first employee monthly health benefit premium cost-sharing over a several year period for almost all of its nearly 80,000 workers. Employee contributions will rise to 1.0 percent of salary by FY2007.
- State System of Higher Education: Effective in 2005, Association of Pennsylvania State College and University Faculties members now contribute 10% of the cost of medical and prescription coverage.
- City of Pittsburgh: Pittsburgh employees now contribute 15.0% of premium costs or the equivalent.
- City of Wilkes-Barre: In a long-term settlement (January 2004 – December 2010) reached with its firefighters union, Wilkes-Barre introduced a new hire premium cost-sharing system, with contributions starting at 30 percent and declining to 5 percent (potentially 10 percent) over six years of service. In addition, all firefighters will make a 5 percent (potentially 10 percent) premium contribution effective 1/1/08.

Nationally, deductibles and office visit co-pays have also been trending upward. For example, the Employer Health Benefits 2005 Annual Survey reports that between 2003



and 2005, the percentage of covered workers with a \$20 co-pay for office visits increased from 19 percent to 32 percent. As a result, \$20 is now the median office visit co-pay, double the \$10 median of 2002.

Likewise, many public sector employers also require \$15-20 co-pays, and other types of benefit plan redesign have been common in recent years. In cooperation with the Commonwealth's major unions, for example, the state Pennsylvania Employees Benefit Trust Fund (PEBTF) has implemented significant plan redesign to further contain costs, including:

- Phase-out of indemnity plan
- Increased deductibles and co-insurance
- Tightened spousal eligibility rules;
- Reduced coverage levels for probationary employees

In the PEBTF plan, primary care office visits for state employees now require a co-pay of \$15.

In contrast, York uniformed employees have no office visit co-pay, while other City employees pay just \$10 per visit.

MEDICAL OFFICE VISIT EMPLOYEE CO-PAYMENTS

	FOP & IAFF	YCEU, YPEA, IBEW, & NAFF
Active Employee	None	\$10 1st 3 visits, 80-20 w/ additional visits
Dependent of Active Employee	None	\$10 1st 3 visits, 80-20 w/ additional visits
Retiree	None	\$10 1st 3 visits, 80-20 w/ additional visits
Dependent of Retiree	None	\$10 1st 3 visits, 80-20 w/ additional visits

Source: City of York, Department of Human Resources

Within overall healthcare plans, prescription drugs are also a major cost driver. According to the Buck forecast, projected growth for prescription drug plans is 12.8 percent among Pharmacy Benefit Managers (PBMs) and health insurers. These projections represent at least the 7th consecutive year that prescription plans have trended in the double digits.



Many well-managed plans mandate generic drugs where medically appropriate under a controlled formulary approach, and/or use a “three-tier” co-pay system to encourage employee participation in cost-effective decision-making. For example, the City of Wilkes-Barre recently increased the prescription drug co-payment system from two tiers (\$5/\$20) to three tiers (\$10/\$20/\$35); and the Commonwealth of Pennsylvania increased prescription co-pays to from \$6 for generics and 15 percent up to \$25 maximum for brand drugs to \$10 generic; \$18 preferred brand; \$36 non-preferred.

According to the 2005 Kaiser/HRET Survey of both public and private employers, nationally, prescription drug co-pays have been increased and plans redesigned to create incentives for use of generic and formulary medicines.

- The use of three-tier (or more) formularies has grown from 27 percent of covered workers in 2000 to 74 percent in 2005.
- The average co-pays in 2005 were \$10 for generics, \$22 for preferred drugs, \$35 for non-preferred drugs.
- An increasing number of employers has further added a fourth-tier for certain high-cost drugs (e.g., lifestyle drugs or expensive biologics), requiring an average co-pay of \$74 where in effect.

Growing from \$601,709 in 2001 to \$1.4 million in FY 2005, York prescription costs increased 133%. Currently, York features a tiered plan for prescription drugs for non-represented employees, with a \$10.00 charge for generic drugs, a \$25.00 co-pay for brand name drugs when a generic is not available, and the difference in cost when the employee chooses the brand name drug over an available generic drug. As shown in the following chart, however, prescription co-pays for union members are even lower where charged at all.

PRESCRIPTION CO-PAYS FOR YORK EMPLOYEES (ACTIVE)

FOP	IAFF	YCEU	YPEA	IBEW	NAFF
\$3 generic; \$5 brand	\$0 generic; \$2 brand	\$3 generic; \$5 brand	\$3 generic; \$5 brand	\$0 generic; \$2 brand \$3 brand for dependents)	\$10 generic; \$25 brand (+ difference in cost where generic available)

Source: City of York, Department of Human Resources

Further, York provides no incentive for employees to use mail order services to obtain maintenance medications. Such programs typically yield significant savings, while actually reducing out-of-pocket costs for participating employees.



For retirees, the FOP, YPEA, and NAFF prescription drug co-pays benefits are the same as for active employees. For the IAFF, YCEU, and IBEW, all prescriptions (both generic and brand) require just \$3 co-pays.

The following chart highlights selected benefit plan characteristics – many previously outlined above – for several of the City’s largest employee groups relative to the equivalent benefits for most Pennsylvania state employees and the national private sector. As may be noted, most areas of York’s current benefit structure could be redesigned while still maintaining a competitive plan.

SELECTED YORK HEALTH PLAN FEATURES VS. STATE AND LARGE FIRMS

	FOP	YCEU	NAFF	Commonwealth of PA (PEBTF)	Large National Private Firms (2005)
Monthly Employee Contribution	None	\$15 month for employee only; \$25 month for employee + one; \$30 month for family coverage	\$30 month for employee only; \$60 month for employee + one; \$90 month for family coverage	1.0% of salary	17% of premiums individuals (avg. \$64.05); 26% for family coverage (avg. \$243.38)
Office Visit Co-Pay	None	\$10 1st 3 visits, 80-20 w/ additional visits	\$10 1st 3 visits, 80-20 w/ additional visits	\$15	\$15 - \$20
Prescription Drug Co-Pays	\$3 generic; \$5 brand	\$3 generic; \$5 brand	\$10 generic; \$25 brand name; difference in cost if brand chosen in place of available generic	\$10 generic; \$18 formulary brand; \$36 non-formulary	\$10 generic; \$22 formulary brand; \$35 non-formulary; \$74 fourth-tier* *(where in effect)

Sources: U.S. Bureau of Labor Statistics; Commonwealth of Pennsylvania; Kaiser Family Foundation and Health Research and Educational Trust 2005 Employer Health Benefits Annual Survey. Because survey reports data according to firm size, figures shown reflect median for data available for firm size most comparable to York (large firms).

It is important for the City to continue efforts to revise benefit plan options and administration and use the most cost-effective regional providers. Nationally, the pressure to increase cost sharing and redesign plan incentives is not expected to abate significantly.

According to the 2005 Kaiser Survey, despite the significant changes already adopted by employers in recent years, 74 percent of large firms report the likelihood of further increases to the amount employees pay for their health insurance as “very likely” or “somewhat likely” for the next year. These strategies should also be a key area of focus in negotiating new York agreements.

As the Wall Street rating agency, Fitch Ratings, wrote in a December 2004 special report “Local Governments Pressured by Rising Employee Health Care Costs:”



“The extraordinary growth of health care and health insurance costs over the last five years has created significant budgetary challenges for U.S. state and local governments...

Because health care is one of the fastest growing components of a government’s cost base, it is expected to be an increasingly important credit consideration...

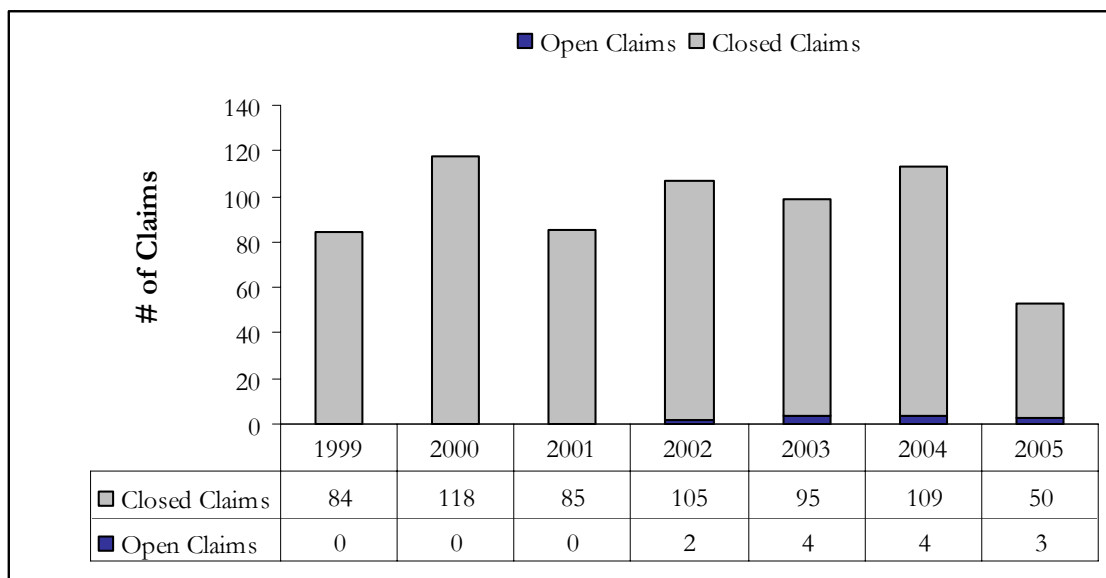
From a credit perspective, Fitch believes the problem of rising employee health care costs is most acute for issuers whose financial operations are already strained and those with limited revenue-raising capacity or other financial flexibility. However, given the likelihood for continued rising costs, even issuers that historically have had positive financial operations and maintained strong fund balances may be affected if health care costs are not proactively and prudently managed.”

Injury Benefits

City Workers’ Compensation claims experience and costs in recent years are shown in the following charts. Strong workplace safety programs and effective claims management are important to controlling such expenditures. The data and trends provided below do not indicate significant problems in this important area.

The Human Resources staff indicated the success of a safety review committee that has both scrutinized claims for accuracy and proactively approached management to reduce the reoccurrence of accidents.

**NUMBER OF WORKERS COMPENSATION CLAIMS FILED, 1999-2005
(OPEN CASES AS OF 09/01/05)**

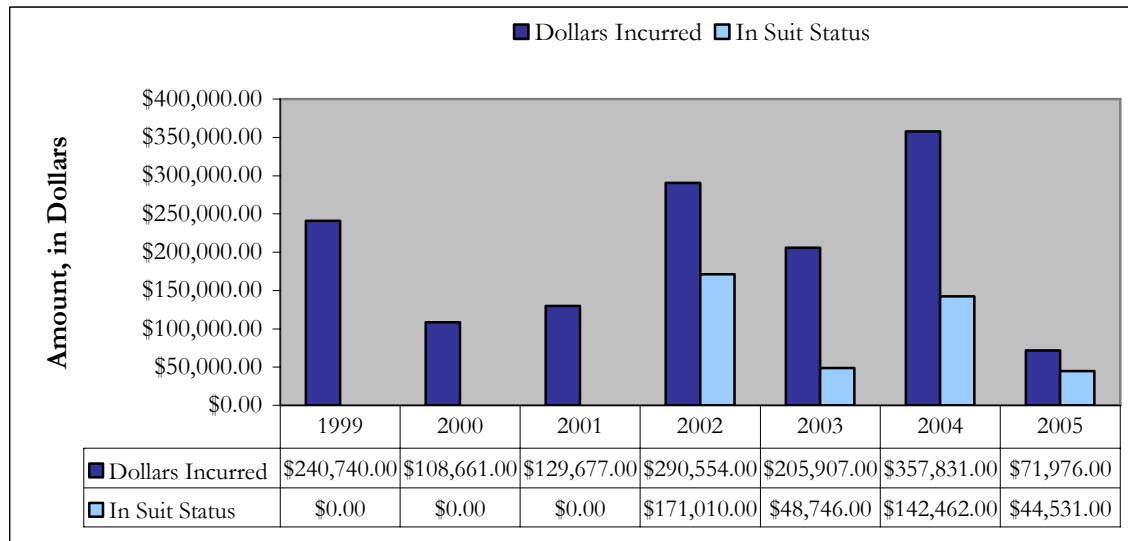


Source: City of York, Department of Human Resources



While it is hard to discern a clear trend line from the graph displayed above, the overall number is relatively low. In addition, the numbers of claims filed through the first eight months of FY05 appear to be below year end totals for the past few years. Furthermore, there are few pending claims for the City to settle.

**WORKERS COMPENSATION PROGRAM: TOTAL DOLLARS INCURRED AND
AMOUNT IN SUIT STATUS (AS OF 09/01/05)**



Source: City of York, Department of Human Resources

The second figure also indicates that the City is projected to pay far less in claim settlements than recent prior years. In FY05, both the claim settlements and pending claim decisions are well below the levels set in prior years.

The City is also pursuing negotiated contract changes to reduce the employer liability for wage replacement. Currently, the City pays 100% of an employee's salary for worker's compensation, even though such payments are tax-free. City officials plan to bargain for a reduction in the employer share to align the City with statutory requirements. While police and firefighters are covered under a separate "Heart and Lung" Act, most City employees are generally subject to the Worker's Compensation Act, which requires only 66 2/3% wage replacement. This lower level reflects the tax-free status of such payments, and also creates some incentive for return to work.

Pensions and Other Post-Employment Benefits (OPEB)

With rising healthcare costs, a growing number of retired employees, and new Governmental Accounting Standards Board (GASB) Statement No. 45 changing the way this liability is viewed in the public sector, retiree healthcare will be an even more important challenge going forward. These issues, as well as the City's pension program, are further detailed in the "Pensions and Other Post-Employment Benefits (OPEB)" section of this Plan.



INITIATIVES

As detailed in the preceding section, negotiations with each of the five unions will determine the fiscal health of the City in future years. For several years, members of the IBEW have been without a contract, and the YPEA and YCEU agreements came to an end at the close of 2005.

Going forward, pressures will be high to contain and even reduce overall staffing levels to afford rising costs per uniformed employee, and significant compensation restructuring will be needed to avoid significant cutbacks in the services provided by both non-union and union City workers. To address these pressures, the following overall approach is recommended:

- Redesign the management compensation package using contemporary pay and benefit practices to maintain competitiveness while better controlling costs. For example:
 - Wage increases aligned with inflationary increases;
 - Health benefits plan redesign to reflect the current marketplace;
 - Reduction in leave allowances; and,
 - Streamlined and restructured paid leave.
- Address other workforce cost drivers that are independent of primary union contract negotiations. For example:
 - Joint labor-management healthcare cost containment committees;
 - Engagement of professional benefits support;
 - Enhanced management focus on attendance;
- Negotiate with each of the five unions toward a package paralleling the approach for management personnel, capturing available savings through paid leave reforms and benefits redesign to help fund any wage increases; and
- Ensure management flexibility to implement organizational change toward achieving cost savings and/or service improvement.

The following initiatives outline these strategies in greater detail.

WK01: Bargain to Improve and Maintain Management Flexibility

Along with containing compensation costs, it will also be important for the City to maintain and strengthen the management tools needed to deliver services with increasing efficiency. Many recommendations throughout the various chapters of this plan will require workforce cooperation, and some may involve bargainable issues. Examples of key areas for management flexibility include, but are not limited to:



- Modification of police officer shifts;
- Fire staffing realignment;
- Competitive contracting;
- Use of volunteer resources; and
- Flexible assignments and work practices.

While not specifically quantified in this section of the plan, such tools are critical to achieving the projected impact of multiple department-specific initiatives.

WK02: Establish Collective Bargaining Savings Targets

As a general framework for collective bargaining, it is recommended that the City pursue an interest-based, “open book” approach that takes the City’s fiscal constraints strongly into account. Under this approach, the City would develop a savings target to be reached through collective bargaining and a “menu” to achieve that target. The City and its unions would negotiate in good faith toward meeting the savings target, looking to the menu, and also considering other ideas that might be brought to the table by the unions.

As guidelines for improving fiscal stability, PFM preliminarily recommends the following targets (subject to change, depending on the success of new revenue initiatives and other changing circumstances):

	2006	2007	2008	2009	2010
Fiscal Impact	\$0	\$600,000	\$800,000	\$850,000	\$900,000

The above targets include savings from non-union employees (NAFF) as well as all bargaining units, and are roughly equivalent to the impact of a two-year wage and step freeze combined with moderate health care cost containment. For FY2006, no savings are shown relative to the baseline forecast because the City Budget used for the baseline already assumes a wage freeze.

Through good faith bargaining, many options might be pursued (e.g., greater health plan savings, changes in paid leave or overtime, etc.) to enable some wage increases while still providing some annual wage increases. Illustrative opportunities are outlined below.

Wage and Step Freeze

The savings illustrated in the table below are based on a two-year wage freeze for YCEU, YPEA, IBEW and NAFF employees in FY06 and FY07, and a two year wage freeze for IAFF and FOP members after expiration of their current agreements beginning in FY07 and FY08. After the two year wage freeze, a 2.5% wage increase is assumed for all employees for the remainder of the plan.



	FY2006	FY2007	FY2008	FY2009	FY2010
All Wages - Baseline		\$12,717,699	\$13,035,747	\$13,361,749	\$13,695,903
FOP - Wage Freeze		\$5,464,020	\$5,464,020	\$5,600,621	\$5,740,636
IAFF - Wage Freeze		\$3,397,423	\$3,397,423	\$3,482,359	\$3,569,418
Other Employees - Wage Freeze		\$3,531,515	\$3,619,803	\$3,710,298	\$3,803,055
Fiscal Impact	\$0	\$295,220	\$504,092	\$516,792	\$529,813

Note: 10% discount applied to fiscal impact.

A ten percent discount was applied to the fiscal impact of the two year wage reduction to account for adjustments that we are not able to make using the current data. For instance, even with a two year wage freeze, some employees may receive a longevity pay increase. Without detailed information for each employee, we are not able to adjust at such a detailed level.

We should also note that there are secondary effects that will also benefit the City. A wage freeze will not only affect wages, but many fiscal categories are tied to wages. The City should see reductions in FICA payments and potentially overtime, as long as overtime hours are held constant.

In addition to freezing wages, other potential options for controlling salary costs include reductions in entry rates for future hires and elongation of the pay progression.

Health Benefit Plan Redesign

The information provided in this chapter with regard to employee cost sharing for plan premiums, office visit co-pays, and prescription co-pays show room to significantly restructure the current health benefits plan to generate savings. The savings indicated in the table below were calculated by reducing the percentage increase in health costs for FY07 in half (from 11.3% to 5.7%). In the remaining years of the plan, health care costs are held to the baseline projected growth rates of 8.4% in 2008 and 7.6% thereafter. No savings are assumed for 2006, although mid-year changes are possible for some employee groups.

	2006	2007	2008	2009	2010
Fiscal Impact	\$0	\$291,000	\$315,370	\$339,267	\$365,198

Opportunities for savings may include:

- Further redesign of the NAFF benefits plan in FY07 to bring co-pays and deductibles more in line with state employees and/or the private sector;
- Negotiation to adjust cost-sharing and plan design for union groups;



- Development of incentives for employees to use more affordable mail order prescription drug suppliers for maintenance medications;
- Exploration of joint benefits purchasing strategies;
- Strengthened eligibility and billing reviews;
- Enhanced wellness, disease management, and individual health management initiatives.

Overtime Controls

Overtime savings can potentially be achieved through a number of management initiatives and adjustments to current employee work rules. Independent of any bargained changes, management should centralize the administration of time and attendance and define a clear approval chain for the authorization of overtime. In addition, routine meetings should be held to hold managers accountable for overtime approval and to further determine the root causes of overtime expenditures.

In addition to tightening the management of overtime, the City should also work with unions to redefine work rules that are correlated with overtime utilization. For example, through the reduction of overall leave allowances for all city employees, increased scheduling flexibility, and/or adjustment of overtime pay formulas to be consistent with (not more generous than) Fair Labor Standards Act requirements, the City could achieve significant overtime reductions.

The following matrix illustrates percent reduction discounts based on the City's budgeted amounts during the course of the plan.

	2006	2007	2008	2009	2010
<i>Baseline OT</i>	\$392,988	\$622,404	\$639,274	\$657,552	\$675,252
5% reduction	\$19,649	\$31,120	\$31,964	\$32,878	\$33,763
10% reduction	\$39,299	\$62,240	\$63,927	\$65,755	\$67,525
15% reduction	\$58,948	\$93,361	\$95,891	\$98,633	\$101,288
20% reduction	\$78,598	\$124,481	\$127,855	\$131,510	\$135,050

Other Potential Savings Areas

Other areas for potential compensation savings include, but are not limited to:

- Reduction of holidays for which most employers do not provide paid leave (e.g. Flag Day);
- Restructuring of holiday pay formulas;
- Longevity pay freeze/restructuring;
- Uniform allowance reduction/restructuring;
- Injury benefits reforms;
- Reduced paid leave cash outs upon retirement;
- Pension restructuring; and
- Retiree medical restructuring.



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Revenue



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Revenue

OVERVIEW

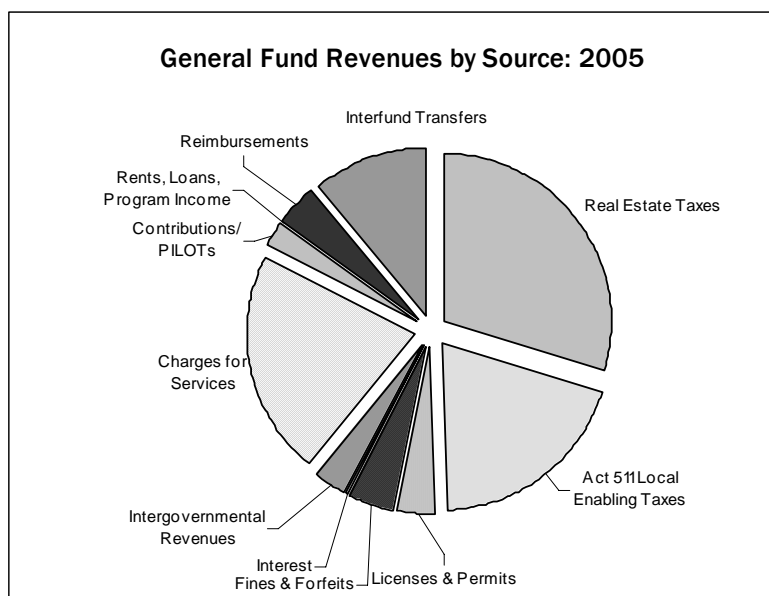
The City of York's revenues set the limits for possible expenditures and are central to its long-term fiscal health, yet for several years its primary revenue streams have shown little growth. With inflationary pressures on the expenditure side of the budget that cannot be avoided without extensive service cuts, revenue enhancement – from existing sources, new sources, or both – is a necessary component for the creation of a fiscally sustainable City government for York. This chapter examines recent and current trends in City revenues, considers future revenue projections absent any corrective action, and offers potential methods to increase revenue.

REVENUE TRENDS: PAST, PRESENT, AND FUTURE

York's major revenue sources have grown at a rate below that of inflation over the last four years. Without significant modifications to the present revenue structure, this slow growth is likely to continue into the foreseeable future. This section highlights the City's recent revenue history and describes this report's "baseline" revenue forecast – the forecast of future revenue through 2010 under current trends and laws and assuming no change to the property tax millage rate.

As shown in the Figure 1, real estate taxes constitute 29.8 percent of the city's 2005 General Fund revenues. At 21.7 percent of General Fund revenues, charges for services are the second largest source, and Act 511 Local Enabling Taxes such as the Earned Income Tax and the Emergency & Municipal Services Tax represent an additional 19.8 percent of revenues.

FIGURE 1: GENERAL FUND REVENUES BY SOURCE, 2005



DETAILED REVENUE PROJECTIONS

As shown in the detailed tables that follow, total revenue growth in the General Fund has been erratic over the last several fiscal years. While there has been an overall average annual growth rate of 4.6 percent from 2001 to 2005, this has largely been driven by tax increases – such as higher property tax millage and the new Emergency & Municipal Services Tax – rather than by growth in the existing tax base.

The first table includes historical actual receipts for major revenue sources, the 2006 budgeted amount, and PFM's projection of future revenues in these categories. The second table indicates the underlying percentage increase (or decrease) on the previous year for each revenue item or category. The dynamics of individual revenue types will be described in greater detail in the pages that follow the revenue projection tables.

The baseline revenue projections anticipate a large increase in overall revenue of 14.7 percent in FY2006, with growth declining to 0.5 percent in FY2007; -0.1 percent in 2008; -0.4 percent in 2009 and 0.8 percent in 2010 (in contrast, the forecast projects average annual growth of 5.5 percent in expenditures). City revenues are projected to grow at a significantly lower rate than expenditures in each and every year of the multi-year projection; thus, York is facing a major challenge as its costs are already beginning to outstrip the natural growth of its limited revenue sources.

These challenges are heightened by other factors. Most important, the real estate tax is the only general tax revenue rate that the City can increase. The other tax rates including Business Privilege and Mercantile Tax, Earned Income Tax, and Occupational Privilege Tax/Emergency & Municipal Services Tax cannot be changed by the City as they are fixed by statute.

With taxes comprising such a large portion of the City's revenues, and with property assessments controlled by the County, the City therefore has only modest ability to directly improve its revenues. Moreover, inherent limits on service charges and intergovernmental revenues – the next largest sources of income – further limit potential revenue growth for York.



City of York, Pennsylvania, Five-Year Projections Model
Summary for the General Fund

	HISTORICAL DATA						PROJECTED DATA				
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES	Actual	Actual	Actual	Actual	Actual	Estimated/Actual	Budget	Projected	Projected	Projected	Projected
Real Estate Taxes											
Real Estate Taxes	6,318,635	6,361,641	7,489,487	6,908,224	7,217,778	7,587,711	8,696,447	8,706,013	8,715,589	8,725,176	8,734,774
Real Estate Taxes - Prior	157,931	719	16,935	1,303	20,054	12,871	-	-	-	-	-
Tax Claim	471,684	714,145	629,142	764,104	800,494	534,817	732,897	733,703	734,510	735,318	736,127
All Other Real Estate Taxes	2,939	237,595	-	-	-	-	-	-	-	-	-
Total Real Estate Taxes	\$ 6,951,189	\$ 7,314,100	\$ 8,135,564	\$ 7,673,631	\$ 8,038,326	\$ 8,135,399	\$ 9,429,343	\$ 9,439,716	\$ 9,450,099	\$ 9,460,494	\$ 9,470,901
Act 511 Local Enabling Taxes											
Ybida Taxes	-	-	-	-	-	-	-	-	-	-	-
Ybida - Prior	-	-	-	-	-	-	-	-	-	-	-
Earned Income	2,365,979	2,126,506	1,449,040	1,398,487	1,316,203	1,599,999	2,200,000	2,233,000	2,266,495	2,300,492	2,335,000
Earned Income - Delinquent	303,912	-	-	-	265,560	-	-	-	-	-	-
OPT/EMST	297,099	305,455	317,721	292,684	296,729	1,549,639	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Mercantile/Bp Taxes	2,013,086	2,090,483	2,320,061	2,307,158	2,337,526	2,266,000	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000
Total Act 511 Local Enabling Taxes	\$ 4,980,596	\$ 4,522,444	\$ 4,086,821	\$ 3,998,329	\$ 4,216,019	\$ 5,415,638	\$ 6,175,000	\$ 6,208,000	\$ 6,241,495	\$ 6,275,492	\$ 6,310,000
Licenses & Permits											
Health Licenses	46,380	65,090	31,460	70,785	53,665	61,000	50,000	50,000	50,000	50,000	50,000
Cable Tv Franchise Licenses	319,346	325,231	345,336	345,361	323,658	390,958	400,000	400,000	400,000	400,000	400,000
Building/Plumbing/Electrical Lic. 31160	166,415	780,035	454,328	638,541	893,526	375,260	392,000	392,000	392,000	392,000	392,000
Street Cut Permits	26,840	55,300	27,000	42,350	44,100	38,600	40,000	40,000	40,000	40,000	40,000
All Other Licenses & Permits	56,975	85,405	90,878	65,138	78,716	56,791	57,920	57,920	57,920	57,920	57,920
Total Licenses & Permits	\$ 615,956	\$ 1,311,062	\$ 949,002	\$ 1,162,175	\$ 1,393,665	\$ 922,609	\$ 939,920	\$ 939,920	\$ 939,920	\$ 939,920	\$ 939,920
Fines & Forfeits											
Traffic Fines	20,823	172,535	161,127	136,486	140,822	165,000	276,500	283,136	290,214	297,470	304,907
Criminal Fines	194,411	206,937	260,541	206,561	227,753	272,546	270,000	276,480	283,392	290,477	297,739
Parking Fine-City,State,Parkin	360,936	352,389	401,535	418,191	519,178	596,069	624,000	638,976	654,950	671,324	688,107
Parking Fines - Magistrate	73,010	88,191	100,769	87,722	108,205	117,893	110,000	112,640	115,456	118,342	121,301
Towing Fees	-	-	-	-	-	14,000	56,000	57,344	58,778	60,247	61,753
All Other Fines & Forfeits	314,977	233,437	91,259	98,757	118,345	110,351	134,100	137,318	140,751	144,270	147,877
Total Fines & Forfeits	\$ 964,157	\$ 1,053,489	\$ 1,015,231	\$ 947,717	\$ 1,114,304	\$ 1,275,859	\$ 1,470,600	\$ 1,505,894	\$ 1,543,542	\$ 1,582,130	\$ 1,621,684
Interest	\$ 233,727	\$ 67,128	\$ 41,653	\$ 51,352	\$ 70,611	\$ 55,000	\$ 75,000	\$ 75,750	\$ 76,508	\$ 77,273	\$ 78,045
Intergovernmental Revenues											
Police Grants	516,627	323,460	104,450	46,594	71,479	232,305	635,253	515,033	519,184	423,375	427,609
Miscellaneous Grant	-	12,000	732,851	3,753,952	821,545	381,896	43,246	43,678	44,115	44,556	45,002
All Other Intergovernmental Revenues	316,853	392,613	206,611	199,282	216,016	226,252	228,766	231,054	233,364	235,698	238,055
Total Intergovernmental Revenues	\$ 833,480	\$ 728,073	\$ 1,043,913	\$ 3,999,828	\$ 1,109,040	\$ 840,453	\$ 907,265	\$ 789,765	\$ 796,663	\$ 703,629	\$ 710,666
Charges for Services											
Refuse Fees	3,425,808	2,785,568	3,690,476	3,704,714	3,595,704	3,910,765	4,450,000	4,819,350	4,867,544	4,916,219	4,965,381
Police Reimb - Housing Authori	75,375	54,666	136,900	100,311	41,243	96,695	101,270	104,814	108,482	112,279	116,209
Police Reimb - Traffic Safety	367,311	166,468	142,409	160,605	212,979	373,885	407,592	411,668	415,785	419,942	424,142
License Fee	382,145	347,215	308,640	487,364	506,645	498,811	500,000	505,000	510,050	515,151	520,302
Inspection Fee	10,025	92,235	110,850	227,395	174,320	166,570	200,000	202,000	204,020	206,060	208,121
All Other Charges for Services	1,406,866	2,127,114	621,643	663,711	726,219	884,045	855,939	864,499	873,144	881,875	890,694
Total Charges for Services	\$ 5,667,530	\$ 5,573,265	\$ 5,010,917	\$ 5,344,100	\$ 5,257,110	\$ 5,930,736	\$ 6,514,801	\$ 6,907,331	\$ 6,979,024	\$ 7,051,526	\$ 7,124,849
Contributions/PILOTs	\$ 346,550	\$ 397,901	\$ 482,481	\$ 738,620	\$ 684,307	\$ 634,692	\$ 713,874	\$ 713,874	\$ 713,874	\$ 713,874	\$ 713,874
Miscellaneous Sales	\$ 178,474	\$ 105,695	\$ 59,944	\$ 58,446	\$ 66,630	\$ 63,650	\$ 76,350	\$ 76,350	\$ 76,350	\$ 76,350	\$ 76,350
Rents, Loans, Program Income	\$ -	\$ -	\$ -	\$ 149,616	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Reimbursements	\$ 101,118	\$ 177,309	\$ 1,611,564	\$ 978,919	\$ 904,790	\$ 994,863	\$ 877,459	\$ 898,518	\$ 920,981	\$ 944,005	\$ 967,606
Interfund Transfers	\$ 1,099,424	\$ 2,121,688	\$ 2,044,424	\$ 2,267,096	\$ 3,624,125	\$ 3,070,339	\$ 4,182,486	\$ 3,978,150	\$ 3,776,857	\$ 3,576,783	\$ 3,627,956
TOTAL REVENUES	\$ 21,972,202	\$ 23,372,156	\$ 24,481,515	\$ 27,369,830	\$ 26,481,927	\$ 27,342,238	\$ 31,365,099	\$ 31,536,268	\$ 31,518,313	\$ 31,404,478	\$ 31,644,850



City of York, Pennsylvania, Five-Year Projections Model

Growth Rate Assumptions for the General Fund

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Actual	Actual	Actual	Actual	Estimated/Actual	Budget	Projected	Projected	Projected	Projected
REVENUES										
Real Estate Taxes										
Real Estate Taxes	0.68%	17.73%	-7.76%	4.48%	5.13%	14.61%	0.11%	0.11%	0.11%	0.11%
Real Estate Taxes - Prior	-99.54%	2256.04%	-92.31%	1439.51%	-35.82%	-100.00%	n.a.	n.a.	n.a.	n.a.
Tax Claim	51.40%	-11.90%	21.45%	4.76%	-33.19%	37.04%	0.11%	0.11%	0.11%	0.11%
All Other Real Estate Taxes	7983.67%	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Real Estate Taxes	5.22%	11.23%	-5.68%	4.75%	1.21%	15.91%	0.11%	0.11%	0.11%	0.11%
Act 511 Local Enabling Taxes										
Ybida Taxes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ybida - Prior	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Earned Income	-10.12%	-31.86%	-3.49%	-5.88%	21.56%	37.50%	1.50%	1.50%	1.50%	1.50%
Earned Income - Delinquent	-100.00%	n.a.	n.a.	n.a.	-100.00%	n.a.	n.a.	n.a.	n.a.	n.a.
OPT/EMST	2.81%	4.02%	-7.88%	1.38%	422.24%	0.02%	0.00%	0.00%	0.00%	0.00%
Mercantile/Bp Taxes	3.84%	10.98%	-0.56%	1.32%	-3.06%	7.02%	0.00%	0.00%	0.00%	0.00%
Total Act 511 Local Enabling Taxes	-9.20%	-9.63%	-2.17%	5.44%	28.45%	14.02%	0.53%	0.54%	0.54%	0.55%
Licenses & Permits										
Health Licenses	40.34%	-51.67%	125.00%	-24.19%	13.67%	-18.03%	0.00%	0.00%	0.00%	0.00%
Cable Tv Franchise Licenses	1.84%	6.18%	0.01%	-6.28%	20.79%	2.31%	0.00%	0.00%	0.00%	0.00%
Building/Plumbing/Electrical Lic. 31160	368.73%	-41.76%	40.55%	39.93%	-58.00%	4.46%	0.00%	0.00%	0.00%	0.00%
Street Cut Permits	106.04%	-51.18%	56.85%	4.13%	-12.47%	3.63%	0.00%	0.00%	0.00%	0.00%
All Other Licenses & Permits	49.90%	6.41%	-28.32%	20.85%	-27.85%	1.99%	0.00%	0.00%	0.00%	0.00%
Total Licenses & Permits	112.85%	-27.62%	22.46%	19.92%	-33.80%	1.88%	0.00%	0.00%	0.00%	0.00%
Fines & Forfeits										
Traffic Fines	728.59%	-6.61%	-15.29%	3.18%	17.17%	67.58%	2.40%	2.50%	2.50%	2.50%
Criminal Fines	6.44%	25.90%	-20.72%	10.26%	19.67%	-0.93%	2.40%	2.50%	2.50%	2.50%
Parking Fine-City,State,Parkin	-2.37%	13.95%	4.15%	24.15%	14.81%	4.69%	2.40%	2.50%	2.50%	2.50%
Parking Fines - Magistrate	20.79%	14.26%	-12.95%	23.35%	8.95%	-6.70%	2.40%	2.50%	2.50%	2.50%
Towing Fees	n.a.	n.a.	n.a.	n.a.	n.a.	300.00%	2.40%	2.50%	2.50%	2.50%
All Other Fines & Forfeits	-25.89%	-60.91%	8.22%	19.84%	-6.75%	21.52%	2.40%	2.50%	2.50%	2.50%
Total Fines & Forfeits	9.27%	-3.63%	-6.65%	17.58%	14.50%	15.26%	2.40%	2.50%	2.50%	2.50%
Interest	-71.28%	-37.95%	23.29%	37.50%	-22.11%	36.36%	1.00%	1.00%	1.00%	1.00%
Intergovernmental Revenues										
Police Grants	-37.39%	-67.71%	-55.39%	53.41%	225.00%	173.46%	-18.92%	0.81%	-18.45%	1.00%
Miscellaneous Grant	n.a.	6007.10%	412.24%	-78.12%	-53.51%	-88.68%	1.00%	1.00%	1.00%	1.00%
All Other Intergovernmental Revenues	23.91%	-47.38%	-3.55%	8.40%	4.74%	1.11%	1.00%	1.00%	1.00%	1.00%
Total Intergovernmental Revenues	-12.65%	43.38%	283.16%	-72.27%	-24.22%	7.95%	-12.95%	0.87%	-11.68%	1.00%
Charges for Services										
Refuse Fees	-18.69%	32.49%	0.39%	-2.94%	8.76%	13.79%	8.30%	1.00%	1.00%	1.00%
Police Reimb - Housing Authori	-27.48%	150.43%	-26.73%	-58.88%	134.45%	4.73%	3.50%	3.50%	3.50%	3.50%
Police Reimb - Traffic Safety	-54.68%	-14.45%	12.78%	32.61%	75.53%	9.03%	1.00%	1.00%	1.00%	1.00%
License Fee	-9.14%	-11.11%	57.91%	3.96%	-1.55%	0.24%	1.00%	1.00%	1.00%	1.00%
Inspection Fee	820.05%	20.18%	105.14%	-23.34%	-4.45%	20.07%	1.00%	1.00%	1.00%	1.00%
All Other Charges for Services	51.20%	-70.78%	6.77%	9.42%	21.73%	-3.18%	1.00%	1.00%	1.00%	1.00%
Total Charges for Services	-1.66%	-10.09%	6.65%	-1.63%	12.81%	9.85%	6.03%	1.04%	1.04%	1.04%
Contributions/PILOTs	14.82%	21.26%	53.09%	-7.35%	-7.25%	12.48%	0.00%	0.00%	0.00%	0.00%
Miscellaneous Sales	-40.78%	-43.29%	-2.50%	14.00%	-4.47%	19.95%	0.00%	0.00%	0.00%	0.00%
Rents, Loans, Program Income	n.a.	n.a.	n.a.	-97.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Reimbursements	75.35%	808.90%	-39.26%	-7.57%	9.96%	-11.80%	2.40%	2.50%	2.50%	2.50%
Interfund Transfers	92.98%	-3.64%	10.89%	59.86%	-15.28%	36.22%	-4.89%	-5.06%	-5.30%	1.43%
TOTAL REVENUES	6.37%	4.75%	11.80%	-3.24%	3.25%	14.71%	0.55%	-0.06%	-0.36%	0.77%



Tax Revenues

The City's tax revenues since FY2001 are shown below, in descending order from the largest revenue sources as of FY2005. Several points are worth noting. First, revenue from the five largest taxes is expected to account for 49.6 percent of all General Fund revenues in FY2005:

- Real Estate;
- Mercantile/Business Privilege;
- Earned Income;
- Emergency & Municipal Services Tax;

Moreover, if revenues from service charges and interfund transfers are excluded from the General Fund revenue totals, these four taxes are projected to generate almost 73.9 percent of City revenues in FY2005.

Over the five years from 2006 to 2010, it is anticipated that these categories in total will grow by only approximately 0.3 percent per year. Significantly, these amounts are routinely below the projected annual rate of inflation. The Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters report for the fourth quarter of 2005 suggests that the annual average rate of long-term change in the Consumer Price Index will be 2.5 percent. The future aggregate annual growth for York's largest tax revenue sources is not expected to exceed this figure in any year from 2006 to 2010. Moreover, as will be discussed later, expenditure increases are projected to well exceed this rate of growth.

FIGURE 3: PROJECTED TAX RECEIPTS

Real Estate Taxes	2006	2007	2008	2009	2010
Real Estate Taxes	8,696,447	8,706,013	8,715,589	8,725,176	8,734,774
Tax Claim	732,897	733,703	734,510	735,318	736,127
Total Real Estate Taxes	\$ 9,429,343	\$ 9,439,716	\$ 9,450,099	\$ 9,460,494	\$ 9,470,901
Act 511 Local Enabling Taxes					
Earned Income	2,200,000	2,233,000	2,266,495	2,300,492	2,335,000
OPT/EMST	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Mercantile/Bp Taxes	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000
Total Act 511 Local Enabling Taxes	\$ 6,175,000	\$ 6,208,000	\$ 6,241,495	\$ 6,275,492	\$ 6,310,000
Total Taxes	\$ 15,604,343	\$ 15,647,716	\$ 15,691,594	\$ 15,735,987	\$ 15,780,901

Real Estate Tax

The real estate tax offers its largest and most flexible source of revenues to support essential public services. The City's real estate tax is a combined charge levied against the assessed value of land and improvements as determined by the York County Office of Assessment.

As shown in Figure 4, in order to respond to steady increases in the cost of providing city services, York's Real Estate Tax millage rates increased by 1.66 mills (17.1 percent) in



2002, 1.13 mills (9.9 percent) in 2004, and by 1 mill (8.0 percent) in 2005. The increasing cost of government services obliged York County to raise millage rates twice during this period, and the York City School District to raise millage rates three times since 2001. Since 2001, therefore, combined property tax millage rates have risen each year, growing overall from 31.58 to 45.99, or more than 45.6 percent over five years. For a property assessed at \$55,000, such a combined increase represents an additional tax burden of nearly \$800 per year.

FIGURE 4: REAL ESTATE TAX RATES

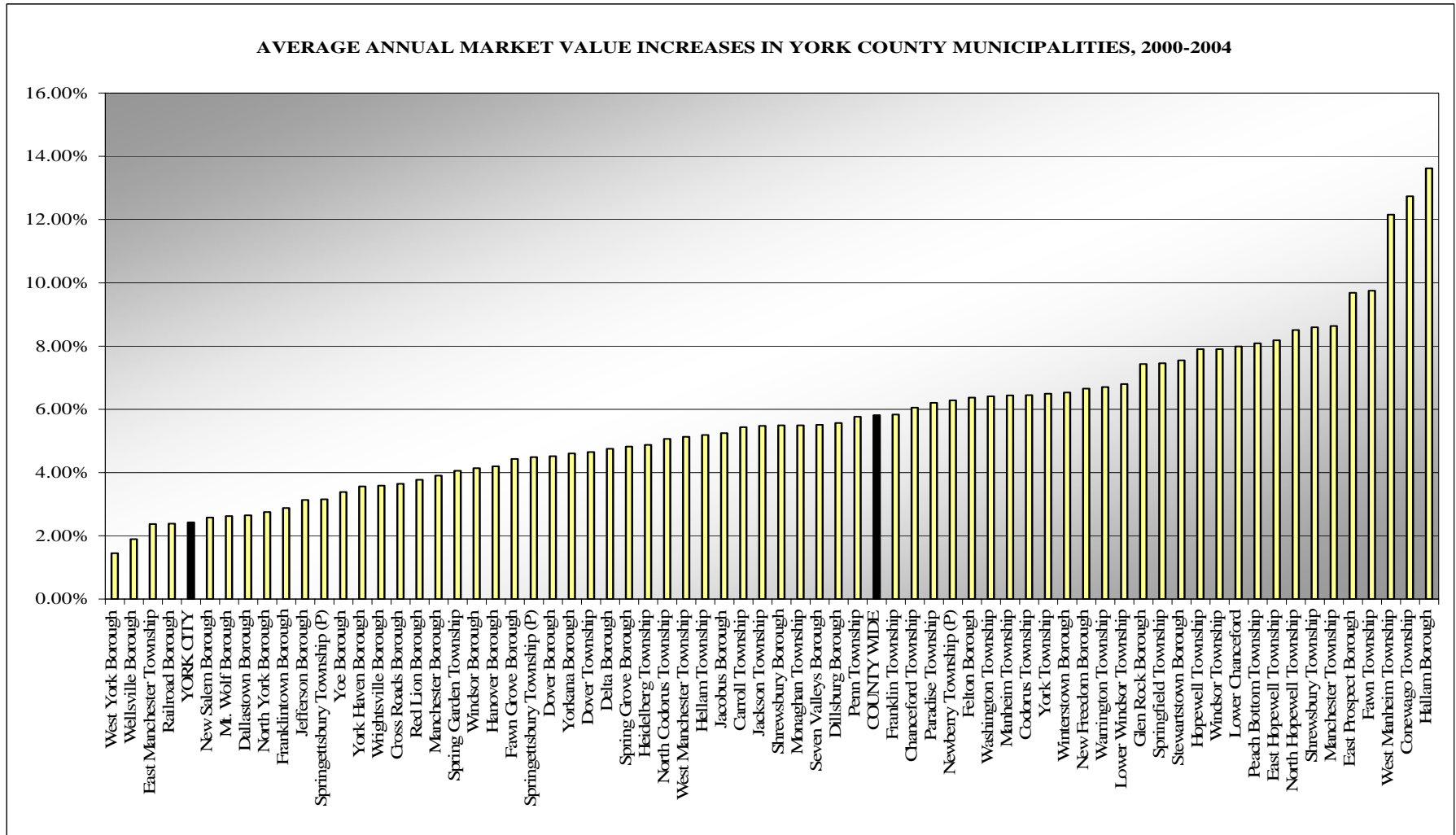
	Millage Rates			
	Millage Rate (City)	Millage Rate (York City School District)	Millage Rate (York County)	Millage Rate (Combined)
2001	9.73	18.70	3.15	31.58
2002	11.39	18.70	3.15	33.24
2003	11.39	22.25	4.20	37.84
2004	12.52	24.00	4.20	40.72
2005	13.52	27.96	4.51	45.99

Sources: Pennsylvania Department of Community and Economic Development, City of York Official Statement 2004

Heavy reliance on the real estate tax to respond to expenditure pressures has its costs. As shown in Figure 5, York's urban area is adjacent to multiple suburban and rural jurisdictions in which market values of real property have increased at a faster rate than increases in the city. Property values in the City have grown more slowly than the average for the County as a whole over the past several years. Properties in the York City School District have also shown less growth when compared to all other school districts in York County (Figure 6).



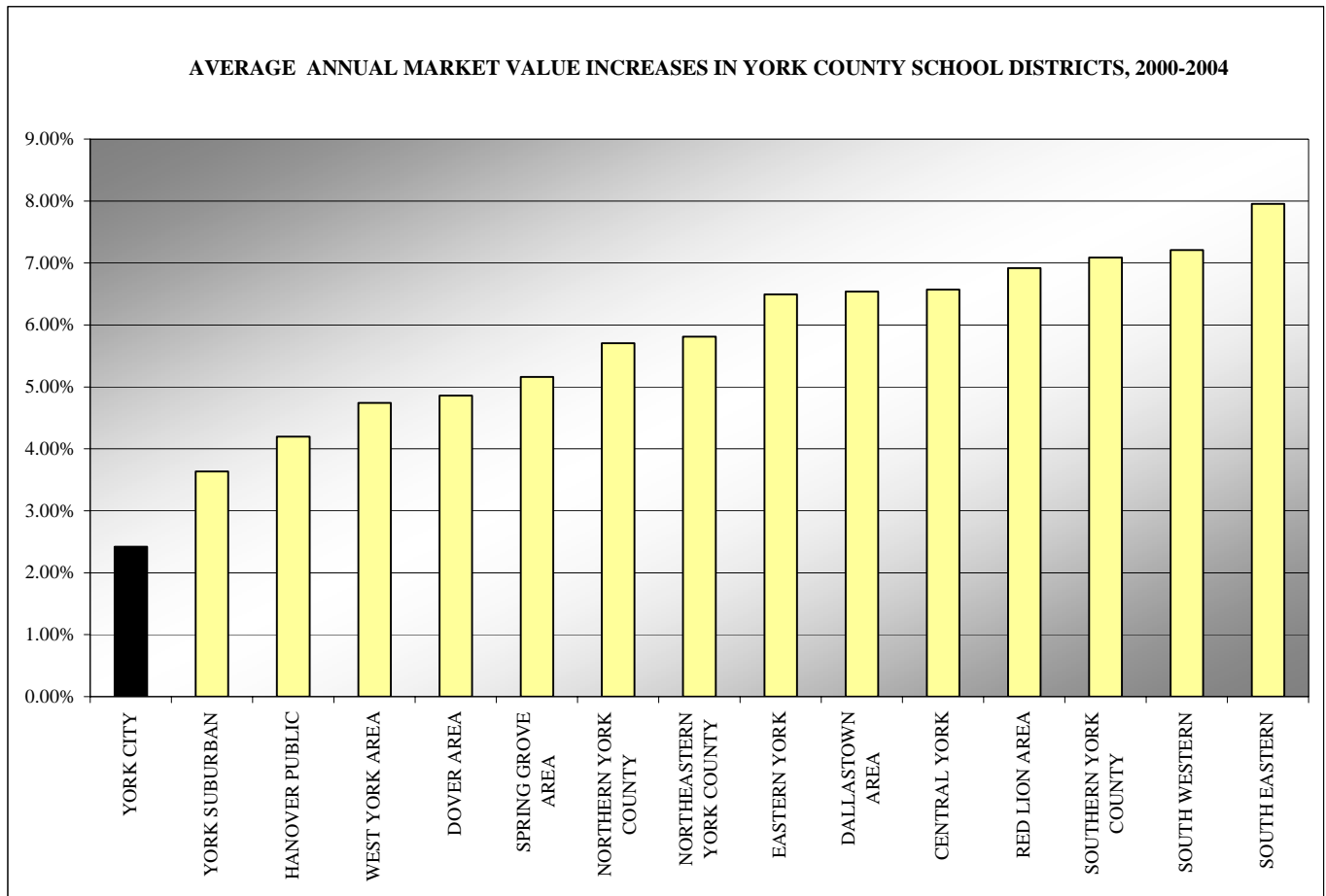
FIGURE 5



Source: Commonwealth of Pennsylvania, Department of Community and Economic Development



FIGURE 6



Source: Commonwealth of Pennsylvania, Department of Community and Economic Development

In York, a more slowly growing real estate market combined with relatively high millage rates provides for the potential of continued sluggish performance from this revenue source. As illustrated in Figure 7, assessed values have increased at well below the rate of inflation, with a negative four-year average of just below 0 percent per year. Much faster growth is needed from this key revenue source to keep up with actual growth in City expenditures. A County-wide reassessment will be done for 2006, and the assessed value is expected to increase by approximately 12.8 percent.

Should new increases in market values not generate sufficient revenue, the City will be forced to choose between further adjustments to City services or additional hikes in the property millage rate or other taxes. However, as shown in Figures 8 and 9, the City already levies the highest real estate millage rate in the county by a significant margin, and York residents are subject to the second-highest combined millage rate in the county (when municipal mills are added to School District and County levies). As a result, even though the City is far from its legal limit in raising the property tax, in practice the room for further large increases in property tax rates is limited.



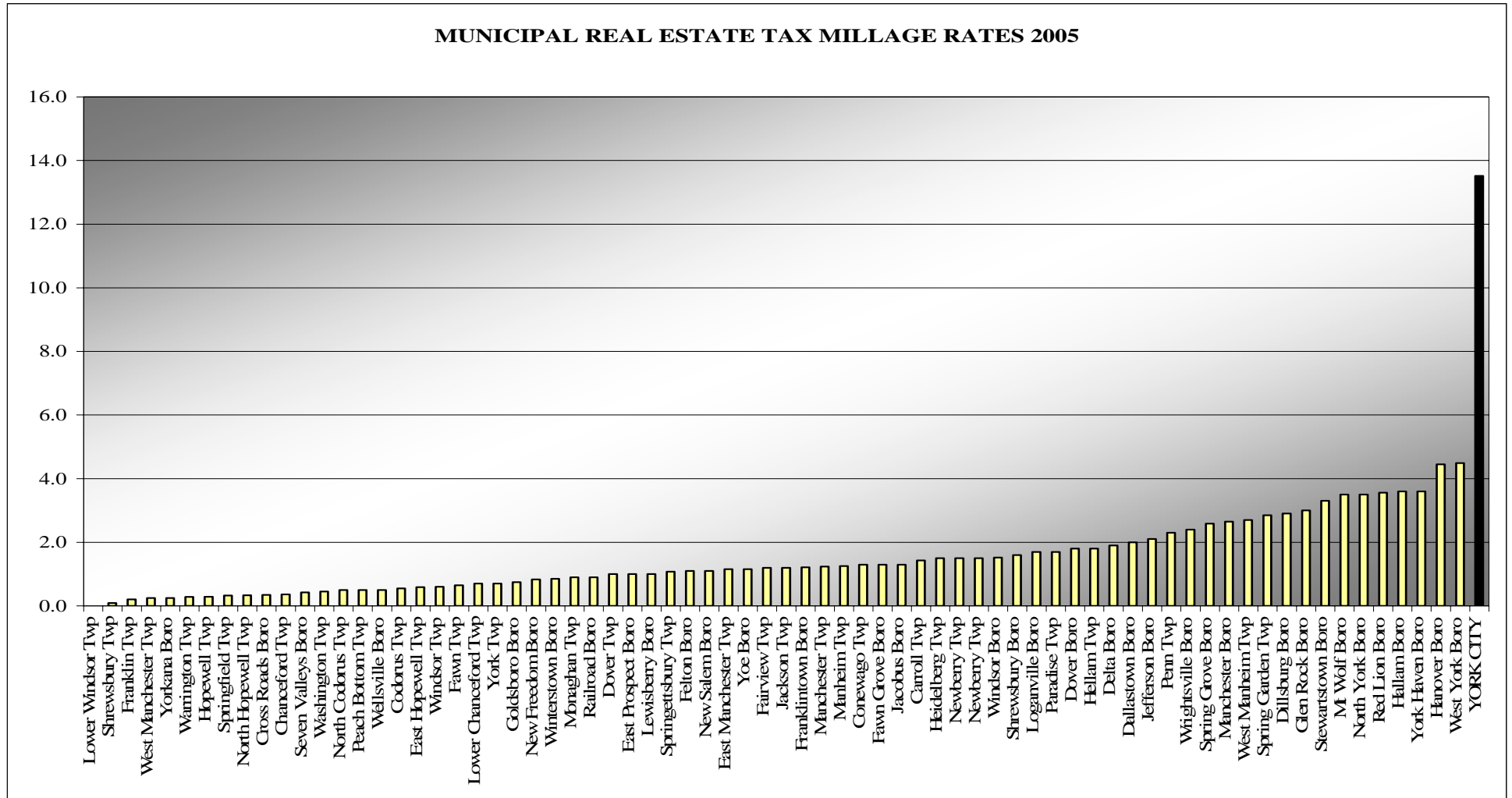
FIGURE 7: CITY OF YORK TAXABLE ASSESSED VALUES, 2001-2005

Year	Taxable Assessed Value City of York	Annual Increase
2000	885,764,470	-
2001	882,831,950	(0.33%)
2002	885,976,860	0.36%
2003	889,941,530	0.45%
2004	885,101,968	(0.54%)
2005	884,572,523	(0.06%)
Average Annual Growth:		(0.02%)

Source: Pennsylvania State Tax Equalization Board



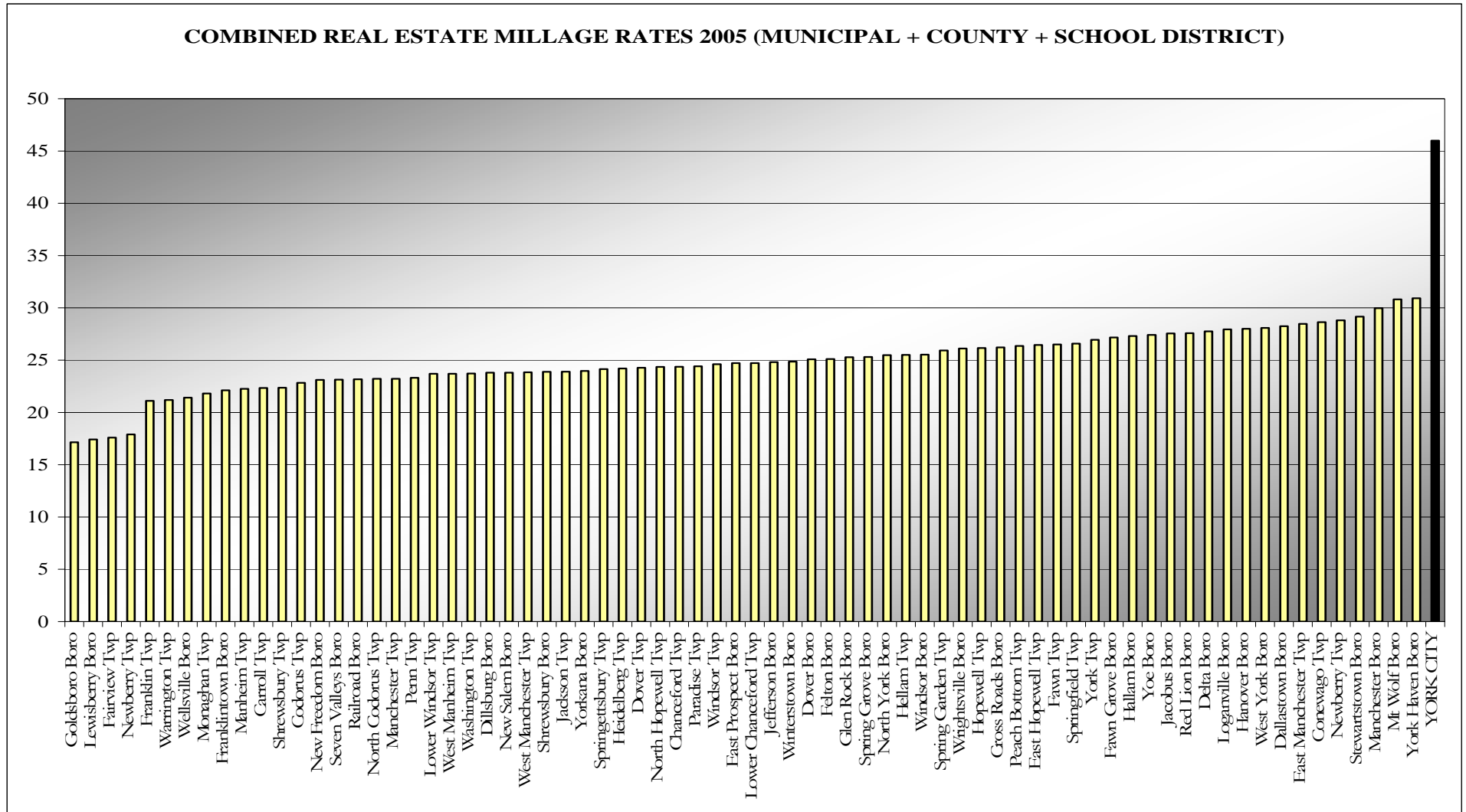
FIGURE 8



PA Department of Community and Economic Development



FIGURE 9

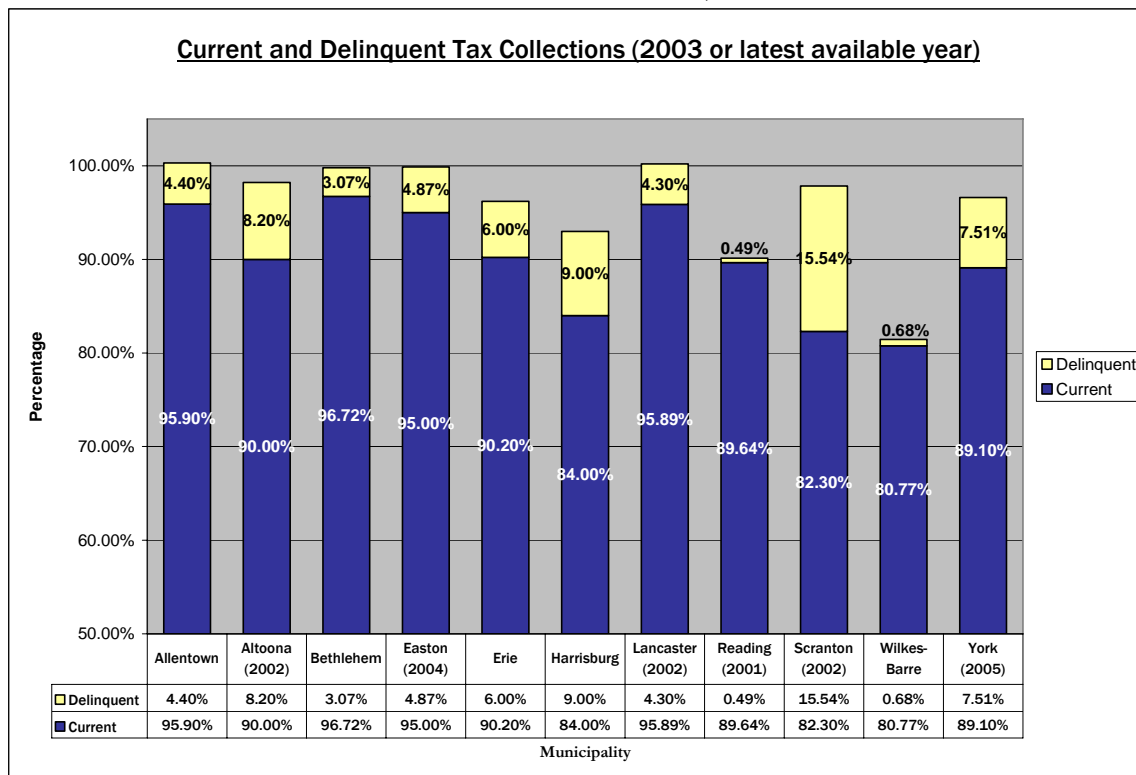


Source: Pennsylvania State Tax Equalization Board



Finally, in some cases local governments can improve revenue performance through more effective collection. There is some room for this, as York's property tax collection performance ranks behind many of its peer cities in the Commonwealth. As shown in Figure 10, Allentown, Altoona, Bethlehem, Easton, Erie, Lancaster, and Reading all collected a larger proportion of their current tax levy in 2003 than did York.

FIGURE 10: CURRENT AND DELINQUENT TAX COLLECTIONS (2003 OR LATEST AVAILABLE YEAR)



Sources: Official Statements, Comprehensive Annual Financial Reports, City Finance Officials

Earned Income Tax

In accordance with Act 511 of 1965, the Local Tax Enabling Act, the City levies a one percent Earned Income Tax (EIT) on city residents. Fifty percent of all EIT collections are transferred to the York City School District. All or a portion of the EIT levy is also applicable to non-residents who work in the city but reside in a municipality that does not levy the earned income tax or does not charge as much as one percent. Given that all 72 municipalities in York County levy the tax, any EIT receipts from non-residents must generally be returned to the taxpayer's resident jurisdiction. The City may benefit slightly in collecting the EIT from a number of taxpayers who live in Maryland and do not qualify for the offset provision.

The Earned Income Tax is the third-largest source of general fund revenues, generating close to \$1.6 million for city services in 2005. However, reflecting nationwide weakness



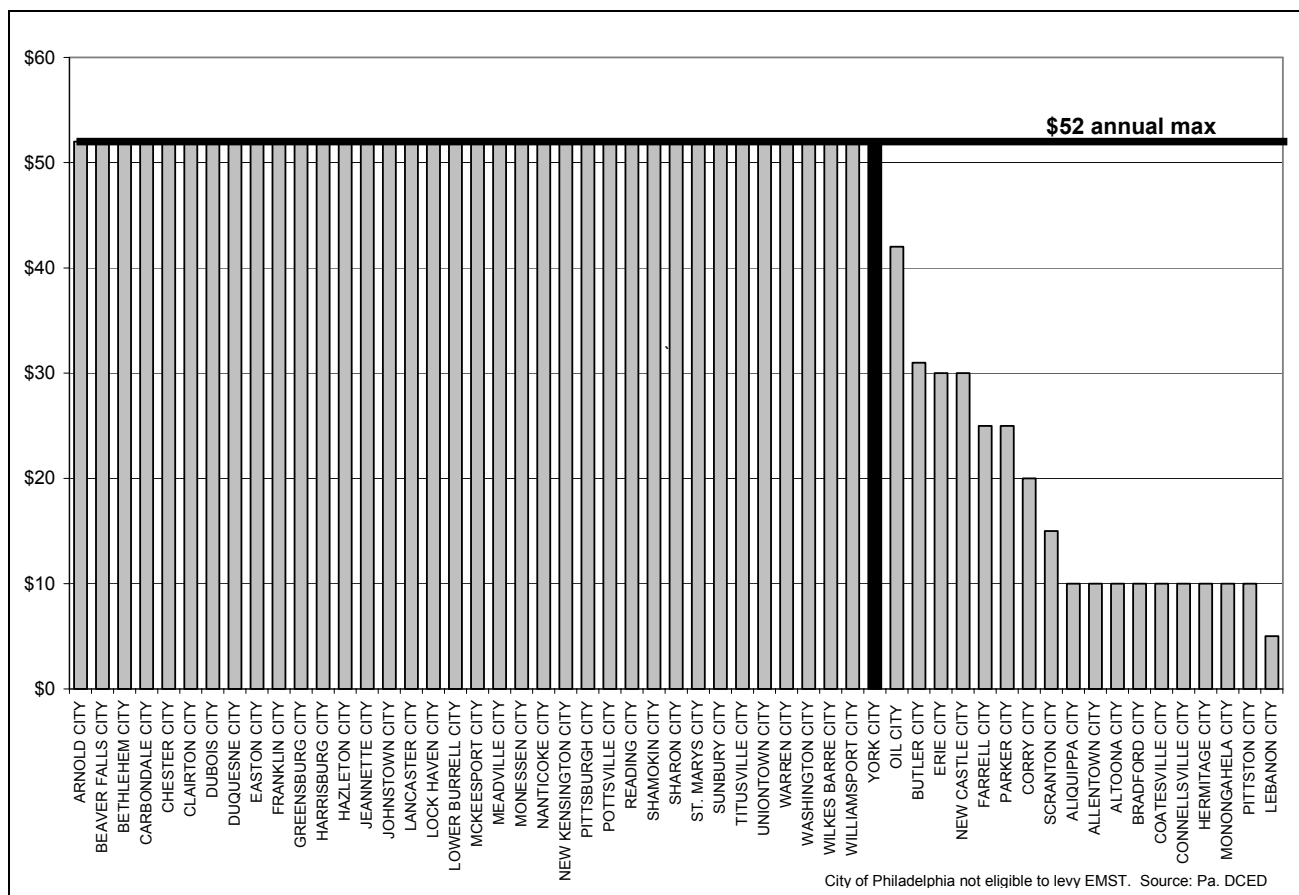
in employment and wages during the recent recession, York's EIT receipts have been relatively flat from 2002 to 2004, before rebounding slightly in 2005.

Emergency and Municipal Services Tax (EMST)

The City of York levies a \$52 Emergency and Municipal Services Tax (EMST) on all individuals employed within the city. Unlike the EIT, the tax is paid by both residents and non-residents of York who work in the city.

Municipalities have been authorized to charge an EMST of up to \$52 per year beginning on January 1, 2005. The EMST replaces the former Occupational Privilege Tax (OPT) and is designed to provide resources for "police, fire or emergency services; road construction or maintenance; or for the reduction of property taxes." As illustrated in Figure 11, a large majority of Pennsylvania cities (67.3 percent) have undertaken initiatives to institute the new tax, raising rates from the former OPT maximum level of \$10 to the new EMST maximum of \$52. An additional 8 cities (14.5 percent) have opted to raise rates to a level between the original \$10 and the maximum \$52. Only 10 Pennsylvania cities have retained a levy at or below \$10.

FIGURE 11: EMERGENCY & MUNICIPAL SERVICES TAX/OCCUPATIONAL PRIVILEGE TAX LEVIED BY PENNSYLVANIA CITIES (2005)



Source: PA Department of Community and Economic Development



While the EMST has been a major new revenue source for the City, increasing revenues from the former OPT by over five times, it does face a challenge. The General Assembly is considering legislation to mandate exemption from the EMST for those earning less than \$12,000. Currently, the exemption level can vary, and York has chosen to set that threshold at \$2,000. An increase to \$12,000 would reduce York's revenue from this source, although the exact impact is not currently known.

ALL OTHER CITY REVENUES OVERVIEW

Charges for Services (FY2005: \$5,931,000 – 21.7 percent of total GF revenues).

Reflecting below-inflation historical average increases in this revenue category, Charges for Services are projected to increase by 1.0 percent per year. Such charges include refuse fees, inspection fees, zoning fees, and false alarm fees. Note that while there is a significant increase in refuse fees assumed in the baseline projection in 2006 and 2007, this is directly related to the renewal of the City's collection and disposal contract, and is likely to be matched or exceeded by increased expenditures.

Interfund Transfers (FY2005: \$3,070,000 – 11.2 percent of total GF revenues).

Representing the third largest source of General Fund revenue, interfund transfers relay monies from other City funds to cover General Fund operating costs. Transfers to the General Fund are projected to increase at the rate of inflation over the next five years. Note that the City has budgeted a one-time increase of \$750,000 in the 2006 Sewer Fund transfer. This amount is expected to be needed within the Sewer Fund to pay for debt service on system maintenance and improvements beginning in 2007.

Fines and Forfeits (FY2005: \$1,276,000 – 4.7 percent of total GF revenues).

Consistent with historical trends, revenue from Fines and Forfeits is projected to increase at the rate of inflation over the next five years.

Reimbursements (FY2005: \$995,000 – 3.6 percent of total GF revenues).

The primary revenue source in this category is the General Authority reimbursement to the General Fund for administrative and operating expenses. As revenues have decreased slightly over the past few years, the 2006 budget has assumed a decrease in this revenue category of 11.8 percent with projected inflationary increases in the out years.

Licenses and Permits (FY2005: \$922,600 – 3.4 percent of total GF revenues).

To account for expectations of limited new growth in the City, revenue from Licenses and Permits is projected to remain at the 2006 budgeted level for each of the out years in the plan.

Intergovernmental Revenues (FY2005: \$840,000 – 3.1 percent of total GF revenues).

This is a highly variable category, as it reflects ongoing operational support from recurring grants and one-time sources of revenue managed in the General Fund. In particular, the timing of awards for Strand-Capital renovations and other miscellaneous projects reduced revenues in this category from \$4.0 million in 2003 to \$1.1 million in 2004 and \$0.9 million in 2005. PFM's projection matches the budgeted figure of \$0.6



million in 2006, driven largely by police grants, but then sets a lower baseline of \$0.8 million in 2007 and grows it at just 1.0 percent per year.

Other Income (FY2005: \$756,000 – 2.8 percent of total GF revenues). This category includes revenues from contributions and payments in lieu of taxes (PILOTs); miscellaneous sales; interest; rent program incomes; and may capture other minor sources. A 0 percent growth factor is assumed for all categories with the exception of interest, which is projected to increase by a factor of 1 percent annually.



INITIATIVES

RV01: Institute a Parking Tax

According to the *Taxation Manual*, published by the Commonwealth of Pennsylvania Department of Community and Economic Development, “Taxes on the gross receipts of commercial parking lots enacted under the authority of the Local Tax Enabling Act have been upheld. In reviewing Johnstown's ten percent parking lot tax the Supreme Court stated: “There can be no doubt of the city's power to enact a tax such as is here under consideration. The Local Tax Enabling Act clearly confers authority for the enactment of such a tax..”¹ In addition, “the Commonwealth Court has ruled that parking taxes enacted under the Local Tax Enabling Act are not subject to any limit, which was upheld by a divided Pennsylvania Supreme Court. Nor are they subject to the [school district] sharing provisions.”²

As shown in the following table, parking taxes are levied by many area jurisdictions, including the City of Harrisburg, which is also a Third Class City of the Commonwealth. Harrisburg’s parking tax generates \$580,000 in annual revenues, and is contributed to primarily by non-resident commuters. Pittsburgh’s Parking Tax is budgeted to raise \$49.7 million in 2006, and is one of its major revenue sources.

City	Parking Tax Rate
Baltimore, Maryland	11% [\$14/month for monthly parking]
Erie, Pennsylvania	15%
Harrisburg, Pennsylvania	15% (raised from 10% in 2003)
New York City, New York	18.25%
Philadelphia, Pennsylvania	15%
Pittsburgh, Pennsylvania	50%
Washington, District of Columbia	12%

This initiative assumes that parking taxes would be levied on parking fees for both public- and private-owned garages and lots, as described below.

A) PUBLIC PARKING LOTS AND GARAGES

The City of York Parking Bureau operates all 3 parking garage facilities and 14 parking lots that are owned by the City of York General Authority (CYGA). Parking rates for each site are tiered based on the location and convenience of the parking facility to the central business district and other amenities. The City of York has provided aggregate

¹ *Chwatek v. Parks*, 299 A.2d 631, 450 Pa. 62, at 66, 1972. Source: Commonwealth of Pennsylvania *Taxation Manual*, Eighth Edition, July 2004, page 64

² *Airpark International I v. Interboro School District*, 677 A.2d 388, Pa.Cmwlt., 1996, 735 A.2d 646, Pa, 1999. Source: Commonwealth of Pennsylvania *Taxation Manual*, Eighth Edition, July 2004, page 64



revenue and cost information for each facility for fiscal years 2004 and 2005, as shown below..

SUMMARY OF FISCAL IMPACT – CYGA LOTS & GARAGES

	2004 Actual	2005 Projected
Garages		
Market Street	\$393,202	\$388,689
Philadelphia Street	\$290,838	\$352,508
King Street	\$310,489	\$350,735
Lots	\$226,980	\$222,720
Total Parking Revenues	\$1,221,509	\$1,314,652
Projected Tax Impact		
Parking Tax Revenues at 10%	\$122,151	\$131,465
Parking Tax Revenues at 15%	\$183,226	\$197,198

B) PRIVATE LOTS AND GARAGES

In addition to the CYGA's 3 garages and 14 lots, several private pay-to-park lots and garages are also located within the City, including but not limited to the following locations:

- Central Market Deck (approximately 150 spaces)
- York Hospital
- Private parking lot, Beaver Street (approximately 110 spaces)
- York College
- Yorktowne Hotel

Certain private parking lot operators do not generally charge for parking directly, but pass the charges to users through means such as tuition and room rates. Other Pennsylvania jurisdictions require these organizations to levy parking taxes in the same way that downtown garages collect the levy.

As a result, finding the potential financial impact of taxing private pay-to-park facilities is a challenge given imperfect information about parking fees and the number of eligible (i.e. paid-for) parking spaces available within the City of York. To develop a conservative revenue estimate, the fiscal impact analysis calculates the impact of a 10 and 15 percent tax on public parking spaces, and then adds an additional 25 percent to take account of potential parking tax revenues from users of private parking lots and garages.



SUMMARY OF FISCAL IMPACT – ALL LOTS & GARAGES

DISCOUNTED FISCAL IMPACT, PARKING TAX AT 10 PERCENT

	2006	2007	2008	2009	2010
Public Parking Tax Proceeds	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
Private Parking Tax Proceeds	\$33,750	\$33,750	\$33,750	\$33,750	\$33,750
Combined Fiscal Impact	\$168,750	\$168,750	\$168,750	\$168,750	\$168,750
Discount	25%	10%	0%	0%	0%
Discounted Fiscal Impact	\$126,560	\$151,880	\$168,750	\$168,750	\$168,750

DISCOUNTED FISCAL IMPACT, PARKING TAX AT 15 PERCENT

	2006	2007	2008	2009	2010
Public Parking Tax Proceeds	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Private Parking Tax Proceeds	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Combined Fiscal Impact	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Discount	25%	10%	0%	0%	0%
Discounted Fiscal Impact	\$187,500	\$225,000	\$250,000	\$250,000	\$250,000

RV02: Investigate the expansion of public-private partnerships for debt collection

Concurrent with the continuing development of in-house automated approaches to improved revenue collection, the City could investigate the possibility of working real estate tax delinquencies in conjunction with private-sector partners.

Private outsourcing of delinquent property tax collections have often been used to address more difficult, older delinquencies; to deliver a one-time windfall of delinquent revenue; to improve long-term delinquent collection percentages; and/or to periodically reduce casework backlogs faced by in-house personnel. The City's Act 511 collections are currently contracted to the York Area Earned Income Tax Bureau.

York City currently budgets a 96.6 percent current plus delinquent collection rate for real estate taxes. This level is below average collection rates in many of York's peer cities, including Lancaster, Bethlehem, Allentown, Altoona and Easton. So as to generate improved recurring collection levels, the City might investigate outsourcing its collection efforts as authorized by 2004 amendments to Pennsylvania's Real Estate Tax Sale statute. Under the terms of that law, should the City choose to utilize alternative collection techniques through contracts with private sector entities, it may assign a portion or the tax claim to third parties, "either absolutely or as collateral security."



A variety of other jurisdictions have experimented with this approach in order to meet some of the goals described above. Examples of some local government entities that have had success with this structure include the following:

City of Allentown: In 2000, the City of Allentown outsourced the collection of its delinquent real estate taxes from the Lehigh County Tax Claims Bureau. In the first year, delinquent collections increased by 26 percent, from \$1,040,456 to \$1,311,293.

Allentown School District: In 2001, following the City government's action the prior year, the Allentown School District outsourced its delinquent tax collection activities from the Lehigh County Tax Claim Bureau, and received a 25 percent net increase in delinquent real estate tax receipts.

City of New Haven, CT: In 1999, the City of New Haven contracted to collect an allocation of older liens. With principal and interest collections (\$18.1 million) exceeding the private agency's assignments (\$17.3 million), the City subsequently extended its private collection activities to newer debt, and the vendor now manages over 5,460 city liens. The project raised the city's overall tax collection rate by three percent, and the initiative was recognized by the Best Practices program of the United States Conference of Mayors.

Fiscal Impact

Should the City of York choose to pursue this initiative, it is important that the terms of the arrangement with an outside collector be matched with the City's revenue requirements. In particular, the City faces a longer-term structural revenue gap. As a result, any contract should be focused on a steady, gradual increase in the total long-term collections rate, not generating a short-term windfall that could reduce total collections in the future. If the City achieved additional current and delinquent tax revenues such that the total collections rate increased as shown in the following schedule, the City could realize the over \$250,000 in additional recurring property tax revenues after the second full year of implementation.

Year	Current Collections Rate	Delinquent Collections Rate	Current + Delinquent Collections Rate
2006-2010 Baseline	89.1%	7.5%	96.60%
2006 Revised	89.1%	7.5%	96.60%
2007 Revised	89.6%	8.0%	97.60%
2008 Revised	90.1%	8.5%	98.60%
2009 Revised	90.6%	8.0%	98.60%
2010 Revised	91.1%	7.5%	98.60%



DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	0%	0%	0%	0%	0%
Fiscal Impact	\$0	\$130,100	\$261,924	\$262,212	\$262,500

RV03. Take Initial Steps to Grow Market-Based Revenue Opportunities

A Market-Based Revenue Opportunities (“MBRO”) program offers an opportunity to the City to maximize the revenue-generating capacity of City assets. This broad term encompasses various entrepreneurial concepts, including advertising, exclusivity arrangements, rental agreements, and corporate sponsorships. A comprehensive and effectively administered MBRO program could generate \$1.0 million for the City over the next five years.

While some MBRO opportunities, such as an outdoor advertising program, are generally well established in the governmental marketplace, other areas are still evolving. Such arrangements can raise legitimate community concerns regarding the appropriateness of advertising content, aesthetics, and excessive commercialization of public service. The City will initially establish MBRO program parameters and guiding principles for considering such arrangements consistent with local community values.

Within this policy framework, the City will – with the assistance of an MBRO specialist solicited through a request-for-proposals process – inventory facilities, real estate, and other assets and mechanisms under their control with potential for MBRO revenue generation. This assessment may include, but not be limited to, consideration of opportunities in the following categories:

- **General outdoor advertising.** Billboards and other outdoor signage can generate both a fixed rental payment and/or a share of gross advertising revenues. While the precise revenue generation potential largely depends on location, a single prime billboard location can generate tens of thousands of dollars per year. Some governments are also exploring temporary ad banners on public construction site fences.
- **Street furniture.** Advertising revenues can offset or even eliminate the costs of “street furniture³”, including such amenities as bus shelters, benches, public toilets, newsstands, trash receptacles, information kiosks, bicycle racks, and telephone pillars. In Boston, for example, the city’s advertising revenue stream for a high quality street furniture program includes both an annual fixed fee of \$750,000 and a license royalty fee (10 percent of annual revenues, generating \$314,780 in 2003).



³ “Street furniture” is the terminology for physical components/amenities of the streetscape such as kiosks, bus shelters, benches, and trash/recycling receptacles.



- **Indoor advertising.** Advertisements may be placed in public restrooms, libraries, civic centers, parking garages, and recreation venues. For a modestly scaled indoor advertisement, vendors estimate that each frame can generate as much as \$1,920 annually, with a government receiving 10-25 percent of the revenue.
- **Other miscellaneous advertising.** Other advertising options being pursued by municipalities nationally include: tax and utility bill inserts; banners on government websites; advertising placements on the sides of rollout refuse carts as used in conjunction with automated trash collection; vehicle advertising “wrap” arrangements; and advertisements on parking meter poles.
- **Secondary use of public real estate.** City facilities and/or infrastructure can generate supplemental revenues from such options as leases for the placement of telecommunications equipment (e.g., cell-phone towers) and facility rentals for events and activities.
- **Municipal marketing partnerships.** A number of communities have developed corporate sponsorship programs, often in a blended arrangement involving commodity delivery, promotions, and discounts. For example:
 - **Oakland, CA:** Named Coca-Cola its official soft drink, giving it exclusive rights in city buildings and parks.
 - **San Diego, CA:** Corporate partnership program has netted \$5 million over the past several years, resulting in a revenue to expense ratio of 22:1⁴. Corporate partners, including Pepsi, Verizon, and General Motors, have all paid for the right to be the “exclusive” provider of their respective products and services to the City.
 - **Huntington Beach, CA:** Realizes \$3 million in annual benefit from corporate partners including Coca-Cola, Chevrolet, Simple Green, and Yamaha.
 - **Miami, FL:** Purina sponsored construction of two “Dog Chow Dog Parks” as part of a marketing campaign in exchange for promotion rights and a waiver of fees for park events.
 - **Austin, TX:** Austin has recently committed to exploring MBRO options and is considering which types of assets and services should be involved in a future program.

An MBRO program would enable the City to create new revenue streams within guidelines for the appropriate use of public space and facilities consistent with local standards. Benefits of such programs include cost avoidance, revenue, non-monetary benefits, and limited administrative burdens from contract structures emphasizing the responsibilities of the contractor.

⁴ The “expense” referred to in this ratio is the amount of money the City has spent on their MBRO program, meaning that for every \$1 spent, they’ve generated \$22 in MBRO income.



MBRO programmatic responsibilities should be centrally coordinated. One individual or office/group should oversee the program. Through centralization or consolidation, the City can maximize programmatic benefits and revenue potential by focusing efforts and avoiding duplication of labor.

Because of the competing interests inherent in the formulation and implementation of an MBRO program, other counties and professionals supporting such programs have recommended a phased approach to adopting MBROs. Regardless of whether a comprehensive or targeted approach is adopted, the City will phase in new MBRO initiatives to facilitate the public's acclimation and the program administrators' capacity.

In terms of allocation, it should be acknowledged that certain programs impact the feasibility and revenue generating potential of others. For instance, a comprehensive street furniture program may affect the City's ability to pursue advertising in other venues due to finite advertising revenue sources.

The table below projects York MBRO revenue for the first five years of a structured program. These goals are based upon discussions with MBRO specialists who typically project revenue potential at 2% of current, locally-generated⁵, General Fund income. Based upon York's locally-generated General Fund revenue of \$26.4 million, annual revenue could be as high as \$0.5 million annually, without discounting. As a measure of conservatism in the early years and confidence that a robust program can be achieved prospectively, an implementation discount descending from 90 percent to 0 percent over five years has been calculated, yielding five year revenues of \$1.5 million. Actual revenue potential cannot be ascertained with certainty until programmatic parameters are established; in particular, revenue potential is subject to the City's tolerance for placements, concepts, and content. Further, finalized revenue projects will not be possible until RFPs are issued and vendors make firm financial commitments. Finally, the potential for MBRO revenue might be increased by coordinating with York County or with other nearby jurisdictions.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	90%	70%	50%	0%	0%
Fiscal Impact	\$52,800	\$158,500	\$264,200	\$528,400	\$528,400

Based on the strong initial vendor response to an MBRO RFP issued this fall for the City of Pittsburgh, and estimates of MBRO revenue in Philadelphia after an RFP process there, *PFM recommends that the City move immediately to prepare and issue an MBRO RFP*. Prompt work on this initiative should have a proposal ready for review and issue by the Mayor early in 2006.

⁵ Local taxes, fees, fines, and charges average \$26,418,877 over the last four years.



RV04. Per Capita Fee on College/Graduate Students / Educational Housing District Legislation

Description

York values the energy, vitality, and economic benefits provided by college and graduate students. In return, the City strives to provide a civic environment that is exciting, clean, safe and conducive to learning. Although the City does not host institutions of higher education directly, it does have a significant student population from nearby York College.

While their residence in York may not be permanent, these students are nonetheless direct/indirect beneficiaries of a range of municipally provided services, such as public safety functions performed by the Police and Fire Departments, street maintenance and litter pickup provided by the Department of Public Works, and myriad economic development and civic reinvigoration initiatives advanced by various City departments and agencies.

The proper means by which to properly balance the benefit of a student population with the cost to the City of providing service to that population is not easily determined. A number of the City's existing policies and other initiatives proposed here could recoup some of the costs of service to the student population. It may be the City's policy that these types of charges – including payments-in-lieu of taxes, inspection fees, and the parking tax – are sufficient. In particular, the City may choose not to attempt to capture 100 percent of student-related costs given its relationship with the College, the College's non-profit status, and its various benefits to the community.

However, given the City's significant structural budget challenge, it is appropriate to share the burden of fiscal stabilization very broadly. In this case, the City may wish to consider additional student-related fees and charges as part of a strategy of sharing the cost of financial recovery. The initiatives discussed below could be taken up as part of this approach; note that the different concepts described here are generally mutually exclusive, although some type of hybrid approach might be possible.

One possible approach is a per capita fee for students. This contemplates a typical college/graduate student's contribution to the City's coffers in comparison to residents. Per capita taxation in York is \$306⁶. For student residents not domiciled in York, the tax and fee impact of their activities would be limited unless they also are employed in the City. A \$50 per capita fee could recoup over \$100,000 per year, as shown below. Based on the \$306 per capita figure, students would only be paying 16.3 percent of the total average per capita tax burden, reflecting their financial status, part-year residency, and other factors.

⁶ \$26.5 million in locally generated in FY2004 and divided by 40,043 population. This slightly overstates resident contributions due to non-resident contributions to EMST and business taxes, but may understate impact on other services such as refuse.



This concept is fairly novel and no direct comparables have been identified, although the City of Erie, Pennsylvania (population 103,000) has seriously considering imposing such a fee on the students of Gannon and Mercyhurst Colleges, with 3,300 and 3,700 students, respectively. In Erie, the Mayor had proposed a \$50 per capita fee, which would have generated approximately \$350,000 in annual revenue.

Assuming that York charges \$50 dollars per capita and 20 percent of York college/grad students are exempt from this fee because they are currently domiciled in the City and they or their parents/legal guardians are property tax paying residents, the City could generate \$129,000 in year one, \$146,200 in year two, and \$172,000 thereafter, for a five year total of \$791,200. Because this is a new fee and collection processes are not in place, discounts of 25 percent and 15 percent for the first and second year, respectively, have been calculated.

Discounted Fiscal Impact

	2006	2007	2008	2009	2010
Discount %	25%	15%	0%	0%	0%
Fiscal Impact	\$129,000	\$146,200	\$172,000	\$172,000	\$172,000

The City might also consider pursuing revenue to cover the cost of services provided to university students by expanding its current payment-in-lieu-of-taxes effort or through a public service foundation as provided for by Commonwealth statute. This is a more direct and collegial method for addressing the impact on the City. It also recognizes the narrow base of base of potential participants and resulting lower possible revenue from a student per capita fee. In addition, the administrative burden of collecting such a fee will be difficult to overcome without the full and willing participation of York's institutions of higher education.

One other initiative that might be of benefit is "housing district legislation."⁷ Because most students are not officially domiciled in the City, York administrators have no official record of students, where they live, and other information related to collecting relevant fees and taxes. Through housing district legislation, a City imposes a number of requirements on students, colleges/universities, parents/legal guardians, and property owners/managers. Essentially, students and those who transact with them are required to provide addresses and automobile information (if appropriate) to the City. Establishing such a reporting system does not impose a disproportionate burden on students and their host institutions; rather, it merely raises their level of reporting responsibility to that of all other residents. As a result, the City is better able to charge existing fees and taxes appropriately, and also improve public safety response when necessary.

⁷ This concept has been realized in Philadelphia in a single Councilmanic district where St. Joseph's and Philadelphia University are located.



RV05: Institute Collection of 5% Admissions Tax

Admissions taxes are authorized by Pennsylvania's Local Tax Enabling Act (Act 511) and are levied on the admissions prices to all places and events, including but not limited to places of amusement, entertainment or recreation. The Local Tax Enabling Act restricts these taxes to a maximum rate of ten percent. As shown in the Appendix at the end of this chapter, the City of York has an *existing* ordinance in force that authorizes the collection of an admissions tax at the rate of 5 percent.

Unlike statewide collections of the Mechanical Devices Tax (see Initiative RV06) comparable cities' collections of the Admissions Tax are somewhat divergent, often because of the variety of enabling ordinances and the volume of taxable admissions in different Pennsylvania cities. For example, collections vary from \$5,350 in Altoona to \$9.95 million in Pittsburgh (where professional sports event revenue is a major contributor). However, of the cities closest to York in terms of size and environment, in 2004, the City of Harrisburg projected \$260,000 in Amusement Tax collections, and in 2005, the City of Easton has budgeted \$270,000 for the Admissions Tax. Both of these cities have enacted a 10 percent tax rate.

Over the past several years, the City's existing base of cultural and entertainment options, such as the symphony have been augmented by the Strand Capitol Theater, Harp & Fiddle, and other venues. Further growth is anticipated. If York collected just one-third of Harrisburg's Amusement Tax due to its lower (5 percent) rate and smaller number of taxable admissions, the City would realize \$85,000 in the first full year of implementation. The City is authorized to increase the Admissions Tax rate up to a maximum of 10 percent at any time.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	100%	0%	0%	0%	0%
Fiscal Impact	\$0	\$85,000	\$85,000	\$85,000	\$85,000

RV06: Mechanical Devices Tax

As described in the Pennsylvania Taxation Manual, the City of York is legally able to collect a Mechanical Devices Tax. According to the manual, "The tax is restricted to machines providing amusements, including jukeboxes, pinball machines, video games and coin operated pool tables. The tax can be measured by the gross receipts from such machines, however, it cannot exceed the sum of ten percent of each individual price to activate the machine."

The City of York currently collects annual permit fees on amusement devices (\$100) and jukeboxes (\$50). These permits are paid by the owner of the mechanical device. A tax on mechanical devices would be assessed on the end users of the devices. Implementation of



a mechanical devices tax would not require the elimination of the mechanical devices permit fees.

Based on a survey of Second Class-A and Third Class cities of comparable size in Pennsylvania, estimates show that the City could possibly expect to generate \$25,000 in revenue for each of the next five years should the Mechanical Devices tax be instituted.

MECHANICAL DEVICES TAX COLLECTIONS IN 4 PENNSYLVANIA CITIES

City	Mechanical Devices Tax Revenue (2004)
Allentown	\$26,500
Altoona	\$25,000
Bethlehem (2005 Budget)	\$24,300
Scranton	\$28,040

Potential revenue should be discounted by 50 percent in the first year to recognize the need for implementation and start-up.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	50%	0%	0%	0%	0%
Fiscal Impact	\$12,500	\$25,000	\$25,000	\$25,000	\$25,000

RV07: Set fees and user charges to an inflation index

In order to ensure that charges for service and other City fees continue to reflect the costs of providing those services, the City could set the rates of user fees to an inflation index such as the U.S. Department of Commerce's various Consumer Price Index indicators. This could be achieved on through an annual- or biennial review of all fees charged by all departments, or through a Council ordinance establishing a user charge escalation mechanism.

Potential additional fee revenues that could be attained through annual inflation-based increases are illustrated below. A 25 percent discount factor is applied to account for the few City fees that may be statutorily limited and for those user-charge services that may experience a degree of demand elasticity. Please note that the City's largest user charge source – the Refuse Fee - is excluded from the calculation because the rates charged for this service already match any increases in the cost of the sanitation contract. This initiative assumes that the 2006 baseline of \$3,004,721 will be increased by a modest 2.5 percent annually; a growth rate in line with the *Survey of Professional Forecasters'* estimate published quarterly by the Philadelphia Federal Reserve.



DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	100%	25%	25%	25%	25%
Fiscal Impact	\$0	\$38,954	\$79,076	\$120,397	\$162,947

OTHER REVENUE-RELATED INITIATIVES

PK01: Commence metered parking enforcement on Saturdays per York City Ordinance

PK02: Amend Ordinance to extend hours of meter operation from 5pm to 6.30pm

PK03: Amend Ordinance to extend hours of meter operation on Fridays and Saturdays until 12am

PK04: Parking Garage Naming Rights

These revenue-enhancing initiatives are described in greater detail in the Parking Bureau section of the Department of Business Administration chapter.



Appendix

Codified Ordinances of the City of York Pennsylvania

Part Three - Business Regulation and Taxation Code

Article 349 **Admissions Tax**

Cross References

Power to tax - see Act 511 of 12-31-65 (53 P.S. §6901-6924)

349.01 DEFINITIONS.

The following words and terms, when used in this article, shall have the following meanings, unless the context clearly indicates otherwise:

(a) "Admission" means a monetary charge of any character whatever, including donations, contributions and dues, or membership fees, periodical or otherwise, charged or paid for the privilege of attending or engaging in amusements. When such amusement is conducted at any roof garden, night club, cabaret, or like place furnishing a public performance for profit where the charge for admission is wholly, or in part, included in the price paid for refreshment, service, or merchandise, the "admission charge" to such amusement shall be deemed to be the amount of the charge or charges for cover charge, minimum charge, the charge for food and service during such performance and any unpaid charges prior to the performance if such charges entitled the payer to be present at the performance and are paid during or after such period. In the case of persons, except bona fide employees of the person conducting the amusement of municipal or State officers on official business, the admission charge includes those admitted free or at reduced rates at a time when and under circumstances under which an established price is charged to other persons. In the case of persons having the permanent use of boxes or seats in place of amusement or a lease for the use of such box or seat in such place of amusement, the tax imposed by this article shall be computed on the established price for which a similar box or seat is sold for each performance or exhibition at which the box or seat is used or reserved by or for the lessee or holder.

(b) "Amusement" means all manner and form of entertainment within the City including among others, the following: theatrical performance, operatic performance, motion picture exhibition, sound motion picture exhibition, carnival, circus, show, concert, lecture, swimming or bathing pool, vaudeville show, side show, amusement park and all forms of entertainment therein, dancing and any other form of diversion, pastime or recreation for which admission is charged or paid. "Amusement" does not include any form of entertainment, the proceeds of which, after payment of reasonable expenses, inure exclusively to the benefit of religious, educational or charitable institutions, societies or veterans organizations or police or firemen's pension organizations, or any



form of entertainment conducted by a nonprofit organization or association exclusively for its members and their bona fide guests.

(c) ""Collector"" means the License Tax Officer of the City of York.

(d) ""Person"" means any individual, partnership, limited partnership, association or corporation.

(e) ""Temporary amusement"" means any amusement which is conducted or to be conducted at one location for a period of ten days or less.

(f) ""Yearly amusement"" means any amusement which is conducted or to be conducted at one location for a period of more than ten days.

(Ord. 78-1967 §2.)

349.02 TAX IMPOSED.

A tax is hereby imposed for general revenue purposes upon the sale of admission to any amusement within the City, at the rate of five percent of the admission charged or paid, which tax shall be paid by the person so admitted. (Ord. 78-1967 §3.)

349.03 AMUSEMENT PERMITS.

(a) On and after January 1, 1968, any person desiring to conduct, or to continue to conduct any amusement within the City shall file with the Collector, an application for a yearly amusement permit or a temporary amusement permit, as the case may be, and shall pay the fee for such permit as required by this article. A permit shall be issued for a yearly amusement at a fee of two dollars (\$2. 00); a permit shall be issued for a temporary amusement at a fee of one dollar (\$1.00).

(b) Every application for such permit or permits shall be made upon a form prescribed, prepared and furnished by the Collector, and shall set forth the name under which the applicant conducts or intends to conduct an amusement, whether the applicant conducts or in tends to conduct a yearly or temporary amusement, the location of the amusement covered by the application, and such other information as the Collector may require. If the applicant conducts or intends to conduct an amusement at more than one location within the City, a separate application shall be filed and a permit fee paid for each such location. In the case of a temporary amusement, the date and length of time such amusement is to be con ducted shall be set forth, and the application shall state the name and address of the owner, lessee or custodian of the premises on which such amusement is to be conducted. The application shall be signed by the applicant, if a natural person, and in the case of an association or partnership, by a member or partner thereof, and in the case of a corporation, by an officer thereof.



(c) Upon the approval of each application and the payment of any permit fee herein required, the Collector shall grant and issue to each applicant a yearly or temporary amusement permit for each place of amusement. Amusement permits shall not be assignable and shall be valid only for the person and place of amusement in whose name they are issued, and shall at all times be conspicuously displayed at the place for which they are issued. All yearly amusement permits shall expire December 31 next succeeding the date upon which they were issued unless sooner suspended, surrendered or revoked for cause by the proper authorities of the City. All temporary permits shall expire at the time specified therein.

(d) In the case, of loss, defacement or destruction of any permit, the person to whom the permit was issued shall apply to the Collector for a new permit for which a fee of fifty cents (.50) shall be charged. (Ord. 78-1967 §4.)

349.04 COLLECTION OF TAX.

(a) Every person conducting any amusement, within the City shall collect the tax imposed by this article, and shall be liable to the City as an agent thereof, for the payment of the same into the City Treasury, through the Collector, as hereinafter provided in this article.

(b) Where permits are obtained for conducting temporary amusements by persons who are not the owners, lessees or custodians of the places where the amusements are to be conducted, the tax imposed by this article shall be paid by the owner, lessee or custodian of such place where such temporary amusement is held or conducted, unless paid by the person conducting the amusement. (Ord. 78-1967 §5.)

349.05 REPORTS.

(a) Every person conducting a yearly amusement shall, on or before the tenth day of each month after January 1, 1968, transmit to the Collector on a form prescribed and prepared by him under oath or affirmation, a report of the total admissions charged or collected during the preceding month, and the total amount of tax due from such person upon such admission.

(b) Every person conducting a temporary amusement shall at the close of each day on which such amusement is held, after the effective date of this section, transmit to the Collector on a form prescribed and prepared by him under oath or affirmation, a report of the total admissions charged or collected during the day and the total amount of tax due from such person upon such admission.

(c) Every person conducting an amusement, at the time of making the reports required by this section, shall pay to the Collector the total amount of taxes due to the City during the period for which the report is made. However, such person may deduct therefrom two percent thereof providing payment is made on or before the due date thereof. All such taxes shall bear interest at the rate of one percent per month, or fractional part of a month, from the day they are due and payable, until paid. (Ord. 78-1967 §6.)



349.06 LATE FEES.

If any person conducting an amusement shall neglect or refuse to make any report of payment as herein required, an additional ten percent of the amount of the tax shall be added by the Collector and collected. All such taxes shall be recoverable by the City Solicitor as other debts due the City are now by law recoverable. (Ord. 78-1967 §7.)

349.07 EXAMINATION OF RECORDS.

If the Collector is not satisfied with the report and payment of tax made by any person conducting an amusement under the provisions of this article, he is hereby authorized and empowered to make a determination of the tax due by such person, based upon the facts contained in the report, or upon any information within his possession, or that shall come into his possession, and for this purpose, the Collector is authorized to examine the books, papers, tickets, ticket stubs and records of any person conducting an amusement taxable under this article, to verify the accuracy of any report or payment made under the provisions thereof, or to ascertain whether the tax imposed by this article has been paid. (Ord. 78-1967 §8.)

349.08 ESTIMATED TAX.

If any person conducting an amusement shall neglect or refuse to make any report and payment of tax required by this article, or if, as a result of any investigation by the Collector a report is found to be incorrect, the Collector shall estimate the tax due by such person and determine the amount due by him for taxes, penalties and interest thereon. (Ord. 78-1967 §9.)

349.09 SUSPENSION AND REVOCATION OF PERMITS; COUNCIL HEARING.

The Collector may suspend, or, after hearing, revoke an amusement permit whenever he finds that the holder thereof has failed to comply with any of the provisions of this article. Upon suspending or revoking any amusement permit, the Collector shall request the holder thereof to surrender to him immediately, all permits, or duplicates thereof, issued to him and the holder shall surrender promptly all such permits to the Collector as requested. Whenever the Collector suspends an amusement permit, he shall notify the holder immediately and Council shall afford him a hearing if requested, within five days of such notice. After such hearing Council shall either rescind the order of suspension, or good cause appearing therefore, shall continue the suspension or revoke the permit. (Ord. 78-1967 §10.)

349.10 APPLICATION OF TAXES.

All taxes, interest and penalties collected or received under the provisions of this article shall be paid into the City treasury for use and benefit of the City. (Ord. 78-1967 §11.)



349.11 POWERS OF COLLECTOR.

The Collector is hereby authorized and directed to make and keep such records, prepare such forms, make such regulations and take such other measures as may be necessary or convenient to carry this article into effect and may in his discretion, require reasonable deposits to be made by applicants for temporary permits. (Ord. 78-1967 §12.)

349.99 PENALTY.

Any person or any officer, agent, servant or employee, thereof, who fails, neglects or refuses to comply with any of the terms or provisions of this article, or any regulation or requirement made pursuant thereto and authorized thereby shall, upon conviction thereof be fined not more than six hundred dollars (\$600.00) and costs of prosecution for each offense, to be collected as other fines and costs are by law collectible and, in default of payment thereof, shall be imprisoned for not more than thirty days. The fine imposed by this section shall be in addition to any other penalty imposed by any other section of this article.

(Ord. 12-1989 §1. Passed 2-7-89.)



Business Administration



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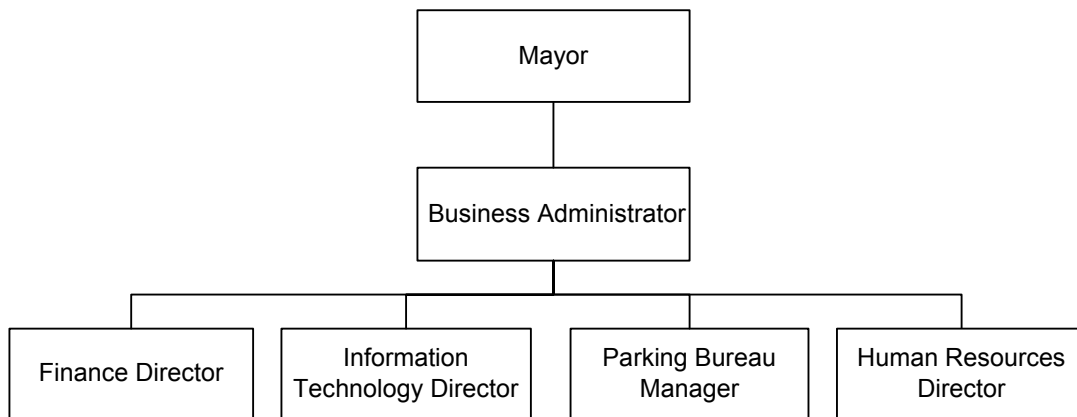


Department of Business Administration

OVERVIEW

The Department of Business Administration coordinates the administrative functions of all other City departments. The Department is managed by the City's Business Administrator and consists of four major programmatic areas – Human Resources; Finance; Parking and Information Technology. The City of York's Annual Budget apportions the costs of providing administrative services to each City department through allocations to an Internal Services Fund.

ORGANIZATION CHART



Finance Bureau

MISSION

To provide the departments of the City of York, as well as the public, with detailed accounting of the City's finances. To promote good management of City funds and provide financial guidance.

OBJECTIVES

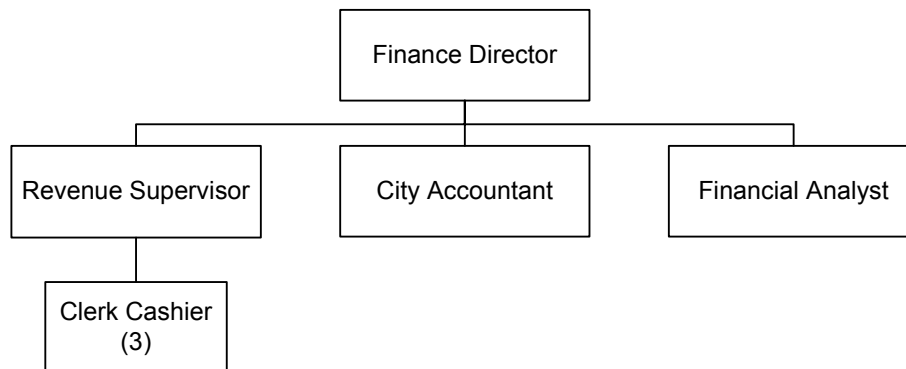
- To coordinate and control the finances of the City.
- To manage and implement standard accounting practices throughout the City.
- To ensure compliance with State and Federal regulations.

Source: City of York

SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

The Finance Office consists of 7 employees. All revenue (with the exception of Real Estate Taxes) is collected and entered in Cash Receipts in the Finance Office. Processing Sewer/Refuse invoices and payments, all aspects of parking fines, payroll, pension, accounting, account payable and parking billing are the main functions of the office. The Finance Office is responsible for creating the Budget document and coordinating the annual audit.

ORGANIZATION CHART



HISTORICAL STAFFING LEVELS BY POSITION

Position	2001	2002	2003	2004	2005
Director	1	1	1	1	1
City Accountant	1	1	1	1	1
Financial Analyst			1	1	1
Revenue Supervisor	1	1	1	1	1
Clerk Cashier	2	2	3	3	3
Data Entry Clerk	1	1			
Staff Accountant	2	2			
Reconciliation Clerk	1				
Clerk II Records	1	1	1		
PartTime Clerk	2				
Total	12	9	8	7	7

EXPENDITURES

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Payroll	\$0	\$261,652	\$267,100	\$245,547	\$403,962
Fringe Benefits	\$0	\$19,863	\$21,194	\$19,780	\$21,967
Professional Services	\$0	\$291,041	\$277,563	\$277,107	\$278,800
Special Items	\$0	\$13,262,654	\$5,651,447	\$11,269,990	\$10,602,531
Contractual Services	\$0	\$1,335,867	\$1,515,358	\$1,484,268	\$1,878,090
Supplies/Materials	\$0	\$1,981	\$29,425	\$43,243	\$6,710
All Other Expenses	\$0	\$1,938	\$672	\$329	\$300
Total	\$0	\$15,174,996	\$7,762,758	\$13,340,264	\$13,192,361

PROJECTED

	2006 Budgeted	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Payroll	\$268,172	\$274,876	\$281,748	\$288,792	\$296,012
Fringe Benefits	\$22,511	\$23,051	\$23,628	\$24,218	\$24,824
Professional Services	\$612,500	\$634,800	\$650,670	\$666,937	\$683,610
Special Items	\$14,027,780	\$14,252,866	\$14,486,118	\$14,732,274	\$14,981,538
Contractual Services	\$2,287,381	\$2,342,278	\$2,400,835	\$2,460,856	\$2,522,377
Supplies/Materials	\$2,100	\$2,150	\$2,204	\$2,259	\$2,316
All Other Expenses	\$400	\$410	\$420	\$430	\$441
Total	\$17,220,844	\$17,530,432	\$17,845,623	\$18,175,766	\$18,511,118



REVENUES

HISTORICAL

	2001	2002	2003	2004	2005
	Actual	Actual	Actual	Actual	Estimated
Real Estate Taxes	\$0	\$719,856	\$1,338,726	\$2,005,838	\$2,170,371
Act 511 Taxes	\$0	\$4,086,821	\$3,998,329	\$4,216,019	\$5,415,638
Licenses & Permits	\$0	\$352,409	\$351,484	\$329,162	\$396,637
Fines & Forfeits	\$0	\$593,563	\$604,170	\$745,729	\$838,313
Interest	\$0	\$128,486	\$121,253	\$126,555	\$89,000
Intergovernmental	\$0	\$1,869,639	\$1,783,883	\$1,550,085	\$1,567,336
Charges for Services	\$0	\$15,364,493	\$15,787,139	\$16,575,622	\$18,006,406
All Other Revenues	\$0	\$264,003	\$739,054	\$484,363	\$506,385
Total	\$0	\$23,379,269	\$24,724,038	\$26,033,372	\$28,990,086

PROJECTED

	2006	2007	2008	2009	2010
	Budgeted	Projected	Projected	Projected	Projected
Real Estate Taxes	\$2,320,081	\$2,475,368	\$2,458,931	\$2,449,478	\$2,436,584
Act 511 Taxes	\$6,175,000	\$6,208,000	\$6,241,495	\$6,275,492	\$6,310,000
Licenses & Permits	\$405,400	\$405,400	\$405,400	\$405,400	\$405,400
Fines & Forfeits	\$916,600	\$938,598	\$962,063	\$986,115	\$1,010,768
Interest	\$111,000	\$112,110	\$113,231	\$114,363	\$115,507
Intergovernmental	\$1,567,336	\$1,567,556	\$1,567,778	\$1,568,003	\$1,568,229
Charges for Services	\$19,678,135	\$20,199,766	\$20,401,764	\$20,605,782	\$20,811,839
All Other Revenues	\$692,777	\$696,161	\$699,770	\$703,470	\$707,263
Total	\$31,866,328	\$32,602,960	\$32,850,433	\$33,108,103	\$33,365,590

RECENT ACCOMPLISHMENTS

- Consolidated the Bureaus of Revenue, Accounting and Payroll to create the Finance Bureau. Eliminated positions and streamlined processes.
- Developed a Parking Billing System and moved processing to Finance. Eliminated 3 positions and increased accuracy of billing.
- Developed False Alarm System. Brought billing up to date and increased revenue by monitoring payments.
- Acquired Credit Bureau of York to handle delinquent Sewer and Refuse accounts.



- Developed Budgeting System to be used on a City-wide basis. This system creates an accurate budget document that is used publicly as part of the City's annual budget process.
- Improved the Accounting System to deny charging accounts that have insufficient funds. This system automatically prevents users from overspending their allotted budget.

CHALLENGES AND GOALS

- The Bureau is working with Administrative Office of Pennsylvania Courts (AOPC) to develop paperless citations. Such a system will save the cost of paper-based forms, and the significant time involved in printing, signing and delivering to magistrates.
- The Bureau is working on developing a contract database that will tie directly into the accounting system. Amounts will be encumbered when contract is approved, and contracts will be scanned and available for electronic viewing.
- Finance Bureau staff aim to automate all invoicing processes within the City such that all invoices and payments are centrally processed by Finance.
- In addition, the Bureau aims to automate the "End of Day" process that is currently handled manually by the Treasurer's Office. Such a procedure would eliminate the errors that currently happen with inter-office transfers.

INITIATIVES

FI01: Continue to add new modules to the City's automated financial system

The City's financial management system has enabled significant streamlining of city processes, has dramatically reduced data errors and improved revenue collections. All cash receipts can be handled via the in-house database, including sewer and refuse billing, traffic fines, parking fines, accounts payable checks, payroll, and pension checks.

The efficacy of the financial management system can be seen in each additional module transferred in. For example, as part of a general strategy of consolidating all miscellaneous City billing within Finance, in 2003 the City transferred responsibility for false burglar alarm billing from the Police Bureau to the Finance Bureau. The Police Bureau retains responsibility for maintaining the City's system of tracking false alarms, but the Finance Bureau now prints and mails all bills and receives all payments. This allows the City's computerized system for enforcing payments for revenues such as parking tickets and tax bills to be extended to smaller items such as false alarm billings. As shown in the following table, in conjunction with a fee increase, the consolidation of false burglar alarm billing resulted in a dramatic rise in revenues from this source. False alarm revenues rose from \$9,490 in 2002 to \$95,440 in 2004, an increase of over 900 percent.

REVENUES FROM FALSE BURGLAR ALARM FINES, 2001-2004



Year	2001	2002	2003	2004
False Burglar Alarm Revenue	\$5,175	\$9,490	\$50,895	\$95,440

PFM strongly recommends that the City prioritize the centralization and automation of all invoicing and receivables so as to replicate the success of transferring false burglar alarm billing. This may include false fire alarm billing and coordinating real estate tax collection with Treasurer's Office. Such automation has the potential to provide immediate revenue growth and may reduce the need for personnel where manual processes are used currently.



Bureau of Information Services

MISSION

The Information Services Bureau provides technology, management information, business systems, application, and communications support to all city bureaus and offices in the Police, Fire, Business Administration, Public Works, Economic Development, and Community Development departments, as well as the Mayor's office, Controller's office, Treasurer's office, Solicitor's office, Human Relations Commission, and City Council

OBJECTIVES

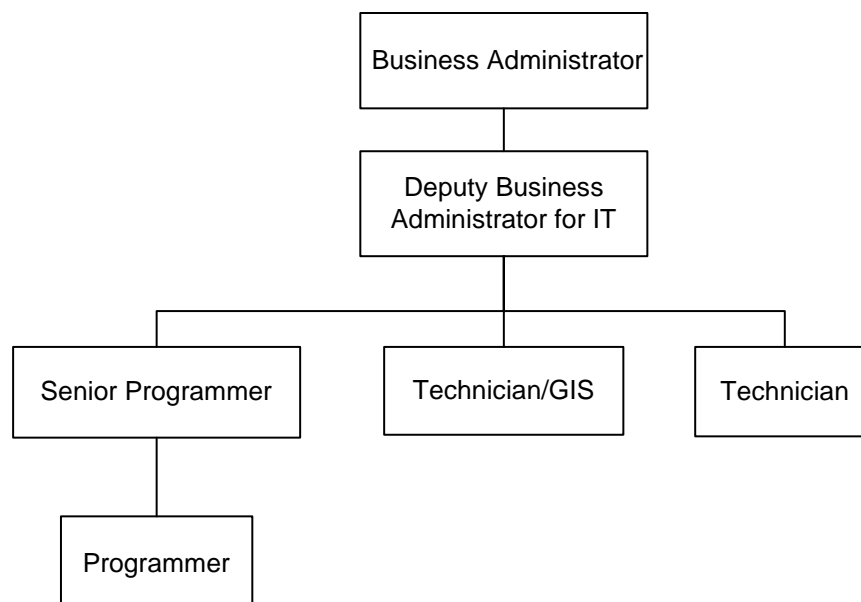
- The development and growth of the city's business systems
- The management and maintenance of the city's technological infrastructure and communications systems
- The management of the city's digital Management Information System

Source: City of York

SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

The Bureau of Information Services consists of five full time regular employees and part time/intern help depending on need and available funds. The Bureau utilizes the Information Services (70-220) and Central Services (70-213) budgets.

ORGANIZATION CHART



HISTORICAL STAFFING LEVELS BY POSITION

Position	2001	2002	2003	2004	2005
Director	1	1	1	1	1
Senior Programmer	1	1	1	1	1
Programmer	2	2	1	1	1
Network Administrator	1	1	1	1	0
Technician/GIS	1	1	1	1	1
Technician	1	1	1	1	1
Webmaster	1	0	0	0	0
Office Clerk	1	0	0	0	0
Total	9	7	6	6	5

EXPENDITURES: ALL FUNDS

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Payroll	\$241,122	\$230,086	\$213,239	\$201,234	\$186,542
Fringe Benefits	\$18,348	\$17,457	\$16,202	\$15,299	\$14,193
Professional Services	\$0	\$0	\$0	\$0	\$0
Special Items	\$0	\$86	\$273	\$479	\$0
Contractual Services	\$52,740	\$67,020	\$116,171	\$93,257	\$110,281
Supplies/Materials	\$1,710	\$1,616	\$725	\$541	\$357
All Other Expenses	\$103,782	\$93,907	\$73,042	\$80,971	\$115,137
Total	\$417,702	\$410,172	\$419,653	\$391,781	\$426,510

PROJECTED

	2006 Budgeted	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Payroll	\$206,823	\$211,994	\$217,293	\$222,726	\$228,294
Fringe Benefits	\$15,821	\$16,201	\$16,606	\$17,021	\$17,446
Professional Services	\$0	\$0	\$0	\$0	\$0
Special Items	\$600	\$614	\$630	\$646	\$662
Contractual Services	\$57,317	\$58,692	\$60,160	\$61,664	\$63,205
Supplies/Materials	\$14,250	\$14,592	\$14,957	\$15,331	\$15,714
All Other Expenses	\$119,000	\$121,856	\$124,902	\$128,025	\$131,226
Total	\$413,811	\$423,949	\$434,548	\$445,412	\$456,547



REVENUES: ALL FUNDS

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0
Act 511 Taxes	\$0	\$0	\$0	\$0	\$0
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Fines & Forfeits	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$0	\$0
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$0	\$0	\$0	\$0	\$0
All Other Revenues	\$570	\$2,231	\$7,562	\$85	\$3,000
Total	\$570	\$2,231	\$7,562	\$85	\$3,000

RECENT ACCOMPLISHMENTS

- **Budget Based Accounting System:**

The development of this commercial level application entirely by in-house staff has been a major accomplishment for the bureau. The system allows for distributed purchasing and accounts payable with solid budget integration. Fund, department, account, or cost-center level budget to actual gives management up to date financial information at the desktop

CHALLENGES AND GOALS

- The constant need for technology replacement and upgrade in an increasingly tight budget will be the major challenge the bureau faces in the following years.

INITIATIVES

FI01: Continue to add new modules to the City's automated financial system

This initiative is described in greater detail in the Finance Bureau section.



Parking Bureau

MISSION

To provide parking facilities and services to meet the parking needs of York city residents, businesses and visitors.

OBJECTIVES

- To offer convenient and affordable parking services to all customers
- To operate all facilities effectively by utilizing the bureau's well-trained staff, available resources/equipment, and focusing on quality customer service
- To modify the bureau in an effort to alter standard operating procedures, services, equipment, and facility uses based on the City's immediate and long term parking trends

RESPONSIBILITIES

The primary responsibility of the Parking Bureau is to manage all of the parking facilities owned by the City of York General Authority and the City, which include three garages and fourteen surface lots. The Bureau is also responsible for meter collection and meter enforcement, meter installation and maintenance.

Source: City of York

SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

Off-Street Parking Operations

The City of York Parking Bureau operates the 3 parking garage facilities and 14 parking lots that are owned by the City of York General Authority (CYGA). The CYGA reimburses the City the amount of the annual operating expense for the Parking Bureau. In addition, the CYGA pays the City an annual administrative fee for services and overhead provided to the Authority by the City's General Fund. The City of York is not reimbursed for the Bureau's Parking Enforcement Officers, because all parking fines are direct revenues of the City.

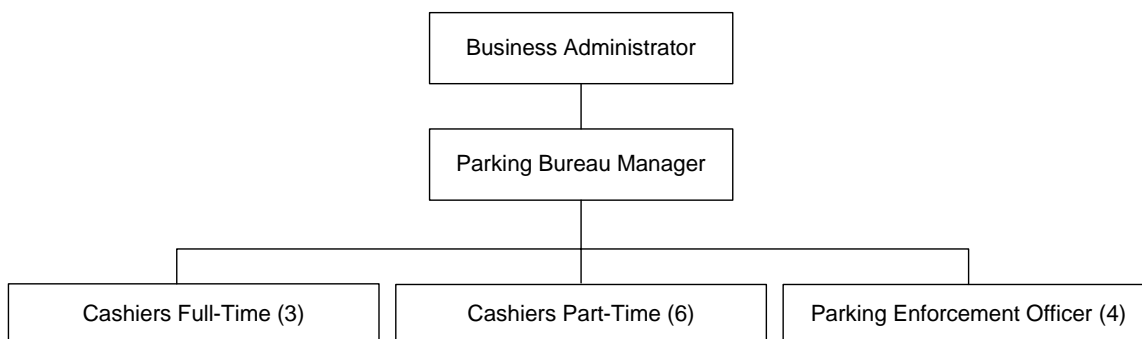
The Parking Bureau consists of a manager, 3 full-time cashiers, 5 part-time cashiers, 4 parking enforcement officers, a parking meter collector/mechanic, and a laborer.

On-Street Parking Meters

The Parking Bureau is also responsible for meter collection and meter enforcement, and the installation and maintenance of over 1080 parking meters. By Ordinance, York City parking meters are in operation Monday to Saturday, 9am – 5pm. By tradition, however, there is no enforcement of this ordinance on Saturdays. The Bureau does undertake enforcement activities on weekends for street sweeping and special events.



ORGANIZATION CHART



HISTORICAL STAFFING LEVELS BY POSITION

Position	2003	2004	2005	2006
Manager/Supervisors	1/2	1	1	1
Maintenance Crew	3	2	1	1
Cashiers/Clerks	7/1	9	9	9
PEO	4	4	4	4
Meter Mechanic	1	1	1	1
Total	19	17	16	16

EXPENDITURES

HISTORICAL

	2001	2002	2003	2004	2005
	Actual	Actual	Actual	Actual	Estimated
Payroll	\$439,972	\$456,232	\$420,841	\$401,933	\$406,119
Fringe Benefits	\$38,696	\$39,684	\$36,087	\$33,469	\$28,326
Professional Services	\$39,410	\$37,170	\$78,168	\$0	\$0
Special Items	\$170,999	\$277,438	\$233,757	\$249,266	\$314,710
Contractual Services	\$129,067	\$99,463	\$79,623	\$77,725	\$90,909
Supplies/Materials	\$88,661	\$16,663	\$10,986	\$10,624	\$12,027
All Other Expenses	\$332,423	\$410,923	\$64,355	\$295	\$3,683
Total	\$1,239,227	\$1,337,573	\$923,816	\$773,312	\$855,775



PROJECTED

	2006	2007	2008	2009	2010
	Budgeted	Projected	Projected	Projected	Projected
Payroll	\$427,876	\$438,556	\$449,520	\$460,758	\$472,277
Fringe Benefits	\$34,395	\$35,220	\$36,101	\$37,004	\$37,929
Professional Services	\$0	\$0	\$0	\$0	\$0
Special Items	\$288,437	\$307,334	\$326,323	\$345,074	\$365,247
Contractual Services	\$109,581	\$112,237	\$115,057	\$117,947	\$120,896
Supplies/Materials	\$22,450	\$22,989	\$23,564	\$24,153	\$24,756
All Other Expenses	\$2,200	\$2,253	\$2,309	\$2,367	\$2,426
Total	\$884,939	\$918,590	\$952,873	\$987,302	\$1,023,531

REVENUES

HISTORICAL

	2001	2002	2003	2004	2005
	Actual	Actual	Actual	Actual	Estimated
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0
Act 511 Taxes	\$0	\$0	\$0	\$0	\$0
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Fines & Forfeits	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$0	\$0
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$1,228,485	\$668	\$866	\$655	\$607
All Other Revenues	\$357	\$1,399,263	\$783,889	\$679,967	\$872,164
Total	\$1,228,842	\$1,399,931	\$784,754	\$680,622	\$872,771



PROJECTED

	2006	2007	2008	2009	2010
	Budgeted	Projected	Projected	Projected	Projected
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0
Act 511 Taxes	\$0	\$0	\$0	\$0	\$0
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Fines & Forfeits	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$0	\$0
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$720	\$727	\$734	\$742	\$749
All Other Revenues	\$696,459	\$713,174	\$731,003	\$749,278	\$768,010
Total	\$697,179	\$713,901	\$731,738	\$750,020	\$768,760

RECENT ACCOMPLISHMENTS

▪ **Installation of Automated Time Clocks**

The addition of automated time clocks has increased accuracy and reduced the time required to process bi-weekly payroll.

▪ **Parking Meter Unit**

The parking meter unit of the Parking Bureau has undergone several operational and personnel changes. The Unit cross-trained a Part-Time Cashier to assist in Meter Mechanic duties, and has subsequently able to accomplish Meter Mechanic function without having to hire a new employee. In addition, the inventory of meter parts, equipment and supplies was recently provided with Bureau focus. The meter parts inventory was re-stocked, equipment was repaired, and supplies were ordered, resulting in renewed operational efficiencies.

CHALLENGES AND GOALS

▪ **Maintenance**

The Parking Bureau's maintenance unit has undergone many reductions in staff over the past years. Given the lower personnel levels, operating at a sustained level equal to prior years has proved challenging for the unit. The Parking Bureau has eliminated its Maintenance Mechanic and Part-Time Janitors.

▪ **Facility Supervision**

The Parking Bureau's primary goal is to adopt stronger revenue control policies, facility security, and productivity levels. According to Bureau management, such a goal may become more attainable with Facility Supervisors on staff. Facility Supervisors would witness and verify that cashier, maintenance, meter collection, and parking enforcement staff are performing duties according to policy. Bureau



management believes that the following benefits may be realized from additional supervisors:

1. Additional shift coverage when needed (holidays, sick days, personal days, and vacation)
2. Deposit verification, documentation, and security
3. Beginning and ending shift operating fund verification and documentation
4. Additional shift coverage for Part-Time Cashiers
5. Facility security (human presence with ability to communicate with management or authorities)
6. Assistance to Bureau management in addressing complaints, supervising maintenance, and other general office duties



PARKING COMPARABILITY

	York	Harrisburg	Lancaster	Reading	Scranton	State College
Number of Spaces						
Garage Spaces	1,269	6,427	3,010	4,574	1,651	4,574
Parking Lot Spaces	994	1,820	148	1,019	150	1,019
Total No. of Lot/Garage spaces	2,263	8,247	3,158	5,593	1,801	5,693
Population	40,862	48,950	56,348	81,207	76,415	38,420
No. of Residents per Space	18	6	18	15	42	7
<i>On-Street Metered Spaces</i>	<i>1,080</i>	<i>1,200</i>	<i>1,000</i>	<i>1,100</i>	<i>2,000</i>	<i>1,100</i>
Budgetary Data (excl. debt)						
Annual Revenues (2004)	\$2,058,041		\$3,115,000	5,981,501		
Annual Expenditures (2004)	\$1,753,627		\$1,500,000	3,316,380		
Revenue/Expenditures	1.17		2.08	1.80		
No. of FTEs	16		17.25	30	25	8.5
Market-Based Revenue?	None		<u>In-House:</u> Approx. \$360 in annual revenues	<u>Outsourced:</u> \$6,400 in annual revenues		
Parking Rates						
Monthly Parking	\$12.50-\$83	<u>Reserved:</u> \$155 <u>Non-reserved:</u> \$50 (River Is.) \$100-\$110 CBD	\$50-\$75	\$67-\$80	\$65	\$72
Hourly Meter Rates	\$1.00	\$1.50 CBD, \$1.00 outside CBD	\$1.00	\$0.75	\$0.50	\$1.00
Meter: Hours of Enforcement	9.00am-5.00pm		8.30am-5.00pm	8.00am-6.00pm Mon-Sat	8.30am-4.30pm (6pm where posted)	8.00am-6.00pm



INITIATIVES

PK01: Commence metered parking enforcement on Saturdays per York City Ordinance

The Traffic Code of the Codified Ordinances of the City of York currently requires payment for metered parking spaces on Mondays-Saturdays between the hours of 9.00am and 5.00pm. However, on-street parking violations are not currently enforced on Saturdays. City of York parking enforcement data indicates that an average of 195 parking tickets per day were issued by enforcement agents during 2005 (excluding street sweeper enforcement). Because demand for on-street parking is not as high on Saturdays as during the average weekday, Saturday enforcement is not projected at 195 tickets each day. Instead, the average weekday number of tickets is discounted by 50 percent to 97 daily tickets and multiplied by the current parking fine of \$15.00. PFM believes that the following discounted fiscal impact table represents a reasonable, conservative estimate of commencing enforcement activities on Saturday. In addition to the revenues indicated below, it would be expected that meter deposits would increase in response to wider enforcement activities. This secondary revenue would be realized by the City of York General Authority.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	50%	50%	50%	50%	50%
Fiscal Impact	\$90,150	\$90,150	\$90,150	\$90,150	\$90,150

PK02: Amend Ordinance to extend hours of meter operation from 5pm to 6.30pm

As shown in the preceding Parking Comparability Matrix, several of York's peer cities enforce parking meter hours before 9.00am and after 5.00pm. For example, Reading realizes revenues from 2 additional hours of metered parking every day, from 8.00-9.00am and from 5.00pm-6.00pm. The following fiscal impact table provides a costed estimate of 90 minutes of additional enforcement each day (Monday-Friday). The proposed 6.30pm stoppage time coincides with the daily end of Parking Bureau staffing in the City's downtown garages. However, the City could choose to amend its ordinance by extending parking hours before 9.00am as well as or as an alternative to metered parking after 5.00pm. The initiative is costed using an average hourly number of parking tickets from 2005 (37) and is discounted by 50 percent to reflect the assumed lower demand for metered spaces after 5.00pm. In addition to the revenues indicated below, it would be expected that meter deposits would increase in response to wider enforcement activities. This secondary revenue would be realized by the City of York General Authority.



DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	50%	50%	50%	50%	50%
Fiscal Impact	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000

PK03: Amend Ordinance to extend hours of meter operation on Fridays and Saturdays until 12am

A third variation of a parking enforcement revision would extend metered hours and parking enforcement on Friday and Saturday nights until 12 midnight. Such a revision would allow the City to realize additional revenues to offset the costs of policing and other city services incurred as a result of increased activity in the downtown area on weekends. The initiative is costed using the calculated average hourly number of parking tickets from 2005 (37) and is discounted by two-thirds to reflect the assumed lower demand for metered spaces between 6.30pm and 12.00am. As with the prior parking meter initiatives, meter coin deposits would increase in response to wider enforcement activities and the new ordinance requirements – this secondary revenue would be received by the City of York General Authority.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	67%	67%	67%	67%	67%
Fiscal Impact	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500

PK04: Parking Garage Naming Rights

The General Authority has initiated discussions pertaining to the possible leasing of the naming rights for its three parking garage facilities. Although peer cities have raised significant revenues from naming rights and similar market-based initiatives, proceeds relating to naming rights to the City's parking garages would be realized by City of York General Authority, and as such, no City revenues are outlined below. However, City proceeds projected from a comprehensive Market-Based Revenue Opportunities (MBRO) initiative are outlined in the Revenues Chapter.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	TBD	TBD	TBD	TBD	TBD
Fiscal Impact	TBD	TBD	TBD	TBD	TBD

OTHER PARKING-RELATED INITIATIVES

RV01: Institute a Parking Tax

Potential revenues from a parking tax initiative and tax collection information from peer cities are provided in greater detail in the Revenue chapter of this Five Year Plan.



Human Resources and Risk Management

MISSION

To support the City of York's mission through the support of elected officials, managers, and employees in all matters, including, wellness, health care, and professional development.

OBJECTIVES

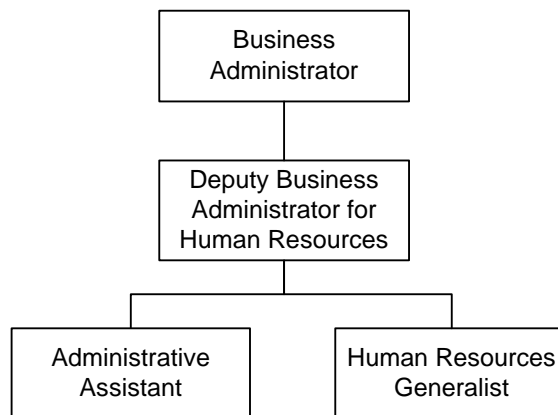
- Complete job analyses needed
- Provide training to managers

Source: City of York

SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

All aspects of personnel management are the responsibility of Human Resources including recruitment and placement, equal employment opportunity, employee relations, attendance management, benefits and services, and personnel transactions and records. Monitoring personnel policies and procedures as well as maintaining a good working relationship with the collective bargaining units is an important part of Human Resources.

ORGANIZATION CHART



HISTORICAL STAFFING LEVELS BY POSITION

Position	2001	2002	2003	2004	2005
Deputy Business Administrator			1	1	1
Human Resource Generalist					1
HR Admin. Assistant				1	1
Benefits Coordinator	1	1	1	1	
HR Specialist	1	1	1		
Labor Relations Specialist	1				
Total	3	2	3	3	3

HUMAN RESOURCES

EXPENDITURES

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Payroll	\$154,901	\$68,978	\$96,564	\$93,985	\$102,353
Fringe Benefits	\$12,675	\$5,215	\$7,318	\$7,135	\$7,745
Professional Services	\$20,782	\$25,898	\$83,711	\$65,393	\$115,500
Special Items	\$17,546	\$720	\$853	\$602	\$220
Contractual Services	\$23,489	\$11,187	\$15,193	\$39,540	\$37,353
Supplies/Materials	\$4,821	\$2,583	\$5,006	\$3,852	\$6,991
All Other Expenses	\$4,606	\$0	\$1,837	\$0	\$0
Total	\$238,818	\$114,583	\$210,483	\$210,507	\$270,162

PROJECTED

	2006 Budgeted	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Payroll	\$108,557	\$111,271	\$114,053	\$116,904	\$119,827
Fringe Benefits	\$10,572	\$10,826	\$11,096	\$11,374	\$11,658
Professional Services	\$97,000	\$152,168	\$167,347	\$182,531	\$202,719
Special Items	\$20,700	\$21,197	\$21,727	\$22,270	\$22,827
Contractual Services	\$44,190	\$45,250	\$46,382	\$47,541	\$48,730
Supplies/Materials	\$5,200	\$5,325	\$5,458	\$5,594	\$5,734
All Other Expenses	\$0	\$0	\$0	\$0	\$0
Total	\$286,219	\$346,037	\$366,062	\$386,214	\$411,494



REVENUE**HISTORICAL**

	2001	2002	2003	2004	2005
	Actual	Actual	Actual	Actual	Estimated
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0
Act 511 Taxes	\$0	\$0	\$0	\$0	\$0
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Fines & Forfeits	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$0	\$0
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$0	\$0	\$4,450	\$11,350	\$0
All Other Revenues	\$711	\$1,427	\$35	\$0	\$22
Total	\$711	\$1,427	\$4,485	\$11,350	\$22

RISK MANAGEMENT**EXPENDITURES****HISTORICAL**

	2001	2002	2003	2004	2005
	Actual	Actual	Actual	Actual	Estimated
Payroll	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$3,432,777	\$3,945,244	\$3,933,160	\$4,746,449	\$5,338,930
Professional Services	\$300	\$125	\$761	\$190	\$0
Special Items	\$23,811	\$43,404	\$91,252	\$890,770	\$329,960
Contractual Services	\$185,590	\$459,337	\$551,385	\$404,820	\$598,486
Supplies/Materials	\$0	\$0	\$0	\$0	\$0
All Other Expenses	\$0	\$0	\$0	\$0	\$0
Total	\$3,642,478	\$4,448,110	\$4,576,558	\$6,042,229	\$6,267,376



PROJECTED

	2006	2007	2008	2009	2010
	Budgeted	Projected	Projected	Projected	Projected
Payroll	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$5,865,000	\$6,462,360	\$6,958,784	\$7,446,282	\$7,974,269
Professional Services	\$0	\$0	\$0	\$0	\$0
Special Items	\$502,000	\$514,048	\$526,899	\$540,072	\$553,573
Contractual Services	\$610,500	\$652,712	\$675,405	\$700,290	\$723,372
Supplies/Materials	\$0	\$0	\$0	\$0	\$0
All Other Expenses	\$0	\$0	\$0	\$0	\$0
Total	\$6,977,500	\$7,629,120	\$8,161,088	\$8,686,643	\$9,251,215

RISK MANAGEMENT: REVENUE

HISTORICAL

	2001	2002	2003	2004	2005
	Actual	Actual	Actual	Actual	Estimated
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0
Act 511 Taxes	\$0	\$0	\$0	\$0	\$0
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Fines & Forfeits	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$4,264	\$17,315	\$13,381	\$0
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$0	\$0	\$0	\$0	\$0
All Other Revenues	\$341,578	\$530,720	\$941,516	\$462,580	\$466,126
Total	\$341,578	\$534,985	\$958,831	\$475,961	\$466,126



PROJECTED

	2006	2007	2008	2009	2010
	Budgeted	Projected	Projected	Projected	Projected
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0
Act 511 Taxes	\$0	\$0	\$0	\$0	\$0
Licenses & Permits	\$0	\$0	\$0	\$0	\$0
Fines & Forfeits	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$0	\$0
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Charges for Services	\$0	\$0	\$0	\$0	\$0
All Other Revenues	\$352,700	\$361,165	\$370,194	\$379,449	\$388,935
Total	\$352,700	\$361,165	\$370,194	\$379,449	\$388,935

RECENT ACCOMPLISHMENTS

- **Adopted a Self-Funding Workers Compensation Policy**
- **Workers Compensation Review Committee**
The City has an established committee that reviews claims for workers compensation. Human Resources has been impressed with the success of the group and the low incidence of claims made against the City. The committee also performs an important proactive function in addressing the root cause of each claim and taking steps with line managers to reduce the reoccurrence of similar injuries.
- **Contracted with a new Third-Party Administrator for the city's health benefits**
The contract with the new health benefits administrator was initiated on January 1, 2006. In the coming year, the City expects to recognize savings as a result of an expanded provider network offering more discounts and the availability of more timely and electronic based reports which will allow Human Resources staff to closely monitor and manage claims for both accuracy and trends. The new system also provides better customer service for employees as services and account information can be accessed via the Internet.
- **Created RFP to Contract with Benefits Consultant**
Recognizing the trend in increasing health care costs, the City is developing an RFP to hire a benefits consultant to help identify areas to reduce employers liabilities for health care costs.

CHALLENGES AND GOALS

- **Health benefit costs**
The cost of health benefits has increased dramatically in York as in other jurisdictions in Pennsylvania and nationwide. The City's goal is to negotiate such that represented



employees make appropriate contributions towards the cost of their health benefits. The City also envisions a more equitable approach to the provision of benefits by aligning employee contributions and co-payments for both bargaining unit employees and non-represented employees.

- **Time and Attendance**

The Human Resources staff currently manages the time and attendance process for YCEU members, YPEA, members, IBEW members and NAFF employees. Human resources staff would like to centralize time and attendance management for all York employees, including police and fire personnel. By centralizing time and attendance record keeping, the City can ensure the proper application of City policies and a streamlined process that reduces duplication of effort and the resultant errors in managing multiple systems.

- **Human Resources Website**

Re-design the human resources section of the city website to include all policies, procedures and contracts, and provide an interactive site for employees.

- **Staffing**

Given an aging and declining workforce, city management will need to adopt a process for recruitment and training to attract employees that are able to accept roles requiring skills and knowledge across a number of disciplines. The City will also seek to form partnerships with local institutions to help provide professional development at a no cost or minimal cost to the City. Through the development of this program the City will need to continue its efforts to increase diversity in the workplace by ensuring that recruitment and training programs that are developed are inclusive from both the perspective of hiring and promotional development.

INITIATIVES

HR01: Centralize Time and Attendance Management and Record Keeping

Time and attendance is tracked by three distinct groups. Human Resources staff manages time and attendance for YCEU, YPEA, IBEW and NAFF members. The Police and Fire Departments manage time attendance for their departments.

PFM recommends centralizing all time and attendance management and record keeping functions be housed in Human Resources. The City should streamline this function by either reducing or repositioning the staff dedicated to time and attendance and management in the Police Department and Fire Department in the Human Resources Department. Human Resources should also be equipped with an electronic reporting format for time and attendance that allows staff to routinely monitor and manage performance. Currently, staff must rely on biweekly reports generated from the payroll system that do not allow the detail necessary to ensure adherence to the City's Policy.



By increasing scrutiny of time and attendance record keeping and management, the City can reduce erroneous payments that can occur as a result of managing multiple record systems. A centralized time and attendance system can also improve the management of schedules by allowing staff to recognize patterns in leave usage and modify assignments accordingly.

HR02: Hire a Benefits Consultant

Given the high cost of employee healthcare, as well as the increasing complexity within this area, it is important for employers to maintain access to professional expertise and assistance when developing and implementing cost containment options. In this specialized area, a modest investment in outside support can potentially generate significant long-term savings. Accordingly, it is recommended that York pursue the competitive selection of a qualified benefits consultancy, a process now underway. Annual expenditures of approximately \$50,000 are preliminarily proposed for this support.

	FY2006	FY2007	FY2008	FY2009	FY2010
Fiscal Impact	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)

HR03: Develop a Preventive Health and Wellness Plan

The City does not offer an extensive health and wellness plan for employees. As the City is self-insured for health benefits, PFM believes that a proactive approach of offering employees a variety of lifestyle improvements through preventive health services would be beneficial to the City.

The Human Resources Department should develop a program offering an array of services, such as: nutrition classes, exercise programs, disease management, and health evaluation coaching. The City can approach a Benefits Consultant with these ideas or even approach local institutions, such as religious groups, medical professionals and educational systems for assistance in developing a suitable program. To encourage participation, the City's benefit plan redesign might include incentives, such as the Commonwealth of Pennsylvania's "Get Healthy" initiative which discounts employee premium contributions for state employees who participate in individual health management programs



Police Department



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Police Department

Public Financial Management partnered with the Matrix Consulting Group to undertake the public safety services audit portion of the Early Intervention Plan for the City of York. Matrix's work with scores of public safety departments across the country makes them particularly well-qualified to assist with the review of York's police, fire and emergency medical services.

The core of this chapter of the Plan is Matrix's operational review of the Police Department. Introducing that document is overview information on historical crime trends, and comparative analysis of crime data in 15 Pennsylvania cities. After the Matrix analysis is a summary of recommended initiatives for York's Police Department.

INCIDENTS OF CRIME IN YORK

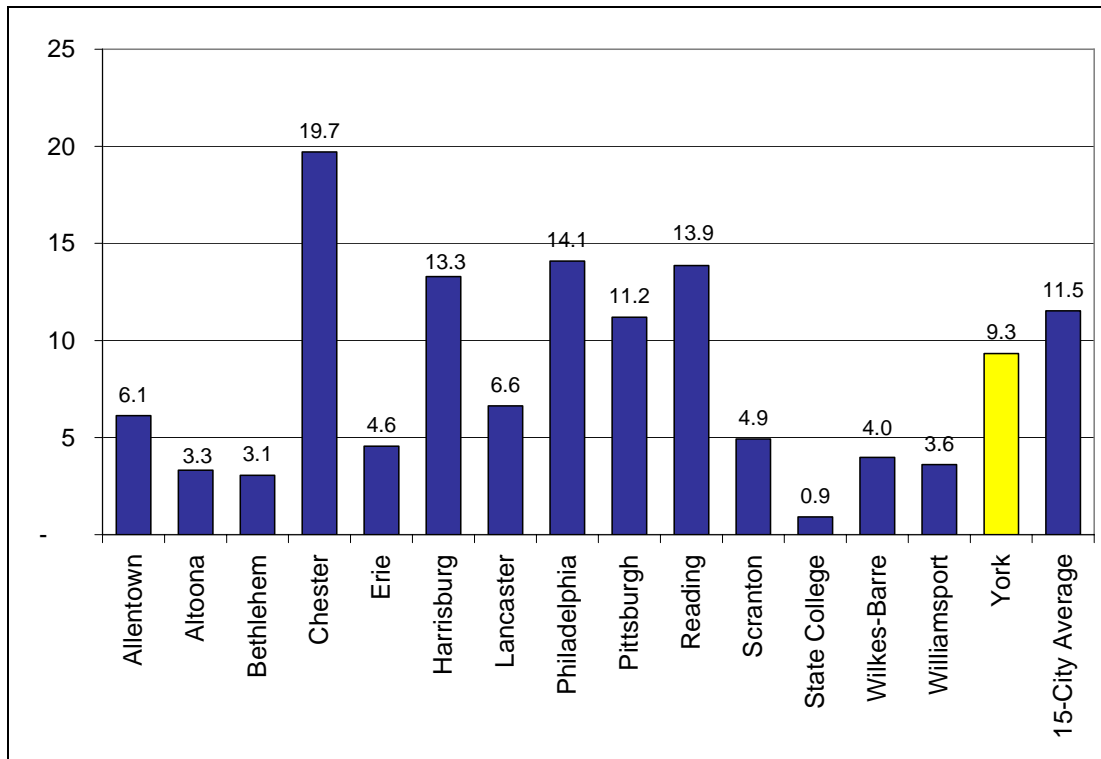
The following multi-city crime rate comparisons are drawn from Uniform Crime Data reporting system maintained by the United States Federal Bureau of Investigation. They summarize major trends in intercity comparisons. While the rate of crime is an indicator of demand for service and community public safety, it is important to note that this measure is influenced by multiple sociological and economic factors in addition to law enforcement performance. Comparisons of criminal activity should be used to help assess demand for services as much as the effectiveness of law enforcement.

Violent Crime

Uniform Crime Data (UCR) from 2004 indicates that the rate of violent crime in York is close to the mean of the fifteen large Pennsylvania cities in the UCR violent crime sample. While York has less violent crime than the much-larger cities of Philadelphia and Pittsburgh, as well as nearby peers like Reading and Harrisburg, its rate is higher than that of other comparable cities like Lancaster.



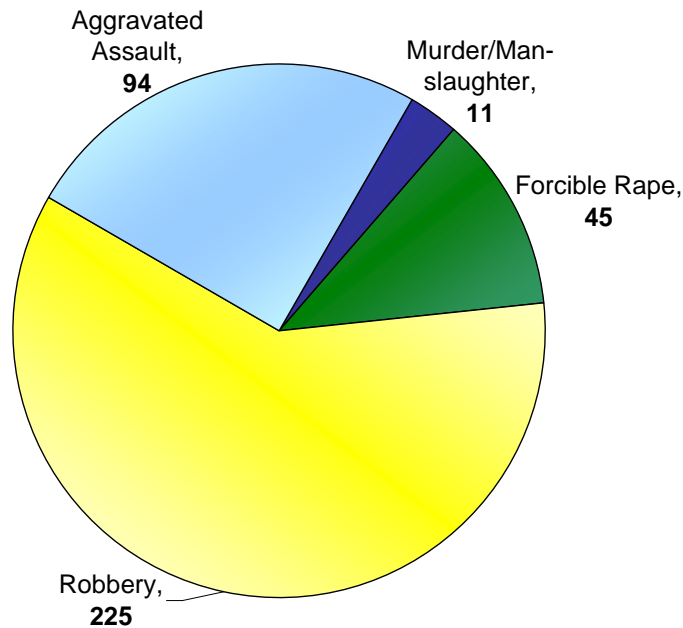
**FIGURE 1: VIOLENT CRIMES PER THOUSAND IN TEN PENNSYLVANIA CITIES
UNIFORM CRIME REPORTS 2004 (LATEST AVAILABLE YEAR)**



The following chart illustrates the breakdown of violent crimes in York in component offenses. Robbery and aggravated assault constitute over 90 percent of crimes classified as violent.



**FIGURE 2: VIOLENT CRIME BY TYPE REPORTED IN THE CITY OF YORK
UNIFORM CRIME REPORTS 2004 (LATEST AVAILABLE YEAR)**



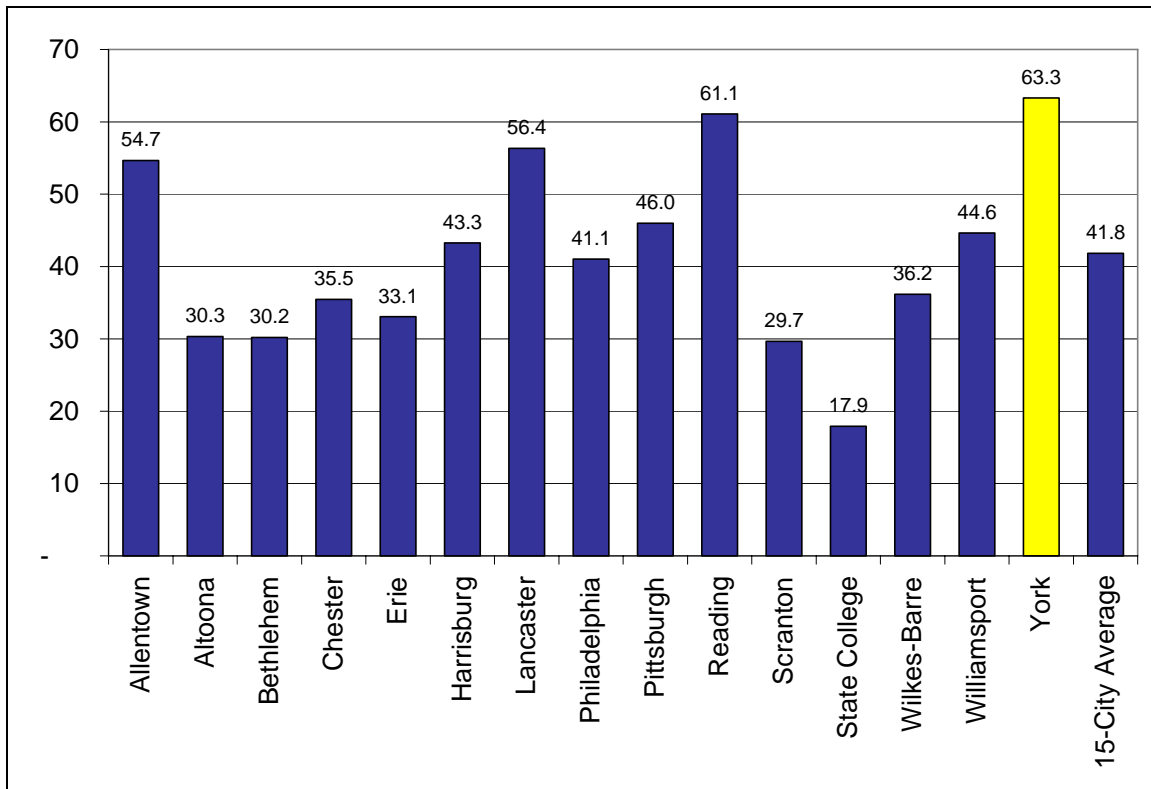
Property Crime

Unlike violent crime, levels and rates of property crime in York were in the upper range among its peer cities in 2004. York had a significantly higher total number of property crimes than moderate- and large-sized Pennsylvania cities, and was the highest among the fifteen cities sample shown in Figure 3. Note that the second- and third-highest, respectively, in this category were the neighboring cities of Reading and Lancaster.

Figure 4 illustrates the breakdown of York property crimes into component offenses. Larceny-theft was the most frequent property crime, constituting over 68 percent of all property crimes in 2004.



**FIGURE 3: PROPERTY CRIMES PER THOUSAND IN FIFTEEN PENNSYLVANIA CITIES
UNIFORM CRIME REPORTS 2004 (LATEST AVAILABLE YEAR)**



**FIGURE 4: PROPERTY CRIME BY TYPE REPORTED IN THE CITY OF YORK
UNIFORM CRIME REPORTS 2004 (LATEST AVAILABLE YEAR)**

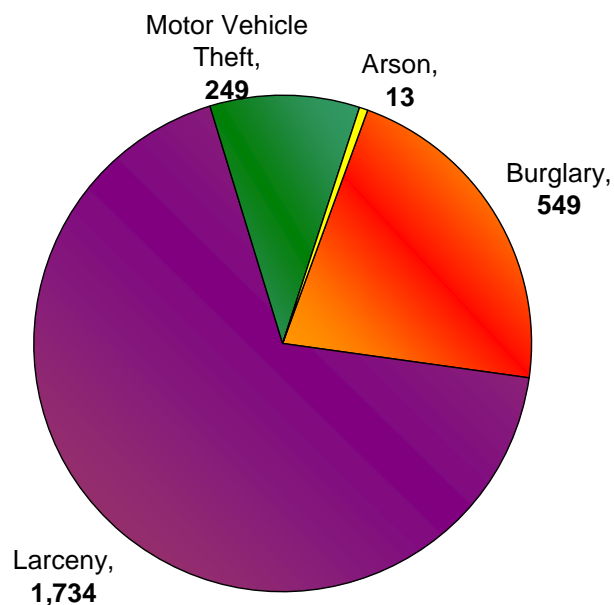


FIGURE 5: PART ONE OFFENSES IN FIFTEEN PENNSYLVANIA CITIES, 2004

City	Population	Violent crime	Violent crime Per Capita	Murder/Man- slaughter	Rape	Robbery	Assault	Property Crime	Property Crime per capita	Burglary	Larceny	Motor Vehicle Theft	Arson	% Cleared
Allentown	106,308	652	0.61%	11	51	360	230	5,811	5.47%	1,389	3,861	530	31	15.6
Altoona	48,138	160	0.33%	2	25	64	69	1,460	3.03%	414	940	93	13	19.7
Bethlehem	72,810	223	0.31%	1	24	83	115	2,200	3.02%	400	1,640	155	5	22.2
Chester	37,139	732	1.97%	20	31	170	511	1,317	3.55%	396	616	278	27	21.7
Erie	101,708	463	0.46%	4	65	206	188	3,364	3.31%	747	2,470	119	28	32.5
Harrisburg	48,482	644	1.33%	11	50	342	241	2,098	4.33%	488	1,457	133	20	28.9
Lancaster	55,534	368	0.66%	3	31	181	153	3,130	5.64%	430	2,381	281	38	22.8
Philadelphia	1,484,224	20,905	1.41%	333	1,001	9,757	9,814	60,931	4.11%	10,536	37,808	12,587	0	22.2
Pittsburgh	334,231	3,740	1.12%	47	99	1,602	1,992	15,365	4.60%	3,045	9,841	2,392	87	25.3
Reading	80,570	1,116	1.39%	14	36	401	665	4,922	6.11%	1,384	2,330	1,143	65	20.3
Scranton	74,565	367	0.49%	3	51	104	209	2,212	2.97%	516	1,471	203	22	13.3
State College	53,476	49	0.09%	0	6	16	27	959	1.79%	111	823	21	4	30.0
Wilkes-Barre	41,767	166	0.40%	3	15	90	58	1,511	3.62%	267	1,107	119	18	16.5
Williamsport	29,970	108	0.36%	0	5	53	50	1,338	4.46%	227	1,024	79	8	27.5
York	40,213	375	0.93%	11	45	225	94	2,545	6.33%	549	1,734	249	13	14.6
15-City Average	173,942	2,005	0.79%	31	102	910	961	7,278	4.15%	1,393	4,634	1,225	25	22.2
Average Excluding Philadelphia and Pittsburgh	60,822	417	0.72%	6	33	177	201	2,528	4.12%	563	1,681	262	22	22.0

Source: Commonwealth of Pennsylvania, State Police

The report of the Matrix Consulting Group follows.



ANALYSIS OF THE POLICE DEPARTMENT

This chapter of the report provides the project team's evaluation and analysis of the organization and operations of the York City Police Department. The project team's analyses focused on a wide range of issues including staffing, deployment, organization, management systems and other issues. The section, which follows, provides a brief descriptive summary of the Police Department.

1. DEPARTMENTAL OVERVIEW.

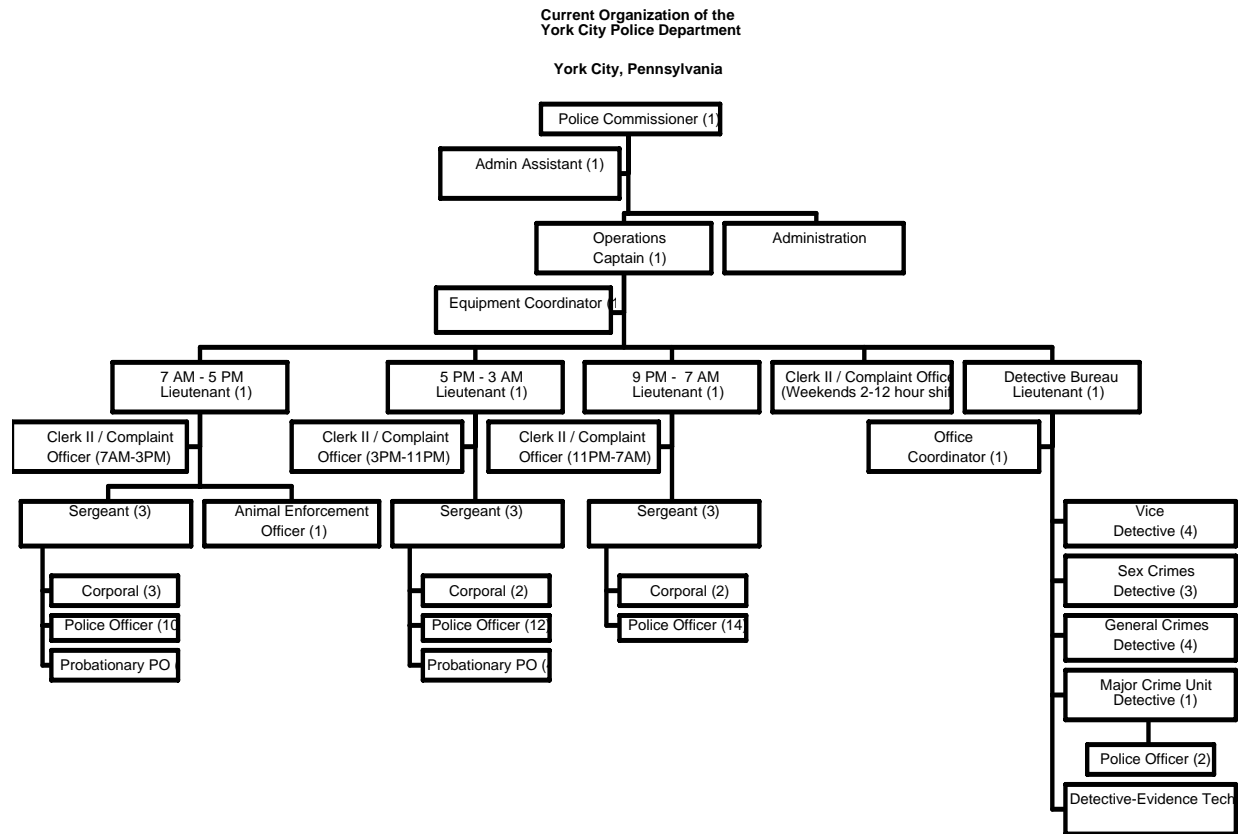
The Police Department is the primary law enforcement agency within the boundaries of the City of York. The Police Department handles initial call response (Patrol), follow-up investigations (Detective) and a range of services to the community (e.g., Community Policing, School Resource Officers, Animal Control, etc.) The table, which follows, presents a brief summary.

Unit / Function	Programs
Patrol	<ul style="list-style-type: none">• Provides reactive and proactive law enforcement services.• Responds to calls for service.• Patrol designated districts in the City.
Investigations	<ul style="list-style-type: none">• Follow-up investigations• Evidence processing
Community Services	<ul style="list-style-type: none">• Responsible for community policing and target enforcement (e.g., nuisance abatement, school resources, etc.)• Crime prevention
Administration	<ul style="list-style-type: none">• Records• Training• Property and evidence• Traffic safety• Internal affairs investigations

The section, which follows, presents the organization and staffing of the York City Police Department.

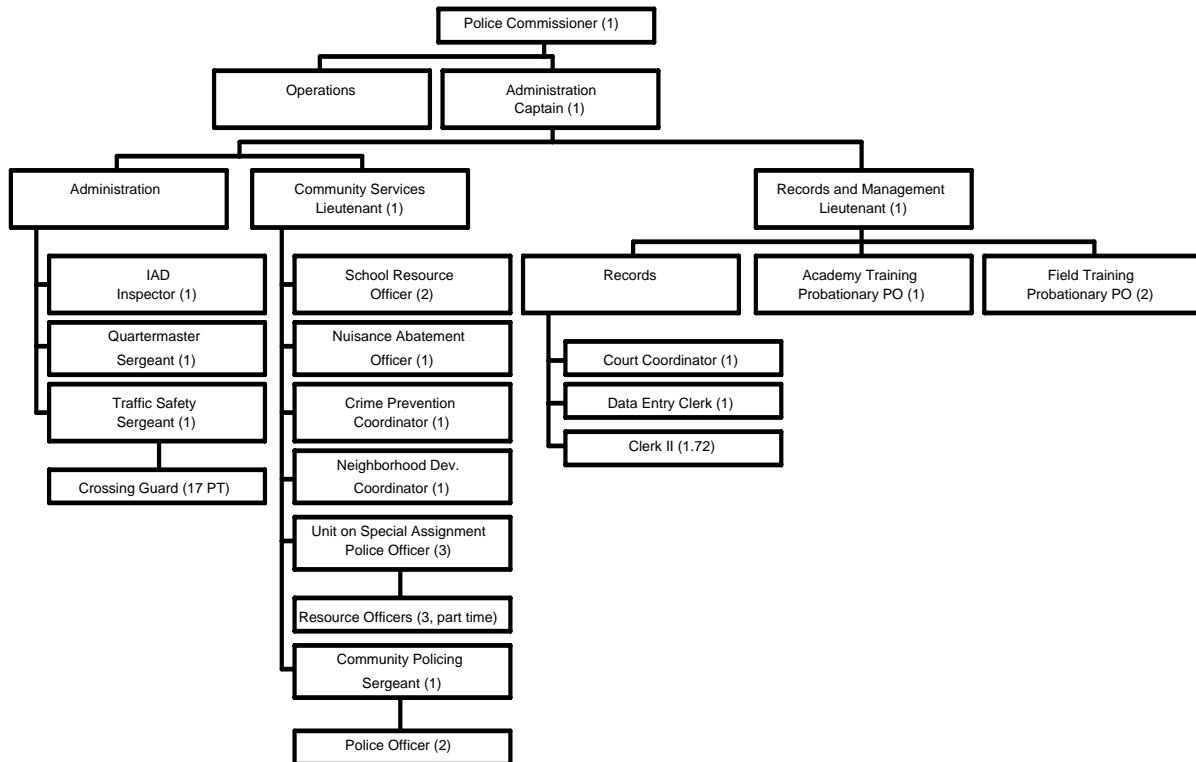
2. STAFFING SUMMARY OF THE YORK CITY POLICE DEPARTMENT.

The organization chart, which follows, shows the deployment and number of positions within each area of the Police Department. The organization chart reflects authorized staffing in the York City Police Department.



YORK CITY, PENNSYLVANIA
Staffing Analysis of the Police Department

Current Organization of the
York City Police Department (continued)
York City, Pennsylvania



The following table shows the number of authorized staffing in the major service areas of the Department broken down by sworn and non-sworn positions:

Classification	Number of Authorized FTEs
Sworn	
Police Commissioner	1
Captain Police	2
Inspector	1
Lieutenant Police	6
Detective I Class	3
Detective	9
Sergeant	12
Corporal	10
Police Officer	53
Probationary Police Officer	3

Classification	Number of Authorized FTEs
Non-Sworn	
Administrative Assistant	1
Animal Enforcement Officer	1
Clerk II	5
Com Police OTPST Clerk	3 PT
Court Coordinator	1
Crime Prevention Coordinator	1
Data Entry Clerk	1
Equipment Coordinator	1 PT
Crossing Guard	17 PT
Neighborhood Development Coordinator	1
Office Coordinator	1
Police COMP Tech / Admin	1

As shown in the above table, the York City Police Department has an authorized staffing level of 134.0 employees; the Department has 110.0 full time equivalent positions (FTE's). There are 97 sworn employees, including the Police Commissioner. The complement of Police Officers also includes new recruits in the Academy as well as in field training.

3. PATROL STAFFING ANALYSIS

This section presents the staffing analysis for patrol functions in the York City Police Department. This includes an analysis of workload, deployment and staff for the Police Department's field operations.

(1) Patrol Office Shift Assignments and Schedules Were Reviewed.

The current shift assignments and schedules of patrol officers were reviewed. Personnel assigned are assigned as follows:

- Staff are assigned to one of three 10-hour shifts. Each shift has two teams working opposite days.
- There is one Lieutenant assigned to each of the three patrol shifts.
- There are three Sergeants assigned to each shift: one Sergeant assigned to each team and one floating Sergeant to cover weekends and leave time.
- Day Shift (0700 – 1700) – currently there are three Corporals and thirteen Police Officers assigned to this shift.
- Evening Shift (1700 – 0300) – there are two Corporals and sixteen Police Officers assigned to this shift.

- Swing Shift (2100 – 0700) – there are two Corporals and fourteen Police Officers assigned to this shift.

The City is divided into three Patrol districts, including East, West and Central to which Patrol Officers are assigned and responsible for responding to calls for services, as well as conducting proactive enforcement activities. The table, which follows, presents the shift assigned by number of personnel, excluding five (5) staff in academy or field training at the time of the assessment as well as proactive enforcement units.

Classification	0700 – 1700	1700 – 0300	2100 – 0700
Lieutenant	1	1	1
Sergeant	3	3	3
Corporal	3	2	2
Patrol Officer	13	16	14
Total	20	22	20

As noted above, each shift has two teams, meaning that on average for each shift each day, approximately 8 to 14 staff are scheduled to work. This does not reflect leave time coverage, which will be addressed in the next section of this report.

(2) Average Net Availability Was Calculated for Patrol Officers.

The Matrix Consulting Group reviewed leave time data to determine the net availability of sworn personnel. The table, which follows, provides the average net availability by classification for the York City Police Department.

	Average Number of Hours per Officer
Leave Time (e.g., sick, vacation, etc.)	326
Training	88
Total Unavailable Hours	414
Total Annual Hours (52 Weeks X 40 Hours)	2,080
Est. Time Available (Total Annual Hours, 2,080, minus est. leave / training)	1,666
% Available	80%

The table above shows the estimated number of hours a Patrol Officer is available for work (i.e., net hours) based on available data regarding leave usage, training, etc. Taking into consideration actual hours used for vacation, sick time, training, etc. hours taken during FY 2005, a patrol officer is available 1,666 shift hours per year, or about 80% of total hours. This

net availability number is within the range commonly seen by the project team in other departments.

The next table calculates the net number of police officers and corporals available each shift based on the net availability factor shown above.

	0700 – 1700		1700 – 0300		2100 – 0900	
	Average Assigned	Average/ Shift	Average Assigned	Average/ Shift	Average Assigned	Average/ Shift
Avg. P.O.'s & Corps.	8.00	6.40	10.75	8.60	13.63	10.9

(3) The York City Police Department Responded to 21,031 Estimated Annualized Community Generated Calls for Service in the Past Year in Addition to Activity Generated by Officers in the Field.

The analysis of community generated workloads is critical in law enforcement. While field law enforcement personnel perform many activities while on duty community generated workloads, or ‘calls for service’ is central to understanding field resource commitments, service level options and staffing needs. This is because a response is generally required to a request for service, while proactive activities are discretionary, policy directed and are possible or not as a result of field resource committed times. While the project team considered all field activities in its study of patrol services and staffing needs, our principal focus was on community generated workloads.

The Matrix Consulting Group sampled dispatch cards provided by the York County Control, which provided data regarding the type of calls, processing times, number of officers, etc.

The project team sampled data from the first week of each quarter in 2004. These data were then reviewed to determine the count of calls, the distribution of calls for service by time of day and day of week. Then, data were annualized to reflect estimated field workloads and service levels. This analysis resulted in the following findings:

- Patrol responded to 21,031 community generated calls for service. This number of calls for service falls within a range commonly seen for calls per capita in most urban agencies – of between 0.4 – 0.6 calls for service per capita.
- ‘Calls for service’ need to be distinguished from ‘field activity’. By the YCPD’s estimate, patrol personnel handled over 58,000 pieces of activity – about 37,203 pieces of this work was officer initiated activity. The project team examined these workloads as evidence of the *use* of proactive time.

The next table presents the annualized number of calls for service (not including officer initiated activity) by day and hour based on our sample of dispatch cards.

Annual Estimate of Calls for Service Based on Sample of Data for 2004									
Hour	Sun.	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.	Total	% of Calls by Hour
0000	209	70	139	35	104	52	261	869	4%
0100	156	52	104	104	156	52	104	730	3%
0200	104	70	70	52	35	87	122	539	3%
0300	156	35	35	52	70	0	139	487	2%
0400	70	17	35	52	122	35	87	417	2%
0500	52	87	17	35	52	52	70	365	2%
0600	70	70	70	35	70	52	17	382	2%
0700	70	35	70	52	139	35	104	504	2%
0800	87	87	104	35	122	104	104	643	3%
0900	35	122	70	35	70	104	70	504	2%
1000	104	70	104	104	104	35	52	574	3%
1100	156	226	35	87	156	139	35	834	4%
1200	104	35	104	52	52	70	70	487	2%
1300	35	52	122	104	191	35	174	713	3%
1400	122	139	87	87	104	122	122	782	4%
1500	87	174	139	209	174	209	243	1,234	6%
1600	87	174	243	226	243	261	87	1,321	6%
1700	174	330	226	191	261	104	139	1,425	7%
1800	209	243	243	122	156	226	226	1,425	7%
1900	243	122	209	209	243	226	104	1,356	6%
2000	139	209	243	139	139	87	70	1,025	5%
2100	278	226	174	104	278	174	382	1,616	8%
2200	174	87	452	156	243	226	313	1,651	8%
2300	156	122	87	87	191	191	313	1,147	5%
Total	3,076	2,850	3,181	2,364	3,476	2,677	3,407	21,031	100%
% of Calls by Day	15%	14%	15%	11%	17%	13%	16%	100%	0%

As shown in the table, calls for services are distributed evenly among the days of week. There are expected variations of calls by hour with the number of calls increasing in the later hours of the afternoon and evening.

The YCPD collects additional patrol-related workload data. These additional workloads are or can be proactive (or officer initiated) activities or related to the call activity described above. The table, which follows, presents the information contained in the Department's annual report for 2004. It should be noted that the activity counts provided in the table could be double counted (e.g., the response and the report).

ANNUAL REPORT FOR 2004 – PATROL DATA				
	Days	Swings	Nights	TOTAL
TRAFFIC ENFORCEMENT				
Parking Tickets	2,365	2,264	2,488	7,117
Traffic Citations	1,162	1,318	1,054	3,534
Faulty Equipment / Warning Cards	713	962	694	2,369
CRIMINAL ENFORCEMENT				
Felony Arrests	94	102	89	285
Misdemeanor Arrests	212	220	182	614
Summary Arrests	480	844	609	1,933
Warrants Served	948	1,514	1,220	3,682
Persons Arrested on Warrants	452	702	572	1,726
Curfew Violations	0	33	66	99
OTHER ACTIVITIES				
Incident Reports	2,254	1,981	1,414	5,649
Accident Reports	933	591	266	1,790
Follow-up Reports	1,675	584	515	2,774
Field Interviews	48			48
Police Vehicle Miles Traveled	71,954			71,954
Investigation Hours	4,040			4,040

(4) Response Times to Calls for Service Are Within an Expected Range.

Response times can be an important indicator of the level of service provided by the community. While not perfect, it provides an indirect measure of the availability of officers to be 'free' to respond to an new request for service. As a result, in addition to reviewing the number and distribution of calls, the project team reviewed the average time associated with processing each call. These times included:

- Dispatch handling time (i.e., from receipt of the call to the time the call is dispatched to the officer).
- Travel time (i.e., time from dispatch of the call to on scene). Because call priorities are not recorded by the Department or by Communications, the average travel time reflects responses to emergency and non-emergency events.
- On scene time (i.e., time from arrival on scene to completion of call).
- Total call handling time (i.e., travel time plus on scene time).

The table, which follows, presents the average times for each of the above elements based on the sample of data collected by the project team. The table shows the average for all calls since priorities are not assigned to calls for service.

Average Processing Times for 2004 Calls			
Dispatch Time	Travel Time	On Scene Time	Total Handling Time
0:03:28	0:09:17	0:18:08	0:27:25

While the lack of a call prioritization system impacts the ability to understand differences in handling emergency versus non-emergency calls, these times indicate the following to the project team:

- On scene handling time is at the low end of the range (30 – 40 minutes) often seen by the project team. This may indicate something about the levels of call severity or how calls are handled by officers in the field.
- Travel and on scene times are in expected ranges of call response times when calls are grouped together without respect to priority. To obtain an average, such as that seen in the table, departmental averages of under five minutes for emergency calls and over 20 minutes for non-emergency calls (especially during busy periods) are typical.

- Dispatch 'queue' or handling time is as expected, again recognizing that high priority calls can be dispatched in under a minute for low priority calls during peak activity times can be held for relatively long periods.

The next section ties together the data relating to officer deployments and workload to generate an analysis of levels of commitment and proactivity.

(5) Proactive Time Is an Essential Element of an Effective Field Patrol Force and Should Be Specific Time and Utilization Targets in a Staffing Analysis.

The provision of field patrol services in municipal law enforcement agencies has come full circle in the United States in the past 15 years. The more traditional law enforcement approach involved a police officer who walked a particular beat or neighborhood. This person knew people in the area and was in a position to know potential problems before they occurred. With the growth of the suburban and urban communities and rising expectations for the roles to be played by law enforcement officers the focus changed to one of responding quickly to a wide range of problems with less focus on the importance of proactive knowledge and service in an area.

Currently the focus of law enforcement throughout the country is on "community policing" – a return to providing a wide range of service identified by citizens and more "proactive" law enforcement. Community policing has taken the form of countless initiatives throughout the county in recent years. The table, below, provides a summary of the key elements, which will be found in effective municipal policing.

CHARACTERISTIC	Comments
Reactive Patrol Requirements	<ul style="list-style-type: none">• This is the primary mission of any law enforcement field patrol force. Responding to citizen requests (or calls) for service is the most critical element of successful patrol.• The Department should have clearly defined areas of responsibility and should have clearly defined back-up relationships defined for patrol.• The City and the Department should have clearly defined response policies in place – this includes: prioritization of calls, response time targets for each priority, back-up policies, supervisor on scene policies, etc.• This reactive workload should comprise between 50% and 60% of each Officer's net available time per shift (on average and excluding early morning). This includes the time to write reports, transport and book prisoners, etc.

CHARACTERISTIC	Comments
Proactive Patrol Requirements	<ul style="list-style-type: none"> • Proactive enforcement addresses all other workloads which are not in response to a citizen generated complaint – traffic enforcement, proactive or directed patrol, bike and foot patrol, etc. • The Department should have clearly defined uses for available time – i.e., Officers should know what they are expected to do with time between calls for service – this may include preventive patrol in their area of responsibility, it may include traffic enforcement, it may include directed patrol to respond to a series of complaints or problems, etc. • The proactive portion of field patrol should comprise between 40% – 50% of each Officer’s shift (excluding low activity hours in the early morning). • Research and experience has shown these to be appropriate targets for proactive time for several reasons: <ul style="list-style-type: none"> - Less than 40% net proactive time available to Officers results in inefficient bundling of available time – i.e., time comes in intervals too short to be effectively utilized by law enforcement personnel. - Proactive time of more than 50%, especially outside of late night hours, typically results in less than efficient use of community resources – it is difficult to effectively utilize proactivity at extremely high levels. - Exceptions to this excess proactivity concern are units dedicated to handle certain types of activity (i.e., traffic enforcement units, housing area officers, etc.). However, it should be noted that even in these examples the Officers assigned to these units are expected to respond to all calls for service when required (i.e., traffic enforcement units respond to accidents). • Effective proactive patrol for municipal law enforcement requires the rapid identification of problems and issues, the development of an action plan to address each issue as it arises, implementation of the potential solution and then an after-action evaluation to determine whether the approach successfully addressed the issue. • This approach should be used on criminal, traffic and other quality of life problems which the Department can handle. • This requires the use of both formal and informal mechanisms for capturing and evaluating information. This process should be handled by a number of personnel – but special attention should be paid by supervisors.

CHARACTERISTIC	Comments
Management of Patrol Resources	<ul style="list-style-type: none"> • Patrol supervisors and managers must take an active role in the effective management of patrol. This includes developing and utilizing management reports which accurately depict the activity, issues, etc. being handled by the field patrol units. • Resources must be geared to address actual workload and issues. This includes ensuring that patrol staffing is matched to workload, that patrol sectors are designed to provide even workload distribution. • This also includes the matching of resources to address issues in a more proactive manner. This may include shifting beats to free staff to handle special assignments, assigning targeted patrols to Officers, assigning traffic enforcement issues, etc. • Staffing should be related to providing effective field response to calls for service, provision of proactive activity and ensuring officer and citizen safety in the field. • Supervisors should be both a resource to field officers (in terms of advice, back-up, coverage, etc.) as well as field managers (handling basic administrative functions).
Management of Success and Performance	<ul style="list-style-type: none"> • Defined by use of data in managing and planning work. • Effective field patrol needs to be measured in multiple ways to ensure that the Department is being successful in handling their multiple missions. • Examples of effective performance measurement include: response time, time on scene, calls handled by person, back-up rate, traffic enforcement index (citations + warnings / injury + fatality accidents), etc. • Performance measures need to be compiled and tracked on a regular basis by supervisors to ensure that services are effective and efficient.

The table, above, provides a compilation of the basic elements of an effective and modern field patrol force. The points, bellows, provide a summary of the key points to be taken from this matrix:

- Effective municipal law enforcement requires a field patrol force which is designed and managed to be flexible in providing both reactive (i.e., calls for service) and proactive (i.e., addressing known problems in the community in ways other than responding to call) response to law enforcement issues.
- This requires that the Department balance personnel, resources and time to handle both of these types of law enforcement. In most communities which seek a problem solving orientation, generally between 50% and 60% of the time in a community should be spent handling all of the elements of reactive patrol. The remaining 40% to 50% should be spent providing the proactive patrol or “community policing.”
- The time which each Officer should have dedicated to proactive patrol needs to be structured and should not be approached in a random way. Random patrol does

not effectively address the issues facing any community – patrol should include efforts to address specific problems in pre-determined ways.

- Any effective proactive approach to patrol requires that information be managed formally and that a formal effort be put into evaluating that information for issues. In addition, attempts to address problems should be evaluated formally – this is to ensure that an approach has been effective.

These basic elements represent the essential ingredients of effective, efficient and modern municipal field law enforcement.

The Matrix Consulting Group has calculated proactive time in law enforcement agencies using a mixture of known data combined with a series of assumptions. The table, below, provides a brief description of the basis for this calculation specific to the City of York (e.g., considering availability of data), as well as assumptions utilized in the calculations:

Reactive Factor in Calculation of Proactive Time	Summary Discussion	Summary of York PD Analysis and Data
Calls for Service	Based on a sampling of the City's actual calls for service processed by the York County Control. The project team reviewed dispatch cards for the first week for three quarters to determine the number of community generated calls for service which account for the reactive time of patrol officers.	Sample of calls for service data were annualized. Annualized, the estimated number of community generated calls for service was 21,031. This workload does not include officer initiated activity which is a consequence of having proactive time be involved. This is described later in this matrix, but total activity (calls and officer initiated activities total over 58,000 units).

YORK CITY, PENNSYLVANIA
Staffing Analysis of the Police Department

Reactive Factor in Calculation of Proactive Time	Summary Discussion	Summary of York PD Analysis and Data
		It should be noted that some of these calls are handled by other personnel in the Department.

Reactive Factor in Calculation of Proactive Time	Summary Discussion	Summary of York PD Analysis and Data
Call Handling Time	<p>Typical range for call handling time is between 30 and 40 minutes.</p> <p>Handling time which is significantly more than the target range of 30-40 minutes often indicates patrol officers are not timely in processing calls for service, while handling time significantly lower than this target indicated patrol officers may not be providing an appropriate amount of attention on calls.</p>	<p>The project team sampled calls for service data for the York City Police Department. this included a review of the time elements for each call sampled. The average call handling time was 0:27:25 (hours, minutes, seconds), which is slightly lower than the benchmark. The project team, for purposes of this staffing analysis, assumed call-handling time of 30 minutes.</p>
Back-Up Frequency / Number of Units per Call	<p>Target range of 1.4 – 1.6 patrol unit responses per community-generated calls for service.</p>	<p>The back up rate for the York City Police Department was 1.42, at the lower end of the targeted range, providing some perspective on the mix of calls.</p>
Duration of Time on Scene by Back-Up	<p>Target of 75% of the initial handling unit's handling time.</p>	<p>Assumption of 75% of initial unit's handling time utilized in the calculation.</p>

Number of Reports	This number is based on the number of community-generated calls for service. For lower priority calls for service, patrol officers complete reports within the initial handling of the call, while for more serious calls for service, reports are done at the end of the shift or another appropriate time. It is estimated that 1/3 of total community-generated calls for service require a report that is not completed during the initial handling of a call.	The York City Police Department wrote approximately 7,439 incident and accident reports during a twelve month period (FY 2005). At 34.5% of calls for service, this is at the level typically found in other departments (e.g., a range of 30% – 35%).
Time to Complete a Report	Target of 45 minutes for completing incident reports for more serious calls for service.	This assumption was utilized in for the York City Police Department, as data were not available in support of this.
Number of Arrests	This number is based upon actual data, and indicates patrol officer workload and is included as part of reactive workload time.	The number of felony, misdemeanor and summary arrests last year was 2,832.

Reactive Factor in Calculation of Proactive Time	Summary Discussion	Summary of York PD Analysis and Data
Time to Complete an Arrest	Target of 1-hour for a patrol officer to process an arrest at the booking facility. This time is usually not tracked by most agencies.	Because this time is not tracked it is assumed that one hour is needed to process arrests at Central Booking by the York City P.D.
Available Time of Officers / Officers on Duty	This is based on actual leave time data, including use of vacation, sick, tracking and other leave data which determine the actual available time a patrol officer can work.	The project team sampled leave data for patrol personnel. It is assumed that patrol personnel have a net availability of 80%, or 1,666 shift hours. Additionally, the project team assumed that 90 minutes per Officer per shift is lost due to breaks, briefing, vehicle checks, etc. This further reduces availability by 275 hours / year.
Availability of Supervisors to Handle Field Workloads	The staffing needs analysis determines the appropriate number of officers to handle the community-generated calls for service, allowing the Sergeant to primarily serve in the	This will be reflected in the staffing calculations. As a result, Sergeants will not be counted as a patrol unit for purposes of proactivity analysis, though

	supervisor / watch commander role. The Sergeant will also provide back-up as needed but not as a primary responder to a call.	Corporals are included.
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Using these data and targets, the project team then performed the calculation of proactive time in patrol. This calculation is structured, as follows:

$$\text{Proactive Time \%} = \frac{(\text{Total Available Time} - \text{Reactive Workload Time} - \text{Admin. Time})}{\text{Total Available Time}}$$

The following points summarize the formula above:

- “Total Available Time”, defined as the number of officers available in an hour.
- “Reactive Workload Time”, defined as the committed time per call for service.
- “Administrative Time”, defined as time for breaks, briefing, vehicles, etc.

The exhibit, on the next page, presents the proactive time for patrol officers in the field on a 24 hour basis as well as broken down into time blocks.

Analysis of Proactive Levels in Field Patrol
York City Police Department

	Average	0700 - 1100	1100 - 1500	1500 - 1900	1900 - 2300	2300 - 0300	0300 - 0700
<u>Deployment</u>							
Actual On-Duty Staffing (PO's – no Supervisors)	8.33	6.40	6.40	6.80	10.40	13.60	6.40
Length of Shift (hours)	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Gross Duty Time Available (mins.)	2,000	1,536	1,536	1,632	2,496	3,264	1,536
Less Breaks / Meals (90 mins. / Officer)	(750)	(576)	(576)	(612)	(936)	(1,224)	(576)
Net Duty Time Available	1,250	960	960	1,020	1,560	2,040	960
<u>Reactive Workload Requirements</u>							
Average Number of Calls for Service per Hour	2.39	1.52	1.93	3.70	3.87	2.23	1.10
Handling Time (Travel + On-scene) (Actual mins.)	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Direct Call Handling Time (mins.)	287.00	182.40	231.60	444.00	464.40	267.60	132.00
Back-Up Rate (Actual)	42%	42%	42%	42%	42%	42%	42%
75% of Primary Unit Time Committed	215.25	136.80	173.70	333.00	348.30	200.70	99.00
Total Back-Up Time Commitment	90.41	57.46	72.95	139.86	146.29	84.29	41.58
Number of Reports / Shift	3.39	2.15	2.73	5.24	5.48	3.16	1.56
Report Writing Time (Estimate in mins.)	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Total Report Writing Time (mins.)	152.40	96.85	122.98	235.76	246.60	142.10	70.09
Number of Arrests / Shift (Estimate)	1.29	0.82	1.04	2.00	2.09	1.20	0.59
Arrest Processing Time (Note: In Handling Time)	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Total Arrest Processing Time (mins.)	77.49	49.25	62.53	119.88	125.39	72.25	35.64
Total Committed or Reactive Time	607.29	385.96	490.07	939.50	982.67	566.24	279.31
% of Time Committed to Reactive Workload	50.5%	40.2%	51.0%	92.1%	63.0%	27.8%	29.1%
% of Time Available to Be Proactive	49.5%	59.8%	49.0%	7.9%	37.0%	72.2%	70.9%

As shown in the previous table, given current staffing levels, the York City Police Department's patrol unit has approximately 50% proactive time. On an overall basis, this is in line with benchmark targets and should provide an adequate amount of time for Police Officers to be proactive and involved in community policing types of activities. However, the overall average masks a very wide range of proactive levels when examined on a four hour time block basis:

- The 'day shift' hours average approximately 55%.
- The 'night shift' hours have about 72%. Night shifts in most communities have higher levels of proactive capability as calls drop off. However, at an average of 72% this is higher than is typically found.
- The 'swing shift' hours have extremely low levels of proactive time – just approximately 23% – with the later afternoon hours of 1500 – 1900 essentially without proactive time (just 8%). This is a significant issue for the Department. These hours experience the peak in calls for service, yet the 10-plan overlap which is designed to coincide with such peaks occurs during later hours. As a result, there is a poor match of staff to workload.

Recommendation: The Department should consider altering the 10-plan shift overlap to occur during the 'swing shift' hours rather than the 'night shift' hours. Alternatively, redeploy staff from the night shift to the swing shift to get proactive capabilities up to about 40% during the afternoon hours.

(6) A Calculation of Patrol Staffing Needs Shows That the York City Police Department Has an Adequate Number of Staff Overall But the Choice of the 10 Hour Shift Impacts Either the Number of Staff Required or the Targeted Service Level.

The project team reviewed the data collected from the York City Police Department to determine current staffing needs assuming very high levels of proactivity assuming a high overall average of proactivity (50%) and a 5% growth in workload for 2005.

Incorporating the analysis provided in previous sections regarding call for service workloads and net availability, the project team developed the following analysis of patrol staffing needs. Other data and assumptions not described earlier include:

- The need to adjust net availability for factors not included in leaves, such as long term disability. This was estimated at 3% of the patrol force.
- The need to factor in training received on duty. Through a review of training records and departmental training targets, a figure of 88 hours per person per year was utilized.

- Duty time lost to meals, breaks, briefing, vehicle servicing and other on duty responsibilities was also factored into the analysis. This was estimated at 90 minutes per person per shift.
- Turnover was also factored into the analysis, including the time of position vacancies and academy and field training. A 7% turnover rate was used and one year to academy and field train new staff.
- Finally, because the 10 hour shift schedules 30 hours of staff in a 24 hour day an adjustment needs to be made to account for this scheduling inefficiency.

This analysis is presented in the table, which follows:

Analytical Element and Notes	Workload Factor in 2006
1. COMMUNITY GENERATED WORKLOADS	
Calls for service (2005 with a 5% growth rate)	22,082.50
Handling Time (assumed at 30 minutes)	11,041.25
Back up Rate (1.42 units per call)	1.42
Handling Time for Back Up Units (est., based on 75% of initial units)	0.44
Total Time for Back Up Unit CFS Handling	4,057.66
Number of Reports	7,716.45
Total Time for Report Writing (Target of 45 Minute Average)	5,787.34
Number of CFS Arrests / Bookings (Actual, based on 2004 data)	2,973.60
Time to Process CFS Arrests / Bookings (Estimated)	1.00
Total Time for CFS Arrests / Bookings	2,973.60
TIME TO HANDLE COMMUNITY GENERATED WORKLOADS	23,859.85
2. TIME FOR PREVENTIVE PATROL AND OFFICER INITIATED	
50% of Available Time	23,859.85
3. TOTAL TIME FOR REACTIVE AND PROACTIVE ACTIVITIES	47,719.69
4. PER OFFICER AVAILABILITY	
Net hours worked (after vacation, sick and other leaves)	1,754.00
Avg. In-Service / Away Training	88.00
Net hours lost on shift (90 mins./shift for breaks, briefings, etc.)	249.00
Net hours worked each year	1,417.00
5. OFFICERS REQUIRED TO HANDLE WORKLOADS	
50% of Available Time	33.68
6. ADJUSTMENT TO ACCOUNT FOR LTD (@ 3%)	0.78

Analytical Element and Notes	Workload Factor in 2006
7. ADJUSTMENT FOR TURNOVER	
Assume a 7% turnover rate and 1 year to academy and field train	2.41
8. ADJUSTMENT FOR 10 HOUR SHIFT	9.22
9. TOTAL POLICE OFFICERS REQUIRED	46.10

At about 46 total patrol positions required, this roughly corresponds to existing staff positions.

However, as the analysis in the table indicates, there are inherent inefficiencies in the 10 hour shift schedule because of the need to schedule people for more hours of the day than exist on the clock. All shift schedules which are not divisible into 24 (hours of the day) suffer from this problem, as the table below demonstrates.

	<i>Shift Schedule</i>				
	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>
<i>Target</i>	8.6	8.6	8.6	8.6	8.6
<i>Shift Schedule (Hrs)</i>	8	9	10	11	12
<i>Shift Factor</i>	71%	64%	57%	52%	50%
<i>Platoons / Day</i>	3	3	3	3	2
<i>Total Hours / Day</i>	24	27	30	33	24
<i>Shift Efficiency</i>	0%	13%	25%	38%	0%
Officers & Corporals Required	36	40	45	50	34

The table shows that an 8 or 12 hour shift could reduce patrol staffing by at least 10 positions compared to the existing 10 hour schedule while retaining existing targeted levels of coverage. While an 8 hour schedule would be difficult to implement (because of the loss of a day off per week compared to the 10 plan), a 12 hour shift should be evaluated. This shift schedule has been successfully implemented in many places around the country. In Pennsylvania, for example, 12-hour shifts have been implemented in Lower Providence Township, Hatfield Township and Upper Merion Township. Outside of the Commonwealth, a selected few diverse examples include Ramsey (NJ), Milford (DE), Florence (SC), Nagagdoches (TX) and Citrus Heights (CA).

Alternatively, the City has the choice to provide a higher level of service with existing personnel in a more efficient schedule. However, this would have the consequence of increasing proactive time to unusually high levels (for the same base of calls for service).

Recommendation: Overall staffing levels in patrol in York should remain unchanged. However, as described in the previous section, the Department should alter shift assignments or the timing of the shift overlap to increase the proactive capability of swing shift personnel.

Recommendation: The City and the Department should evaluate alternatives to the 10 hour shift schedule. The 8 or 12 hour shifts offer opportunities to reduce staffing in patrol by at least 10 positions while maintaining current targeted coverage. The annual cost savings associated with a reduction of 10 positions would be approximately \$789,575.

While the City has the choice of utilizing the current number of personnel in a more efficient shift schedule to provide a higher level of service, this is not recommended because of the extraordinary amount of proactive time which would result.

It also needs to be pointed out, as discussed in the next section, that the York City Police Department has several community policing / proactive enforcement units, which impacts the amount of proactive time needed for field units (because these other units are almost completely proactive).

(7) In Addition to Field Patrol, the York City Police Department Has Other Proactive Policing Units, Including USA and Community Policing Units.

The York City Police Department, in addition to patrol, has field units that are solely responsible for providing different kinds of proactive enforcement in the City. The points, which follow, provide a discussion of the proactive field enforcement units and activities in the Police Department.

- There is a Community Services Division, which includes Community Policing, Unit on Special Assignment (USA), and Nuisance Abatement Units.
- The Community Policing Unit is staffed with two police officers and one sergeant. Personnel assigned to this unit are responsible for providing law enforcement services to areas designated by the Housing Authority. These positions are funded by the Housing Authority. The Community Policing Unit responds to calls within their designated areas as needed, as well as conducts proactive and targeted patrols in their designated areas. Staff assigned to this Unit also work with the Nuisance Abatement Program as needed.
- The Unit on Special Assignment is staffed with three police officers and 1.5 fulltime equivalent Resource Officers (civilians). These officers are responsible for conducting targeted enforcement activities in high crime, high call areas within the City. Staff assigned to this Unit will also work with the Nuisance Abatement Program, as needed.
- There is one police officer assigned to the Nuisance Abatement Program. This officer is responsible for coordinating targeted enforcement of quality of life crimes in specific areas of the City. This program utilizes patrol officers and departmental staff from all assignments in the Department and typically on an overtime basis.

As the points above outline, the York City Police Department has sufficient resources dedicated to proactive enforcement in the City. This includes an overall proactive time available of about 50% for patrol, as well as the community policing units described above, which are virtually 100% proactive.

(8) Field Services Has Ample Proactive Time Available and It Appears to Be Used to Target Problems in the Community.

There are always opportunities to enhance the management of proactive time in a patrol unit. The project team reviewed, interviewed Department managers and supervisors, as well as conducted interviews of field personnel. The points, which follow, present a brief summary of the management of proactive time in the Patrol Unit based on the input of departmental personnel, as well as observations:

- The fact that total officer initiated activity exceeds 37,200 units of service is significant and shows that proactive time is used to generate activity, not randomly patrol without results.
- The York City Police Department does not have systems, automated or otherwise, which managers and supervisors can utilize to make decisions and more effectively manage and direct proactive time.
- Officer activities are self-directed. Officers are assigned to one of three patrol districts in the City. There is a "Take 30" program that requires officers to take 30 minutes to perform directed patrol activities, such as patrol an area on foot for 30 minutes during their shift.
- While there is no formal program for ensuring that the proactive / directed enforcement units (i.e., Community Policing, Unit on Special Assignment and Nuisance Abatement) and patrol are effectively coordinating and addressing issues city-wide this appears to occur.

In spite of these positive attributes to the management of proactive enforcement, there are opportunities to improve this further, including:

- The Department does not perform analysis of problems in the community nor develop specific strategies to address those problems. This is impacted by the Department's ability to access real-time data about problems in the community.
- Officers are not formally held accountable for problems within their assigned districts. While Officers are required to "Take-30," managers and supervisors do not hold officers accountable for problems within their districts. The Department does not have a formal mechanism for tracking specific problems, developing plans for officers to address those problems and holding the officers accountable to meet the outcome expectations.
- As indicated in the staffing analysis earlier in this section, while proactive time overall exists at effective levels, it is not distributed effectively by hour of the day. By changing start times or shift assignments, the Department could better ensure that proactive time opportunities exist equally for staff.

Mechanisms for management of proactive time are fairly limited in the York City Police Department. Expectations and performance measures should be formalized to ensure that officers understand expectations and utilize proactive time effectively, particularly given the significant amount of proactive time currently available in patrol.

While there are a number of theories that address how to effectively police communities, there are some basic ideas embodied in the SARA model and problem oriented policing strategies that are generally good management practices (for additional information on policing models and strategies see the Center for Problem-Oriented Policing www.popcenter.org). The elements include:

- Recognizing that a problem is the basic unit of police work rather than a crime, a case, a call for service, or incident.
- Recognizing that problems mean dealing with the conditions that create problems.
- Recognizing that police officers must routinely and systematically analyze problems before trying to solve them. Individual officers and the department as a whole must develop routines and systems for analyzing problems.
- The way a problem is currently being handled must be evaluated to determine if there are more effective means of addressing the issue.
- Police officers must be given some freedom to make or participate in important decisions about how to address problems. At the same time, officers must be accountable for their decision-making.
- The effectiveness of the new responses must be evaluated to determine effectiveness.

The York City Police Department should formalize the management of proactive time, including:

- Establishment of channels of communication and coordination between proactive / directed units in the Community Services Division Detective Bureau personnel and patrol units, as well as plans for enhanced coordination.
- Development of methods for identifying district problems and plans for addressing those problems.
- Creation of tools of accountability for officers (e.g., requiring officers to identify neighborhood problems, plans for addressing those problems, and evaluation of strategies to address problems, etc.)

The York City Police Department's patrol unit has more than sufficient proactive time to positively address community problems. The Police Department should enhance the management of the proactive time to ensure that the Department is effectively utilizing its resources to address community problems and needs.

(9) Field Supervisory and Management Spans of Control Were Reviewed.

The project team also evaluated supervisory staffing with patrol. The following points can be made concerning the current assignment and organization of supervisors within patrol:

- The York City Police Department has three shifts and each shift has two teams.
- There is one Lieutenant and three Sergeants assigned to each shift.
- Based on recommended staffing, these supervisors would be responsible for between 6 and 7 officers per shift. Given availability of officers (about 80%), this results in approximately 5 to 6 officers.
- As noted, supervisors should be responsible for ensuring effective management of proactive time of patrol officers.

The recommended span of control for field supervisors is 1 supervisor per 6 to 9 field staff. While the recommended staffing changes reduces the span of control for supervisors, one supervisor per shift per team is needed to handle the supervisory requirements (e.g., report review, field supervision, call / backup support, management of proactive time, etc.)

4. DETECTIVE STAFFING ANALYSIS

The York City Police Department has 18.0 fulltime equivalents assigned to the Detective Bureau. This includes one civilian position, as well as 17 sworn positions (including one detective on long term disability). One Detective serves as the evidence technician for the Department and does not carry an investigative caseload. The points, which follow, provide a summary of the Bureau:

- Four (4) generalist detectives investigate:
 - Crimes Against Persons (2) – investigate homicides, robberies and aggravated assaults.
 - Crimes Against Property (2) – one investigates burglaries and one investigates frauds and assists on homicide investigations as needed.
- Three (3) sex crimes detectives investigate rape and sexual assault among adults and juveniles.
- Four (4) vice and narcotics personnel are assigned to a Countywide task force.

- Major Crimes (3) – this is a newly created unit dedicated to intensive surveillance and apprehension of persons involved in the commission of crimes involving guns, including probationers and parolees. This unit also carries a caseload. The unit is comprised of one detective and two police officers.
- Crime Scenes (1) – there is one detective dedicated to crime scenes and works with the County.

There was also one detective on long-term disability at the time of the study.

There is also a civilian assigned to the unit and a Lieutenant.

The section, which follows, presents a discussion of the basis for analyzing investigations.

(1) Investigative Staffing Needs Are Evaluated Differently Than Patrol.

It is more difficult to evaluate the staffing levels required by criminal investigations because, unlike field services, subjective and qualitative determinants of workload and work practices are more important. Factors making comparative analysis difficult include:

- Approaches used to screen, assign, and monitor cases are different among law enforcement agencies
- What cases are actually investigated varies by agency. The extent to which agencies assign misdemeanor level property crime cases to investigators varies widely. Also, the extent to which patrol performs preliminary investigation varies widely and impacts detective caseloads.
- Work practices vary tremendously among agencies, relating to interviewing techniques, mix of telephone and in-person interview, use of computer technologies, the time devoted to clerical tasks and other issues.
- The nature of the caseload is also a critical factor to consider when examining quantitative factors relating to investigative activity. Each case is different in terms of leads, suspect description, and other available information. The way information in a single case combines with information on other cases also impacts investigative actions.
- Finally, the nature of the community itself is a factor in evaluating investigative workload and staffing needs. Citizen expectations translate into service levels

impacting investigators in terms of what is investigated and how investigations are conducted.

Collectively, these factors portray a different type of workload compared to that which depicts patrol workload. In patrol, workload can be characterized broadly by the following factors:

- High volume / fast turnaround work.
- Work oriented not toward solution of a complex case, but oriented toward documenting available evidence at a crime scene and initiating contacts with victims and witnesses.
- Deployment practices designed to result in a rapid response of personnel.

Therefore, unlike patrol, investigative workload cannot be converted into quantitative methodologies to arrive at required staffing levels. Investigative staffing requirements need to be examined from a variety of perspectives in order to obtain an overall portrait of staffing issues, case handling issues and philosophies having an impact on staffing needs. The perspectives employed in our study of investigative staffing include the following:

- The project team reviewed case management practices through interviews with staff and obtained case / workload data as it applied to Bureau activities. This information was developed primarily through desk audits.
- The project team compared York City investigator staffing and workload with investigators in other law enforcement agencies.
- The project team examined other measures of workload as well as effectiveness of investigative services.

The section which follows presents a comparison of the York City Police Department's investigation unit to the various benchmark and indicators utilized by the project team.

(2) The Project Team Compared the Bureau to Industry Benchmarks and Reviewed the Bureau's Case Management Practices.

As discussed above, analysis of investigative workload and staffing requirements

requires a review of a broad range of indicators. This section summarizes these benchmark comparisons and analysis of YCPD investigative case management practices.

(2.1) Comparative Caseload Measures

The first approach is to utilize comparative caseload measures. This is an important measure because it relies upon effective internal case management practices which result in the ability of an individual investigator to dedicate an appropriate amount of time to a case. A property crime case, for example, typically takes less time than a person crime case because of the severity and complexity of the crime as well as the fact that few property crimes have effective leads. The benchmarks employed by the project team result from its research and experience with hundreds of departments across the country. The benchmarks are displayed in the following table:

Measures	Comparative Industry Patterns
Open/Assigned cases assigned to “property” crimes investigators	15 to 20 open/assigned cases per month based on the same survey and ongoing analysis.
Open/Assigned cases assigned to “person” crimes investigators.	8 to 12 open/assigned cases per month based on the same survey and ongoing analysis.

In an agency like York’s, in which most detectives are generalists in spite of lead responsibility for person and property crimes, a composite caseload benchmark would be between 12 – 15 cases per detective.

In order to identify actual workload in the Detectives Bureau, the project team performed “desk audits” for three case handling detectives in August, 2005 to determine the number of cases that are currently being worked by investigators. This is an important element in the analysis of caseloads. Typically, cases which cannot or are not being worked because of the lack of leads or an effective case management system, count as caseloads. A desk audit differentiates cases receiving follow-up from those not being worked – for our purposes, cases are ‘open’ if they had received some kind of follow-up within the previous 30 days of the desk audit. The table, below, summarizes the results of the project team’s desk audits.

Detective Type	Number of “Open” Cases	NUMBER OF ACTIVE CASES	Percent Active of Open
Generalist #1	17	11	65%
Generalist #2	59	9	15%
Sex Crimes	11	7	64%

It should be noted that the project team also conducted desk audits and interviews with staff assigned to Major Crimes and Vice & Narcotics.

The following points summarize the project team’s analysis of detective caseloads in the York City Police Department:

- For full time case handling investigators, open active caseloads varied from a low of 7 to a high of 11. At an average of 9 *open and active* cases detectives were below industry benchmarks (a composite range of 12 – 15 active cases derived from an average of 15 – 20 open active cases per property crime detective and 8 – 12 open active persons cases per person crime detective.
- For two of the detectives, a high percentage of the cases assigned were active, or were actively being worked.
- The Bureau also has a fraud investigator.

This analysis alone would indicate that the Detective Bureau was adequately staffed.

(2.2) Proportion of the Force

Another benchmark commonly employed in the analysis of investigative staffing is the percent of sworn personnel that working, case handling detectives represent compared to the number of sworn personnel in the entire department. This indirect measure excludes detective managers and supervisors, administrative personnel and proactive investigators, such as narcotics. The points, below, present a discussion of this benchmark.

- Staffing by type of investigations is presented in the table below.

Type	Number of Sworn Personnel
General Investigations (Person, Property, Fraud)	4.0
Sex Crimes	3.0
Total	7.0

- Staff assigned to the Vice and Narcotics Taskforce, as well as Major Crimes and the Crime Scene Detective are excluded from the calculation.

The table, which follows, presents the benchmark, as well as comparison of York City Police Department's investigative staff percentage to the benchmark percentage.

	Benchmark	York City Police Department
Percent of Sworn personnel	10% to 15%	7%

As the table, shows, York City Police Department falls below the low end of the benchmark range of 10% to 15%.

(2.3) Reported Major Crime Per Detective

The project team also utilizes a third benchmark with respect to investigations. Typically, the number of Part 1 crimes per investigator is approximately 400 cases per working investigator. Again, excluding the Lieutenant and staff assigned to the Vice and Narcotics Taskforce, Major Crimes staff and crime scene investigations, the Department has 7.0 working investigators. The table, which follows, presents this comparison.

	Benchmark	York City Police Department
Part 1 Crimes per working	400	419

investigator.		
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As shown in the above table, the York City Police Department is in line with this industry benchmark.

(2.4) Comparative Indicators

The project team also examined comparative indicators of investigative staffing. The table, below, portrays the result of this analysis of the number of detectives per Part 1 and Part 2 crime in 2004 in selected cities in Pennsylvania:

City	# Detectives	# Part 1 Crime	# Part 2 Crime	Part 1 / Det.	Part 1 & 2/Det.
Allentown	26	6,476	18,304	249.1	704.0
Bethlehem	25	2,455	6,916	98.2	276.6
Erie	37	3,951	12,203	106.8	329.8
Harrisburg	25	2,845	9,984	113.8	399.4
Lancaster	30	3,538	11,703	117.9	390.1
Lebanon	9	1,223	3,064	135.9	340.4
Reading	33	6,078	14,157	184.2	429.0
Scranton	23	2,656	8,530	115.5	370.9
Wilkes-Barre	10	1,677	5,313	167.7	531.3
Williamsport	4	1,450	4,218	362.5	1,054.5
YORK	17	2,933	8,468	172.5	498.1

As the information in the table indicates, York's investigative force as a proportion of serious crime in the City is in the upper middle range of other cities in the State. This indicator adds to a finding that detective staffing in York is in an appropriate range.

(2.5) Detective Case Management Practices in York City.

In addition to comparing the Detective Bureau to industry benchmarks, the project team reviewed case management practices in the Bureau. The points, which follow, present a summary of the regarding case management and supervision of detectives.

- The Lieutenant is responsible for initially reviewing cases and assigning them to personnel in the Bureau. A formal system is not in place to screen incoming cases for solvability.
- While Detective 1st Class positions serve as supervisors, typically, they are not conducting periodic reviews of cases to ensure cases with few leads are suspended or closed.
- There are many cases in detective case files which are considered open but have not been worked for a year or more. This was the case for property crimes, which is unusual.
- To the extent possible, patrol follows up with minor cases in the field. However, there is little coordination between the patrol and detective units.

As a result, the project team has concluded that case management policies and practices in York City are an issue.

(2.6) Conclusions

The points, which follow provide a summary of the key issues in the Detective's Bureau.

- The number of active cases per detective is lower than the benchmark target.
- Compared to industry standards, the percent of sworn personnel represented by detectives is 7% – below the benchmark.
- The number of Part 1 Crimes per detective is at the average of the benchmark. In York, it is approximately 419 Part 1 Crimes per detective compared to the benchmark of about 400 per detective.
- The case management system is largely informal and has room for improvement.

The project team recommends that the City and the Police Department make the following changes in the Detective Bureau:

- Reduce the number of general detectives by 1.0 position through attrition, the currently vacant position due to a long-term disability.
- Enhance the case management process. The Lieutenant and Detective 1st Class positions should actively manage caseloads. This includes an initial process to determine solvability of cases as they arrive in the Bureau, as well as periodic review of cases to ensure cases with low solvability are closed. A simple case management system should be acquired. Several simple and effective systems are in the public domain. Alternatively, as the County replaces its CAD / RMS system, City access to a case management system within the RMS should be a priority.

The fiscal impact of the above recommendations is approximately \$83,811 (based on the average current salary of Detectives and an assumption of a 50% fringe benefit rate.)

Recommendation: One detective positions should be eliminated in general investigations. This has a net cost savings of \$83,811.

5. STAFFING IN OTHER DEPARTMENTAL FUNCTIONS.

The project team reviewed staffing in other key service areas in the York City Police Department. The sections, which follow, present a discussion of the review of workload and staffing.

(1) Records Unit

The Records Unit in the York City Police Department is staffed with 3.72 FTEs. While all positions provide general customer service and public support, staff have key responsibilities, such as:

- The Court Coordinator is responsible for coordinating all court appearances of departmental personnel.
- The Data Entry Clerk is responsible for data entry of all officer incident reports into the records management system.
- There are 1.72 Clerk II's, who are responsible for scanning reports into the On-Base System, conducting NCIC follow ups, UCR (uniform crime report), etc.

The table, which follows, presents the number of Officer reports, which were processed by the Records Unit.

TYPE	PLATOON WORKLOAD (2004)			Total
	A	B	C	
Incident Reports	2,254	1,981	1,414	5,649
Accident Reports	933	591	266	1,790
Total	3,187	2,572	1,680	7,439

There are a few issues associated with processes and staffing in the Records Unit.

- There are two systems, which require duplicative work. The Records Management System and the On-Base System require similar information to catalog data that is being entered. However, these two systems do not “talk” to each other. This requires that certain base data are entered twice: once into each system.
- The Police Department is linked into the County system. The County is in the process of reviewing its information system needs. Once a comprehensive, fully automated records management system is implemented, the processing times for reports will be significantly reduced.
- There are no Records Unit personnel assigned to weekend or night coverage. As a result, there is a backlog of work beginning each Monday.
- The table, which follows, presents the distribution of calls by day of week. As the table shows, nearly 45% of all calls for service occur during the weekend.

Day of Week	Number of Calls	% of Calls
Sunday	3,076	15%
Monday	2,850	14%
Tuesday	3,181	15%
Wednesday	2,364	11%
Thursday	3,476	17%
Friday	2,677	13%
Saturday	3,407	16%
Total	21,031	100%

Based on the following assumptions, 1.0 Clerk II should be added to provide records coverage and support to patrol personnel during weekend hours

- As noted, 43% of calls occur during weekend hours. The project team assumed that 43% of reports were generated from the weekend calls. This equates to 3,199 reports.
- Observations and input from staff indicate that reports can be scanned and data entered in less than 15 minutes per report. This means that 3,199 reports would generate approximately 800 hours of work (or less than 8 hours per day per weekend for a year).

The Records Unit should hire one Clerk II to work weekends. This will accomplish the following:

- Reduce processing times and backlogs associated with lack of weekend personnel.
- Improve the level of customer service provided to the patrol unit.
- Improve the level of customer service provided to the public.

While this position would be part of the Records Unit, the shift commander on-duty should be responsible for daily oversight to ensure that the service level targets are met with respect to Patrol staff, as well as the public. The net cost of this recommendation is \$32,506 (based on the current average salary of Clerk IIs and assumption of a 30% benefit rate).

Recommendation: The Records Unit should add 1.0 Data Entry Clerk to provide weekend coverage of the Records Unit and minimize backlog of data entry of reports and improve the level of support provided to the patrol unit and the public. The net cost of this recommendation is \$32,506 (based on the current average salary and 30% benefit rate). This position should be supervised by the on-duty shift commander.

(2) Animal Enforcement

The project team reviewed the Animal Enforcement Unit. There is one FTE assigned to this unit, the Animal Enforcement Officer. This position is responsible for all animal enforcement activities in the City during the hours of 0630 to 1500, Monday through Friday. The Animal Enforcement Officer is responsible for responding to emergency calls for service, pickup of stray and wild animals, transporting animal to a regional animal shelter, issuing citation, etc. The points, which follow, present a summary of the workload of this Unit.

- Worked 214 days.
- Transported 98 dogs
- Transported 197 cats.
- Issued 328 citations.
- Wrote 144 reports.

- Had 41 hours of court time.
- Responded to 1,334 calls for service.
- Picked 69 wildlife animals.
Given that the City relies on a private vendor to provide weekend and after hour services to the community, this Unit is adequately staffed with one Animal Enforcement Officer.

(3) Property and Evidence

There is one fulltime equivalent responsible for the property and evidence program for the York City Police Department. The points, which follow, provide a discussion of the key roles of the position (Quartermaster / Sergeant).

- Responsible for the receipt, documentation, tracking, storage and disposal of all property and evidence processed by the York City Police Department.
- Responsible for the distribution of all annual uniform orders.
- Responsible for ordering and disbursing patrol supplies (e.g., traffic citation forms, arrest reports, etc.)
- This position works an administrative schedule. Weekends and after hours, patrol officers use lockable property and evidence storage lockers.
- There is one position in the Department that provides coverage for the Quartermaster.

The table, which follows, presents the workload data for 2004 for the Quartermaster.

QUARTERMASTER	2004
Suspected drugs sent to PSP Lab	784
Firearms collected as evidence	88
Found firearms - owner unknown	12
Other firearms held	17
Bicycles held	57
Confiscated cash	\$93,988
Cash forfeited to courts	\$58,739
Cash waiting action by courts	\$106,278

The points, which follow, present a discussion of the project team's observations regarding the property and evidence program.

- There are significant issues with the storage of property and evidence.:
 - The central property and evidence room is also the office of the Quartermaster. This room houses all new property and evidence that needs to be cataloged and stored, as well as permanent storage of items for which there is room.
 - Additionally, the attic in City hall is used as additional storage. While there are locked spaces, security is potentially a significant issue. Access to the general and surrounding areas is not entirely restricted.
 - There are separate storage areas on the third floor / attic of City hall; however, general City records and equipment are stored there --- other City employees have access to the space. Also, evidence and property, including drugs, weapons and money are stored (and labeled) on the third floor.

- There are additional storage areas utilized in the basement. These are not secured (e.g., bike storage, etc.) There is access to the space from within City hall, as well as external access.
- There is no purging program for the property and evidence program. The annual report does not provide information on the number of pieces of property and evidence received and stored by the York City Police Department. With that said, interviews with departmental staff indicate that the Department has never had a comprehensive purging program. Considering the workload summaries (e.g., amount of cash confiscated, fire arms collected, drugs sent to the lab, etc.) there is an unknown quantity of property and evidence that could be purged.
- There is no inventory / audit program. The Quartermaster indicated that an audit of items has **never** been performed for property and evidence.
- Catalogue and storage system is predicated on the knowledge of the current Quartermaster, meaning that there is not a complete, formal system in place to ensure that the property and evidence program could be managed by a person without the assistance of the current Quartermaster.
- There is one fulltime position dedicated to serving as the property and evidence program manger (i.e., the Quartermaster). This position works an administrative schedule. There is only one other position with the experience to provide backup and coverage for the program.
- The Quartermaster is also responsible for maintaining all the time and attendance reports for the Department. This is an administrative / clerical task.

The points, which follow, present a discussion of the recommendations developed by the project team with respect to the property and evidence program.

- The York City Police Department should conduct a facility needs assessment with respect to the property and evidence program. The current facility (City hall) does not provide adequate, secure storage space for utilization by property and evidence.
- The York City Police Department should immediately address property and evidence program management issues, including:
 - Annual audit program in which a sample of the property and evidence inventory is conducted.
 - Active purging program, including a systematic approach to determining items eligible for purging (either sale, disposal or destruction).
- The York City Police Department should hire 1.0 civilian Property and Evidence Technician position. This position should work with the Quartermaster to develop a comprehensive property and evidence program (e.g., auditing, purging, standardization of cataloging of property and evidence). This position should be paid \$30,000, plus benefits (assumption of 30% benefit rate, or an additional \$9,000) for a total net cost of \$39,000.

The York City Police Department should enhance the management of the property and evidence program. This should include the implementation of an auditing and inventory program, as well as a purging program. The Department should also add a civilian position to provide support in the program.

Recommendation: The York City Police Department should enhance the management of the property and evidence program. This should include an auditing program, as well as a purging program. The Department should add a civilian Property and Evidence Technician for a net cost of \$39,000 (including benefits).

Recommendation: The City should build a secure property and evidence facility. The feasibility of this should be evaluated in a separate program or study.

(4) Internal Affairs

The project team reviewed the internal affairs program. Currently, the internal affairs program is staffed by an inspector. The points, which follow, provide a discussion of this program.

- There is one fulltime equivalent assigned to the internal affairs program. This position is an inspector that reports to a Captain over Administration.
- The Inspector is responsible for conducting the following:
 - All citizen complaints against personnel in the Department; and
 - All pre-employment background investigations for the City employees, including the Police Department;

The table, which follows, presents the number of citizen complaint investigations conducted by the Inspector.

Characterization of Citizen Complaints	Total	% of Total
Error in Judgment	4	12%
Excessive Force	9	26%
Improper Conduct	6	18%
Negligent of Duty	3	9%
Racial Profiling	1	3%
Rudeness	7	21%
Wrongful Arrest	4	12%
Total	34	100%

Additionally, the Inspector conducted 76 background investigations in 2004. Given the current mix of workload and the need for an independent position to conduct complaint investigations, staffing in this unit is adequate.

(5) Traffic Safety

The Traffic Safety Unit is organized as part of the Administration Section of the York City Police Department. This Unit is staffed with one Sergeant, who is responsible for the following:

- Coordinating all special events in the City as it relates to the Police Department. This includes scheduling motor units, using overtime personnel.

- Scheduling and processing all overtime details in the City, including special events, special enforcement details, and contracted overtime.
- Supervising 17.0 crossing guards.
- Coordinating the Fire / Police volunteers.
- Reviewing traffic safety issues in the City (e.g., street speeds, signage, etc.).
- Special projects.

As noted this Unit is staffed with one Sergeant, who is responsible for coordinating several administrative programs. The points, which follow, present a discussion of the key workload indicators.

- In 2004, the Sergeant was responsible for coordinating 6,817 hours of police overtime, billing \$270,258.
- In 2004, the Sergeant was responsible for coordinating over 50 special events, as well as over 50 permits for various other events held in the City's parks.
- In 2004, the Sergeant coordinated the response of the 18 active Fire Police volunteers to 349 calls. The Fire Police members volunteered 1,420 hours.
- This Sergeant is responsible for coordinating traffic details and supervising the crossing guards.

There are several issues associated with this program, which are presented in the points below:

- There is one Sergeant responsible for coordinating several administrative functions, such as overtime / detail billing.
- The Traffic Safety Unit is responsible for addressing traffic safety issues in the City, including special enforcements, as well as event planning and permit approvals.
- This Unit is staffed with only the one Sergeant. There is no additional administrative support.

The York City Police Department should create an administrative position in the Administration Section of the Department. This position should be responsible for performing clerical and administrative duties currently performed by sworn, supervisory personnel, including overtime billing (for the Traffic Safety Unit) and maintenance of time and attendance reports (for the Quartermaster). The salary costs for this position should be comparable to a Clerk II, or \$24,375 plus benefits (estimated at 30% or \$7,312) for a net cost of \$31,688. This position should report to the Captain over the Administration Section.

Recommendation: The York City Police Department should create an administrative / clerical position that would be responsible for performing clerical and administrative duties currently performed by sworn, supervisory personnel (e.g., overtime / detail billing and time and attendance maintenance). The net cost for this position, including benefits (at 30% of salary) is \$31,688.

(6) Community Services

The project team reviewed the staffing and workload in the Community Services Division. The Community Services Division is staffed with the following personnel:

Classification	Number of FTEs
Lieutenant	1.0
School Resource Officer	2.0
Nuisance Abatement Officer (sworn)	1.0
Crime Prevention Officer (civilian)	1.0
Neighborhood Development Coordinator	1.0
Sergeant	1.0
Police Officer	5.0
Resource Officer (civilian)	1.5
Total	13.5

The points, which follow, provide a discussion of the Community Services Division.

- The Community Services Division has a variety of proactive and community programs that attempt to address crime and quality of life issues within the City.
- This Division is organized as part of the Administration Section of the Department.
- This Division has a mix of community programs, as well as targeted law enforcement activities, such as:
 - Neighborhood and Block Watch programs
 - Business watch and employee safety trainings
 - Security surveys and consultations (residential and business)
 - School Resource Officers assigned to two City schools
 - Nuisance Abatement (targeted enforcement of quality of life issues)
 - Community policing activities (patrol and enforcement at designated Housing Authority sites).
 - Unit on Special Assignment enforcement activities in high crime, high call areas.
- The Community Services Division coordinates and works other units in the Department, particularly as it relates to targeted enforcement activities, such as the Nuisance Abatement Program and the Unit on Special Assignment squad.

The points, which follow, present a discussion of the issues in the Community Services Division.

- The Community Services Division has a broad impact on the Department and law enforcement activities in the City. Specifically, the Division is responsible for

targeted enforcement, as well as proactive and preventive activities, which has a direct impact on patrol services, crime, etc.

- There are diverse sets of activities and goals within the Community Services Division, including the Neighborhood Development Program, Crime Prevention Program, Nuisance Abatement Program, etc.
- The Community Services Division utilizes resources in patrol to perform targeted enforcement activities, as well as Division staff. The Community Services Division will use overtime / patrol personnel to assist with targeted enforcement activities.
- There is limited, formal coordination and overall direction in the Community Services Division. The Lieutenant is responsible for managing and directing the various units in the Division. Interviews with staff indicate that:
 - Programs operate independently of one another.
 - There is no formal communication between and among programs.
 - The Division has not established clear goals and objectives.
 - There is not an formal mechanism in place to ensure programs are focused on achieving the same goals, as well as a program to monitor the achievements of Division services, as well as hold staff accountable.
 - Targeted enforcement units are organized as part of Community Services but interact with and rely heavily on field operations / patrol. There are issues with coordination between patrol and Community Services Division.

The York City Police Department should enhance the effectiveness of the Community Services Program by:

- Reorganizing the Community Services Division under the Operations Division, as a Community Policing Unit. This should include all units in the Community Services Division.
- Developing a formal, structure community services program, which:
 - Identifies the goals, objectives and priorities of the York City Police Department with respect to crime reduction and prevention, quality of life issues, etc.
 - Establishes clear performance objectives of the key programs;
 - Monitors the performance of the Division's programs, compares targeted outcomes to actual performance; and
 - Holds staff accountable to achieving well defined program goals.

There are no staffing impacts of the above recommendations. The Community Services functions are staffed appropriately. The Lieutenant should be responsible for developing a comprehensive program for the Community Services Division.

Recommendation: Staffing in the Community Division is adequate. The Lieutenant should develop a comprehensive program for the Division, which identifies and priorities the Division's activities and establishes clear performance objectives for the key programs. The Community Services Division should be re-organized as a Division under Operations, rather than Administration.

6. ANALYSIS OF ORGANIZATIONAL STRUCTURE

This section provides an analysis of the organizational structure of the York City Police Department, specifically functional responsibilities, reporting relations, etc., as well as presents the recommended alternative that may enhance the efficiency and effectiveness of operations.

(1) There Are Several Recommendations Contained in This Report That Will Effect the Organization of the Department.

The project team has made several recommendations in this report that will impact the overall organization of the Department. This includes the following:

- Potential elimination of up to 10.0 patrol officers from the Operations Section of the Department if an alternative shift schedule were implemented.
- Eliminate 1.0 detective.
- Add 1.0 Clerk II to the Records Unit.
- Add 1.0 Property and Evidence Technician to assist the Quartermaster.
- Add 1.0 clerical position to the Administration Section.
- Transfer the Community Services Division to the Operations Section.

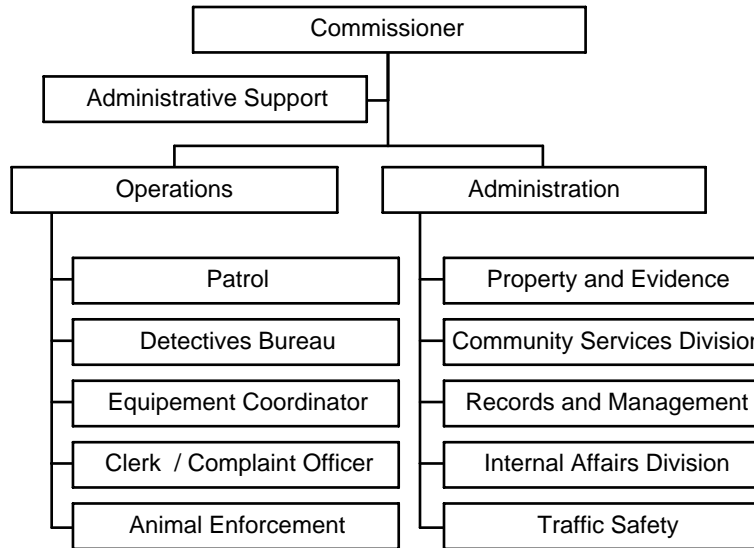
The section, which follows, presents a discussion of the span of control in the various units in the York City Police Department.

(2) The Department Is Organized Into Two Sections: Operations and Administration.

The York City Police Department is organized into two sections: operations and administration. The chart, which follows, presents the current organization of the York City Police Department.

**Current Organization of the
York City Police Department**

York, Pennsylvania

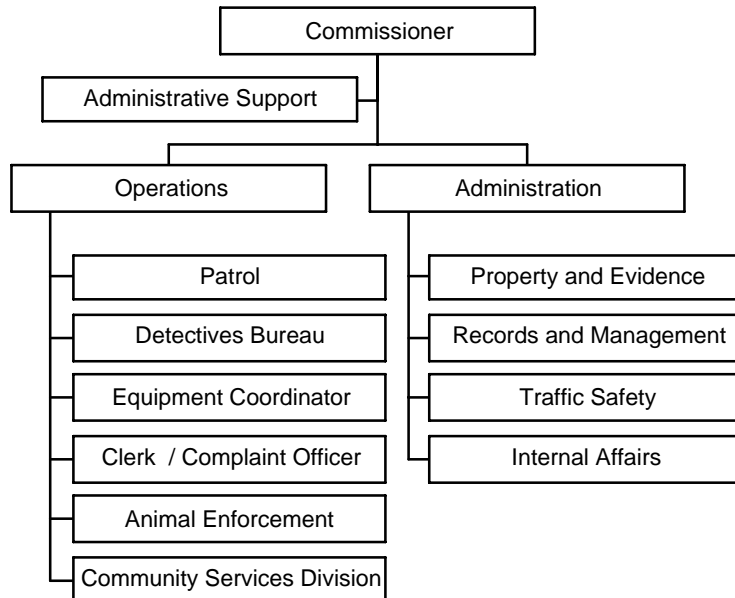


(3) The York City Police Department Should Re-Organize to Improve the Allocation of Key Functions.

The project team reviewed the overall organization of the York City Police Department. While the Police Department is organized into two major sections, Operations and Administration, there are opportunities to improve the organization of key functions to ensure that programs are aligned well to enhance the coordination and delivery of services by the Department. The chart, which follows, presents the recommended organization of the Department.

**Current Organization of the
York City Police Department**

York, Pennsylvania



The Community Services Division should be re-organized as part of the Operations Section. This Division seeks to reduce and prevent crime in the City of York through a variety of key programs (e.g., targeted and special enforcement activities, outreach to the community, including businesses, neighborhoods and schools, etc.) Coordination and communication with functions organized in Operations Section is essential, as they share resources and long term objectives. Activities in both programs directly impact one another and the organizational structure should facilitate this.

Overall, the York City Police Department is well organized. The organizational structure promotes clear lines of authority, as well as facilitates the coordination of programs and utilization of resources.

Recommendation: Reorganize the York City Police Department, as described in this section of the report.

Police Initiatives

This section of the chapter summarizes potential Early Intervention Plan initiatives drawn from the Matrix study.

PD01. Implement a 12-hour shift schedule

Replacing the York Police Department's current 10-hour shift schedule with 12-hour shifts would offer opportunities to reduce patrol officer positions by at least 10 while maintaining current targeted coverage. These savings are made possible a result of the elimination of the current overlap between shifts.

A shift change of this type would be subject to bargaining between the City and the Fraternal Order of Police. The current collective bargaining agreement expires at the end of 2006, so any savings during fiscal year 2006 would have to come as a result of discussions between the City and the union.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	0%	0%	0%	0%	0%
Fiscal Impact	\$750,000	\$768,750	\$787,969	\$807,668	\$827,860

PD02. Eliminate one detective position in general investigations

As described in the Matrix report, the number of active cases per detective in York is lower than the benchmark target. By eliminating the one detective position currently vacant, the City could reduce the number of general detective salaries by one and maintain case coverage.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	0%	0%	0%	0%	0%
Fiscal Impact	\$83,811	\$85,906	\$88,054	\$90,255	\$92,512

PD03: Seek Full Reimbursement for Housing Resource Officers from the York Housing Authority

The City of York currently receives reimbursement from the Housing Authority for the salaries of two police officers, an amount budgeted at \$101,270 in 2006. However, as shown in the following table, the average additional cost per officer after salary is



\$50,274. This additional cost, which includes retirement, health insurance, central services overhead and contractual allowances, is not currently reimbursed by the Housing Authority, but constitutes an obligatory component of pay. The City should work with the York Housing Authority to all-in reimbursement for Housing Authority resource officers.

Internal Services	
Police Pension	\$30,729
Insurance (Health, Dental, Prescription, WC)	\$17,261
Central Services	\$1,355
Total	\$49,345
Contractual Agreements	
Uniform Allowance	\$370
Footwear Allowance	\$100
Clearing Allowance	\$325
½ day pay for Christmas	\$134
Total	\$929
ADDITIONAL COST PER OFFICER (not currently reimbursed)	\$50,274
Net Additional Cost to City (2 officers)	\$100,548

Source: City of York

If this net additional cost per officer were to increase by the rate of inflation each year from 2006 through 2010, the fiscal impact of full reimbursement would be estimated as illustrated in the following table.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	100%	0%	0%	0%	0%
Fiscal Impact	\$0	\$104,087	\$106,689	\$109,356	\$112,090

PD04: Seek Reimbursement for School Resource Officers from York City School District

York City currently meets the salary, fringe benefit and overhead costs of the School Resource Officers assigned to the York City School District.. In the same way that the City should negotiate to increase the level of reimbursement from the Housing Authority to reflect the full cost of deploying officers to district schools, the City school seek full reimbursement from the School District for its School Resource Officers.



Assuming a salary of \$55,622 for officers with 10 years of service, and incorporating the overhead and benefit costs as illustrated in Initiative PD03, the City could realize an additional \$317,688 from new reimbursements in the first full year of implementation. If this net additional reimbursement per officer were to increase by the rate of inflation, the fiscal impact of full reimbursement would be estimated as illustrated in the following table.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	100%	0%	0%	0%	0%
Fiscal Impact	\$0	\$317,688	\$325,630	\$333,771	\$342,115

PD05: Add one Data Entry Clerk

The Matrix report suggests that the Police Department's Records Unit should add one Data Entry Clerk to provide weekend coverage in the Records Unit, minimize the backlog of report data entry, and improve the level of support provided to patrol officers and the general public. Based on the current average salary and a 30 percent composite non-uniformed fringe benefit rate, the net cost of this initiative is \$32,506. The Clerk would be supervised by the on-duty shift commander.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	0%	0%	0%	0%	0%
Fiscal Impact	(\$32,506)	(\$33,319)	(\$34,152)	(\$35,005)	(\$35,881)

PD06: Add one civilian Property and Evidence Technician

Matrix also recommends that the Police Department enhance management of its property and evidence function by adding an auditing program and a purging program. The City should consider adding one Property and Evidence Technician (civilian position) at a net cost of \$39,000 in the first year.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	0%	0%	0%	0%	0%
Fiscal Impact	(\$39,000)	(\$39,975)	(\$40,974)	(\$41,999)	(\$43,049)



PD07: Create an administrative/clerical position

Matrix recommends that the Police Department create a new administrative/clerical position that would be responsible for performing routine non-uniformed duties currently undertaken by sworn and supervisory personnel, including overtime/detail billing and time and attendance maintenance. The net cost of this position, including a 30 percent non-uniformed fringe benefit rate, is \$31,688 in the first year.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	0%	0%	0%	0%	0%
Fiscal Impact	(\$31,688)	(\$32,480)	(\$33,292)	(\$34,125)	(\$34,978)



Fire Department



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Fire Department

Public Financial Management partnered with the Matrix Consulting Group to undertake the public safety services audit portion of the Early Intervention Plan for the City of York. Matrix's work with scores of public safety departments across the country makes them particularly well-qualified to assist with the review of York's police, fire and emergency medical services.

The core of this chapter of the Plan is Matrix's operational review of the Fire Department. Introducing that document is overview information on response times, levels of staffing, and the relative number of fire stations in York compared with 10 Pennsylvania peer cities. After the Matrix analysis is a summary of recommended initiatives for York's Fire Department.

MAJOR FINDINGS OF THE FIRE DEPARTMENT REVIEW

▪ YCFD Meets Minimum Staffing Requirements

The Matrix Consulting Group's detailed assessment of actual deployment compared with minimum staffing indicates that the York City Fire Department (YCFD) can meet current daily minimum staffing requirements. As required by collective bargaining arrangements, the YCFD is able to deploy ten firefighters and one officer per shift.

▪ YCFD Emergency Response Capacity is supplemented by Eight Fire Inspection Personnel

Supplementing the ten on-duty firefighting personnel are the six firefighter positions and two officer positions assigned to fire prevention. Even without recourse to mutual aid, these individuals are able to raise internal firefighter capacity in an emergency situation to sixteen. This flexibility provides a significant boost to the City's capability to respond to fire emergencies, and raises the City's internal firefighting complement well above its peer cities (see following page).

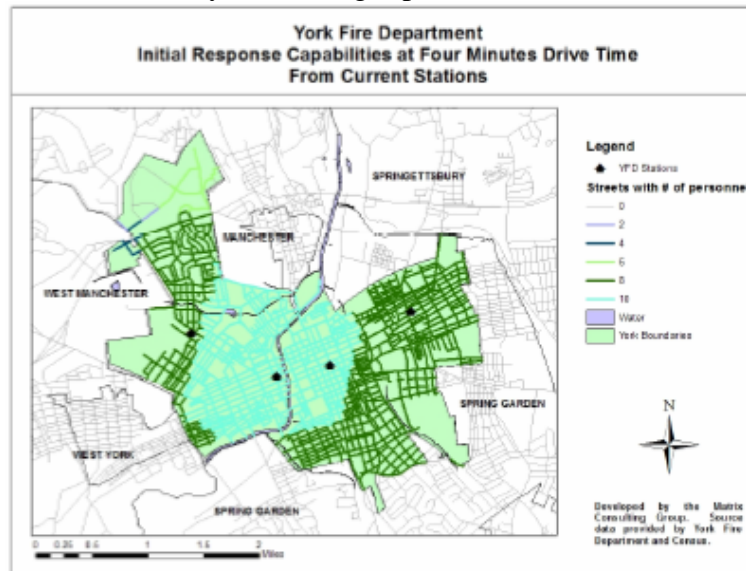
▪ YCFD Provides a High Level of Service

The Department's response times to calls for service show that the City provides a high level of service. The Department had an average response time (from dispatch to arrival on scene) of 2.9 minutes. Overall, the department was able to respond to approximately 93 percent of all calls for service in five minutes or less.

Ninety-seven percent of all fire-, rescue- and EMS-related calls in York were reached within five minutes or less. The Department's average response time for fire-related calls is 2.75 minutes, and the average response time for rescue and EMS incidents is 3.37 minutes. The average response time to all other calls for service was approximately 3 minutes. Approximately 91 percent of all of these calls were reached within five minutes or less.



As shown in the following graphic, the YCFD is capable of reaching a large portion of the central and western area of the city with all ten on-duty personnel. In addition, almost all of the City can be reached by at least eight personnel.



Based on current staffing, four units were capable of reaching 97 percent of calls for service within four minutes during 2004. Approximately 99 percent of all calls for service could be reached by at least one unit within four minutes of drive time. Overall, the map and table above show that the current station network is capable of delivering multiple units (at least four) to almost anywhere in the City within four minutes or less. With the exception of the far northwestern corner of the City, the YCFD is able to respond anywhere in the City within eight minutes of drive time with ten personnel. In summary, the current station network provides a significant level of overlap at both four minutes and eight minutes of drive time. Mutual aid agreements with neighboring governments provide additional coverage.

- **YCFD Operates a Comparably High Number of Fire Stations**

The table below shows the number of line firefighters per shift and the number of firehouses for a selection of peer Pennsylvania cities:

City	Population (2000)	Square Miles (2000)	Firefighters per Shift	No. of Firehouses	Firehouses per Sq. Mile
Altoona	49,523	10	13	4	0.40
Bethlehem	71,329	19	20	5	0.26
Easton	26,263	4	10	3	0.75
Harrisburg	48,950	8	17	4	0.50
Hazleton	23,329	5	4	2	0.40
Johnstown	23,906	6	8	3	0.50
Lebanon	24,461	5	5	2	0.40
Wilkes-Barre	43,123	7	14	3	0.43
Williamsport	30,706	9	7	2	0.22
York	40,862	5	11	4	0.80

Source: U.S. Department of Commerce; City of Wilkes-Barre Fire Department



The table shows that at its current complement and station configuration, the City of York operates the highest number of fire stations per square mile in the peer cities surveyed. York also has a relatively high number of firefighters per shift for each square mile covered.

The report of the Matrix Consulting Group follows.



ANALYSIS OF THE FIRE DEPARTMENT

This chapter presents the project team's evaluation and analysis of the organization and operations of the York City Fire Department. Our analysis focused on a wide range of issues including staffing, deployment, organization, management and other issues. The section, that follows, provides a brief descriptive summary of the Fire Department.

1. DEPARTMENT SUMMARY

The York City Fire Department provides fire and basic emergency medical services for the residents and visitors of the City (ALS and ambulance transport services are provided by White Rose Ambulance), in addition to providing mutual aid to neighboring cities and townships. Its mission is to provide effective response to situations that threaten the safety and health of York citizens due to fire, hazardous conditions, environmental emergencies, medical emergencies, and similar events. The table below provides a brief summary of the primary programs and services offered by the YCFD:

FUNCTION	DESCRIPTION OF SERVICES
Operations	Responds to emergency calls for service pertaining to fire, rescue, and EMS in the City and mutual aid areas.
Fire Prevention	Ensures building and structures in the City of York comply with the locally adopted fire code and property maintenance code.
Investigations	Conducts fire investigations for origin and cause as necessary.
Emergency Planning	The Emergency Management Planner prepares information relevant to disaster planning and coordinates exercises to ensure preparedness for large scale incidents.
Other	Other programs include public education, community services, Citizens Fire Academy, etc.

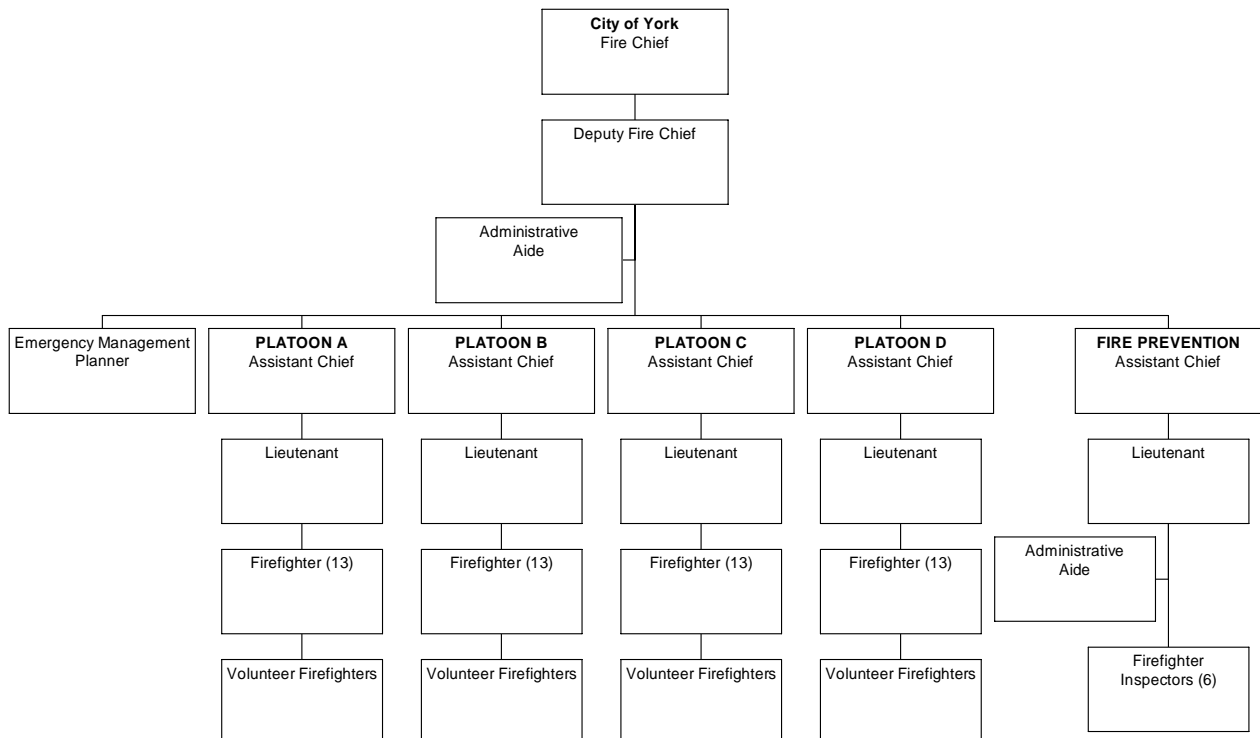
The following section provides the project team's analysis of the Fire Department and a summary of operations, staffing, and workload.

2. ANALYSIS OF STAFFING AND OPERATIONS OF THE YORK CITY FIRE DEPARTMENT

This section provides an analysis of staffing, operations, and workload of the Fire Department. Workload data were gathered from the Department's Firehouse database which is maintained separate from the County operated, 911 dispatch center.

(1) The Fire Department Provides a Wide Range of Services for Residents and Visitors with a Full-Time Staffing of 70 Sworn and 3 Non-Sworn Positions.

The York City Fire Department consists of 73 full-time personnel organized as shown below:



As shown above, there are thirteen (13) firefighters one (1) Lieutenant and one (1) Assistant Chief assigned to each of four platoons. There is also one (1) Lieutenant and one (1) Assistant chief who supervise six (6) firefighter/inspectors assigned to the prevention Bureau.

The table below shows the current number of authorized positions within the YCFD and the number of filled positions.

Position	Authorized	Filled
Chief	1	1
Deputy Chief	1	1
Assistant Chief	5	5
Lieutenant	5	5
Firefighter	58	58
Emergency Management Planner	1	1
Administrative Aide	2	2
Total	73	73

As shown above, the Department is currently fully staffed with no vacancies. The next table below shows the current deployment of personnel by station and apparatus:

Station	Apparatus	Minimum Staffing
Station 1	Engine 1	2
	Truck "A"	2
	Engine 3 (Reserve)	
Station 2	Engine 2	2
	Engine 4 (Reserve)	
	Truck "B" (Reserve)	
	Service 45	Volunteers
Station 5	Engine 5	2
	Engine 7 (Reserve)	
Station 9	Engine 9	2
	Service 45-1	Prevention

As shown above, the YCFD operates out of four fire stations and has a daily minimum staffing of ten (10) or two (2) firefighters assigned to each piece of

apparatus. In addition, a minimum of one (1) officer is required to supervise each of four shifts.

(2) Assessment of Actual Deployment Compared to Minimum Staffing Shows That the Department Can Meet Current Daily Minimum Staffing Requirements.

The project team collected use of leave data for operations personnel within the YCFD to assess the Department's current ability to meet minimum staffing requirements. As shown in the previous section, the YCFD provides service to the City of York with a minimum of two (2) personnel per piece of apparatus, for a total of ten (10) front line personnel. In addition a minimum of one (1) officer is needed to oversee daily operations and respond as incident commander. Operations personnel work two 10 hour "day" shifts (7 a.m. to 5:00 p.m.), followed by two 14 hour "night" shifts (5:00 p.m. to 7 a.m.), followed by four days off.

In order to evaluate the Department's ability to meet this requirement, the project team collected use of leave data for each member of the Department. The table, below, shows the total number of hours due to various types of leave (based on 2004-2005 data):

Position	Vacation	Personal	Bonus	Sick	Total
Firefighters	17,900	1,030	710	3,260	22,900
Lieutenant	1,740	60	60	70	1,930
Assistant Chief	1,900	60	100	70	2,130
Total	21,540	1,150	870	3,400	26,960

Position	Number	Workweek (hrs.)	Scheduled Hours	Leave Hours	Availability Rate
Firefighters	58	42	126,672	22,900	82%
Lieutenant	5	42	10,920	1,930	82%
Assistant Chief	5	42	10,920	2,130	80%
Total	68	126	148,512	26,960	82%

The table above shows that on average, operations personnel are available 82% of regular scheduled hours. This rate varies somewhat by position, with Assistant Chief's available 80% of regular scheduled hours, and Firefighters and Lieutenants available 82% of regular scheduled hours. It should be noted that this level is comparatively high.

The next table, below, shows the total number of positions needed to maintain minimum staffing:

	Min. No. of Firefighters	Min. No. of Officers	FF Assigned	Officers Assigned	Firefighters Available (@82%)	Officers Available (@81%)
Shift A	10	1	13	2	10.66	1.62
Shift B	10	1	13	2	10.66	1.62
Shift C	10	1	13	2	10.66	1.62
Shift D	10	1	13	2	10.66	1.62

The following points highlight the information above:

- Based on current minimum staffing requirements, the YCFD needs ten firefighters per shift. After considering use of leave, current staffing allows the Department to meet this requirement.
- Based on current minimum staffing requirements, the YCFD needs one officer per shift. After considering use of leave, current staffing allows the Department to meet this requirement.
- There are also six (6) additional firefighter positions and two (2) additional officer positions assigned to fire prevention. These personnel supplement operations when needed.

In summary, the YCFD has the personnel needed to maintain the current minimum staffing. The additional personnel also allow the Department to operate slightly above minimum staffing requirements on occasion.

(3) Assessment of Current Call for Service Workload

This section provides an analysis of calls for service workload handled by the YCFD.

(3.1) The York Fire Department Responded to 2,683 Calls for Service During 2004.

The following table provides a summary of calls for service received by the YCFD during 2004 by hour of day and day of week.

**York Fire Department
2004 Calls for Service**

Hour	Sun	Mon	Tues	Wed	Thur	Fri	Sat	Total	Avg./ Hour
0000	20	14	9	7	9	6	14	79	0.22
0100	19	10	9	9	10	12	11	80	0.22
0200	11	5	8	5	9	5	11	54	0.15
0300	4	6	6	7	7	9	9	48	0.13
0400	8	3	3	3	5	2	7	31	0.08
0500	9	4	3	4	3	5	8	36	0.10
0600	9	5	10	7	2	7	6	46	0.13
0700	13	13	16	12	9	8	7	78	0.21
0800	12	15	20	13	9	12	4	85	0.23
0900	6	19	15	18	14	9	17	98	0.27
1000	21	22	12	20	22	24	12	133	0.36
1100	15	12	14	18	18	17	9	103	0.28
1200	15	20	18	23	21	15	26	138	0.38
1300	9	14	19	16	21	18	15	112	0.31
1400	18	21	24	24	22	23	26	158	0.43
1500	12	12	35	25	18	25	13	140	0.38
1600	22	28	23	27	31	34	27	192	0.53
1700	29	21	30	25	31	22	24	182	0.50
1800	16	23	28	25	22	21	30	165	0.45
1900	24	31	28	22	33	19	29	186	0.51
2000	24	28	25	20	27	25	23	172	0.47
2100	15	17	22	25	13	27	23	142	0.39
2200	15	15	17	18	14	29	23	131	0.36
2300	15	11	6	4	11	30	17	94	0.26
Total	361	369	400	377	381	404	391	2,683	7.35
Avg./ Day	6.92	7.08	7.67	7.23	7.31	7.75	7.50	7.35	

The following points highlight the information above:

- During 2004, the YCFD responded to 2,683 calls for service for an average of approximately 7 calls per day.

- Calls for service per hour averaged from a low of .08 during the hour of 0400 to 0500 to a high of .53 during the hour of 1600 to 1700.
- Calls for service by day ranged from an average of 6.9 on Sunday to 7.75 on Thursday.

The project team also collected data for 2005, up to August 22. The table below shows the same distribution in the previous table but for 2005:

**York Fire Department
January 2005 to August 22, 2005
Calls for Service**

Hour	Sun	Mon	Tues	Wed	Thur	Fri	Sat	Total	Avg/ Hour
0000	11	5	5	10	8	1	11	51	0.22
0100	12	3	6	1	6	4	11	43	0.18
0200	6	3	5	3	4	5	11	37	0.16
0300	8	6	7	3	2	6	5	37	0.16
0400	5	4	2	7	2	5	3	28	0.12
0500	3	1	3	4	3	2	3	19	0.08
0600		6	3	3	6	4	4	26	0.11
0700	4	6	9	6	4	6	3	38	0.16
0800	7	8	8	9	8	8	6	54	0.23
0900	7	13	8	9	3	7	7	54	0.23
1000	7	8	4	10	11	5	5	50	0.21
1100	13	10	11	12	8	11	7	72	0.31
1200	8	10	11	16	13	11	7	76	0.32
1300	15	19	12	8	15	18	7	94	0.40
1400	10	7	11	10	10	12	8	68	0.29
1500	14	25	13	20	17	14	13	116	0.50
1600	13	20	19	9	14	20	11	106	0.45
1700	11	22	19	14	16	13	12	107	0.46
1800	15	19	11	12	22	13	17	109	0.47
1900	15	23	18	10	12	17	18	113	0.48
2000	10	13	16	10	11	15	19	94	0.40
2100	9	10	10	10	10	17	18	84	0.36
2200	7	7	17	8	4	9	16	68	0.29
2300	4	8	5	8	4	10	11	50	0.21
Total	214	256	233	212	213	233	233	1,594	6.81
Avg/ Day	6.40	7.66	6.97	6.34	6.37	6.97	6.97	6.81	

The following points highlight the information above:

- From January 1, 2005 to August 22, 2005, the York Fire Department responded to 1,594 calls for service, for an average of approximately 7 calls per day.
- Annualized, the YCFD is projected to respond to approximately 2,500 calls for service during 2005. This of course assumes that average monthly call volume stays the same.
- Calls for service by day of week exhibit the same trend found in the 2004 data, with Sunday averaging the fewest calls at 6.4. However, Mondays had the highest average number of calls in 2005 at approximately 7.7 calls.

The next table, below, shows calls for service workload by type of call for 2004:

York Fire Department
Calls for Service by Type, 2004

Call Type	Total	Percentage	Avg./Day
False Alarm & False Call	833	31%	2.3
Rescue and EMS Incidents	433	16%	1.2
Good Intent Call	398	15%	1.1
Hazardous Conditions, no fire	387	14%	1.1
Fire	367	14%	1.0
Service Call	236	9%	0.6
Overpressure Rupture, Explosion, no fire	19	1%	0.1
Special Incident Type	7	0%	0.0
Severe Weather & Natural Disaster	3	0%	0.0
Total	2,683	100%	7.4

The following points highlight the information above:

- As shown above, the bulk of calls for service, 833 or 31%, were false alarms or false calls, followed by rescue and EMS calls at 433 or 16%, good intent calls at 398 or 15%, and hazardous conditions (no fire) at 387 or 14%. The Department received 367 fire related calls during 2004 which made up 14% of total calls.
- On average, the Department received approximately 2.3 false alarm calls, 1.2 rescue and EMS calls, 1.1 good intent calls, 1.1 hazardous conditions calls, and 1 fire call per day. In addition, the YCFD responded on average to .6 service calls, .1 overpressure rupture calls, and less than .1 call to special incidents and severe weather or natural disaster calls.
- Overall, the Department responds to approximately 7 calls for service per day.

The next table, on the following page, shows the same data for 2005:

York Fire Department
Calls for Service by Type, 2005

Call Type	Total	Percentage	Avg/Day
False Alarm & False Call	477	30%	2.04
Rescue and EMS Incidents	374	23%	1.60
Good Intent Call	223	14%	0.95
Fire	214	13%	0.91
Hazardous Conditions, no fire	199	12%	0.85
Service Call	92	6%	0.39
Overpressure Rupture, Explosion, etc.	10	1%	0.04
Special Incident Type	5	0%	0.02
Severe Weather & Natural Disaster	0	0%	0.00
Total	1,594	100%	6.81

As shown above, the composition of calls for service has not changed much from 2004. False alarms continue to make up the largest share of calls at 30% or 2 per day, followed by rescue and EMS calls at 23% or 1.6 per day, good intent calls at 14% or .95 per day, and fire calls at 13% or .91 per day.

(3.2) Response Times to Calls for Service Indicate That the Department Provides a High Level of Service to the City.

The project team collected detailed response time data from the Department's Firehouse database for calls for service from January 2004 to August 22, 2004. Please note that this data was developed by responding personnel to emergency incidents. As a result, the times utilized to document dispatch and on-scene arrival times are estimates. In addition, all times are in minutes with no seconds. This may skew response times slightly upward or downward. Due to this reason, the project team eliminated entries which resulted in one (1) minute or less of total response time (from time of dispatch to a unit arriving on scene).

York Fire Department
Response Times (Dispatch to On Scene) to
Calls for Service 2004-2005

Call Type	Average Response	Percentage <5 Min
Fire	2.75	97.0%
Overpressure Rupture, Explosion, no fire	3.37	94.7%
Rescue and EMS Incidents	2.45	96.8%
Hazardous Conditions, no fire	3.85	85.8%
Service Call	4.67	76.7%
Good Intent Call	2.89	93.7%
False Alarm & False Call	2.39	96.3%
Severe Weather & Natural Disaster	1.00	100.0%
Special Incident Type	7.83	57.1%
Total	2.94	92.8%

The following points highlight the information above:

- The Department had an average response time (from dispatch to arrival on scene) of 2.9 minutes. Overall, the department was able to respond to approximately 93% of all calls for service in five minutes or less.
- Average response time to fire related calls was 2.75 minutes. Approximately 97% of all fire related calls were reached within five minutes or less.
- Average response time to rescue and EMS incidents was 3.37 minutes. Approximately 97% of all rescue and EMS incidents received a response of five minutes or less.
- Average response time to all other calls for service was approximately 3 minutes. Approximately 91% of all of these calls were reached within five minutes or less.

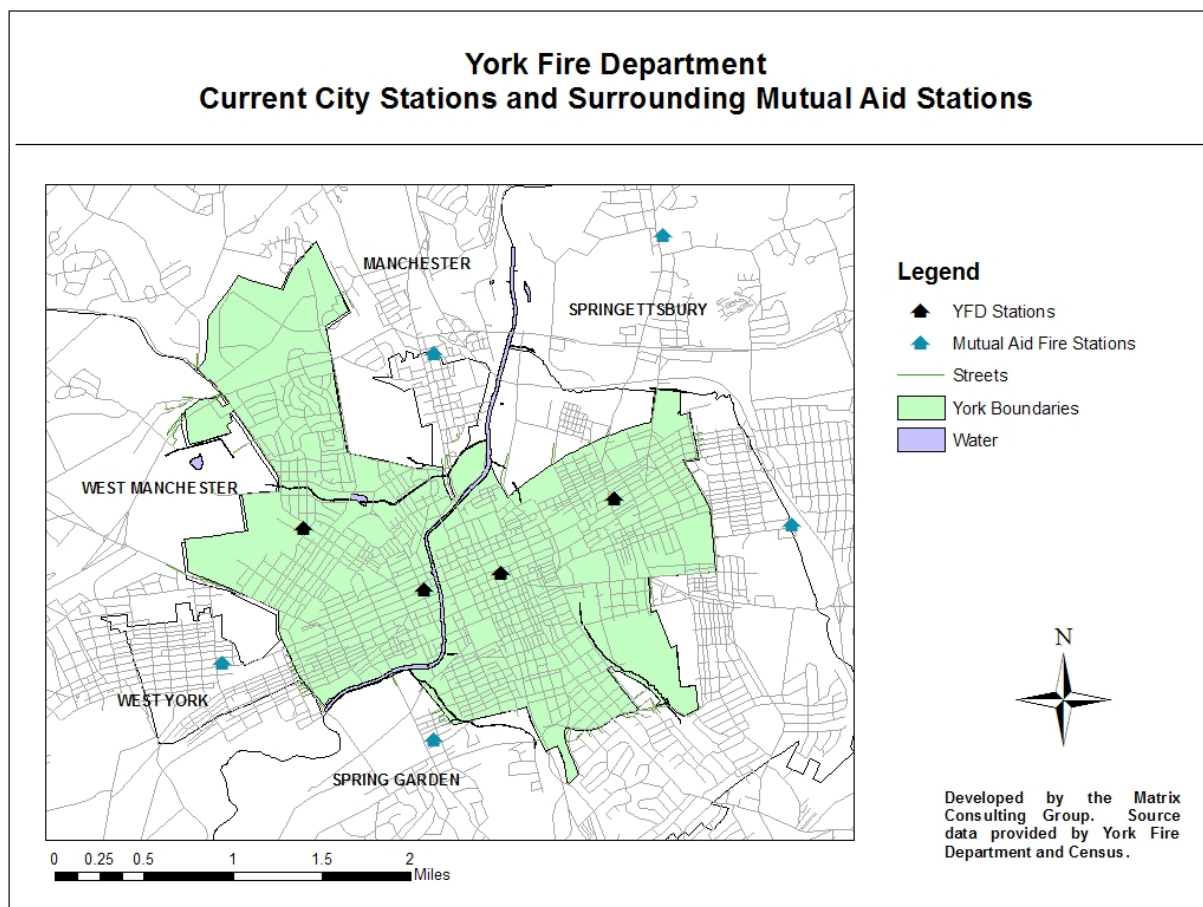
Overall, the YCFD is providing a high level of service to the residents and visitors of York.

(4) The York City Fire Department Operates Within a Network of Surrounding Mutual Aid Departments

While the YCFD provides fire and emergency medical services to the residents of the City of York, the Department also provides and receives mutual aid to and from surrounding communities. These communities include:

- Spring Garden: Two (2) engines and one (1) ladder staffed with 3 to 4 on duty career firefighters and supplemented by volunteer personnel.
- West York Borough: One engine and one ladder staffed with one paid driver per apparatus and supplemented by volunteer personnel.
- Manchester Township: One ladder truck, two engines, one heavy rescue, and one ambulance staffed with four career personnel per shift and supplemented by volunteer personnel.
- West Manchester: Two engines and one ladder staffed by one career chief and supplemented by volunteer personnel.
- Springettsbury: Two engines and one ladder truck staffed by one duty officer and three personnel per shift supplemented by part-time personnel.

The map below shows the current locations of the surrounding mutual aid fire departments:



During 2004, the YCFD responded to eighty-four mutual aid calls outside of the City and received assistance on forty-nine calls within the City, as shown in the table below:

Area	Total
Outside City of York	84
Into City of York	49
Total	133

In addition to participating in the mutual aid response network, the York City Fire Department participates in the North East County Mutual Aid Association. This group works to develop common training standards and standard operating procedures to ensure that personnel work in the same manner on the emergency scenes. This group also discusses ways to improve delivery of fire and EMS services on a regional level. YCFD's participation in this association is commendable and work should continue to improve collaboration amongst regional agencies.

Regional cooperation in York County is quite high and provides a basis for future evaluation of additional opportunities.

(5) Comparison of York to “Standards” of Response for Fire and EMS Calls for Service.

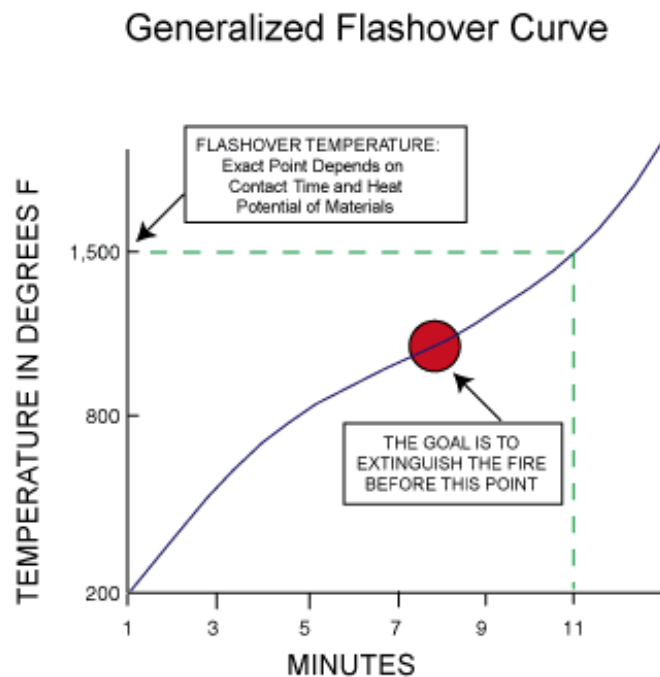
The project team developed performed an evaluation of the Department's ability to provide fire and emergency medical response based on current national “standards.” The next section provides a discussion of the development and use of these standards.

(4.1) The National Standards for Fire and EMS Service Delivery Are Based on Research Into Fire Behavior and Cardiac Survival.

The standards promoted for fire rescue and EMS have their basis in research that has been conducted into two critical issues:

- What is the critical point in a fire's "life" for gaining control of the blaze?
- What is the impact of the passage of time on survivability for victims of cardiac arrest?

The exhibit, that follows, shows the typical "flashover" curve for interior structure fires. The point of "flashover" is critical because it defines when all of the contents of a room become involved in the fire. This is also the point at which a fire changes from "room and contents" to a structure fire – involving a wider area of the building.



Note that this graphic depicts a fire from the moment of inception – not from the moment that a fire is detected or reported. This demonstrates the criticality of early detection and fast reporting and dispatch of responding units. This also shows the critical need for a rapid (and sufficiently staffed) initial response – by quickly initiating the attack on a fire, "flashover" can be averted.

The points, below, describe the major changes that occur at a fire when “flashover” occurs:

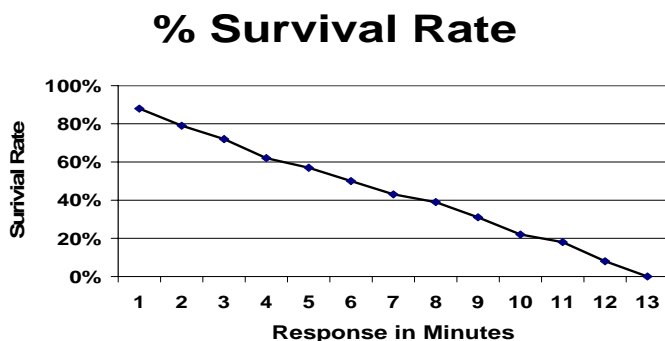
- It is the end of time for effective search and rescue in a room involved in the fire. It means that likely death of any person trapped in the room – either civilian or firefighter.
- After this point in a fire is reached, portable extinguishers can no longer have a successful impact on controlling the blaze. Only hand-lines will have enough water supply to affect a fire after this point.
- The fire has reached the end of the “growth” phase and has entered the fully developed phase. During this phase, every combustible object is subject to the full impact of the fire.
- This also signals the changeover from “contents” to “structure” fire. This is also the beginning of collapse danger for the structure. Structural collapse begins to become a major risk at this point and reaches the highest point during the decay stage of the fire (after the fire has been extinguished).

It should be noted that not every fire will reach flashover – and that not every fire will “wait” for the 8-minute mark to reach flashover. A quickly responding fire crew can do things to prevent or delay the occurrence of flashover. These options include:

- Application of portable extinguisher or other “fast attack” methodology.
- Venting the room to allow hot gases to escape before they can cause the ignition of other materials in the room.
- Not venting a room – under some circumstances this will actually stifle a fire and prevent flashover from occurring.

Each of these techniques requires the rapid response of an engine company that can safely initiate these actions. Under most circumstances, this requires at least three firefighters on-scene. However, many agencies wait to have at least two firefighters outside the structure to back up a two-person interior attack team.

The second issue to consider is the delivery of cardiac and other emergency medical first response. The exhibit, below, demonstrates the survivability of cardiac patients as a timeline:



This graph shows the results of extensive studies of the survivability of patients suffering from cardiac arrest. This is the most-often studied issue due to the ease of evaluating the outcome (a patient either survives or does not) from a cardiac arrest. This research results in the recommended standard of provision of basic life support within 4-minutes of notification and the provision of advanced life support within 8 minutes of notification. The goal is to provide BLS within 6 minutes of the onset of the incident (including detection, dispatch and travel time) and ALS within 10 minutes. Further descriptions of practical research into these issues are summarized in the section that follows.

(4.2) THE NATIONAL FIRE PROTECTION ASSOCIATION 1710.

The topic of “appropriate” deployment and response to fires and other emergencies has been on the forefront of consideration in the fire service and among policy makers and municipal managers for the past several years. The intense focus has resulted from the development and promulgation of a document called NFPA 1710 (for short – the full title is: “Standard for the

Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations and Special Operations to the Public by Career Fire Departments (2001 Edition)."

What NFPA 1710 Is:

- A recommended standard of service for fire, EMS and other Fire Department activities.
- A tool for local policy makers to use when evaluating their own service delivery network.
- A standard that should be considered against the current response capabilities of the local fire / rescue / EMS service.

What NFPA 1710 Is Not:

- A law, a regulation or a requirement for cities and other municipalities to follow.
- Something that needs to be fully implemented immediately.

What NFPA 1710 Recommends:

- Dispatch handling times equal to one (1) minute or less.
- En route times (reaction times) equal to one (1) minute or less.
- Travel times for the initial arriving unit (or for the delivery of BLS level care in an EMS system) of four (4) minutes or less.
- Travel times for a full structure fire response (defined below) or for an ALS response (also defined below) in eight (8) minutes or less.
- The standard for fire can also be met if four (4) firefighters are on-scene in four (4) minutes or less.
- An ALS response is defined in the standard as at least four people, at least two (2) of whom should be paramedics and two (2) of whom are at the EMT-basic level.
- An initial full structure fire response is defined as a total of 13 (up to 15) people:
 - One (1) incident commander (plus one (1) assistant).
 - One (1) supply line.
 - Two (2) attack lines of two (2) people plus one (1) support person (for a total of six people).

- One (1) search and rescue team of at least two (2) people.
- One (1) ventilation team of at least two (2) people.
- One rapid intervention team (RIC) comprised of at least two (2) people. This team can be formed from other staff on scene until a dedicated RIC arrives. This would reduce the staffing required on the first response to 13 people.
- If in use, one (1) aerial operator should be assigned to maintain control of the aerial unit.
- Goal should be to achieve these response times and staffing levels at a minimum of 90% of applicable calls for service.
- Engine / aerial companies should be a minimum of four (4) people:
 - NFPA 1710 recognizes explicitly that there are many ways to achieve this.
 - Standard does not require that four (4) people arrive on the scene in the same unit.
 - Could use, for example, a department with many two-person units that provide this level of coverage (i.e., all calls receive two units minimum).

The next section describes the project team's approach to evaluating the YCFD based on the standards identified above.

(5) The Matrix Consulting Group Used a GIS Model to Evaluate Fire Station Locations and Response Capabilities of the York Fire Department.

Using the GIS model enables us to consider the various elements of the standards discussed in the previous section. Specifically, the model was programmed to determine the areas in which the network could travel in four and eight minutes. Next the Department's calls for service are plotted to compare

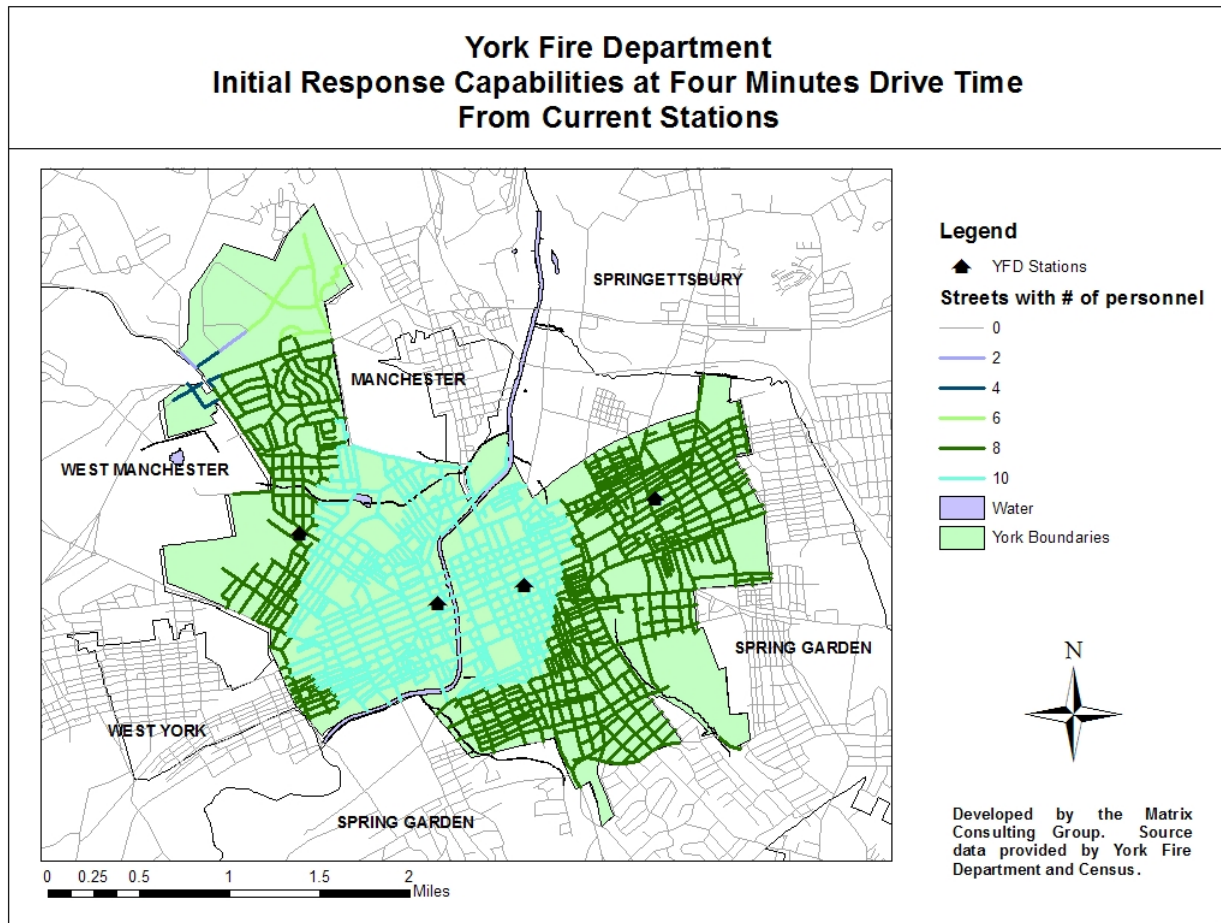
response capabilities to actual calls for service. This approach allows the project team to evaluate the following:

- The percentage of EMS calls for service that can be reached by at least one unit in four minutes of drive time.
- The percentage of Fire calls that can be reached by an initial structure fire response within 8 minutes of drive time.
- The number of units and personnel capable of reaching actual calls for service.
- The potential impact of staffing changes and alternative station locations on the Department's response capabilities.

This method, then, takes into consideration both the 'theoretical' capabilities of the fire service from its existing fire stations as well as its 'actual' experience.

(5.1) Current Four Minute Response Capabilities

The map, on the following page, shows where the YCFD is capable of responding within four minutes of drive time. It also shows the number of personnel who can reach each area of the City.



As shown above, the YCFD is capable of reaching a large portion of the central and western area of the city with all ten personnel. In addition, almost all of the City can be reached by at least eight personnel.

The project team also evaluated the proportion of actual calls for service during 2004, which could be reached from the current stations. The table below shows the number of calls within a four minute drive from each station and shows the number of personnel capable of reaching those calls:

York Fire Department
Calls Reached Within Four Minutes of Drive Time
With Number of Personnel

Number of Personnel	Calls	Percentage
0	4	0%
2	12	0%
4	12	0%
6	35	1%
8	1107	42%
10	1437	55%
Total	2,607	100%

The following points highlight the information presented in the table above:

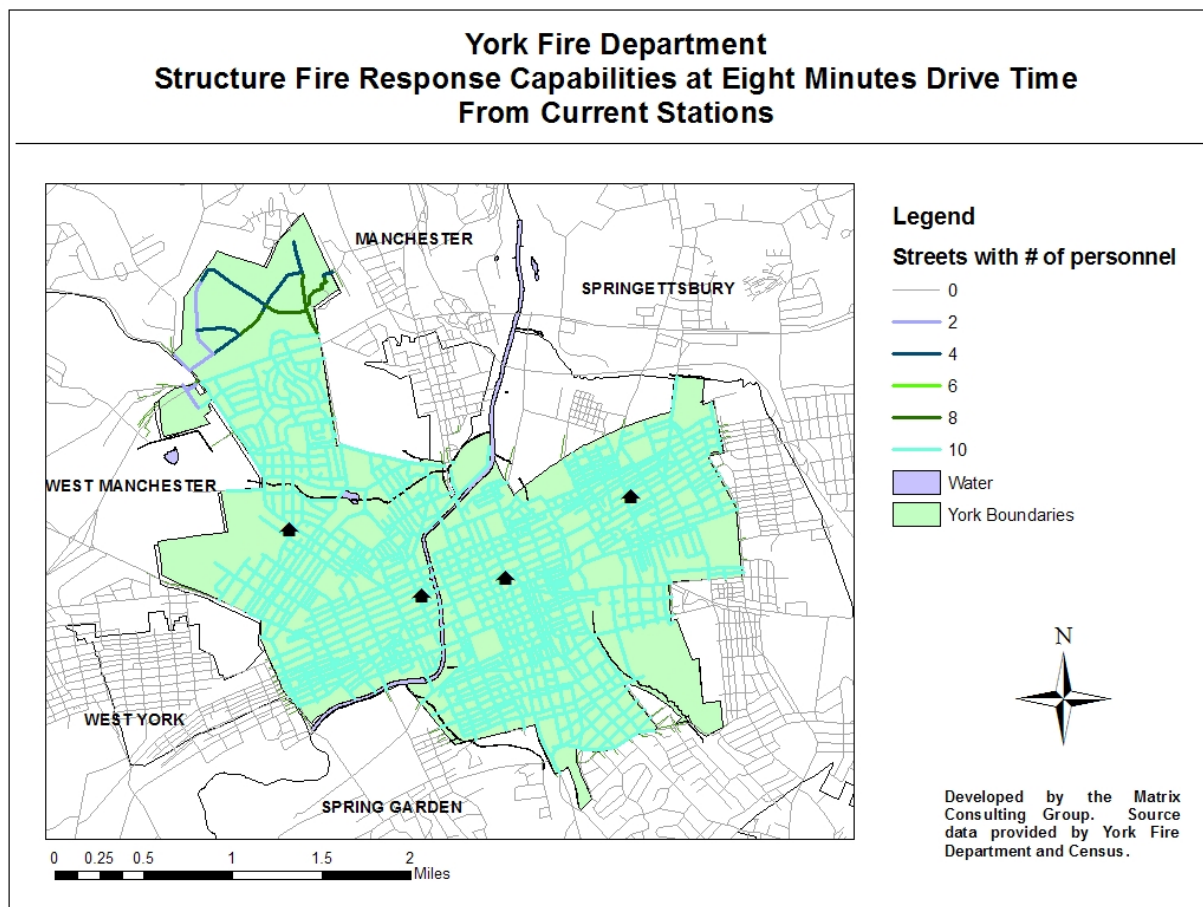
- Approximately 97% of all calls for service could be reached by eight or more personnel within four minutes of drive time from current stations. Based on current staffing, this means that four units were capable of reaching 97% of calls for service during 2004.
- Approximately 99% of all calls for service could be reached by at least one unit (two personnel) within four minutes of drive time.

Overall, the map and table above show that the current station network is capable of delivering multiple units (at least four) to almost anywhere in the City within four minutes or less.

(5.2) Current Eight Minute Response Capabilities

The project team next evaluated the department current capability to deliver a structure fire response within eight minutes of drive time. It is important to note that staffing of front-line pieces is less than the 13 to 15 personnel generally recommended as an adequate full structure fire response. Total current staffing of front-line pieces per shift is ten (10) personnel, plus one (1) incident commander for a total of eleven (11). However, it is important to note that from 0700 to 1730 during weekdays, when the Department confirms that a call is a working fire, at least two (2) prevention personnel are required to respond to the scene with Service Truck 45-1. In addition, the Department may receive additional support from volunteer firefighters, recalled career firefighters, mutual aid departments, and additional prevention or upper level command staff if needed.

The map, below, shows the current response capabilities for firefighters in station and currently assigned to an apparatus.



As shown above, with the exception of the far northwestern corner of the City, the YCFD is able to respond anywhere in the City within eight (8) minutes or drive time with ten personnel. In addition to the map above, the following statistics were also generated:

**York Fire Department
Calls Reached Within Eight Minutes of Drive Time
With Number of Personnel**

Personnel	Calls	Percentage
0	6	0%
2	14	1%
4	13	0%
6	-	0%
8	18	1%
10	2,556	98%
Total	2,607	100%

The following points highlight the information above:

- Approximately 99% of all calls for service could be reached by the YCFD during 2004.
- Approximately 98% of all calls for service could be reached by all five units (10 personnel).
- Approximately 99% of all calls for service could be reached by four or more units (8 or more personnel).

In summary, the current station network provides a significant level of overlap at both four minutes and eight minutes of drive time. As previously mentioned, although the Department does not staff front-line apparatus with the number of personnel needed to provide a traditional structure fire response, additional personnel are drawn from fire prevention, mutual aid departments, and volunteer companies. The next section assesses the actual number of personnel responding to structure fire incidents.

(5.3) Assessment of Actual Personnel Response to Fire Incidents

The project team collected information on the frequency of structure fire calls for service and the number of responders to calls for service during 2004 and 2005. The table below shows the number of building fire calls by time of day from January 1, 2004 to August 22, 2005.

York Fire Department
Structure Fire Calls January 2004 to August 22, 2005

Hour	Sun	Mon	Tues	Wed	Thur	Fri	Sat	Total	Percent
0000	1	0	0	1	0	0	1	3	1.7%
0100	0	0	0	0	0	0	1	1	0.6%
0200	1	1	1	1	1	0	0	5	2.9%
0300	2	2	0	2	1	0	1	8	4.6%
0400	2	0	0	1	0	0	0	3	1.7%
0500	0	0	0	0	0	3	0	3	1.7%
0600	1	0	0	0	0	0	1	2	1.2%
0700	0	0	2	0	1	0	0	3	1.7%
0800	0	1	0	1	1	4	0	7	4.0%
0900	0	1	1	1	1	2	3	9	5.2%
1000	2	2	0	0	1	1	0	6	3.5%
1100	0	2	2	2	2	1	1	10	5.8%
1200	2	0	3	1	2	0	2	10	5.8%
1300	0	0	1	0	1	3	0	5	2.9%
1400	4	1	3	3	1	0	5	17	9.8%
1500	0	0	2	3	0	1	2	8	4.6%
1600	2	3	1	0	4	2	1	13	7.5%
1700	2	2	1	2	0	2	1	10	5.8%
1800	1	2	1	3	2	0	2	11	6.4%
1900	3	0	0	2	3	1	1	10	5.8%
2000	2	0	3	2	1	0	1	9	5.2%
2100	0	1	1	4	1	0	0	7	4.0%
2200	0	2	0	0	0	5	1	8	4.6%
2300	1	1	0	0	0	3	0	5	2.9%
Total	26	21	22	29	23	28	24	173	100.0%
Percent	15.0%	12.1%	12.7%	16.8%	13.3%	16.2%	13.9%	100.0%	

The following points highlight the information above:

- From January 2004 to August 22, 2005, the York Fire Department responded to 173 building fire calls. Structure fire calls varied by hour of day. The table below shows the distribution of calls by six hour intervals:

Interval	Number of Calls	Percent
0000 to 0600	23	13.3%
0600 to 1200	37	21.4%
1200 to 1800	63	36.4%
1800 to 0000	50	28.9%
Total	173	100.0%

As shown above, the largest share of calls occurred during the hours of 1200 to 1800 at 36%, followed by 1800 to 0000 at 29%, 0600 to 1200 at 21%, and 0000 to 0600 at 13%.

- Structure fire calls also varied somewhat by day of week. The table below, shows the number and proportion of building fire calls received over this time period:

Day	Number of Calls	Percent
Sunday	26	15.0%
Monday	21	12.1%
Tuesday	22	12.7%
Wednesday	29	16.8%
Thursday	23	13.3%
Friday	28	16.2%
Saturday	24	13.9%
Total	173	100.0%

As shown above, the number of structure fire calls ranged from a low of 21 or 12% on Monday, to a high of 29 or approximately 17% on Wednesday.

The next table, below, shows the average number of personnel who actually responded to structure fire calls:

York Fire Department
Average Personnel Response to Structure Fire Calls
January 2004 to August 2005

Hour	Sun	Mon	Tues	Wed	Thur	Fri	Sat	Total
0000	7.00			15.00			7.00	9.67
0100							8.00	8.00
0200	34.00	7.00	4.00	9.00	13.00			13.40
0300	17.00	7.50		13.00	10.00		8.00	11.63
0400	8.50			9.00				8.67
0500						11.33		11.33
0600	10.00						40.00	25.00
0700			10.00		10.00			10.00
0800		10.00		8.00	3.00	11.50		9.57
0900		7.00	10.00	8.00	7.00	10.50	8.33	8.67
1000	12.00	3.50			3.00	8.00		7.00
1100		13.50	11.50	8.00	3.00	7.00	16.00	9.50
1200	8.00		10.67	13.00	5.00		7.00	8.50
1300			8.00		3.00	8.33		7.20
1400	12.00	7.00	11.67	10.00	8.00		8.40	10.00
1500			7.00	4.33		3.00	10.50	6.38
1600	8.50	15.67	17.00		14.00	13.00	12.00	13.46
1700	5.00	4.00	28.00	14.00		7.50	10.00	9.90
1800	8.00	13.00	18.00	10.33	5.50		8.00	10.00
1900	5.00			8.00	10.67	7.00	11.00	8.10

York Fire Department
Average Personnel Response to Structure Fire Calls
January 2004 to August 2005

Hour	Sun	Mon	Tues	Wed	Thur	Fri	Sat	Total
2000	6.00		6.00	9.50	16.00		9.00	8.22
2100		1.00	16.00	9.50	4.00			8.43
2200		34.00				14.20	12.00	18.88
2300	7.00	2.00				5.00		4.80
Average	9.96	11.05	11.05	9.62	8.35	9.93	10.46	10.02

The following points summarize the information above:

- The YCFD received a total average response of ten (10) personnel to structure fire calls from January 2004 to August 22, 2005.
- Average personnel response varied significantly by hour of day from a low of 4.8 during the hour of 2300 to 0000, to a high of 25 during the hour of 0600 to 0700. The table below also shows the average personnel response by six hour interval:

Time Interval	Average Personnel Response
0000 to 0600	10.45
0600 to 1200	11.62
1200 to 1800	9.24
1800 to 0000	9.74
Total	10.02

As shown above, average personnel response was lowest during the hours of 1200 to 1800, followed by 1800 to 0000 (midnight). As shown in the previous table, these were the two intervals with the highest call demand.

- Average personnel response also varied somewhat by day of week. The average number of responders ranged from a low of 8.35 on Thursday, to a high of 11 responders on Monday and Tuesday.

In addition to the above, the project team looked at average personnel responses to structure fire calls greater than one alarm. The table below shows the average number of personnel responding to greater alarms by hour.

**Average Personnel Response to Structure Fire Calls
Greater than 1 Alarm**

Hour	Average Personnel Response
0200 to 0300	34.0
0300 to 0400	24.5
1100 to 1200	16.0
1400 to 1500	12.0
1600 to 1700	31.0
1700 to 1800	28.0
2200 to 2300	32.5
Total	25.4

As shown above, the Department received an average of twenty-four personnel to structure fire calls greater than one alarm. Overall, the YCFD is able to provide a significant number of responders to structure fire calls. It appears that there may be a need for additional personnel during the periods from noon to midnight. However, given the low structure fire call volume, less than one call every three days, it is somewhat impractical to either staff for these incidents or use an on-call system to provide coverage. Existing resource augmentation measures, including use of fire prevention personnel, call back and mutual aid should continue.

Recommendation: While current staffing limits the Department's ability to provide a full structure fire response, limited workload suggests that use of an on-call system or hiring additional personnel would be impractical and/or not cost effective. As a result, make no changes to on duty staffing but relay on existing resource augmentation measures.

(5.4) Modeled Performance of the Current Station Network Suggests Opportunities for Redeployment of Personnel.

Given the current ability of the YCFD to respond to more than adequately meet national performance standards for initial and structure fire responses, the project team evaluated the potential for consolidating the current station network. Because Station 1 and Station 2 are relatively close to one another, within

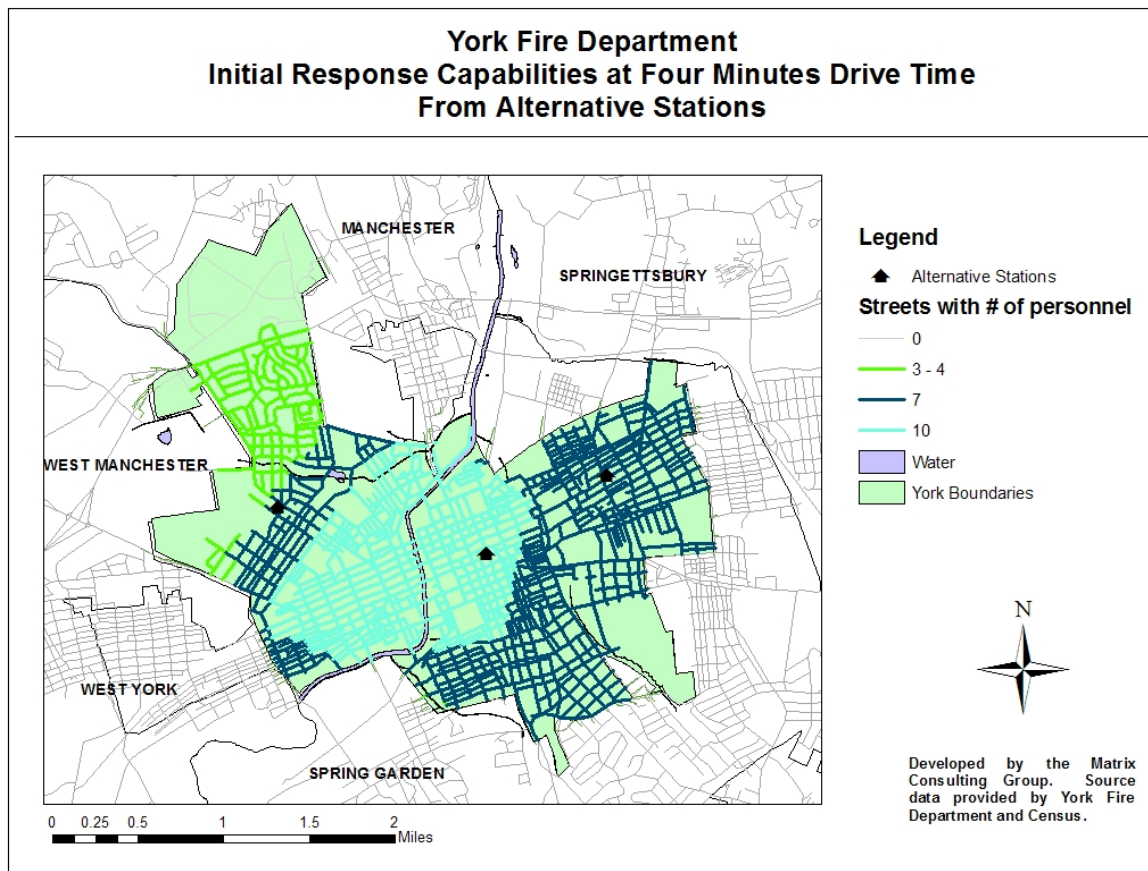
approximately half of one mile, the project team evaluated the costs and benefits of closing Station 2 and redeploying personnel to other apparatus. Station 2 was selected rather than Station 1 because of the latter's proximity to downtown and its many special hazard occupancies. Under this scenario, staffing would be as follows:

- Station 1: 4 personnel assigned to Engine 1 and Ladder "A"
- Station 5: 3 personnel assigned to Engine 5
- Station 9: 3 personnel assigned to Engine 9

There are several advantages to this alternative deployment of personnel including:

- Each engine would be assigned a minimum of three personnel. Currently two personnel are assigned to each engine. With the addition of one firefighter, engine companies can begin suppression activities without having to wait for the "next in" engine company.
- The additional firefighter would also provide greater resources at EMS incidents and allow for smoother operations on scene.

The project team modeled the impact of this alternative on the Department's ability to meet the four minute and eight minute performance standards for initial and structure fire response. The map, on the following page, shows response capabilities compared to the four minute standard:



As shown above, similar to the current station configuration, most of the City can be covered by at least one unit within four minutes of drive time. In addition, there is significant overlap of personnel within the downtown and eastern areas of the City. The table, below, shows the number of calls projected to be reached under this alternative:

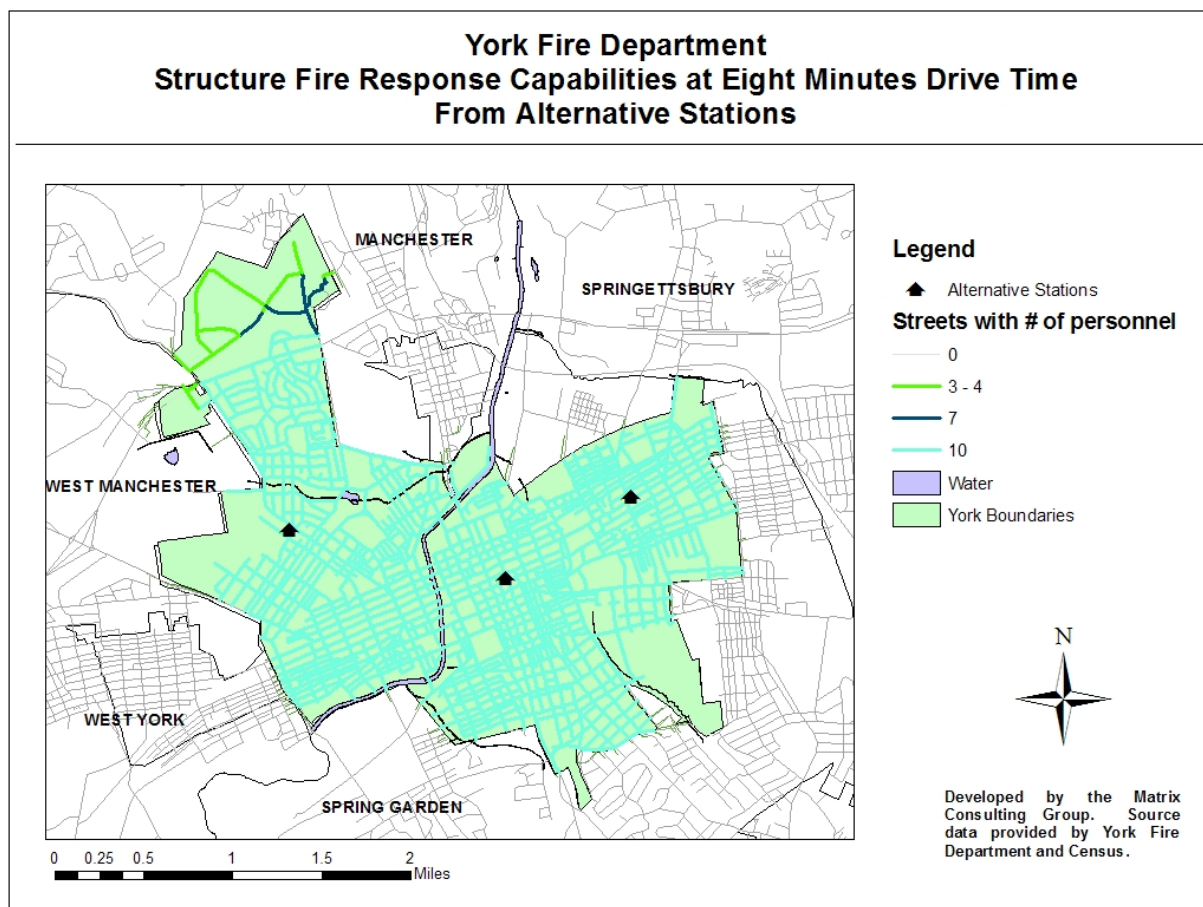
**York Fire Department
Calls Reached Within Four Minutes of Drive Time
With Number of Personnel**

Personnel	Calls	Percentage
0	63	2%
3	103	4%
4	-	0%
7	1,107	42%
10	1,334	51%
Total	2,607	100%

The following points highlight the information above:

- Under the alternative scenario, the Department is able to reach approximately 98% of total calls for service within four minutes of drive time. This level of performance exceeds the 90% benchmark.
- Approximately 93% of all calls for service can be reached by seven or more personnel (2 or more units).

The next map, on the following pages, shows projected performance compared to the eight minute standard for structure fire response:



As shown above, the Department is capable of providing ten personnel to the majority of the City within eight minute or less of drive time. Again, the following call statistics were generated under this scenario:

York Fire Department
Calls Reached Within Eight Minutes of Drive Time
With Number of Personnel

Personnel	Calls	Percentage
0	6	0%
4	27	1%
7	18	1%
10	2,556	98%
Total	2,607	100%

The table above shows that approximately 98% of all calls for service are projected to be reached by ten personnel within eight minutes of drive time. Compared to the current system, performance does not change. Overall, the consolidation of stations and the redeployment of personnel allow the Department to meet national performance objectives and provides additional resources to the “first in” engine when responding to a structure fire call. However, there are a several issues that must be addressed if this option is pursued:

- Administrative space for the duty officer, current assigned to Station 2, must be found within Stations 1, 5, or 9.
- Vehicle maintenance activities are currently performed at Station 2. This is the only facility with the capacity to accommodate vehicle lifts.
- The breathing air compressor and storage unit will are housed at Station 2. This unit requires a phase three electric system which is only available at Station 2.
- The Department utilizes space at Station 2 for training activities. The York City Police Department also uses this space for training classes. For this and the preceding reasons, the project team does not recommend physically closing Station 2 in the near future. Once these issues are resolved, the City may want to pursue the option of closing Station 2 and selling the land.
- The size of the Department's fleet would need to be reduced. The table below shows the current assignment of apparatus to each station. It also provides the make and year for each piece of apparatus:

Station	Apparatus	Description
Station 1	Engine 1	2002 American LaFrance
	Truck "A"	2001 American LaFrance
	Engine 3 (Reserve)	1983 Maxim
Station 2	Engine 2	2002 American LaFrance
	Engine 4 (Reserve)	1973 Mack
	Truck "B"	1976 Mack
	Service 45	1999 American LaFrance
Station 5	Engine 5	1988 KME
	Engine 7 (Reserve)	1962 American LaFrance
Station 9	Engine 9	1988 KME
	Service 45-1	1985 Ford/Pierce

As shown above, there are several very old pieces that could be eliminated or sold in order to house all pieces at three stations. For example, Engine 4, Engine 7, and Truck "B" could be eliminated or sold to make room at the three stations. This would leave the following pieces of apparatus in service:

Station	Apparatus	Description
Station 1	Engine 1	2002 American LaFrance
	Truck "A"	2001 American LaFrance
	Engine 3 (Reserve)	1983 Maxim
Station 5	Engine 2	2002 American LaFrance
	Engine 5 (Reserve)	1988 KME
Station 9	Engine 9	1988 KME
	Service 45-1	1985 Ford/Pierce
	Service 45	1999 American LaFrance

The following points can be made regarding the information above:

- The consolidation of the Department's fleet will provide for three front-line engines, one ladder truck, two reserve engines, and two service trucks. It should be noted that the average age of the reserve fleet decreasing significantly with the reduction of the 1962, 1973, and 1976 units.
- The resulting configuration provide enough units for a initial structure fire response (2 engines and 1 ladder truck) plus three additional engines and

- two service trucks (for remaining personnel, volunteers, and called back career personnel).
- This allows some flexibility to respond to handle a fire alarm call and a second one unit call (e.g. an EMS call) at the same time with on duty personnel. The project team examined the frequency with which the Department received a concurrent call for service (i.e. a second call while another is still being handled). During all of 2004, the Department received a second call for service while another was being handled, thirty-one (31) times (including mutual aid). Of these calls, only one was a structure fire call. This was for an outside of the city mutual aid call.

Overall, there are operational benefits and cost savings to be gained from this approach. Selling or eliminating these pieces would not provide significant revenue due to the age of these vehicles. However sales revenues plus savings on vehicle maintenance, equipment, parts, etc. could generate approximately \$15,000. In addition, the City can expect to save future fleet replacement costs. These costs will be calculated in the final cost reconciliation section at the end of this chapter.

Recommendation: The City should consider redistributing personnel from Station 2 to Stations 5 and 9. This would allow for more effective staffing and on scene utilization of initial responding apparatus. Consolidation would also create significant future cost savings.

3. ASSESSMENT OF ADMINISTRATION AND SUPPORT SERVICES

The project team also evaluated administrative and support functions within the YCFD. This includes prevention and general administration. The first subsection discusses the project team's finding regarding Department administration.

(3.1) Assessment of Department Administration

The following points summarize the project team's observations and findings regarding the current organization and operation of administrative functions:

- The Department has limited administrative support. The Department is supported by two administrative aides, one primarily assigned to administration, and one assigned primarily to prevention.
- All payroll functions, personnel issues, development of policies and procedures, are handled by the Chief and Deputy Chief and duty officers are also utilized to support the Department. Examples of this include: coordination of vehicle and equipment maintenance, station maintenance, coordination of training, etc.
- A number of routine administrative tasks such as handling incoming Department calls when the Administrative Aide is out, routine payroll duties, general customer services, etc are handled by the Deputy Chief. Given the scope of work and limited administrative resources, this makes it challenging to perform more time intensive duties such as reviewing and updating SOPs and developing training schedules and curriculum.

As a result, the project team believes would be well served by a part-time Administrative Aide. As discussed in the next subsection, this position could be shared with Prevention.

(3.2) Assessment of Prevention

The Prevention Bureau performs a number of functions including: property maintenance code inspections, certificate of occupancy fire code inspections, plan reviews, alarm maintenance and false alarm billing, public education, responding to inquiries related to the fire codes, in addition to providing support to operations personnel during working fires.

The project team evaluated the current level of productivity within the Bureau to identify potential areas for improvement. The table below shows

prevention activity and estimated time required to complete each task for the year 2004:

Activity	Number	Time Required (Hours)	Total Hours
C/A Inspection – SFD (license)	1,381	1	1,381.0
C/A Inspection – MFD (license)	623	1	623.0
C/A Inspection – SFD (all others)	10	1	10.0
C/A Inspection – MFD (all others)	5	1	5.0
C/A Recheck – SFD	345	1	345.0
C/A Recheck – MFD	210	1	210.0
Complaint R/C	947	1	947.0
Complaint Verifications	330	1	330.0
Dispatches to Fire Calls*	58	1	232.0
Hearings Attended	88	2	176.0
Fire Separation Inspections	86	1	86.0
Office Duty	1,989	1	1,989.0
Ownership Verifications	489	0.5	244.5
Violation Notices R/C	145	0.5	72.5
Alarm Systems Tested	26	1	26.0
Alarm Boxes Tested	286	1	286.0
C/O Inspections	139	1	139.0
C/O Reinspections	73	1	73.0
Evacuation Plans	6	1	6.0
Fire Drills Conducted	77	1	77.0
Fire Investigations	6	1	6.0
Plans Reviewed	108	1	108.0
Site Inspections	254	1	254.0
Storage Tank Inspections	5	1	5.0
Total			7,631.0

* Assumes average response of 4 personnel (2 officers and 2 firefighters)

Next the available time for prevention activities was estimated for personnel. The table below shows available hours for inspectors and officers after leave, training, and other miscellaneous activities:

FF/Inspectors	6
Total Hours Scheduled (@ 42/week)	13,104
Leaves (@ 82% availability)	2,359
Training (@ 76 hrs/FF/year)	456
Administration (@ 10% of available time)	1,029
Net Available Time	9,260
Officers	2
Total Hours Scheduled (@ 42/week)	4,368
Leaves (@ 81% availability)	830
Training (@ 76 hrs/year)	152
Supervision & Administration (@ 50% of time)	1,693
Net Available Time	1,693
Total Available Time	10,953
Total Workload	7,631.0
Utilization Rate	70%

As shown above, based on total available time within the prevention bureau, the project team estimates that personnel are utilized 70% of the time. This is well below the 90% target set within best management practices. As a result, efforts should be made to improve productivity within the bureau. This is particularly important given the revenue generated by prevention efforts. In addition, the project team makes the following observations and findings regarding operation and organization of the prevention bureau:

- As noted above, the prevention bureau is supported by one administrative aide who schedules inspections, maintains records, and processes applications. Given the high volume of inspections, particularly the multi-family residential inspection program, this function requires support from on-duty inspectors. This may be contributing to the low level of productivity within the bureau.
- The prevention bureau provides significant revenues for the Department. Based on the prior two fiscal years (FY 03 and FY04), property maintenance and fire code inspections, provide approximately \$500,000 in annual revenues.

- The bureau has a false alarm fee schedule in place which brings in anywhere from \$7,500 (FY 2005 year to date) to \$24,740 (FY 2004). The fees are contemporary at \$150 for the third false alarm, and \$250 for the fifth false alarm.
- An additional part time administrative aid could provide support to both administration and prevention. The cost of this additional position is estimated at approximately \$22,000 in salary and benefits.
- Assuming that the City decides to go to a two year cycle for tenant occupied dwellings in certain districts, and should inspector utilization increase by 10% due to the streamlining of administrative duties, an additional \$50,000 could be gained through increased inspection activity. Please note that this is a rough estimate and actual revenue increases would depend on a number of factors. Assuming this increase, the full cost of the part-time position would be covered.
- While the schedule for prevention personnel creates overlap during Tuesday through Thursday, when six (6) firefighters and two (2) officers are on shift, this set-up allows for administrative time on Wednesdays, opportunities for training with operations personnel, and provides additional resources in the event of a structure fire. Prevention personnel currently work ten and one-half hour days (10.5) Monday through Friday one week, and are off Monday and Friday the following week.
- Additional coverage for structure fire response could be provided by creating a schedule where prevention personnel work the same schedule as “platoon” firefighters, however this would result in a reduction in the number of inspections and therefore a reduction in revenue.

Overall, there are some opportunities for improving the operation of the prevention bureau and Department administration.

Recommendation: Hire a part time additional Administrative Aide to support both YCFD administration and the prevention bureau at an estimated cost of \$22,500 per year. However, this cost may be offset by potential revenue generation due to streamlining of the inspection process.

4. RECONCILIATION OF COST AND OR SAVINGS BASED ON RECOMMENDATIONS

This section presents the project team’s estimate of the potential cost savings and or increases due to changes recommended in this chapter. These

changes include: closing Station 2, reducing the number of vehicles maintained by the Department, and hiring a part-time administrative aide. The project team first determined the estimated cost savings associated with reducing the number of apparatus maintained by the Department.

The table below shows the estimated cost and schedule for replacing the current fleet of vehicles assuming a conservative twenty year replacement plan for all apparatus:

Year	Description	Replacement Year	Estimated Cost
1962	Engine 7 (Reserve)	Now (2005)	600,000
1973	Engine 4 (Reserve)	Now (2005)	600,000
1976	Truck "B"	Now (2005)	750,000
1983	Engine 3 (Reserve)	Now (2005)	600,000
1985	Service 45-1	Now (2005)	300,000
1988	Engine 5	2008	600,000
1988	Engine 9	2008	600,000
1999	Service 45	2019	300,000
2001	Truck "A"	2021	750,000
2002	Engine 1	2022	60,000
2002	Engine 2	2022	60,000

If the current fleet of vehicles is maintained, the estimated cost of replacement over a five year and twenty year period will be:

Time Period	Cost
Next 5 Years (2005 – 2010)	\$ 4,050,000
Next 20 Years (2005 – 2025)	\$ 5,250,000

Please note that the above figures are in current dollars. As shown above, the estimated cost of replacing the current fleet over the next five years is just over \$4 million. The cost over the next twenty years is approximately \$5.25 million. The project team next calculated the cost savings associated with

reducing the current fleet. These figures are based on the same estimates used above:

Time Period	Cost
Next 5 Years (2005 – 2010)	\$ 2,100,000
Next 20 Years (2005 – 2025)	\$ 3,270,000

As shown above, the cost of vehicle replacement over the next five years is \$2.1 million compared to \$4.05 million, resulting in a savings of \$1.95 million over the next five years. Over the twenty year period, the cost under the alternative approach is \$3.27 million compared to \$5.25 million under the current approach. Over the twenty year period, the savings again is \$1.95 million.

Finally, the project team developed a summary table showing the combined impact of the costs identified above and those outlined within the report:

Recommendation/Element	Amount	Frequency
Sale of Engine 7, Engine 4, Truck "B"	(15,000.00)	One-time
Savings on replacement plan	(390,000.00)	Annually/next five years
Addition of part-time Administrative Aide	22,500.00	Annually
Additional revenue from increase prevention productivity	(50,000.00)	Annually

Annual On-going (Savings) / Cost Increase	(27,500.00)
Annual (Savings) / Cost next five years	(417,500.00)
One-time (Savings / Costs)	(15,000.00)

As shown above, based on the recommendations made within this chapter, the project team estimates that the city will save \$27,500 annually on an on-going basis, \$417,500 annually for the next five years, and will save \$15,000 in one-time changes associated with the sale of outdated Fire Department apparatus.

Fire Department Initiatives

The suggested multi-year plan initiatives from the preceding Public Safety Services Audit for the Fire Department are summarized below:

FD01: Close Fire Station 2 and Redistribute Personnel to Stations 5 and 9

The City should consider redistributing personnel from Station 2 to Stations 5 and 9. This would allow for more effective staffing and improved on-scene utilization of initial responding apparatus. Consolidation would also create significant future cost savings.

As indicated in the summary section at the start of this chapter and in detail in the Matrix report, the YCFD currently has a strong ability to respond to more than adequately meet national performance standards for initial and structure fire responses. The project team considered several potential consolidation options, and because of the close proximity of Station 1 and Station 2, within approximately half of one mile, the team evaluated the costs and benefits of closing Station 2 and redeploying personnel to other apparatus. Under this scenario, staffing would be as follows:

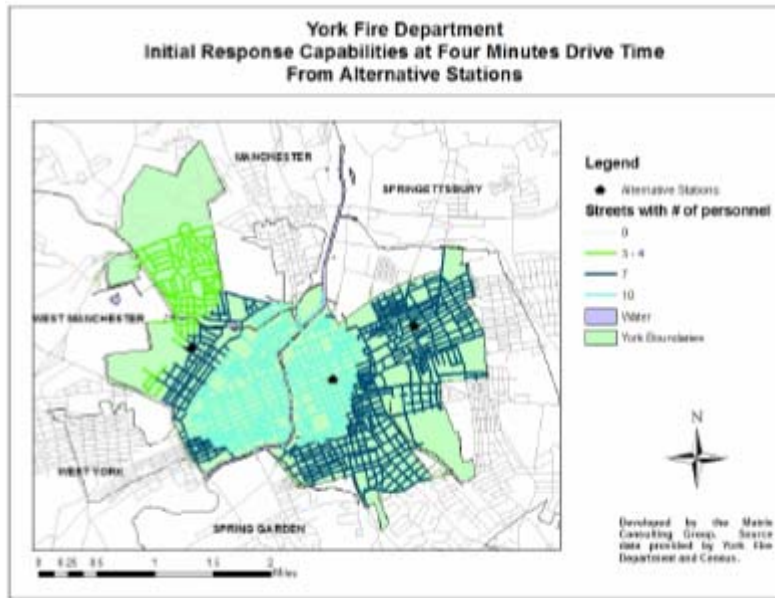
- Station 1: 4 personnel assigned to Engine 1 and Ladder “A”
- Station 5: 3 personnel assigned to Engine 5
- Station 9: 3 personnel assigned to Engine 9

There are several advantages to this alternative deployment of personnel, including:

- Each engine would be assigned a minimum of three personnel. Currently two personnel are assigned to each engine. With the addition of one firefighter, engine companies can begin suppression activities without having to wait for the “next in” engine company.
- The additional firefighter would also provide greater resources at EMS incidents and allow for smoother operations on scene.

The project team modeled the impact of this alternative on the Department’s ability to meet the four minute and eight minute performance standards for initial and structure fire response. The map, on the following page, shows response capabilities compared to the four minute standard:





Under the alternative scenario, the Department is able to reach approximately 98 percent of total calls for service within four minutes of drive time. This level of performance exceeds the 90 percent benchmark. Approximately 93 percent of all calls for service can be reached by seven or more personnel (2 or more units).

As with current deployment patterns, supplementing the City's emergency response capacity are the six additional firefighter positions and two additional officer positions assigned to fire prevention.

In addition to the multi-year savings to be gained from a consolidated fire station, there are several very old pieces of fire apparatus that could be eliminated or sold in order to house all pieces at three stations. For example, Engine 4, Engine 7, and Truck "B" could be eliminated or sold to make room at the three stations, for approximate one-time revenues of \$15,000.

FD02. Hire a part-time Administrative Aide

An additional Administrative Aide could support both YCFD administration and the prevention bureau at an estimated cost of \$22,500 per year. However, this cost may be offset by potential revenue generation due to streamlining of the inspection process.



Public Works



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Department of Public Works

MISSION

The mission of the Department of Public Works is to provide safe, clean, healthy, and productive buildings, infrastructure, programs and services as efficiently as possible for the citizens of York.

OBJECTIVES

- To provide a balanced network of various modes of transportation and a safe and efficient system of inner-city travel
- To provide sewage services in accordance with federal and state law
- To provide storm water management services in accordance with federal and state law
- To promote resource conservation and increased public awareness of issues facing public works
- To provide for the safe disposal and treatment of sewage and solid waste
- To provide clean, safe, and well lighted recreation and park facilities
- To promote increased efficiencies in all public works operations

OVERVIEW

The bureaus represented within the Department include:

- Administration
- Highway and Fleet Maintenance
- Buildings and Electrical Maintenance
- Environmental Services
- Recreation and Parks
- Wastewater Treatment Plant (includes MIPP and Sewer Maintenance).

Three labor unions – YCEU, YPEA, and the IBEW – as well as a handful of non-affiliated management employees represent the employees of the Department.

Administration comprises three employees, the Director, a secretary, and an office manager. The City Engineer – presently an outside consultant – reports to the Director.

SUMMARY OF DEPARTMENTAL BUREAUS AND SERVICES

Bureau of Highway and Fleet Maintenance

The Bureau is responsible for the maintenance of 90 miles of streets and 40 miles of alleys. This includes street sweeping, patching, resurfacing, and salting, plowing, and snow removal. Crews also provide leaf collection along all streets during the fall. The bureau installs all street signs and pavement markings, including centerlines, crosswalk designations and stop bars at all intersections. The Highway Bureau also maintains the storm water system, including approximately 1,750 storm water inlets throughout the City. This group provides graffiti removal and operates a Graffiti Hotline for residents to



call in and report problems. Fleet maintenance provides service and inspections for 179 of the 203 vehicles in the City fleet (the Fire Department contracts separately for maintenance of their 24 vehicles).

There are fourteen employees within this Bureau, consisting of the Superintendent, an Administrative Aide, nine highway maintenance employees, and three auto mechanics.

The City Highway Garage is located at 118 North Broad Street and houses the offices, vehicles and mechanic's bays for the entire Bureau.

Bureau of Buildings and Electrical Maintenance

The Bureau is responsible for the maintenance of all city owned buildings as well as 102 signalized intersections throughout the city. Each intersection is monitored daily through a computer system and all of the signals and cabinets are serviced on an annual basis to meet PENNDOT regulations. The Bureau is also responsible for reporting street light outages to GPU Energy and maintains all 600 City-owned streetlights in the downtown. The bureau also maintains the Gamewell fire alarm system including nine fire alarm circuits and the pull boxes located on many street corners and makes the fire system connections to businesses and factories in the City. The Bureau provides electrical and janitorial services to all city buildings. The Bureau also handles numerous miscellaneous tasks including hanging banners year-round and decorations for the holidays, moving furniture and supplies, and assisting the Police Department when there is damage to private properties.

There are twelve employees within this bureau, consisting of the Superintendent, five electrical maintenance employees, four building maintenance employees, and two part time custodians.

The garage and office for the bureau is located at 1625 Toronita Street within the Sewer Maintenance Building.

Environmental Services Bureau

The primary function of the Environmental Services Bureau is to monitor the City's refuse and recycling collection contracts with Penn Waste, now in the fourth and final year of its solid waste collection contract. The Bureau also operates the compost site behind Hoffman Stadium, and handles distribution of recycling bins and yard waste containers to the public. The Bureau manages the City's large item collection line, through which any resident can call to schedule up to five large items per week for collection.

Other miscellaneous duties of the Bureau include litter collection; unscheduled large item collection; clean and seal work (at the direction of the Fire Department and Permits Bureau); and conducting recycling and litter education sessions to all City elementary schools. Environmental Services also handles the street cut program that issues approximately 350 permits per year.



There are six employees within this bureau including, the Superintendent, a supervisor, three maintenance field staff and one part-time employee to manage the large item call-in line. The Bureau's office is located at One Marketway West.

Bureau of Recreation and Parks

This Bureau is responsible for the operation and maintenance of twenty-three parks located throughout the City, as well as three recreation centers, Voni Grimes Gym and Veterans Memorial Complex. The Bureau also provides recreation programs, youth and adult classes, and special events for the City. Special events include the Old York Street Fair, Three on Three Roundball Ruckus, Box Lunch Revue, YorkFest, Bike Night, Halloween Parade, and First Night York.

The Princess Street Center provides primarily youth classes and programs, including after school programs. In 2003 the City leased space at the Princess Street Center to the Human Relations Commission. The Rotary Kranich Hall provides senior programs and is the location for all adult classes. The bureau also programs and operates Veterans Memorial Complex, which includes operation of softball leagues and tournaments, volleyball leagues, batting cages, and the contracting of the miniature golf facility and the concession stands. The Farquhar Park Pool is leased and operated by the YMCA during the summer months. A citizen's Recreation and Parks Advisory Board provides support and guidance to the Superintendent.

There are sixteen employees in the bureau, including three programming staff and thirteen maintenance staff. The programming staff and main office is located at One Marketway West, while the maintenance staff are located at 900 South Vander Avenue.

Wastewater Treatment Plant

The wastewater treatment plant serving York is owned by the York City Sewer Authority and operated by the City of York. Wastewater from the City and all or portions of North York Borough, West York Borough, Manchester Township, West Manchester Township, York Township, and Spring Garden Township is sent to the facility. The wastewater treatment plant is responsible for meeting the limits placed on it by the United States Environmental Protection Agency and the Pennsylvania Department of Environmental Protection. These limits have not been exceeded in over eleven years. The average flow to the facility is 11 million gallons per day.

There are thirty-two employees responsible for administration, operation, maintenance, and laboratory support. The outside engineering consultant for this division is Buchart-Horn, Inc. The facility is located at 1701 Blackbridge Road.

Additional wastewater-related services are provided by other units. The Municipal Industrial Pretreatment Program (MIPP) inspects and monitors industrial wastewater that is eventually discharged into the sanitary sewer system. The program ensures that the sewer users are in compliance with all applicable local and federal regulations. When necessary,



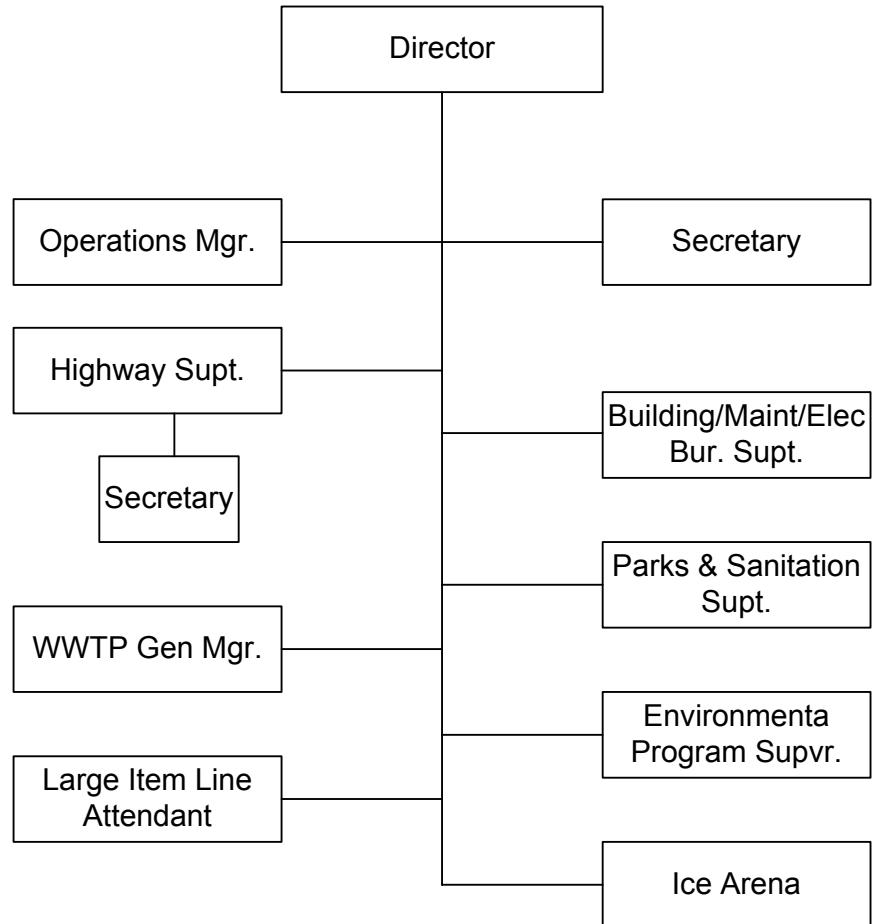
MIPP also issues citations or undertakes stronger enforcement measures. One manager and one Pretreatment Compliance Officer staff the program. This division reports to the Division Director. The MIPP division is located at 1625 Toronita Street.

The sanitary sewer maintenance group maintains over 100 miles of main sewer pipes in the City of York that collect and convey wastewater generated to the wastewater plant for treatment. More than 95 percent of the sewer lines in the ground are the original installation, including terra cotta (clay) pipes installed from 1900 to the 1970s. Many of these pipes are nearing the end of their useful life, and extensive maintenance is needed. The sewer maintenance group undertakes a variety of core activities to preserve the system, including emergency and preventive cleaning; closed-circuit television inspection of laterals and mains; repair and replacement of sewer lines; replacement and grade adjustments of manholes; inflow and infiltration reduction; system mapping; laying utility markings; flow metering; and new construction and expansion. The group also maintains flood pump stations and bascule gates.

There are seven employees in this division, a supervisor plus six maintenance workers; the Sanitary Sewer Maintenance Building is located at 1625 Toronita Street.



**CITY OF YORK, PA
DEPARTMENT OF PUBLIC WORKS
ORGANIZATIONAL CHART**



RECENT ACCOMPLISHMENTS

- **Eliminated 13 Total Positions**

Administration – Shifted funding to intermunicipal sewer fund by paying 50 percent of salary of Director, and Secretary, and 25 percent of Operations Manager from this fund, recognizing regional nature of the system.

Highway and Fleet Maintenance – One position eliminated

Buildings and Electrical Maintenance – Three positions eliminated. Shifted funding to intermunicipal sewer fund by paying 50 percent of salary of one electrician and one painter from this fund.

Environmental Services – Four positions eliminated

Recreation and Parks – Four positions eliminated

WWTP – One position eliminated

- **Combined Environmental Services and Parks Maintenance work groups into one unit.**
- **York City Special Events Outsourced** – Planning and execution of all special events contracted out.
- **Outsourced Pool Operation** - Farquhar Park Swimming Pool Leased to YMCA for operation.
- **Assumed Control of and Outsourced Ice Rink Operations** - City took over management and operation of the York City Ice Arena and has hired a management firm to run the facility.
- **Joint Purchasing** - Entered into a joint purchasing agreement with North York Borough for the purchase of a street sweeper. Sweeper is shared between the Borough and the City.
- **Combined Maintenance** - Buildings and Electrical Bureau staff providing maintenance to City parking Garages.
- **Energy Efficiency** - Installed LED lamps in traffic signals at half of the total number of intersections within the City. This program is ongoing.
- **WTTP Cost Saving Plan** - The WWTP has had a costs saving initiative plan in place since 1998. Areas of concentration include staffing, energy, cross-unit functionality, biosolids disposal, administrative policies and practices, alternative approaches to maintenance and operations, and inflow and infiltration reductions. Since its inception, over \$2.5 million dollars in operating expenses have been saved.



RECENT ACCOMPLISHMENTS (REVENUE ENHANCEMENTS – 2002-2005)

- Installed a cell tower at Memorial Park, Hoffman Stadium.
- Leased parking at Foundry Plaza and Memorial Park lots.
- Leased space at the salt dome lot for telephone exchange equipment.
- Leased building space to the Human Relations Commission at the Princess Street Center.
- Leased the old ice rink as a Roller Rink to a private company.
- Entered into an agreement with North York Borough to provide maintenance of one signalized intersection. City staff provides service and invoices the Borough for this work..
- Worked on and had City Council adopt an increase in degradation fees for street excavations.
- Worked on and had City Council adopt a revised Oversize and Overweight vehicle ordinance that increased revenues.
- Annual evaluation of all program fees within Recreation.
- Sold excess capacity at the WWTP to Springettsbury Township.
- Recommended the elimination of bulk rate for sewer rental for commercial customers.

INITIATIVES

PW01. Explore Potential of Joint Services with County and Others

The City of York, in partnership with York County and other appropriate local governments should work to reduce duplication in services by partnering together. In particular, areas involving public works (and fleet management) should be looked at. As a first step, an analytical process should commence that would identify services whose consolidation would bring fiscal and productivity improvements to involved parties. Below are explanations of different variants of joint services arrangements:

- **Joint Procurement:** Entities remain separate but use joint purchasing power to obtain lower procurement costs
- **Trade Off:** Entities have formal or informal agreement to provide support. This is most common in public safety
- **Inter-local Agreement:** Inter-local agreements can result in one entity contracting the other provision or for them to contract for joint provision. This was the most universal option applying to all areas
- **Independent Entity:** Both the City and County would contract with an independent to provide a joint service. Examples of this can usually be seen in parks departments and social services.



- **Private Outsourcing/Managed Competition:** The City and County would allow for privatization or managed competition resulting in either a private firm or one of the current public organizations providing the service

Not all services can be blended easily. Variations in staff functions, service levels, processes, requirements, size of operations, operating systems, and infrastructure needs can all complicate the process. These can lead to delays, cut into savings, and possibly exclude services from being considered as candidates for joint services partnerships. While the actual fiscal impact will depend on the extent to which the City and County (and others) commit to a service partnership, potential annual fiscal impact and improvement in services levels can be significant.

PW02. Reduce the Frequency of Trash Collection

In York, trash is picked up twice per week, which represents a higher level of service than is typical for many cities in the Commonwealth. Philadelphia, Pittsburgh, Scranton, Reading, and Erie, for example, provide trash pick up only once per week. It is understood that a 50 percent reduction in service would not result in commensurate reduction in cost, but it is assumed that the cost reduction would be significant enough to consider.

As a result of discussions about this option during the drafting of the EIP, the City's recent solid waste collection RFP requested both twice and once per week collection to determine the extent of achievable savings. Actual results from the bid opening detailed a savings of \$69,930 per year for a five-year total of \$349,650. The City will need to evaluate this to determine if the savings outweigh the reduction in service.

DISCOUNTED FISCAL IMPACT

FY2006	FY2007	FY2008	FY2009	FY2010	Total
\$69,930	\$69,930	\$69,930	\$69,930	\$69,930	\$349,650

PW03. Consider a Variable-Rate System

York should consider modifying the flat pay-as-you-throw ("PAYT") pricing scheme for solid waste in lieu of a variable rate system. According to the Commonwealth's Department of Environmental Protection, the most common system in Pennsylvania is the per-bag fee. Under this system – adopted and then phased out in York for yard waste – residents buy specially marked trash bags, or tags to attach to ordinary garbage bags or containers. York should consider the following PAYT pricing systems:

- **Variable:** Residents are charged rates that correspond with the weight/volume of refuse produced;
- **Proportional:** Residents are charged a fee for each unit (i.e., trash receptacle) set out for collection, regardless of weight/volume;



- **Multi-Tiered:** Residents are charged one fee for a basic level of service, and then pay an additional fee related to the weight/volume of their MSW setout - the additional tier fees can either be proportional or variable.

A variable-rate system would provide an incentive for residents and businesses to reduce refuse production (and increase recycling) because charges would be related to the volume of waste produced.

PW04. Consider a RecycleBank System to Increase Recycling Diversion Rates

RecycleBank is a private business that has brought a groundbreaking recycling concept to neighborhoods in Philadelphia. RecycleBank provides the City of Philadelphia with carts and bar code technology that tracks a household's recycling volume; households subsequently earn points that can be redeemed for coupons at local businesses. Cities and towns around the nation are looking to Philadelphia as the laboratory for this novel approach to incentivizing household recycling.

The recycling rate in Philadelphia's Chestnut Hill neighborhood served by RecycleBank has increased from 15.5 percent to 50 percent since the program began in January. Initially, 600 households were involved; the program has since doubled. The cost of the program is \$24 per household per year; however, RecycleBank will contractually guarantee that the savings generated from increased recycling (more revenue, less landfill costs) will significantly exceed the costs of program implementation and operation. As part of their work, RecycleBank will provide the recycling container, retrofit trucks with weighing technology, provide the back-end incentive based recycling program, and supply research and empirical data compilation. For more information, see their website: www.recyclebank.com.

RecycleBank states that it is typical to realize net savings/revenue enhancement of \$10 per household per year. At approximately 16,000 York households, a robust, fully-developed program could deliver \$160,000 in annual savings or \$720,000 over five years. Information on this option has been provided to York's Public Works Department. Implementation of this program is dependent upon the contracted waste hauler, currently Penn Waste. This is discounted by 50 percent during the first year.

DISCOUNTED FISCAL IMPACT

FY2006	FY2007	FY2008	FY2009	FY2010	Total
\$80,000	\$160,000	\$160,000	\$160,000	\$160,000	\$720,000



PW05. Reduce the Size of the Vehicle/Equipment Fleet

Fleet size is the super-variable driving overall costs. Aggregate fleet costs (“FC”) can be represented by the following equation:

$$FC = [A + R/M + F + I/O] \times \#V$$

A = acquisition expenditures;

R/M = repair/maintenance costs;

F = fuel costs;

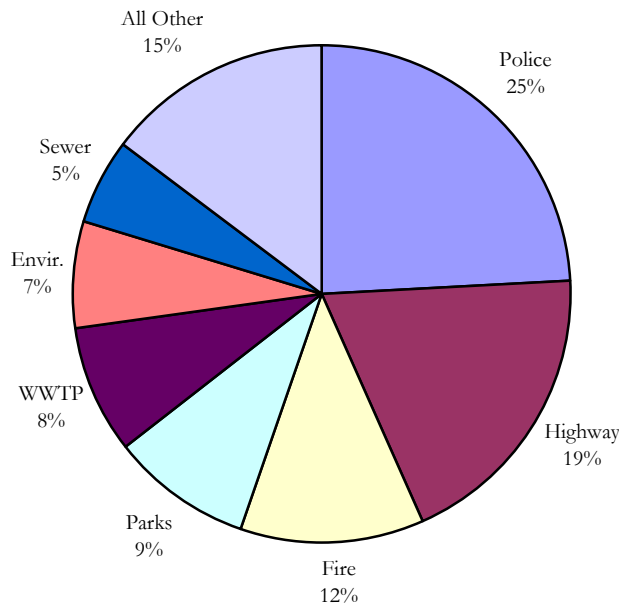
I/O = indirect/overhead costs; and

#V = number of vehicles.

The right side of the equation is calculated for each departmental vehicle class (using averages for the four variables) and then summed to determine aggregate fleet costs. Regardless of how well costs are managed and efficiencies generated through process reengineering of the first four variables, fleet costs will be proportional to the overall fleet size. The City should consider implementing strategies including, but not limited to:

- Identifying underused and redundant vehicles and relinquishing them if appropriate; and,
- Outsourcing passenger vehicle pool management responsibilities to a vendor for efficiency and effectiveness.

The following chart provides information on departmental vehicle (and equipment) allocations for the City’s 203 piece fleet:



Typical fleet reduction programs can achieve at least a 5 percent reduction; therefore, it is estimated that York would be able to reduce its approximately 200-piece fleet by 10



vehicles. At an estimated \$5,000 cost per unit per year (for acquisition, fuel, insurance, maintenance, etc.), the City could save \$50,000 annually, or \$250,000 over five years.

DISCOUNTED FISCAL IMPACT

FY2006	FY2007	FY2008	FY2009	FY2010
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

PW06. Implement a Personal Auto Program

Employees with infrequent emergency call-out responsibilities or basic transportation needs should be able to use personal vehicles – with business usage covered under the City’s Risk Management program – and receive a per mile reimbursement for business-related travel. Under such a program, *insurance carriers are prohibited – by the State’s Public Utility’s Commission - from increasing an employee’s private insurance rates.* Implementing such a program will facilitate more significant fleet reductions than articulated herein and will provide more economical passenger transportation than costly City-owned vehicles.

PW07. Administer a GPS Pilot Program

GPS can be an invaluable management tool. It can detail vehicular movements with incredible specificity, making it possible to accurately assess efficacy of vehicle usage. It is typically difficult to determine the usage efficiency of vehicles that are assigned to field/maintenance functions. Frequently, dispatched vehicles are stationary for extended periods of time while a work order is completed. However, without accurate operational data, it is difficult to corroborate anecdotal accounts of what goes on in the field. With GPS data, it would be possible to compare a vehicle’s operational data with the productivity level of the crew. Analyzing this data and employing it to inform management decisions will advance fleet reduction efforts, as it is presumed that low productivity (as opposed to low usage) vehicles would be identified through the use of GPS technology. Also, York would be able to monitor employee productivity as it relates to vehicle usage. In many instances it will be possible to reduce/eliminate overtime or staff¹ as workload productivity is improved through more effective vehicle usage.

Information provided through GPS can facilitate dramatic cost-savings and improvements in service delivery. For instance, gas mileage decreases precipitously when vehicles travel over 60 miles per hour (mph). Therefore, each 5 mph over 60 mph is equivalent to paying approximately \$0.10 cents more per gallon of gas. GPS systems allow fleet managers to track excessive speeding and address driver behavior.

¹ After implementing GPS in fleet vehicles that transport field personnel, most organizations find that overtime is cut dramatically (and immediately) and productivity improves as a result of field personnel knowing that their movements are being monitored. Overtime reductions and productivity increases can lead to a staff to task realignment that may result in personnel reductions.



Additionally, difficult to monetize savings could also be achieved through the avoidance of insurance or casualty losses attributable to safer traveling speeds.

In the past, GPS has been cost prohibitive. As with other developing technologies, costs have decreased significantly making it possible to acquire GPS technology at reasonable prices. Costs vary depending on the level of functionality and sophistication desired. Programs can be implemented for less than \$1,000 per unit annually, with return on investment contingent on current levels of efficiency – exposed plainly by GPS – and proportionate to management’s response to same. The chart below provides an example of the component costs of implementing a pilot program in York for 10 vehicles. Overall, a program of this scope would cost \$9,000 for five years. If managed properly, productivity savings should at least zero out the cost of the pilot and will likely exceed them. Information Services will need to provide support to Public Works to set up this system.

GPS Cost for 10-Vehicle Pilot Program	Year 1	Year 2	Year 3	Year 4	Year 5
Hardware Fees	(\$6,000)	-	-	-	-
Setup Fees	(\$500)	-	-	-	-
Monthly Service Fees	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)
Total	(\$7,000)	(\$500)	(\$500)	(\$500)	(\$500)

PW08. Implement an Automated Vehicle Sharing Program

Automated vehicle sharing can help reduce the size of York’s fleet, reduce costs, and improve utilization by enabling multiple drivers to easily use the same vehicle. Available technology enables reliable, secure, and automated 24-hour a day, seven day a week access to vehicles in one or more locations. Automated scheduling and vehicle access systems process all administrative, scheduling, key management, usage tracking, and billing tasks.

How it Works

Each driver is issued a unique credit-card sized proximity card and each vehicle is outfitted with a small "black box" that facilitates entry and tracks usage. Car keys are kept tethered in the vehicle. Drivers make their own reservations via the internet in a few seconds. Reservations can be made up to a year in advance, for as little as one hour, on any vehicle in the system, depending upon predefined access parameters. The vehicle ignition is disabled until the reserving driver's proximity card is presented at the right time on the right vehicle. This technology enables secure access 24 hours a day, 7 days a week, without any administrative staff.

There are four major components of this integrated system:

- A user sign up, orientation and vehicle scheduling system;
- Tracking, billing and reporting (both for members and fleet) system;
- A wireless in-vehicle box; and,
- A full ticket (problem tracking and resolution) system.



Major Benefits

- *Improve Fleet Utilization:* Because drivers reserve the cars only for the time they need and use, several drivers can easily use the same vehicles on the same day. With no need to hand off the keys from one driver to the next, efficient scheduling results in improved fleet utilization. Depending on patterns of usage and the size of the fleet, the number of cars can be reduced significantly.
- Because access is reliable, secure, and can be tracked uniquely, different departments can share a single pool, further reducing the size of the entire fleet. By pooling single cars or smaller fleets into a larger fleet, overall vehicle availability can be improved while the total fleet size is reduced.
- *Free up personnel:* With the tasks of key management, departmental billing, and fleet scheduling completely automated, personnel managing these tasks can be re-deployed.
- Decrease the number of dedicated vehicles; increase pooled fleet vehicles: Because scheduling and reliable vehicle access guarantees vehicle availability, some drivers who have underutilized dedicated cars may be able to use pooled fleet vehicles instead.
- *Eliminate paperwork:* The system is completely automated with excellent real time reporting: no logs, no billing concerns, and no driver records.
- *Enhance Access:* The entire pooled fleet is available 24 hours a day 7 days a week. Additionally, cars can be placed in any geographic location rather than a central pool, making it more convenient and efficient for the drivers.

Suggested implementation at York

While a more expansive program could evolve in the future², it is recommended that the City work with the County to identify pool/passenger vehicles that can be relinquished and replaced by an automated vehicle sharing program. York could procure automated vehicle sharing services from PhillyCarShare, the most local provider of such services.³ Alternatively, the City might seek to organize car sharing with York College, as many institutions of higher education on the East Coast have begun to use this service as well. Zip Car is the most well-known of the entities using this approach.

² An automated vehicle sharing program can be expanded beyond sedans and SUVs to other light, medium, and heavy-duty pieces. Additionally, individuals other than City employees could enroll in a downtown York-based automated vehicle sharing program. In particular, the County and City could collaborate on the implementation of an automated vehicle sharing program.

³ For more information, see www.phillycarshare.org. For general information about car sharing in North America, see www.carsharing.net.



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Community Development



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Department of Community Development

OVERVIEW/MISSION

The Department of Community Development is entrusted with maintaining a vibrant quality of life for the residents of the City of York. The Department fulfills this mission by ensuring the safety of building structures; promoting a healthy lifestyle for individuals and families; and ensuring that safe and affordable housing opportunities exist. The Department's activities in these areas are undertaken in a manner consistent with the City's Strategic Comprehensive Plan. The main goal of the Community Development Department is to provide the citizens of York with a City they can be proud of and enjoy.

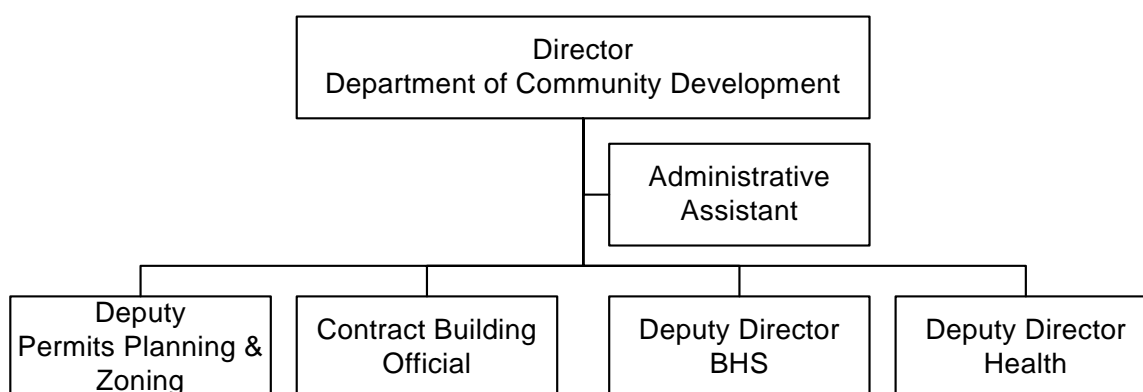
ORGANIZATION

The Department was reorganized in 2004 to provide a more effective management structure and to make more efficient use of support staff, management, and professional resources. The Planning and Permits Bureaus were merged into one Bureau of Planning, Permits, and Zoning. Management positions were eliminated and staff resources shifted into property maintenance inspection.

The Department is now organized into three divisions with a total authorized staff of 41:

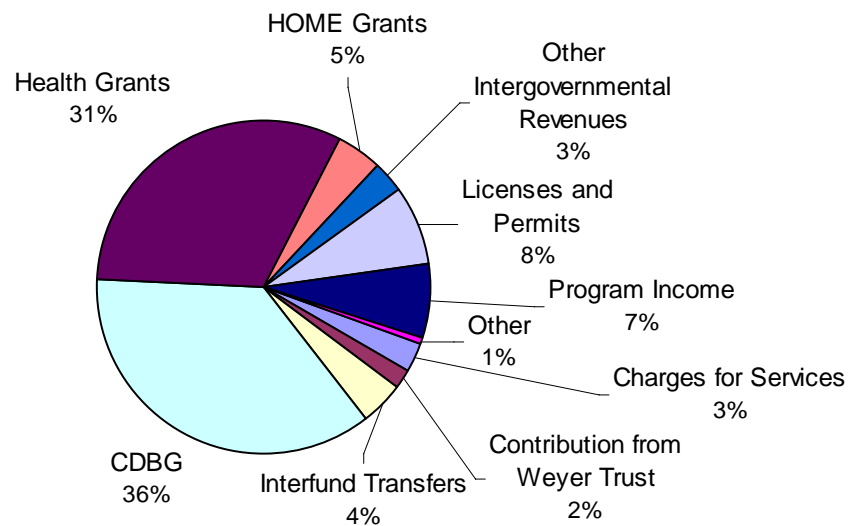
- Bureau of Permits, Planning and Zoning
- Bureau of Health
- Bureau of Housing Services

ORGANIZATION CHART



The Department receives substantial external funding from the federal government to support its housing-related activities, and from state and foundation sources for the Health Bureau. Community Development Block Grants (CDBG) accounted for 36 percent of the entire department's revenues in 2005. Similarly, State and Federal health grants accounted for 31 percent of the department's revenues. The Department also generates revenue through permit fees, service fees, and program income, as shown in the following chart.

FY2005 Community Development Revenue Sources



Office of the Director

MISSION

To enhance the quality of life in York through the development of strong neighborhoods, the creation of a visible difference in the appearance of the City, the assurance of public health services, and support for the growth and vitality of our community.

OBJECTIVES

- Promote a well-balanced community through effective planning.
- Promote viable, safe, attractive neighborhoods.
- Promote quality housing and building activities.
- Promote and protect the health of residents.
- Provide prompt, courteous and responsive customer service.

Source: City of York

SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

The Department of Community Development is headed by a director appointed by the Mayor. The Office of the Director also includes the Director's administrative assistant.

The Director oversees and provides guidance and management to all the divisions of the Department, including the Bureau of Permits, Planning and Zoning, the Bureau of Health, and the Bureau of Housing Services. The Director also meets with key state officials to secure funding to support local development. In addition to identifying new revenue opportunities, the Director works with developers and non-profit organizations to provide technical assistance for future housing redevelopment projects, neighborhood organizing, and revitalization of areas of the city.

The director serves as the City's representation on the following boards, authorities and commissions:

- Home Owners Maximizing Equity (HOME) Assurance Program Task Force
- York Housing Authority
- Community Renaissance Plan Strategic Committee
- City of York General Authority
- York Redevelopment Authority
- Vacant Property Review Committee
- York City Homeowner's Coalition
- Health Board



- Community Advisory Council
- Alliance of Neighborhood Association
- Weyer Community Health Fund Advisory Committee
- Pennsylvania Targeted Area Weed & Seed Committee
- United Way Community Initiatives
- York County Emergency Housing Task Force
- York County Weed & Seed AID Committee
- YorkCounts Commission

HISTORICAL STAFFING LEVELS BY POSITION¹

Bureau	2003	2004	2005
Director	1	1	1
Administrative Assistant	0	1	1

EXPENDITURES

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Advertising	\$0	\$3,370	\$2,500	\$0	\$1,782
Capital Equipment	\$0	\$178	\$0	\$0	\$0
Civic Grants	\$0	\$0	\$354,249	\$86,130	\$219,469
Dues/Conferences	\$0	\$0	\$0	\$1,045	\$300
Employee Benefits	\$0	\$2,366	\$0	\$0	\$0
FICA	\$4,942	\$5,204	\$3,750	\$5,192	\$4,536
Full Time Salaries/Wages	\$49,093	\$70,162	\$44,505	\$54,108	\$57,692
General Contracted Services	\$112	\$0	\$4,689	\$0	\$500
Indirect Costs	\$0	\$0	\$0	\$0	\$3,982
Internal Allocations	\$18,825	\$0	\$31,194	\$14,889	\$16,098
Leave Pay	\$4,330	\$7,540	\$4,798	\$14,058	\$2,538
Part Time Wages	\$11,486	\$16,591	\$0	\$0	\$0
Printing Binding Postage	\$0	\$46	\$470	\$0	\$2,560
Professional Services	\$42,918	\$48,267	\$6,271	\$5,361	\$27,716
Refunds	\$0	\$0	\$20,824	\$0	\$0
Rentals	\$51,915	\$8,285	\$5,593	\$5,014	\$6,473
Supplies Materials	\$2,148	\$32,131	\$2,060	\$5,589	\$195

¹ While an Administrative Assistant position was created in the 2004 budget, the position was vacant for part of the year.



	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Training	\$0	\$7,480	\$0	\$0	\$0
Travel	\$8	\$331	\$0	\$0	\$0
Utilities	\$53	\$147	\$79	\$0	\$0
Total	\$185,830	\$202,098	\$480,982	\$191,385	\$343,841

PROJECTED

	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Advertising	\$0	\$0	\$0	\$0	\$0
Capital Equipment	\$0	\$0	\$0	\$0	\$0
Civic Grants	\$57,000	\$58,368	\$59,827	\$61,323	\$62,856
Dues/Conferences	\$500	\$512	\$525	\$538	\$551
Employee Benefits	\$0	\$0	\$0	\$0	\$0
FICA	\$6,885	\$7,050	\$7,226	\$7,407	\$7,592
Full Time Salaries/Wages	\$90,000	\$92,250	\$94,556	\$96,920	\$99,343
General Contracted Services	\$500	\$512	\$525	\$538	\$551
Indirect Costs	\$0	\$0	\$0	\$0	\$0
Internal Allocations	\$34,317	\$36,608	\$38,908	\$41,178	\$43,622
Leave Pay	\$0	\$0	\$0	\$0	\$0
Part Time Wages	\$0	\$0	\$0	\$0	\$0
Printing Binding Postage	\$200	\$205	\$210	\$215	\$221
Professional Services	\$2,500	\$2,560	\$2,624	\$2,690	\$2,757
Refunds	\$0	\$0	\$0	\$0	\$0
Rentals	\$6,342	\$6,494	\$6,656	\$6,823	\$6,993
Supplies Materials	\$200	\$205	\$210	\$215	\$221
Training	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Total	\$198,444	\$204,764	\$211,268	\$217,846	\$224,708

REVENUES

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Interfund Transfers	\$11,000	\$0	\$0	\$0	\$0
Intergovernmental Revenues	\$63,998	\$45,334	\$385,869	\$112,274	\$0
Reimbursements	\$0	\$310	\$100	\$0	\$1,003
Total	\$74,998	\$45,644	\$385,969	\$112,274	\$1,003



RECENT ACCOMPLISHMENTS/ONGOING RESPONSIBILITIES

- Providing community organizations, businesses and individuals with advice on matters relating to code enforcement, health, urban redevelopment law, housing projects and the property condemnation process.
- Presented the results of the City's successful efforts to revitalize neighborhoods, to a statewide neighborhood reinvestment conference.
- Assisted with a county-wide session on the productive reuse and development of vacant properties, which led to a study of vacant properties in the city.
- Several meetings with HUD officials were conducted throughout the year to discuss the City's HUD programs, major development projects and activities being proposed. Through these meetings the director was able to build a corrective plan for relationship building with the HUD officials.
- Specific projects discussed in the HUD meetings relating to the use of federal dollars to improve the quality of housing in the City included the Community Renaissance Plan which is using a combination of funds, grants, and private contributions to revitalize an 18 block area of the City.
- Provided developers and non-profit organizations technical assistance regarding future housing redevelopment projects, neighborhood organizing and revitalization of areas of the city.
- Worked closely with the Economic Development Director to develop a "*New Business Packet*", now provided to developers and business owners at the initiation of new business or development projects.
- Initiated annual Public Health Forum expressing the importance of public health in the community.

CHALLENGES AND GOALS

- The department as a whole continues to work toward providing training opportunities for staff members.
- The department will strive to continue offering its programs and services as it faces the possibilities of reduced resources and funds.



Permits, Planning, and Zoning Bureau

MISSION

To provide a full range of services to all residents, contractors, architects and businesses on matters pertaining to construction, licensing and permits, in a fair and uniform manner.

OBJECTIVES

- To promote orderly future growth and development of the City through long-range comprehensive planning.
- To promote and facilitate physical development plans.
- To create safer neighborhoods through aggressive codes enforcement on irresponsible property owners, and to foster programs that allow citizens to be part of the solution.

Source: City of York

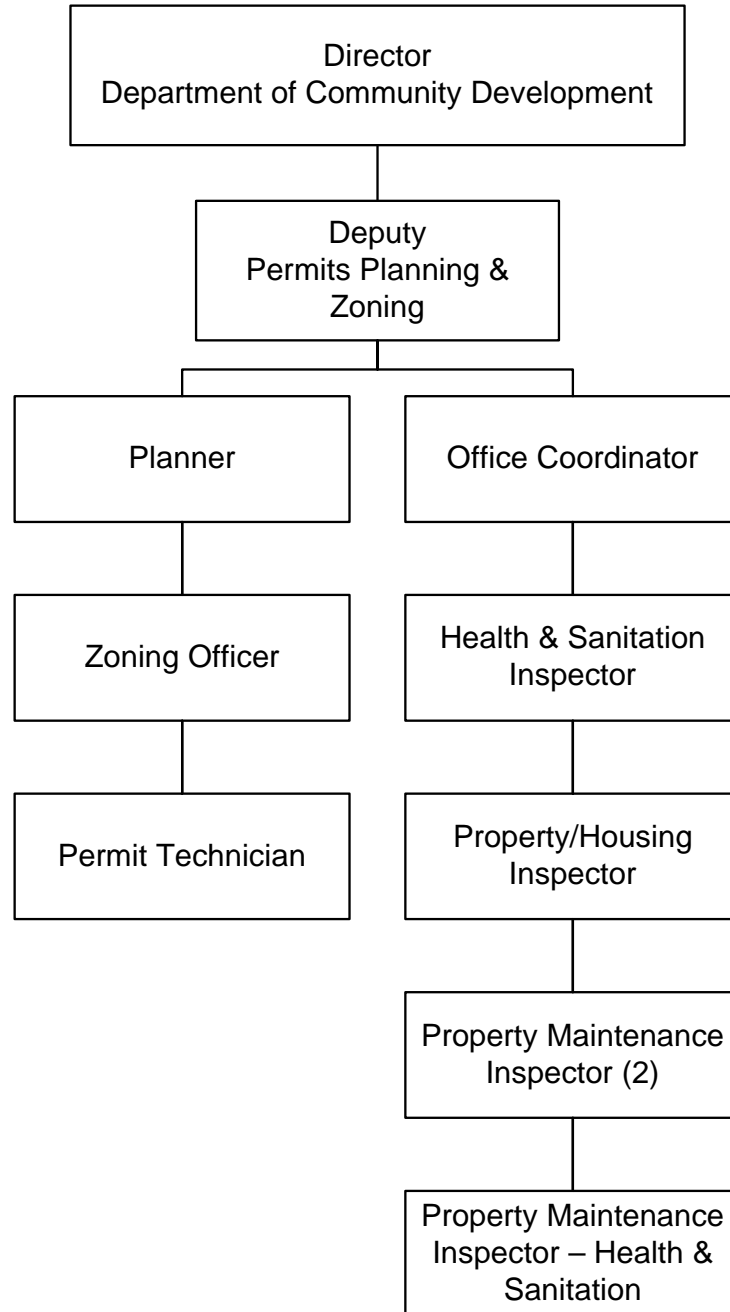
SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

The Bureau of Permits, Planning and Zoning is responsible for all aspects of planning, development approval, and enforcement of construction codes. This Bureau conducts inspections, investigates complaints, reviews plans, holds public hearings, and issues permits and certificates of use and occupancy. Licenses are issued for all health and food related establishments.

The Bureau provides short-range and long-range planning expertise in the areas of housing, economic development, transportation, land use, urban design, and public and civic infrastructure. The staff provides routine planning and engineering assistance to other City departments, agencies, neighborhood organizations, and citizens. Mandated activities include the review of subdivision and land development plans, zoning applications, sewer planning modules, and environmental reviews.



ORGANIZATION CHART



EXPENDITURES

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Advertising	\$5,760	\$4,630	\$5,178	\$4,755	\$5,001
Capital Equipment	\$287	\$0	\$0	\$0	\$0
Dues/Conferences	\$2,685	\$1,637	\$1,962	\$1,838	\$491
FICA	\$29,320	\$30,295	\$29,351	\$25,049	\$23,003
Full Time Salaries/Wages	\$324,521	\$335,972	\$330,516	\$284,497	\$274,975
General Contracted Services	\$18,272	\$0	\$0	\$0	\$0
Internal Allocations	\$160,870	\$218,264	\$170,079	\$187,545	\$201,073
Leave Pay	\$41,820	\$47,825	\$50,451	\$44,749	\$29,157
Miscellaneous Special Items	\$0	\$0	\$570	\$2,145	\$1,500
Other Pay	\$0	\$1,566	\$0	\$0	\$0
Overtime	\$2,989	\$499	\$0	\$29	\$0
Part Time Wages	\$14,460	\$8,192	\$3,235	\$1,247	\$0
Printing Binding Postage	\$1,509	\$1,226	\$918	\$248	\$131
Professional Services	\$100,064	\$32,907	\$57,361	\$44,081	\$196,923
Refunds	\$540	\$100	\$1,150	\$1,083	\$2,856
Rentals	\$0	\$30,970	\$33,972	\$34,282	\$31,573
Supplies Materials	\$9,827	\$5,784	\$8,095	\$4,780	\$5,332
Training	\$1,875	\$1,221	\$3,492	\$2,659	\$1,500
Travel	\$1,605	\$542	\$622	\$226	\$150
Uniforms	\$2,422	\$1,184	\$207	\$85	\$519
Utilities	\$625	\$485	\$414	\$0	\$0
Total	\$719,451	\$723,299	\$697,573	\$639,298	\$774,184

PROJECTED

	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Advertising	\$1,500	\$1,536	\$1,574	\$1,614	\$1,654
Capital Equipment	\$0	\$0	\$0	\$0	\$0
Dues/Conferences	\$1,550	\$1,587	\$1,627	\$1,668	\$1,709
FICA	\$23,621	\$24,188	\$24,793	\$25,412	\$26,048
Full Time Salaries/Wages	\$308,762	\$316,481	\$324,393	\$332,503	\$340,816
General Contracted Services	\$0	\$0	\$0	\$0	\$0
Internal Allocations	\$202,450	\$215,098	\$227,828	\$240,413	\$253,933



	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Leave Pay	\$0	\$0	\$0	\$0	\$0
Miscellaneous Special Items	\$1,500	\$1,536	\$1,574	\$1,614	\$1,654
Other Pay	\$0	\$0	\$0	\$0	\$0
Overtime	\$0	\$0	\$0	\$0	\$0
Part Time Wages	\$0	\$0	\$0	\$0	\$0
Printing Binding Postage	\$250	\$256	\$262	\$269	\$276
Professional Services	\$198,650	\$203,418	\$208,503	\$213,716	\$219,059
Refunds	\$1,500	\$1,536	\$1,574	\$1,614	\$1,654
Rentals	\$25,896	\$26,518	\$27,181	\$27,860	\$28,557
Supplies Materials	\$5,000	\$5,120	\$5,248	\$5,379	\$5,514
Training	\$1,500	\$1,536	\$1,574	\$1,614	\$1,654
Travel	\$150	\$154	\$157	\$161	\$165
Uniforms	\$550	\$563	\$577	\$592	\$607
Utilities	\$0	\$0	\$0	\$0	\$0
Total	\$772,880	\$799,527	\$826,867	\$854,429	\$883,300

REVENUES

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Charges for Services	\$58,564	\$47,555	\$48,022	\$56,401	\$172,252
Fines and Forfeits	\$25,929	\$0	\$0	\$0	\$0
Interfund Transfers	\$0	\$0	\$0	\$121,178	\$243,134
Intergovernmental Revenues	\$20,675	\$18,875	\$18,825	\$20,325	\$19,175
Licenses and Permits	\$906,845	\$556,345	\$765,276	\$1,012,521	\$481,473
Miscellaneous Sales	\$1,726	\$383	\$683	\$377	\$335
Reimbursements	\$340	\$2,213	\$329	\$747	\$0
Total	\$1,014,079	\$625,371	\$833,135	\$1,211,549	\$916,369

PROJECTED

	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Charges for Services	\$174,500	\$176,245	\$178,007	\$179,788	\$181,585
Fines and Forfeits	\$7,500	\$7,680	\$7,872	\$8,069	\$8,271
Interfund Transfers	\$244,821	\$250,697	\$256,964	\$263,388	\$269,973
Intergovernmental Revenues	\$18,000	\$18,180	\$18,362	\$18,545	\$18,731



	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Licenses and Permits	\$488,500	\$488,500	\$488,500	\$488,500	\$488,500
Miscellaneous Sales	\$300	\$300	\$300	\$300	\$300
Reimbursements	\$0	\$0	\$0	\$0	\$0
Total	\$933,621	\$941,602	\$950,005	\$958,590	\$967,359

NET EXPENDITURES

In recent years, with the exception of 2002, the Bureau has generated annual revenues in excess of allocated expenditures (not including managerial overhead). However, with growing expenditures and moderating revenues, the positive net expenditure balance is declining and is projected to be less than \$100,000 per year by the end of the 2006-2010 plan period. The City should examine methods for returning the net balance to its former level by updating charges to capture full costs and inflationary growth, and controlling costs.

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Total Expenditures	\$719,451	\$723,299	\$697,573	\$639,298	\$774,184
Total Revenues	\$1,014,079	\$625,371	\$833,135	\$1,211,549	\$916,369
Operating Balance	\$294,628	-\$97,928	\$135,562	\$572,251	\$142,185

RECENT ACCOMPLISHMENTS

- Creation of the New Business Start Up Packet
- Creation of a Civil Enforcement Team which conducts mini-sweeps in all quadrants of the City. This team has representatives from the Police Department, Fire Department and the Permits and Planning Bureau and is designed to address public nuisance issues in all quadrants of the City. The team is on schedule to complete 9 total mini-sweeps in 2005.
- Continuation of the Citizen Inspection Program which empowers citizens to take direct action to improve their neighborhoods by training volunteers to notify property owners to correct exterior noted code violations.
- Addressed 1,750 property maintenance complaints in 2004 received through the Mayor's "FYI Line", Citizen Code Inspectors, the website, written complaints and Property Maintenance Inspector patrols. Almost 70 percent of these were fully resolved in 2004.

CHALLENGES AND GOALS

- Preparing the re-write of the Zoning Ordinance.
- Preparing an update to the City's Strategic Comprehensive Plan.



INITIATIVES

PPZ01: Implement Two New Fees for Services

User fees are charged to recover the costs of specific City services. The City of York has an extensive fee schedule to cover the costs of most permit, planning and zoning services. However, there are selected opportunities to recapture the City's costs for certain services currently provided free of charge. Of particular note are the production and creation of maps, and the completion of environmental reviews. These services are currently provided without charge, despite the significant cost to the City to provide these services.

Fee for Map Reproduction and Map Creation and Analysis

The City should implement a cost-recovery fee for map reproductions and for the creation of new maps which require additional analysis. In addition to the staff time required to fulfill these requests, the reproduction of maps and plans can be significant due to the use of special plan printers and copiers. Recognizing the need to regularly update and replace this technology, the charge should include a depreciation component to fund the purchase of replacement printers and copiers on a regular multi-year cycle.

The Bureau estimates that it receives approximately 3 to 4 requests per week for planning maps, and that the majority of these requests are for new maps which require some level of analysis (versus a reproduction which would require copying a map that has already been created). The staff time for completing the map requests can vary greatly, from a minimum of 20 minutes to a maximum of 4 to 5 hours per map. Based on estimates from the City, this report will assume that the Bureau receives 150 requests for maps each year and that 40 of those requests are for map reproductions and 110 are for map creation. If a \$15 fee were assessed for a map reproduction and a \$20 per hour fee were assessed for a map creation (at an average of 2 hours per request), the City could raise approximately \$4,500 in year one, after a conservative discount factor of 10 percent. Over five years, the map fees could generate approximately \$22,500. Before instituting the fee, the City should ensure that the \$20 per hour rate fully captures its personnel and material costs, and should add an appropriate depreciation charge for regular replacement of printers and copiers.

Fee for Environmental Reviews

The City of York should also implement a fee for environmental reviews performed by the Permits, Planning and Zoning Bureau. By law, any group that is receiving federal funding for a development or renewal project is required to have an environmental review performed by the City. City staff reviews applications for land use approvals by analyzing the environmental impact of proposed projects. Where the proposed project may have a significant negative impact on the environment the agency must prepare an environmental impact statement before approving the project. In certain circumstances, the adoption of comprehensive plans, zoning amendments, and other land use regulations are also subject to environmental review.

The main cost of service to the City in performing environmental reviews is staff time and overhead. Although reviews are needed only sporadically (2 to 3 times) throughout



the year, the review process does require a large amount of staff time. It is assumed that on average these reviews consume the equivalent of three weeks of one Bureau professional's time each year. Using the \$20 per hour staff cost estimate and applying a discount factor of ten percent, it is estimated that charging for this service would generate \$2,160 per year. Again, the City should verify the staff charge rate and should determine if the reviews regularly include any other costs for materials, equipment or outside consulting support.

DISCOUNTED FISCAL IMPACT – NEW FEES

	2006	2007	2008	2009	2010
Discount %	10%	10%	10%	10%	10%
Fiscal Impact	\$6,660	\$6,600	\$6,600	\$6,600	\$6,600

PPZ02: Improve Online Permitting Capabilities

To provide more efficient service to customers and to expedite the permitting process, the City should make all permits applications and information on the City website. Citizens and business applicants could then have all necessary paperwork filled out upon arrival at the York Permits counter. This would be efficient for customers and would decrease the amount of time spent at the City facility. While a permits software system may be costly to implement and thus not viable for the immediate future, there would be minimal cost associated with posting forms and information online.

This initiative is primarily concerned with improving operational efficiency and customer service; therefore no cost savings have been estimated.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	TBD	TBD	TBD	TBD	TBD
Fiscal Impact	TBD	TBD	TBD	TBD	TBD



Bureau of Housing Services

MISSION

To provide decent, safe and affordable housing, increase homeownership opportunities and enhance the quality of life to low to moderate-income residents within the City of York.

OBJECTIVES

- To provide decent, safe and sanitary housing for the City's low and moderate-income residents who could not otherwise afford it.
- To provide financial assistance for the rehabilitation of single-family homes to persons of limited financial means for the purpose of upgrading the quality of deteriorated dwellings to contemporary minimum property standards, including the elimination of all housing code violations.
- To eliminate conditions of slum and blight, which are detrimental to the public health, safety and welfare.
- The rehabilitation of housing as part of a comprehensive program of public activities to physically revitalize declining neighborhoods and communities.
- The creation of a favorable climate for private reinvestment in the City's low- and moderate-income and declining neighborhoods and communities.
- To expand the capacity of nonprofit housing providers, particularly CHDO's.
- To reduce the number of single-family homes on the City's Vacant and Abandoned Homes list.
- To leverage private-sector participation.

Source: City of York

SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

The Bureau of Housing Services (BHS) offers grants, loans and housing information to York residents. A variety of workshops and information sessions on home ownership opportunities and maintenance tips are also available. The BHS receives 100 percent of its funding through the Department of Housing and Urban Development's Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Programs. The Bureau is also a participant of the Pennsylvania Department of Health Title X Program.

The following table details the historic levels of funding received by BHS through each of these programs.



BHS GRANTS SUMMARY (1994-2004)

Year	CDBG	Home	Total
1994	2,177,000	500,000	2,677,000
1995	2,177,000	456,000	2,633,000
1996	2,070,000	455,000	2,525,000
1997	2,011,000	446,000	2,457,000
1998	2,052,000	480,000	2,532,000
1999	2,064,000	519,000	2,583,000
2000	2,067,000	518,000	2,585,000
2001	2,140,000	575,000	2,715,000
2002	2,110,000	575,000	2,685,000
2003	2,089,000	575,573	2,664,573
2004	2,060,000	572,588	2,632,588
Total	23,017,000	5,672,161	28,689,161

BHS administers numerous programs that directly assist the City's homeowners, homebuyers, developers, and non-profit organizations. The City's homeowners can receive various forms of financial assistance to rehabilitate their homes. Residents, including those with physical and developmental disabilities, interested in owning homes in the City can receive down payment and closing cost assistance. Also, homebuyers can choose to purchase one of the City's Community Housing Development Organizations (CHDO) homes. CHDO's acquire, renovate and sell homes that were on the list of vacant and abandoned homes. Finally, the City's residents that prefer to rent can live in communities that have been renovated with the assistance of the Bureau of Housing Services. BHS programs include but are not limited to:

First-Time Homebuyer Down Payment & Closing Assistance Program ("3/2 Program")

Provides down payment and closing cost assistance to low and moderate-income first-time home buyers. The Housing Council of York administers this program for the City, reviewing and processing applications and offering home ownership counseling.

Mortgage Credit Certificate Program (MCC)

Allows eligible homebuyers to take a designated percentage of mortgage interest paid annually as a direct credit against federal tax liability, without eliminating the itemized deduction. The credit can be taken each year for the life of the mortgage.

Owner-Occupied Rehabilitation Program (Regular Rehab)

Designed to address substandard housing problems, allowing properties to meet housing code requirements.

Owner-Occupied Rehabilitation Program (Critical Needs Rehab)

Available to qualified homeowners who need to address emergency housing problems (i.e. furnace, heating and roofing crises).



Adopt-A-House Program

City partnership with businesses and community groups to rehabilitate vacant properties in York. Upon completion, these quality homes are sold to low- and moderate-income families that qualify for the program.

Commercial Façade Easement Program

Grants available to owners of commercial properties to restore historical and architectural appearance within specified sections of the City.

Senior Citizen Housing Rehabilitation Program

Grants for residents aged 60 or older to make critical needs improvements to their homes.

Rental Rehabilitation Program

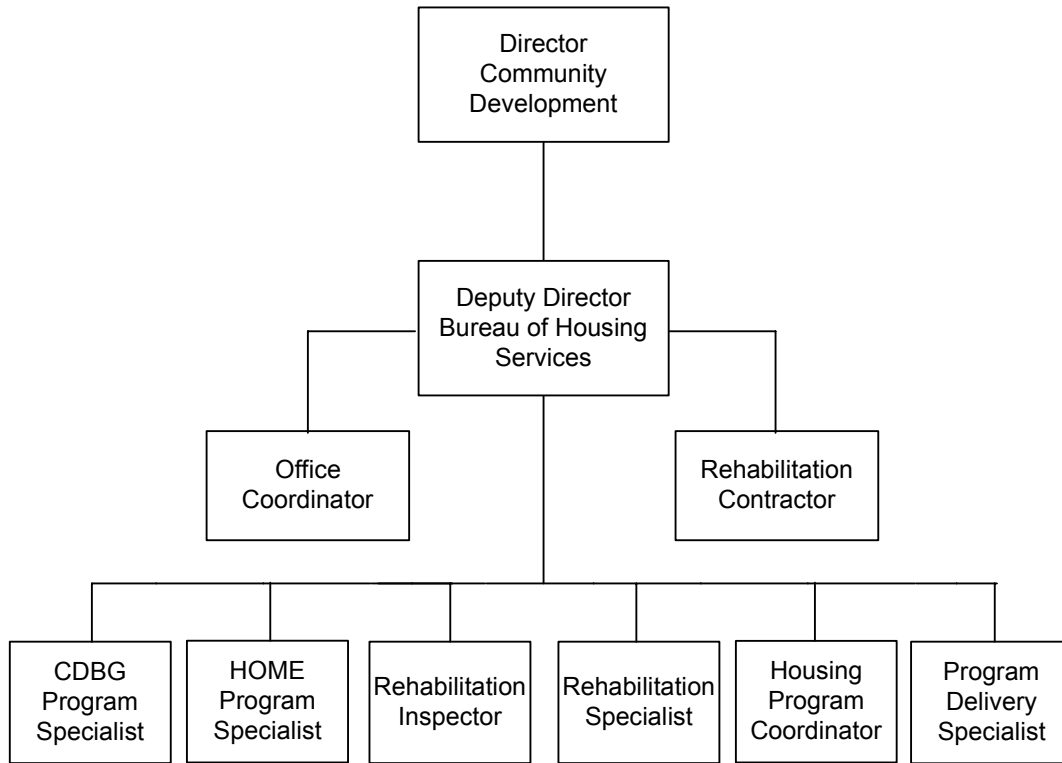
Designed specifically to assist in the rehabilitation of rental units which will be made available to lower income tenants.

Title X Lead Hazard Control Program

Priority-based evaluation and reduction of lead-based paint hazards.



ORGANIZATION CHART



HISTORICAL STAFFING LEVELS BY POSITION

Position	2003	2004	2005
Director	1	1	1
Deputy Director	1	1	1
Office Coordinator	1	1	1
CDBG Program Specialist	1	1	1
HOME Program Specialist	0	1	1
Program Delivery Specialist	1	1	1
Housing Program Coordinator	0	0	1
Rehabilitation Inspector	0	1	1
Rehabilitation Specialist	1	1	1
Rehabilitation Contractor	0	0	1
Total	6	8	10



EXPENDITURES

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Advertising	\$1,204	\$1,963	\$3,165	\$7,648	\$8,800
Capital Equipment	\$52	\$0	\$0	\$0	\$3,300
Capital Programs/ Grants	\$269	\$0	\$0	\$0	\$0
Civic Expenses*	\$0	\$0	\$0	\$0	\$117,759
Dues/Conferences	\$1,279	\$277	\$1,245	\$2,501	\$5,500
Employee Benefits*	\$0	\$0	\$0	\$0	\$5,939
FICA	\$10,225	\$12,507	\$11,310	\$15,034	\$20,808
Full Time Salaries/Wages	\$110,998	\$142,595	\$124,226	\$170,882	\$238,766
General Contracted Services	\$1,502	\$4,364	\$1,833	\$852	\$0
Indirect Costs*	\$0	\$0	\$0	\$0	\$1,770
Internal Allocations	\$42,615	\$77,388	\$74,646	\$103,894	\$155,596
Leave Pay	\$23,809	\$22,333	\$24,959	\$27,233	\$23,077
Other Pay	\$0	\$110	\$0	\$0	\$0
Overtime	\$97	\$0	\$0	\$0	\$0
Part Time Wages	\$0	\$0	\$0	\$0	\$5,000
Printing Binding Postage	\$198	\$599	\$358	\$429	\$1,250
Professional Services	\$3,532	\$2,485	\$22,230	\$27,465	\$55,000
Refunds	\$0	\$1,566	\$0	\$0	\$0
Rentals	\$0	\$14,662	\$14,275	\$13,846	\$15,314
Supplies Materials	\$1,105	\$2,798	\$16,526	\$4,031	\$14,400
Training*	\$0	\$0	\$0	\$618	\$7,621
Travel	\$1,690	\$3,266	\$1,067	\$2,233	\$2,350
Tuition Reimbursement	\$0	\$0	\$0	\$0	\$4,150
Utilities	\$50	\$482	\$233	\$606	\$1,200
Total	\$198,626	\$287,395	\$296,072	\$377,272	\$687,600

* Denotes expenses for the Lead Control Program.

PROJECTED

	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Advertising	\$10,000	\$10,240	\$10,496	\$10,758	\$11,027
Capital Equipment	\$3,300	\$3,379	\$3,464	\$3,550	\$3,639
Capital Programs/Grants	\$0	\$0	\$0	\$0	\$0
Civic Expenses*	\$100,000	\$102,400	\$104,960	\$107,584	\$110,274
Dues/Conferences	\$5,000	\$5,120	\$5,248	\$5,379	\$5,514
Employee Benefits*	\$10,000	\$10,240	\$10,496	\$10,758	\$11,027
FICA	\$21,132	\$21,639	\$22,180	\$22,735	\$23,303



	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Full Time Salaries/Wages	\$266,234	\$272,890	\$279,712	\$286,705	\$293,873
General Contracted Services	\$0	\$0	\$0	\$0	\$0
Indirect Costs*	\$1,000	\$1,024	\$1,050	\$1,076	\$1,103
Internal Allocations	\$165,324	\$175,947	\$186,629	\$197,182	\$208,528
Leave Pay	\$0	\$0	\$0	\$0	\$0
Other Pay	\$0	\$0	\$0	\$0	\$0
Overtime	\$0	\$0	\$0	\$0	\$0
Part Time Wages	\$10,000	\$10,250	\$10,506	\$10,769	\$11,038
Printing Binding Postage	\$1,750	\$1,792	\$1,837	\$1,883	\$1,930
Professional Services	\$55,000	\$56,320	\$57,728	\$59,171	\$60,650
Refunds	\$0	\$0	\$0	\$0	\$0
Rentals	\$19,874	\$20,351	\$20,860	\$21,381	\$21,916
Supplies Materials	\$13,200	\$13,517	\$13,855	\$14,201	\$14,556
Training*	\$1,000	\$1,024	\$1,050	\$1,076	\$1,103
Travel	\$4,066	\$4,164	\$4,268	\$4,374	\$4,484
Tuition Reimbursement	\$4,000	\$4,096	\$4,198	\$4,303	\$4,411
Utilities	\$800	\$819	\$840	\$861	\$882
Total	\$691,680	\$715,212	\$739,376	\$763,747	\$789,257

*Denotes expenses for the Lead Control Program.

REVENUES

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Interfund Transfers	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues*	\$0	\$0	\$0	\$0	\$133,077
Miscellaneous Sales	\$0	\$40	\$0	\$0	\$0
Reimbursements	\$0	\$860	\$26	\$0	\$12
Total	\$0	\$900	\$26	\$0	\$133,089

*Denotes Lead Control Grant revenue.



PROJECTED

	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Interfund Transfers	\$579,614	\$593,525	\$608,363	\$623,572	\$639,161
Intergovernmental Revenues*	\$112,066	\$113,187	\$114,319	\$115,462	\$116,616
Miscellaneous Sales	\$0	\$0	\$0	\$0	\$0
Reimbursements	\$0	\$0	\$0	\$0	\$0
Total	\$691,680	\$706,712	\$722,682	\$739,034	\$755,777

*Denotes Lead Control Grant revenue.

RECENT ACCOMPLISHMENTS

- BHS was the lead entity responsible for the preparation and development of the City's Five Year Consolidated Plan for FY2005-2009.
- Through CDBG grants, made improvements throughout the City to recreation facilities (playground equipment), streets, infrastructure, sidewalks, and ADA curb ramps.
- Through the Owner Occupied Rehabilitation Program, 19 homes were rehabilitated in 2004.
- During 2004, 28 first time home buyers were assisted in purchasing York City property to be occupied as their primary residence.
- BHS is fully staffed and has the capacity to manage all housing programs. The Bureau also has a Rehabilitation Specialist assisting with the many housing projects and activities.
- The Senior Rehab Program is a recent success. This program offers elderly residents an opportunity to receive a grant of up to \$5,000.00 to address critical needs in their home, to include: code violations, electrical upgrades, roofing and furnace.
- The Adopt-A-House Program is another recent success. This program addresses slum and blight (by rehabilitating vacant and abandoned houses) and homeownership (offering homeownership opportunities to low- and moderate-income residents) opportunities.

2005 PERFORMANCE METRICS

- First-time Homebuyers - 28 settlements
- Mortgage Credit Certificate Program - 6 participants
- Homeowner Occupied Rehabilitation - 303 applicants
- Adopt-A-Houses - 4
- Commercial Façade Program - 1 applicant
- Senior Citizen Housing Rehabilitation Program - 20 applicants
- Title X Lead Hazard Program - 22 applicants



CHALLENGES AND GOALS

- Continue to partner with various agencies, organizations and individuals to provide affordable housing, homeownership and economic opportunities to the residents of the City of York and continue to revitalize our communities and enhance the quality of life for City residents.



Bureau of Health

MISSION

The mission of the York City Bureau of Health is to prevent disease and to promote and protect the health of York City residents through the assessment of needs, the assurance of public health services and the provision of sound public health policies through dynamic and committed leadership.

OBJECTIVES

- To provide public health services that are designed to complement traditional health care by focusing primarily on prevention.
- To provide services at the main office and the Health Annex, as well as directing in the community through home visits, community education activities, community agencies, and environmental health interventions.

Source: City of York

SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

The Bureau of Health provides public health services in the City of York and is one of ten independent Act 315 health departments in the Commonwealth of Pennsylvania. Services are designed to complement traditional health care by focusing primarily on prevention. In the community, staff provides educational activities, home visits, additional immunization clinics, environmental inspections, and environmental health interventions. The Bureau develops an annual health plan and assesses the health care needs of York City residents.

Community linkages are an important part of Health Bureau operations. Ongoing communications are maintained with local hospitals, health care providers, social service agencies, politicians, and the community. A monthly Bureau of Health newsletter, Public Health Points, contains articles on timely public health issues as well as a communicable disease surveillance report. Bureau staff participates on a variety of local and state coalitions and committees dealing with public health issues.

The Bureau is funded by federal, state and city monies and proceeds from the Albert S. Weyer Community Health Fund (York Foundation). Services are provided free or for a nominal charge. The following are descriptions of each of the programs which are offered by the Bureau of Health:



Personal Health Services

- **AIDS/HIV**
Anonymous or confidential HIV testing and counseling and education, CD4 and Viral Load testing, HIV and AIDS case reporting, Partner Counseling/Referral Services.
- **Animal Control**
Investigation of animal bites. Rabies education and prevention.
- **Communicable Diseases**
Epidemiologic investigation of reportable diseases, such as hepatitis, food borne disease, Lyme disease, and other communicable disease.
- **Immunizations**
Free childhood vaccines (required for school admission) for all children, infant to 18 years old, who reside in York City. Collaboration with physicians, schools, and organizations to improve immunization rates. Selected adult immunizations.
- **Maternal & Child Health**
Public health nursing services to high risk prenatal women, infants and children, and children with special needs. Childbirth classes.
- **Pregnancy Testing**
Testing, counseling, and referrals for teenagers.
- **Sexually Transmitted Diseases (STDs)**
Epidemiologic investigation, education, counseling, and referral for testing and treatment.
- **Tuberculosis**
Education, screening/testing, epidemiologic investigations, and treatment.

Health Promotion/Disease Prevention Services

- **Cancer Prevention**
Community awareness and education on cancer risks and its prevention.
- **Cardiovascular Disease Risk Reduction**
Community based prevention program to reduce hearth disease, cholesterol, and blood pressure through exercise and health lifestyle choices. Diabetes education.



- **Injury Prevention**
Education and prevention of unintentional and intentional injuries such as bicycle helmet use, poison prevention, violence prevention, and home safety.
- **Osteoporosis Prevention**
Community awareness and education on osteoporosis and its prevention.
- **Public Health Education**
Individual and group presentations on a wide range of public health topics.
- **Tobacco Prevention and Cessation**
Reduction of youth access to, and use of, tobacco products; smoking cessation programs, and enforcement.

Environmental Health Issues

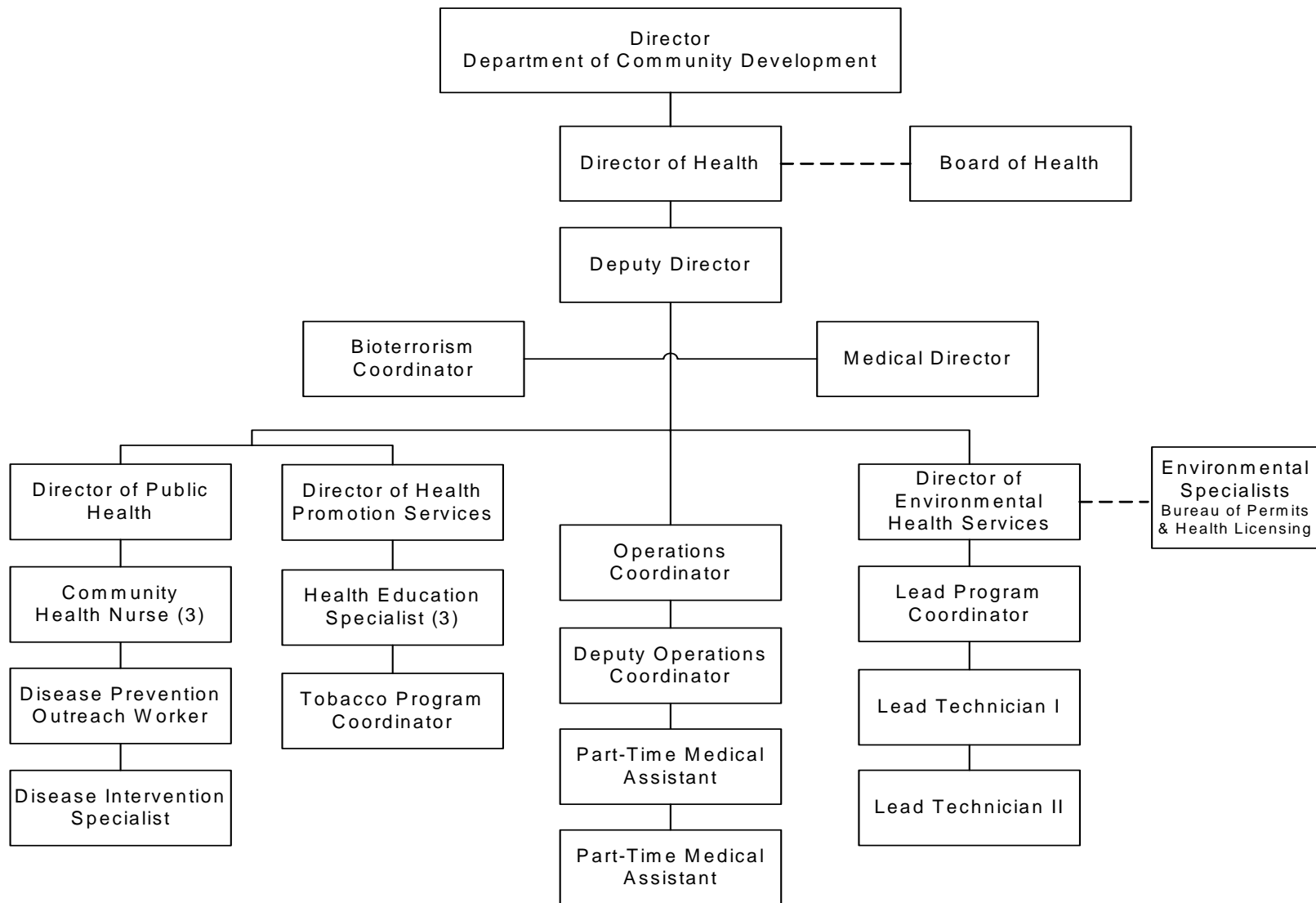
- **Childhood Lead Poisoning Prevention**
Testing of children and housing structures for excess lead.
- **City Cemetery**
Service and maintenance of cemetery for indigents.

Emergency Preparedness and Response

- **Response to Emergency Services**
Ambulance service provided under contract with White Rose Ambulance.
- **Bioterrorism/ Emergency Preparedness**
Education of public and businesses on emergency planning. Coordination of various facets of the City's plan for bioterrorism response.



ORGANIZATION CHART



HISTORICAL STAFFING LEVELS BY POSITION

	2001	2002	2003	2004	2005
Full Time	15	15	17	17	19
Part Time	2	2	2	2	2
Total	17	17	19	19	21

EXPENDITURES

HISTORICAL

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Dues/Conferences	\$120	\$268	\$168	\$199	\$0
FICA	\$1,179	\$1,211	\$1,240	\$2,139	\$2,827
Full Time Salaries/Wages	\$13,426	\$14,119	\$13,651	\$25,068	\$33,973
General Contracted Services	\$40,397	\$40,302	\$33,253	\$21,299	\$23,333
Internal Allocations	\$6,905	\$4,712	\$3,698	\$10,854	\$27,218
Leave Pay	\$2,061	\$1,779	\$2,628	\$3,168	\$3,505
Printing Binding Postage	\$326	\$330	\$130	\$131	\$100
Property/Liability Insurance	\$0	\$525	\$525	\$600	\$0
Refunds	\$0	\$0	\$17	\$0	\$0
Rentals	\$446	\$12,753	\$12,688	\$27,623	\$25,019
Repairs/Maintenance	\$150	\$152	\$152	\$53	\$0
Supplies Materials	\$2,171	\$1,615	\$3,670	\$2,522	\$543
Travel	\$1,069	\$738	\$874	\$974	\$100
Utilities	\$0	\$0	\$0	\$0	\$300
Total	\$68,249	\$78,503	\$72,694	\$94,630	\$116,918

PROJECTED

	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Dues/Conferences	\$199	\$204	\$209	\$214	\$219
FICA	\$2,871	\$2,940	\$3,013	\$3,089	\$3,166
Full Time Salaries/Wages	\$37,531	\$38,469	\$39,431	\$40,416	\$41,427
General Contracted Services	\$23,333	\$23,893	\$24,490	\$25,103	\$25,730
Internal Allocations	\$27,021	\$28,869	\$30,723	\$32,552	\$34,522
Leave Pay	\$0	\$0	\$0	\$0	\$0
Printing Binding Postage	\$481	\$493	\$505	\$517	\$530
Property/Liability Insurance	\$675	\$691	\$708	\$726	\$744
Refunds	\$0	\$0	\$0	\$0	\$0
Rentals	\$25,848	\$26,468	\$27,130	\$27,808	\$28,504
Repairs/Maintenance	\$122	\$125	\$128	\$131	\$135
Supplies Materials	\$2,292	\$2,347	\$2,406	\$2,466	\$2,527
Travel	\$1,174	\$1,202	\$1,232	\$1,263	\$1,295



	2006 Budget	2007 Projected	2008 Projected	2009 Projected	2010 Projected
Utilities	\$300	\$307	\$315	\$323	\$331
Total	\$121,847	\$126,008	\$130,291	\$134,608	\$139,130

REVENUE

The revenue numbers for the Health Bureau shown here are General Fund revenue dollars. The majority of the operating revenue for the Health Bureau comes from State (and some Federal) grants. The revenue from these grants is not reflected here as the City maintains a separate State Health Fund for all grant monies used in the Health Bureau.

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Miscellaneous Sales	\$17,019	\$16,766	\$12,670	\$15,245	\$17,802
Miscellaneous Grant	\$0	\$0	\$0	\$12,984	\$34,459
Total	\$17,019	\$16,766	\$12,670	\$28,229	\$52,261

NET EXPENDITURES

As discussed above, the Health Bureau is funded in large part through grants. However, even after the receipt of grant monies, the Bureau does require some General Fund support. The table below shows the net effect the Health Bureau has on the General Fund; over the past five years, an average of \$60,810 has been contributed from the General Fund each year for Health Bureau operations and services.

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Estimated
Total Expenditures	\$68,249	\$78,503	\$72,694	\$94,630	\$116,918
Total Revenues	\$17,019	\$16,766	\$12,670	\$28,229	\$52,261
Net Operating Balance	(\$51,230)	(\$61,737)	(\$60,024)	(\$66,401)	(\$64,657)



PERFORMANCE MEASUREMENTS / ACTIVITIES

- Conducted over 200 education programs, workshops and presentations for individuals, groups, service providers and organizations reaching over 9,500 people in 2004.
- 716 influenza and 11 pneumococcal vaccines were provided to City residents and employees for the 2004/2005 flu season. This was a 25 percent reduction in flu vaccinations provided from the 2003/2004 flu season resulting from targeted efforts due to a vaccine shortage.
- Provided routine immunizations to individuals at the Health Bureau Annex and the York Spanish American Center, of which 329 were first time users of the service. A total of 665 clinic visits resulted in 1,468 vaccines administered in 2004.
- Lead poisoning prevention staff inspected 60 housing units for lead hazards and reduced hazards in 53 units in 2004. 1,022 children were tested for elevated blood lead levels.
- Investigated 114 animal bites in 2004. A Community Health Nurse reached 169 city children during summer camp activities on dog bite safety education.
- Immunization Outreach had 1,566 contacts (up 17 percent) in 2004 with City residents to educate them on the importance of immunizing their children or to remind them when their children are due for immunizations.
- Performed 195 HIV tests and post-counseled 175 individuals in 2004.
- Followed 9 families during 2004 in the Maternal and Child Health Programs. 23 women and partners attended childbirth classes.
- The Bureau received 1,099 referrals for services in 2004, up 23.7 percent from 2003.

RECENT ACCOMPLISHMENTS

- Epidemiologist position filled through a contract with Emig Research Center at York Hospital.
- Renewed HIV/AIDS grants using a totally new logic model format—individual activities with individual objectives, outcome measures and budgets.
- Renewed contract as provider for a comprehensive tobacco control program in York County.

CHALLENGES AND GOALS

- Fill current vacancies—Bioterrorism Coordinator and Health Educator.
- Continue to shape the role of the Epidemiologist in all of our Health Bureau programs, with emphasis on bioterrorism given the source of funding.



INITIATIVES

HE01: Consider Merging with a York County Health Bureau

Background

The York City Health Bureau is one of four city health departments in the Commonwealth of Pennsylvania. The County of York does not have a county-wide health department; currently, there are only six county-wide health departments in the state. In a February 2004 action plan report developed by the YorkCounts Commission, the creation of a county-wide public health department was one of thirty recommendations made for improving the quality of life in York County. Pursuant to the recommendation, the Healthy York County Coalition initiated a feasibility study to determine the need, value, and cost of establishing a county-wide health department. The study also addressed the question of what would become of the York City Health Bureau should a County wide department be created.

The feasibility study presented three options for further review. The study's preferred option, however, would be to create a new County Health Department and to move staff from the York City Bureau of Health to the new County Department. Additional staff would be hired to fill out divisions focusing on environmental health, personal health, and communicable and chronic disease. Other options presented in the study included the creation of a County Health Department with a separate division set up for York City, or the creation of a County Health Department with the City Health Bureau remaining intact.

The creation of a County health department and the fate of the City's current Health Bureau have been the subject of much investigation and debate. For the City, the main question remains whether the creation of a joint health department would result in bottom line General Fund dollar savings for the City of York while retaining or increasing the overall level of public health services for City residents. While that question requires a more in depth analysis than can be presented within the scope of this Five Year Plan, there are a number of points around which any discussion of a joint health department should focus.

The strongest argument for the creation is that the City could reduce its employee headcount by 19 full-time and 2 part-time positions. Simply stated, this would appear to produce significant savings for the City. However, most of these positions are funded through state or federal grants and thus do not affect the General Fund balance. The City estimates that the elimination of these City positions would result in a net savings of approximately \$50,000. In conjunction with the elimination of City positions, some related City operational costs would also be reduced. Again, as these operational dollars come mainly from grants, the net savings in the General Fund would not be substantial.

Another argument for the creation of the joint bureau is in regard to the building space used by the Bureau in the Marketway building. Much of the 3rd floor could potentially be freed up for other use should the Health Bureau relocate to a County facility. The City could then perhaps consolidate other offices and save paying rent elsewhere. The counter



argument is again the fact that non-General Fund grant money pays for approximately 20 percent of the Marketway building rent. Should the Health Bureau leave these premises, the City would be forced to pay rent costs by some other means for the remainder of the lease term.

A negative consequence for the City if a joint bureau is created would be the loss of indirect expenditures paid by grants received by the Health Bureau. In 2005, grant money paid for over \$250,000 in insurance costs and \$104,000 in internal allocation costs. Without the health bureaus contributions, the City would have to determine a way to support remaining allocations. Reduced personnel levels may affect existing pricing on health insurance and other benefits.

Comparables

Across the country, there are a number of joint City-County Health Departments which encompass cities and counties of various sizes and populations. For example, the Tulsa City-County Health Department operates in a county of approximately 570,000 people, and serves the City of Tulsa, which has approximately 385,000 people. The department is a tax-supported branch of government and a traditional health care provider. Its annual operating budget is just over \$14 million, under policies established by a nine member board jointly appointed by the City and County Commissions. The Health Department has a staff of over 300 full and part-time employees, assignees from the Oklahoma Department of Health and the Oklahoma Department of Environmental Quality, and contract physicians, nurses, and specialists who work collaboratively throughout the county at ten clinical health centers and one regional office. Services offered include basic public health core functions such as monitoring, promoting, and protecting health, and preventing disease through education, regulation, and the provision of health services.

Other examples of City-County Health Departments are as follows:

JOINT HEALTH DEPARTMENTS IN US CITIES AND COUNTIES

Name	State	City Pop.	County Pop.
Yellowstone City-County	MT	89,847	129,352
Pueblo County-City	CO	103,648	150,171
Eau Claire City-County	WI	62,496	94,226
Flathead City-County	MT	-	81,217
Gallatin City-County	MT	-	73,000
Lewis and Clark City-County	MT	26,718	57,972
Athens City-County	OH	-	63,187
Peoria City-County	IL	-	183,433



At the time of the writing of this report, the Healthy York County Coalition has hired a consultant for one year in order to expand on the earlier feasibility study and compile a sound business plan. The feasibility study contained some operational and financial assumptions which must be clarified before a recommendation can be made to the York County Commissioners. The City of York, therefore, will not be prompted to make any decisions about a joint Health Department for at least another year.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	TBD	TBD	TBD	TBD	TBD
Fiscal Impact	TBD	TBD	TBD	TBD	TBD



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Economic Development



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Economic Development Department

MISSION

To create the conditions which encourage a diversely vibrant economy throughout the City.

The means for pursuing this Mission are as follows.

1. Partnerships and coalition building to incubate and execute economic development and quality of life initiatives;
2. Nurturing and initiating large-scale development and redevelopment projects (e.g., marketing sites, project management & facilitation, funding soft costs: appraisals, engineering studies, railroad studies);
3. Executing public relations and marketing initiatives; and
4. Advocating for proposed and existing businesses.

VISION

To develop the City into a thriving business (i.e., industrial, commercial, service, and retail), residential, cultural, recreational, and tourist destination.

Pursuing this Vision will foster employment and educational opportunities, increase the value of the City's property tax base, and foster a thriving urban community.

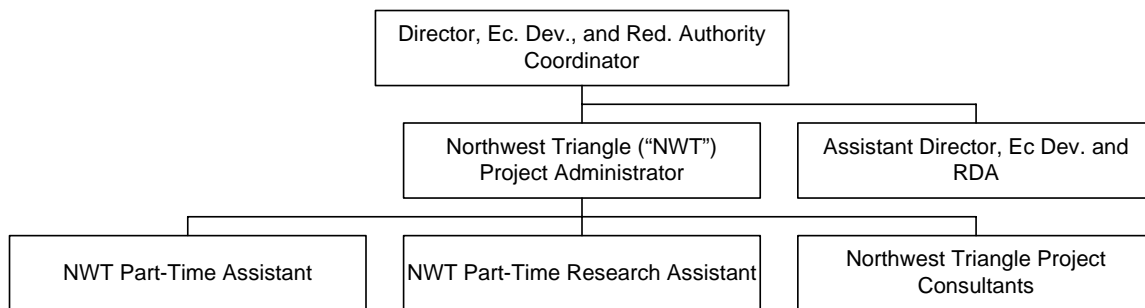
SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

The Director of Economic Development, who also serves as the Redevelopment Authority Coordinator, is responsible for advocating for and leading the development, implementation, and sustenance of citywide development and redevelopment initiatives and projects. The director develops and maintains a comprehensive list of annual goals and engages private and public sector leaders in pursuing and accomplishing these goals. In addition, the director identifies, writes, and advocates for the awarding of grants for the city and the Redevelopment Authority to pursue and execute the annual goals.

The Assistant Director of Economic Development, who also serves as the Assistant Director of the Redevelopment Authority, is the right hand of the director and, in addition to shepherding the department's annual goals, is responsible for day-to-day office operations as well as inquiries and budgeting.



ORGANIZATION CHART



HISTORICAL STAFFING LEVELS BY POSITION

Position	2001	2002	2003	2004	2005
Director (full-time)	0	1	1	1	1
Assistant Director (full-time)	0	0	0	1	1
Consultant: Northwest Triangle Project Director: grant funded	0	0	0	1	1
Consultant: Part-Time Admin. Assistant: grant funded	0	1	1	1	1
Consultant: Part-Time Research Assistant: grant funded	0	0	0	1	1
Total (full-time and part-time)	0	2	2	5	5

RECENT ACCOMPLISHMENTS

▪ Cultivation of the Downtown Entertainment District

October's opening of Fisher's Restaurant, December's opening of Harp & Fiddle Pub and Restaurant, and December's opening of Market Street Saloon are reasons to celebrate the revival of downtown York's nightlife, as well as to ponder the economic development and social capital that establishments such as these generate.

These welcomed newcomers join venerable, night-time North George favorites, such as the Strand-Capitol Performing Arts Center, the Valencia Ballroom, and the Left Bank in establishing the foundation for a downtown entertainment district on "Gorgeous George" and beyond.

The impact of a clustered or critical mass of destination venues should not be underestimated in terms of (1) job-creation, (2) increases in public revenues, (3) amenity infrastructure, and (4) spin-off economic development.



First, jobs for local and particularly city residents. Downtown restaurants hiring York City residents as chefs, waiters, waitresses, bartenders, and bar-backs is par for the course.

Veteran restaurateurs, Ross Falzone, owner of Sam & Tony's Italian Ristorante, Tom Sibol of White Rose Bar and Grill, and Diane Weaver and David Leherhorn of Blue Moon Café estimate that, at any given time, York City residents comprise 60-75 percent of their staffs. Indeed, of all jobs generated in 2004, 55 percent or 177 of these jobs belong to the Dining/Entertainment/Recreation category.

Young workers are taught lessons in work ethic, punctuality, customer service, and respect. And all workers need the pay for food, rent, mortgage, transportation, childcare, and/or education.

In short, service jobs are real jobs for real people with real needs, goals, and aspirations. Work is honorable, and the best social policy is a new job.

The City of York warmly welcome each new job generated in our community. The Department of Economic Development is grateful for entrepreneurs who are investing millions of dollars in our city, believing not only in their business plans and our architecture, but in our people, as workers and as patrons.

▪ **Increases In Public Revenues**

A downtown entertainment district also produces significant increases in various public revenue streams. Short-term gains in revenue streams include: permits and inspection fees (1% of building valuation with improvements); business privilege taxes (3.5 mills times annual gross revenues per year); annual occupational privilege taxes; annual earned income tax revenues; and General Authority parking revenues.

Major long-term public revenue streams are school, city, and county tax revenue increases as a result of significant increases in property value assessments. Late last year, regional night-life magnate Ron Kamionka's investment group pumped over \$1.5 million into the Hardware Bar complex.

This year, Fisher's restaurant has experienced a \$1.4 million makeover. Also on North George, the Peterman building, the new home of Bennett-Williams and the Harp & Fiddle Pub & Restaurant, closes in on the culmination of its \$4 million upgrade. Meanwhile, the site of Market Street Saloon, 25 West Market Street, is undergoing a \$2.7 million renovation, while the site of the former "Station House," now owned by Susquehanna Real Estate, undergoes a \$1.2 million transformation.

As these properties are re-assessed over time, their assessed values will significantly increase, as will their tax obligations to the school district, city, and county. They are pulling their weight, and will continue to do so.



▪ **Amenity Infrastructure**

A third benefit of a downtown entertainment district is a significant improvement in amenity infrastructure. Moreover, if the City play our cards right, within the next year, our downtown could become regional, night-time, social and recreational destination featuring at least fifteen destination venues.

The City continue to emphasize clustering a critical mass of destination venues in our downtown to create a pedestrian-friendly zone in the heart of downtown York. Residents, suburbanites, and weekend visitors would spend an entire evening socializing, conversing, eating, dancing, listening to live bands, and enjoying themselves in a safe, well-lighted, compact city block near ample parking in garages and on surface lots.

As the county seat of one of the fastest growing counties in Pennsylvania, why shouldn't our downtown have a vibe and sizzle?

Congregating such establishments is important for our quality of life and for attracting new employees and homeowners to our city. Creative and well-educated professionals yearn for a multi-faceted community that features broad cultural and recreational opportunities.

York Countians deserve a richly diverse downtown in which people of all walks of life can enjoy their daytimes and evenings through recreation, culture, shopping, dining, music, art, and socializing.

▪ **Spin-off Economic Impact**

Fourth, the spin-off economic impact will be considerable. Consider groups of friends deciding to spend an entire evening or weekend in downtown York, first eating at a downtown restaurant and then spending the evening at downtown coffee shops or clubs. Consider family visitors and tourists deciding to stay in the Yorktowne Hotel for one more night to take in York's nightlife before traveling home.

Importantly, consider also downtown eateries and retail shops opening their doors into the evening hours after witnessing an increase in consumer demands. Consider also the increased purchasing power of city residents who are employed at these venues, and the impact of their purchases at corner shops and markets.

In sum, each new destination venue has a ripple effect of economic development and social capital in our community. When destination venues are clustered together, that ripple becomes a wave of resurgence with an unmistakable gravitational pull.

▪ **Net Gain of 20 New Businesses**

The following statistics, which show economic development in all of its manifestations, are based on a survey conducted by the Department of Economic Development in



January of 2005. Based on zoning applications received by the City of York for new or relocated businesses and new or relocated non-profits, and business and non-profit building expansions or new construction, the Department of Economic Development has tabulated the following new business and employee figures for York City for 2004.

332 New Employees¹

1. Fulltime Employees – 208 added
2. Part-time Employees – 114 added
3. Employees Residing within York City – 133 (41.3% of all new employees)

43 New Businesses²

1. Entirely New For Profits: 36
2. Businesses Relocated Outside of York City Into York City: 7

Businesses Relocation Within York City Or Expanding Business

1. Business Relocated within York City: 13

Expanding Businesses

1. 12 For-Profits/Businesses Expanded

Non-Profits

1. New Non-Profits: 2 Non-Profits
2. Non-Profits Relocated Within York City: 2
3. Non-Profits Relocated From Outside York City: 2
4. Non-Profit Expansion: 3 Non-Profit and 1 county government office

Zoning Applications

Out of 137 Zoning Applications – 81 Businesses or Non-Profits Opened (59% Rate)

Successful Zoning Applicant Breakdown

1. For-Profit Businesses – 71 (88%)
2. Non-Profit Business – 9 (11%)
3. County Government Office – 1 (1%)

¹Please note that at least five small businesses, however, either relocated outside of the city or discontinued business, thus subtracting approximately 16 employees from the city's labor force. Possibilities (for rent in 2005), D & J Expressions of Love (replaced by Kimman's), Marcello's Pizza (replaced by Market Street Saloon and Bahama Mama's Beach Club in 2004), Sara's Garden (to be replaced by Marcello's in 2005), and Philly Cheese Steak (replaced by Ezekiel's in 2004). This survey does not account for new employees or employee losses of existing businesses that did not apply for zoning approval for expansion or new construction in 2004.

² As noted above, ED is aware of only five small businesses that either relocated outside of the city, or whose proprietors retired, or that simply went out of business in 2004. The rapid turnover of many of these business locations into new business uses in 2004 attests to the fluidity and desirability of the city real estate market.



Category	FT Empl.	PT Empl.	Total FT & PT	% of Total	City Residents
Dining/Entertainment/Rec	100	77	177	54.97	97
Professional Services	55	19	76	23.60	21
Manufacturing/Warehouse	25	5	30	9.32	11
Medical/Educational	16	6	22	6.20	1
Retail	6	4	10	3.11	3
Government	6	3	9	2.80	0
Home Office	0	0	0	--	0
Totals	208	114	322	100.00	133

- **Focus on redeveloping at least 3 “white elephant” buildings (e.g., Greenway Tech Center, Woolworth, Footstop, Bluebird, Graybill, Post Office, Old Prison, etc.)**

The City eclipsed this goal by advancing the redevelopment of four “white elephant” structures, that is, conspicuously located but abandoned structures throughout our city. Significantly, three of these structures are in the city’s neighborhoods, while the other one is in heart of our downtown.

In the heart of the South George Street community, the Greenway Tech Center, the former Eisenlohr Cigar Factory located at 540 South George Street, will come to life in 2006 as the headquarters of Internet-service provider Blazenet and the home of 200 jobs. This high-tech, Green office building will be the crown jewel of the Crispus Attucks Association's efforts to rehabilitate numerous blighted properties along the South George Street corridor that now enjoy productive re-use.

Funding for this project – \$1 million from a federal Environmental Protection Agency grant and five million from a Commonwealth of Pennsylvania Regional Appropriation Capital Project, was confirmed in 2004, and federal and state elected officials from both political parties were instrumental in securing the necessary funding. Groundbreaking occurred on March 16, 2005. Crispus Attucks actively seeks additional tenants for the building's remaining 25,000+ square feet. The anticipated date of occupancy is April 2006.

Second, in 2003 and 2004, Economic Development worked on finalizing a conditional sales agreement with Primelink, Inc., on a plan to redevelop the Woolworth Building, on the first block of West Market Street, into a retail and commercial complex, featuring restaurants and offices. As plans have evolved in 2004 and 2005, Economic Development have finalized mutually agreeable terms that calls for the development of a mixed-use development featuring a gourmet grocery and/or ethnic restaurants on the first floor and market- rate loft apartments on the second floor, with ample parking in the rear. This project took months of patience and negotiation and ED are pleased that the final sales agreement has the pieces in place to spur redevelopment while, through a reverter



clause and appropriate contingencies, also protecting the city's best interests should the project fall through.

Third, in July, the Board approved the deed transfers of South George Street's Footstop Building. These two parcels afford an opportunity for mixed-used development through retail, commercial, and possibly residential development. Currently, one new business has opened on this site, and ED are pleased that this building, long an albatross, is now productively used and generating jobs.

Fourth, in 2004, ED worked collaboratively to set the stage for the rehabilitation for the abandoned and blighted Bluebird Silk Mill, at the corner of Maryland and Hartley. Because of collaborative efforts, ED anticipates seeing a privately funded four million dollar rehab effort of a long-abandoned, factory slowly falling apart in the Avenues. In 2004 and 2005, ED worked with the developer and recent mortgagee, Yohn Property Management, and our taxing entities to exonerate the onerous back taxes on this structure so that the slate can be wiped clean and aggressive redevelopment can occur in 2005. In 2005-2006, ED expects to see approximately 60-65 market-rate, loft housing units in that historic structure.

Working hand-in-hand with the Department of Economic Development and RDA staff, City Council exonerated back taxes on Bluebird. Economic Development thinks that this a good policy to get properties redeveloped and back on the tax rolls, and a policy that could be repeated elsewhere on both large structures such as this and small structures. Economic Development would suggest a Mutual Foreclosure Policy having the following three conditions. First, a willing seller and a ready and willing credit-worthy developer. Second, the development dollars must exceed the back taxes and fees owed on that property. And third, the development must be conducive to community development and puts the property back on the tax rolls. Economic Development looks forward to partnering with City Council and our sibling taxing entities, the York City School District and the County of York, to see how such a policy could be replicated elsewhere.

Time is money, and it is counter-productive to throw up our hands and point to a judicial sale years away. Economic Development believes the City must embrace a future of redevelopment, where abandoned blights become commodities with character.

▪ **Created YorkScape Beautification Endowment**

Launched in January of 2002 by Mayor John Brenner, the YorkScape fundraising initiative has been inspired by civic-minded citizens in York County who think and believe York's streets and atmosphere should be as beautiful as our inherent architectural splendor.

Over the last two-and-a-half years, college instructors and students, artists, art aficionados, architects, designers, merchants, business leaders, and those who simply love York have raised over \$98,000 for numerous public improvements: two dozen antique-style metal halide lights, lighting fixtures to light several downtown murals, a



bronze sculpture outside of Central Market, flowers and concrete urns outside of Farmer's Market, Victorian-styled, metal trash cans, and window art for over 20 city storefronts.

In the winter of 2004, this group partnered with the York County Community Foundation and community leaders to preserve and enlarge the YorkScape vision through an endowment fund. Dedicated to beautifying the city in perpetuity, the YorkScape Endowment transcends the temporality and fickleness of politics and personalities, thus ensuring that the city will benefit from a pure mission of beautification for generations to come.

The second annual York Renaissance Gala in June of 2004 was the official kickoff of the YorkScape Endowment. As a result of the gala and, most notably, remarkable contributions from remarkable civic leaders and families, the YorkScape Endowment was born.

Administered by the York County Community Foundation, the endowment now holds \$125,000 in seed money. It is an honor to work in a community where the dream of a few dreamers becomes a reality.

For a financially challenged and nearly fully developed city with a large proportion of tax-exempt properties, the YorkScape endowment emanates several additional rays of light.

First, YorkScape is a tax-free revenue stream that does not burden county or city taxpayers. Contributions are philanthropic, from individuals, businesses, and corporations. Municipalities like ours that spend, as they should, a great proportion of their public funds on public safety needs, need to find creative means to effect infrastructure and aesthetic improvements without further burdening taxpayers. YorkScape is such an alternative.

Second, aesthetics and lighting are good for economic and community development – for recruiting and retaining businesses, attracting creative people and new homeowners, bolstering heritage tourism, and, importantly, improving the quality of life of our residents.

Third, beautification improvements are morally imperative for a community of our history and pride. As the poet W.B. Yeats put it, York “must labor to be beautiful,” and the City will continue to labor to be so, but our history, representing the grand sweep of American history and architecture, tells us that York started and grew as a beautiful place and deserves to remain so.

York must be beautiful.



And not just through mortar and brick, porticos and gables, and spires and steeples resonant of a grand past, but through state-of-the-art lighting, shiny sidewalks, vibrant parks, and striking public art.

Our long-term, fundraising goal is to raise one million dollars as the principal for the YorkScape Endowment. Economic Development is hopeful, but not unrealistic. Economic Development has a long way to go, but, given the astounding response from our corporate and grassroots leaders so far, that goal ultimately should be achieved.

In 2004, a YorkScape Endowment Advisory Committee, led by Louis J. Appell, Jr., began to meet on a regular basis to oversee the preservation and growth of the endowment.

Meanwhile, the grassroots YorkScape organization continues to plan the Third Annual York Renaissance Gala, to raise funds to improve the appearance and functionality of the Codorus Boat Basin and Foundry Plaza.

Both efforts – long-term, financial stewardship and short-term sensitivity to beautification needs – are essential for York to realize its promise as a Victorian village with a Revolutionary soul.

Through novel public-private partnerships such as YorkScape, our community proves that our Revolutionary soul still burns with passion and aspires for greatness.

If citizens and businesses of York labor to be beautiful together, our efforts will continue to accent and build upon our character, making York one of the most charming and beautiful Victorian villages in the Mid-Atlantic, and beyond.

▪ **“Ten And Ten”**

Based on staff’s assessment of the Redevelopment Authority’s (“RDA”) property inventory and the principles of the City of York’s Strategic Comprehensive Plan, our goal in 2004 as the RDA was to transfer ten RDA parcels or facilitate the transfer of such parcels to better use and to raze ten severely blighted and vacant structures. Economic Development eclipsed these goals by transferring 22 parcels, seven of which contained houses slated for rehab, and razing ten vacant, severely blighted structures.

The RDA’s preference for vacant structures is for rehabilitation, and, in 2004, the RDA facilitated the rehabilitation of seven structures: 339 and 404 North Beaver Street, 437 South Duke Street, 450 North Beaver Street, two parcels of 300-306 South George Street (Footstop buildings), and 718 West Princess Street. Demolition is a last resort acted upon only when a vacant and severely blighted structure is past the point of no return (i.e., when rehabbers and in-house staff have determined that the cost of rehabilitation would far exceed the fair market value of the resulting structure).



In 2004, ED also worked with private developers on facilitating the transfer of ownership of the Bluebird Silk Mill of 600 North Hartley. This company that formerly owned the building was in bankruptcy, and RDA staff successfully worked the developer and the former mortgagee to pave the way in 2005 for the developer to purchase the mortgage, to successfully apply for tax and sewer lien exonerations, and to foreclose on the property.

In March of 2004, ED transferred 339 N. Beaver and 405 N. Beaver Street to assist the Fairmount project, administered by the YMCA, to rehab historically significant properties there. In May, ED deeded 537 South Duke Street to a private rehabber and 450 North Beaver Street to the YMCA, again to assist the Fairmount project. In May, ED also sold 200 North State Street to a private owner, and the proceeds of which funds the RDA's general fund.

In July, the Board approved the deed transfers of South George Street's Footstop Building (two parcels for mixed-used development: retail, commercial, and possibly residential), 212-214 East College (two parcels where abandoned cars formerly sat now owned and maintained by the Community Progress Council as a paved parking lot), and 310 South Queen Street (transferred to adjacent property owner for additional yard space).

Significantly, in September, the board voted to transfer ten vacant lots to the adjacent property owners on Howard Street. And, in October, the board voted to transfer 718 West Princess Street to a private rehabber, and that building, as of the summer of 2005, is over 75% complete and listed "for sale" on the real estate market.

Regarding demolitions of severely blighted, vacant structures, the RDA approved and completed the demolitions of the following ten structures in 2004.

One Building:	121 East Princess Street
Future Use:	This property is currently under option with Potomac Holdings, LLC for a proposed redevelopment site which will target this predominantly residential area of the City.

Four Buildings:	17, 19, 23 and 25 East College Avenue
Future Use:	City and RDA are considering comprehensive redevelopment area encompassing this first block of East College Avenue and beyond.

One Building:	34 East South Street
Future Use:	RDA Board voted to convey to long-time adjacent property owners, Mr. and Mrs. Bupp. Property will be on tax rolls.

One Building:	186 East Boundary Avenue
Future Use:	RDA may cluster this lot with the 600/602 S. Queen St. lot, so the combined parcels are more attractive to adjacent



property owners and/or developers for ownership and/or redevelopment.

Two Buildings:

301 & 303 East Walnut Street

Future Use:

The RDA has transferred ownership of this lot to adjoining property owner, Barbara Beattie. It is now not only on the tax rolls but also a safe and beautiful garden, an attractive area for neighbors to congregate.

One Building:

229 South Queen Street

Future Use:

RDA is planning on including this property as part of the Building Blocks project to begin in 2005. Building Blocks aims to improve the first several blocks of South Queen Street through rehabilitation of existing structures, demolition of vacant and severely blighted structures, streetscaping and curb cuts, and public art.

▪ **Launched second annual “Revolutionary York” visitors’ guide**

Economic Development was pleased to partner with Genesis Communications, with offices in York County and Towson, Maryland, to launch the second annual York City Visitors Guide, with placement in Maryland (see goal number 16) and the inclusion of free listings for all approved tourism-related businesses and attractions. Economic Development believes that the 2004-2005 guide was an improvement over the 2003-2004 guide, and ED looks to more improvements in 2005 and 2006.

▪ **Hosted Annual York City Business academy, with an emphasis on small businesses and minority-owned businesses**

Our first-ever York City Business Academy was aimed at building business skills and knowledge of young entrepreneurs and seasoned retailers. A corollary aim is to increase the number and quality of minority and small business jobs throughout the City of York.

Economic Development must continue to engage our small business entrepreneurs in the challenges, intricacies, and promise of business ownership and development.

The inaugural York City Business Academy, which saw its first class of 13 graduates receive diplomas from Mayor John S. Brenner in November of 2004, is such a tool for investing in the minds and talents of our small business entrepreneurs.

Although the City of York’s Department of Economic Development represents less than one-half of one percent of the annual city budget, ED has the resources to launch cost-effective initiatives, such as the York City Business Academy, which promise to deliver a solid return on investment.



Through evening classes, registrants took a two-month-long, fifteen-hour class, which was tuition-free, in concepts, details, and advice concerning operating and owning a business in the Commonwealth of Pennsylvania and the City of York. In addition to receiving business assistance packages, students immersed themselves in classes taught by remarkable volunteer professionals who spoke about their fields of expertise.

Classes covered the following: Developing a Business Plan, Strategic Planning, Business Structure, Accounting And Financing Growth, Understanding City of York Codes, Zoning, Permits, and Inspections, Marketing, Marketing Research, and Public Relations, and Customer Service, Etiquette, and People Skills.

A city contract and partnership with the Association for Helping Entrepreneurs Achieve Dreams (“AHEAD”) and Director Carolyn Friend, as well as our partnership with the Community First Fund and York’s chapter of SCORE (Service Corps of Retired Entrepreneurs), made the academy possible.

Graduates remarked that, in addition to providing comprehensive knowledge about opening or expanding a business in the City of York, another great asset was to provide a forum of fellowship and idea-exchange amongst business-minded people who face the same challenges. Time-pressed small business owners and operators need and deserve the intellectual and creative stimulation that forums such as this provide.

The fact that a small business proprietor may not have a college degree or an opportunity to take formal business classes does not negate or minimize his or her capacity to learn and ambition for improvement. Economic Development must continue to foster forums that encourage and enlighten our small business proprietors so that they can plan and grow with knowledge and confidence.

In 2005, ED plan to host two additional York Business Academies, as well as a “graduate” course in Business Plan Development. The Business Plan is the North Star for any business, and its ongoing refinement is necessary for good planning and for access to capital.

In short, whatever one’s stage of development as a small business owner or operator, the time is always ripe to learn more and to improve. Because of conscientious professionals in our business community and the appetites of our small business entrepreneurs, the York Business Academy will continue to encourage and enlighten in 2005.

▪ **New Special Event – Patriot Days**

The purpose of the first-ever Patriot Days was to increase tourism traffic, improve the downtown economy, increased civic morale, and to create a signature York event that can be built upon year after year. This signature event was co-conceived by the director of economic development and community volunteer, Scott Butcher, in 2003. Partnering with the YCHT and Inside-Out Consulting ensured the success of the first year’s event, which featured a Civil War drama, Civil War cannon fire courtesy, and walking tour of



downtown Civil War sites. Strategically timed for the last weekend in June—the weekend before the famous Gettysburg re-enactments in the first weekend of July, Patriot Days holds much promise for expanded activities in 2005 and beyond as a signature event.

▪ **Construction Commenced on Goodridge Freedom Museum**

Courtesy of the Commonwealth of Pennsylvania and Representative Stetler's office, a \$50,000 grant for the purpose of converting the first floor of this historic structure into a museum has been received. Economic Development have partnered with Crispus Attucks, the owner of the building, and the YCHT to leverage additional resources to rehabilitate the entire building and convert it into a multi-floor museum – the Goodridge Freedom House & Underground Railroad Museum. Economic Development anticipate rehabbing beginning in late 2005 and opening in 2006.

▪ **Walkways, Curb Cuts, & Garage Improvements (GA)**

In 2004 and into 2005, two of our authorities – the General Authority and the Business Improvement District Authority, have looked at ways to make the downtown more pedestrian-friendly, charming, eye-catching, inviting, and safer for our residents, workers, and visitors.

In a city of scarce resources, when these entities work together to pool mind power and resources to achieve targeted initiatives, authorities wield collective authority to dramatically improve our community. These authorities, not the City of York General Fund, committed funding for the following improvements.

City of York General Authority

The General Authority, which manages the operation of three downtown garages and numerous surface lots, recently approved funding, up to \$25,000, for the construction of a decorative brick, handicap-accessible crosswalk on the first block of West Market Street. Now completed, the crosswalk is appreciated by surrounding merchants as well as the pedestrians who utilize it.

Authority members, including Tim Warfield (chair), Abe Amoros, Jay Andrzejczyk, C. Kim Bracey, Joshua George, and George Wagman, deserve thanks for keenly recognizing the inter-relationship between a pedestrian-friendly downtown culture and the viability of downtown garages.

A pedestrian-friendly downtown helps to market the downtown experience, as well as our ample parking spaces and our garages.



In addition, CYGA committed up to \$16,000 to help fund a crosswalk that will connect the Philadelphia Street garage to Cherry Lane. The Business Improvement District Authority also is contributing \$3,000 toward the crosswalk project.

This crosswalk will be identical in materials and design to the West Market Street crosswalk that CYGA funded.

With an estimated cost of \$25,000, the decorative, handicapped accessible crosswalk will provide a safe, mid-block crossing for all patrons of the garage to access Central Market, Strand Capitol, and the Judicial Center.

It also will help to extend the look and feel of Cherry Lane and connect our pedestrians – shoppers, visitors, and business folks – to multiple downtown destinations in a safe and friendly environment.

York Business Improvement District Authority

The York Business Improvement District Authority recently approved over \$7,000 in traffic-calming, pedestrian friendly measures in downtown York, including \$3,000 for the Philadelphia Street crosswalk.

The BID, whose funding consists of a one mill assessment on commercial properties in the downtown business district, currently is dedicated to improving the perception and reality of safety throughout the district, which runs roughly from Penn Street to the west to Queen Street to the east to North Street to the north and to Princess Street to the south. The BID's members include Mel Campbell (chair), Linda Davidson, John Finlayson, Adam Grove, Larry Richardson, Bill Schwartz, and Gary Sonke.

At a cost of a little over one thousand dollars, the BID also recently purchased several shiny, yellow, light-reflective, pedestrian-crossing signs for West Market Street and Philadelphia Street. To reinforce a message of pedestrian-friendliness and traffic calming, pedestrians and motorists now will see multiple signs and a crosswalk on Market Street as at least one sign and a crosswalk on Philadelphia Street.

Placement and monitoring of these signs are the responsibility of the BID and the Downtown Ambassadors, and ED thanks them for their work.

Economic Development does not hold illusions that these additions, by themselves, will magically transform our downtown into Laguna Beach or Hermosa Beach, California, where pedestrians are privileged over cars, and over 90% of all cars stop for pedestrians at crossings.

Here, that percentage likely hovers around 60%, but should increase as motorists recognize an additional crosswalk on Philadelphia Street this summer, as well as other pedestrian access messages.



Further, no one seriously thinks that these improvements, by themselves, will short-circuit the circuit – the infamous loop that invades our downtown on Friday and Saturday evenings.

Nor does Economic Development think that the intriguing practice, suggested by BID member John Finlayson and executed by our Police and Public Works Departments, of closing down one lane of the first two blocks of West Market Street on Friday and Saturday evenings, will terminate the loop by itself.

But it is a start that breeds spin-off ideas and options (e.g., elegant, black-metal gates, with “Welcome to Downtown York” and parking directional signs, that swing from light-poles to block one lane of traffic, adding a crosswalk connecting the Susquehanna Commerce Center to the Codorus Boat Basin Park, making East Market Street two-ways east of Duke Street, making Philadelphia Street two-ways) that will be mulled over and molded by our experienced and creative City Planning Commission.

On a larger level, the City has contracted with NuTec Design to create streetscaping guidelines for the business improvement district. The report, which will be published by June, provides compelling proposals on cultivating a consistently attractive and well-planned downtown over the long term through, for example, banners, public art, and flower barrels, as well as streetscaping and lighting standards.

Accompanying strategically located pieces and signals on our streets, a consistently charming downtown tends to attract pedestrian traffic and calm vehicular traffic. The NuTec study will be a great resource.

The additions and commitments to date are the small, but very necessary steps of progress that make a downtown evolve into a pedestrian-friendly atmosphere, where civilized feet-on-the-street drive the downtown experience and economy.

The key is mixing trial-and-error boldness, persistence, and long-term planning, and then learning from mistakes along the way before recalibrating the plans based on the wisdom of experience.

For instance, when a pedestrian-sign pedestal is knocked down or yellow, pedestrian crossing strip is torn, immediate replacement is in order. A lapse in replacement sends a mixed message to both pedestrians and downtown motorists. Constant and consistent placement sends a consistent message that our downtown encourages a genial mix of pedestrian and vehicular traffic.

Recent actions by these authorities show that, acting alone, not one governmental entity, individual, or authority is the authority on pedestrian-friendliness. However, when ED partners, results are achieved – elegant crosswalks and a more pedestrian-friendly downtown – that are greater than the sum of the City’s parts.



CHALLENGES AND GOALS

- **Perceptual Baggage of City:** In the county, anecdotally it appears that the city suffers from a negative image. The local newspapers are not locally owned and the overriding perception of the city seems to be negative because of this fact and the fact that many county residents do not travel to urban areas in general and have not traveled to the city in some time.

INITIATIVES

ED01. Advance Northwest Triangle

Under the resourceful eye of Project Administrator David Carver, the Northwest Triangle Initiative (NWT) is unequivocally the largest and most important redevelopment effort in York's recent history. It is an integral part of York's vision to revitalize downtown. Redevelopment of this site will yield additional economic benefits for York and its surrounding communities, which will increase jobs, broaden the city tax base, remove urban blight, and increase investor confidence throughout the city. The NWT is the lead project of the greater Codorus Creek Redevelopment Corridor Project, which involves economic development initiatives to build upon and redevelop brownfield sites along the Codorus Creek from York International to Harley-Davidson.

The NWT is an area of largely undeveloped and underutilized land and buildings between North George Street, West Philadelphia Street, and the Codorus Creek. This approximately 30-acre project involves the acquisition of several buildings, the clean up of any environmental contamination left behind from previous owners, and the redevelopment of the area into mixed-usage of residential, commercial, professional office, and recreational spaces. Seventeen acres, largely in the 200 and 300 blocks of North Beaver Street, will be acquired by the City of York Redevelopment Authority for the NWT project. An additional 11 acres to the North and East of the proposed site that would remain under private ownership is eligible for and slated to receive landscaping and infrastructure improvements.

The Commonwealth has demonstrated its willingness to partner with the City of York for the completion of this project by allocating up to \$8,000,000 toward this redevelopment initiative from the Pennsylvania Redevelopment Assistance Capital Program for land acquisition and environmental cleanup. These funds will require a match of local monies from the pooling of either federal or private resources.

During the last six (6) months of 2004, the project has become re-energized by the City of York Redevelopment Authority. Signs announcing to the public the name and location of the project are on site.

Conversations regarding the forthcoming project have commenced with all landowners. A timeline chart of events required for commencement of land acquisition, remediation (where required), and demolition is being maintained.



Bids for the determination of rail line relocation, highest and best use, and site engineering studies are being prepared and are to be given public notice in February of 2005.

ED02. Advance York Outdoor Recreation Complex

Mayor Brenner convened the York Outdoor Recreation Complex Committee in November to build on the work of the Site Selection Committee, which identified two primary sites and two reserve sites.

The YORC will be a shining model for our county's children and families to enjoy in an array of productive ways: professional baseball, concerts, tournaments, football and soccer games, and graduations and community celebrations.

Economic Development has \$20 million committed and are about six million dollars away from making this a reality.

ED03. Advance Merchants of West Market Street One-Year Plan

Throughout the last few years, Economic Development has worked with private stakeholders, such as the Farmers' Market, the oldest market in York County, to maximize the experience of the 300 and 400 blocks of West Market Street. Economic Development has worked with the market to introduce two new retail tenants to the front wing units of the market, including Tallgrass and Lifestyles, and both shops have been welcomed additions. Working with City resident and YorkScape volunteer, Jean Leaman, ED has introduced new urns and flowers to the front of the Farmers' Market throughout the last three summers, thereby beautifying the parking and pedestrian entrances to the market. Outside of *Tallgrass*, ED also removed a public payphone that attracted anti-social behavior.

In 2004, our department co-write a grant application with Main Street York for \$25,000 to illuminate the facades of both the Farmers' Market and the Central Market, and, as of June of 2005, Main Street York was announced as the grant award recipient. Throughout 2004, our department solicited quotes for decorative, niche district banners on West Market Street and worked with merchants to approve a final design. As of the summer of 2005, bright, yellow banners branding the district as "Antiques and Market" district adorn the streetlight poles of the 300 and 400 blocks. These banners have been well-received by the merchants and restaurateurs on these blocks and suggest good possibilities for other districts in the downtown and the neighborhoods.

ED04. Launch HOME (Home Owners Maximizing Equity) Program

Because of a fruitful partnership with the Home Equity Assurance Task Force, led by Charlie Bacas, and Larry Miller and Peoples Bank, ED is proud to announce that the Home Owners Maximizing Equity program – the HOME program – achieved seed



money of \$10,000 from the County of York and is ready to be launched in the first quarter of 2006.

This program empowers homeowners by giving them confidence that, once they enter the program and live in their homes for five years, they will be guaranteed to receive the original amount that they paid for their house when they decide to sell.

In five years' time, the City will know the success of this program; ED will know that each of our homeowners will need not to dip into the HOME fund because equity values will rise. That is the ultimate goal of the program, not just to stabilize equities, but also to see property values rise.

Economic Development currently is in the process of getting approval for the program from the Commonwealth of Pennsylvania and ironing other legal loose ends to ensure that the program is approved and successful upon its launch in 2005. Economic Development also is exploring ways to maximize the risk pool so that it can grow into a York City Housing Endowment.

ED05. Advance Niche District (e.g. Entertainment District, Arts District, Antiques District).

Advancing the concepts of niche districts is important for increasing brand identity of retail corridors, improving citizen and business morale, and creating amenity infrastructure that is conducive to new homeownership and a high quality of life. For more information on our entertainment district, please see goal number three. For more information on advancing our West Market Street corridor as an Antiques and Market District, please see goal number five.

Regarding a fledgling antiques district, anchored by the Strand-Capitol Performing Arts Center and YorkArts, York attracted a new art gallery, City Art, to the West Philadelphia Street corridor. YorkArts and City Art have partnered with arts-related retailers to create a holiday arts tree at the front corner of the Central Market Street Garage. Momentum led, in 2005, to creating a mosaic in the Central Market Street Garage. Economic Development also has announced the goal of launching an Arts District Task Force in 2005, and look forward to continuing the momentum through branding messages and by clustering additional arts-related merchants in the proposed district.

Importantly, our department's 2004 contract with NuTec Design has yielded impressive design plans and concepts for cultivating niche districts throughout our downtown. NuTec's final report is expected in mid 2005.

ED06. Develop tour de force economic opportunity marketing materials

Developing tour de force economic marketing materials is conducive to new homeownership and a high quality of life. In 2004, ED met with design professionals to ascertain budgets for such an undertaking. Based on these conversations, ED



successfully included a marketing line-item in the 2005 budget. In 2004 and into 2005, ED has been successful with guerilla marketing utilizing our own staff. Print media, television, and radio interviews, as well as, importantly, e-mail attachments of RDA and KOZ parcels, have been very effective at attracting and sustaining the interest of developers and small businesses. Economic Development has learned that the personal touch is key to sparking redevelopment and every relationship, from the small retailer, to the commercial property owner, to the visionary developer, is important, and that positive and trusting relationships yield results.



ED07. Develop Long-Term Plan with Possible Funding Mechanism to Enhance Memorial Park.

In 2004, Mayor Brenner, the Department of Economic Development, and the Department of Public Works convened the Memorial Park Task Force Report Submitted. The Task Force, facilitated by the York College Non-Profit Management Development Corporation, convened over several fruitful sessions and developed a final task force report, which sets an ambitious, multi-phased agenda to improving the park.

The goal of the Task Force and in improving Memorial Park included increasing community morale, increasing visitor and recreational appeal, and encouraging healthy lifestyles. One of the first concrete goals recommended by the task force is to establish a Memorial Park Commission, which will be done in 2005.

Marketing & Heritage Tourism Initiatives

The purposes of the following marketing and heritage tourism goals is to increase tourism economics in the City, create jobs, and increase civic morale, as well as to provide an amenity infrastructure that is conducive to new homeownership and economic development.

ED08. Secure branding trademark

Although ED had not achieved progress in 2004, ED believe that ED have reached consensus on the trademark name in 2005.

ED09. Living history guide at Downtown

Although Economic Development were successful at gaining support for this initiative in our 2005 budget, which was approved in 2004, ED has since reconsidered plans to launch this program in light of our efforts to dramatically improve the exhibits and tourism-friendliness of the Downtown Visitors Center first. Once ED makes improvements to the physical space and its exhibit and documentary screen offerings, ED will be in a better place to coordinate efforts with the York County Heritage Trust and the York County Convention and Visitors Bureau to provide a widely supported living history program at the DVC and beyond.

ED10. Establish consistent hours between IN PROGRESS Heritage Trust & Visitors Center and Monday hours

As a board member of the York County Convention and Visitors Bureau, the director maintains good relationships and communications with leadership of the YCCVB and the President of the YCHT. These relationships are important to providing a consistent tourism product with consistent hours of operation.



ED11. Bronze, life-sized “Toasting Lafayette” statue or other Sculpture in downtown

Our department has long-thought that York’s history is one of its greatest assets, and, if marketed in a signature fashion, could become a living asset of great value to merchants, heritage groups, and the city economy. To supplement the historic murals and to create whimsical and historical images that interact with pedestrians and tourists, ED has proposed the casting and placement of bronze, life-style historical figures in our downtown. Such sculptures would be funded by grants and/or private donations.

Although ED has not been able to raise the necessary \$17,000 for a “Toasting Lafayette” sculpture to grace the sidewalk in front of the Gates House, ED has a contract in place with noted sculptor Lorann Jacobs, and have submitted a state Historic Parks Program grant, through the Lancaster-York-Heritage Region, which would fund the sculpture and a variety of enhancements to the Downtown Visitors Center.

Other historical personalities to consider replicating include Gifford Pinchot, Thaddeus Stephens, William Goodridge, Charles Dickens, Squire Braxton, and Horace Bonham, not to mention prominent ladies of York’s rich past.

York event attracting heritage tourists and re-enactors from the region and beyond.

ED12. Explore strategy for implementing a cassette/talking wand walking history tours of downtown

Economic Development was intent on partnering with stakeholders on developing a novel cassette/talking wand program to enhance the viability of walking tours in our downtown. Because of cost factors and the wise emphasis of the state and the Lancaster York Heritage Region to have a consistent regional approach to historical plaques and other heritage tourism wayfaring and programming, Economic Development has decided to take a step back and work with the LYHR and other stakeholders to develop a plan that is compelling and functional, but also consistent with the aims of the LYHR, YCCVB, YCHT, and the Commonwealth.

ED13. Add new Bed and Breakfast

Economic Development has learned that the cultivation of heritage tourism infrastructure in terms of museums and quality exhibits is the first priority, because such an infrastructure will breed spin-off development, such a bed-and-breakfast. By 2005, with heritage tourism grants being received, ED are hopeful that specialty hoteliers will give York a second look. Our beautiful and rich architecture, coupled with a compelling historical tales to tell, bode well for the emergence of specialty hotelier either downtown or somewhere else in our city.

Economic Development is working on a condemnation and compensation initiative regarding 505 Linden Avenue, a beautiful Victorian structure in the Avenues, York’s first



suburb. Rehabbers experienced in Victorian restoration have the resources and desire to rehab this structure into a bed-and-breakfast.

Beautification, Pedestrian-Friendliness, and Lighting Goals

ED14. B.I.D. And/Or Main Street York” Transition To A “Clean, Beautiful, & Safe Program

An emboldened York Business Improvement District Authority (“YBIDA”) and Main Street York, Inc. have the potential to improve citizen and business morale, while creating an amenity infrastructure that is conducive to a high quality of life, new investment, new homeownership, and rising property values. Economic Development has maintained healthy dialogues with the leadership of the YBIDA and Main Street York in exploring ways to maximize resources to maximize the downtown experience and are hopeful that a new partnership approach will emerge in 2004 to do so.

For more information on YBIDA’s contributions to downtown beautification, please see number 29 below.

The Director of Economic Development proudly serves on the Main Street York Board and serves as Chair of the Economic Development Committee, which sponsors roundtable discussions on economic development projects and collaborations.

ED15. Execute City Gateway Beautification

Economic Development was pleased to participate in discussions of stakeholders of the YorkScape Endowment and the City Beautification Summit. Obviously, there is much and continued interest in beautifying our gateways. However, a consensus-based approach and funding sources have not been identified at this time.

ED16. Create Comprehensive Downtown Streetscaping & Banner Plan

Throughout 2004 and 2005, ED has worked closely with NuTec Design to develop a full-color downtown streetscaping and banner plan that identifies niche districts and design standards. Economic Development anticipates final publication by the end of 2005.

ED17. Execute Light the Night Program

An elegant and consistent lighting approach to illuminating our downtown murals and streets improves citizen and business moral and confidence and creates amenity infrastructure that is conducive to new investment, homeownership, and a high quality of life. In 2004, ED continued to make progress in securing private donations to illuminate all of our historic murals. Economic Development expects full implementation of the program in 2005, and then hope to encourage the illumination of church steeples and spires, as well as the illumination of historic facades.



ED18. Promote, Pass & Implement: “1% for the Arts” Legislation

With the assembly of the YorkScape Endowment for City beautification, ED posed the concept of promoting and passing a city ordinance to help earmark a surcharge applied to major construction projects to city beautification efforts. Mayor Brenner and Joanne Riley of the Cultural Alliance have been strong supporters of such an initiative, and, although it made little headway in 2004, its announcement at the 2005 State of the City Address prompted fruitful conversation in the local media and prompted a meeting between the Mayor and the leadership of the Realtors Association of York and Adams Counties. An proposal that emerged from that meeting was to pass legislation calling for an assessment of one-half of one percent on all construction projects in the city of \$500,000 or more. The Department of Economic Development will work with City Council, citizens, and stakeholders to propose similar legislation in 2005. Planting the seeds of a conversation in 2004 was necessary to our progress to date.



Elected Officials



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Elected Officials

SUMMARY OF DEPARTMENTAL UNITS AND SERVICES

City Council

City Council holds the legislative power of City government in accordance with the provisions of the Optional Class Charter Law of the Commonwealth of Pennsylvania. Every legislative act of Council is by ordinance or resolution. Council is comprised of five members including one president. Council members are elected and serve four year terms.

Controller

The Controller is elected to a four year term and provides financial oversight for the City. The Controller reviews all requests for expenditures prior to payment. The Controller works with the Mayor to execute bonds, notes, contracts, and written obligations of the City.

Treasurer

The Treasurer's Office is responsible for the collection of real estate taxes, the enforcement of Act 93 of 1994 – the Fire Escrow Act – and the enforcement of unclaimed property in accordance with the Municipal Unclaimed Property Act 192 of 1992. The Treasurer's Office also administers the special tax programs such as the Keystone Opportunity Zones and the LERTA/RETAP Programs within the City limits.

Mayor

As chief executive of the City, the Mayor's appoints department directors and oversees the operations of all departments. The Mayor must sign all City contracts, notes, and bonds. The Mayor is the City's spokesperson; he represents the City at public meetings and special events. The Mayor presents a budget to City Council for the coming year and reports on the condition and needs of the City government for the preceding year. The Mayor is elected to a four year term; the next mayoral election will be in 2009.

Solicitor

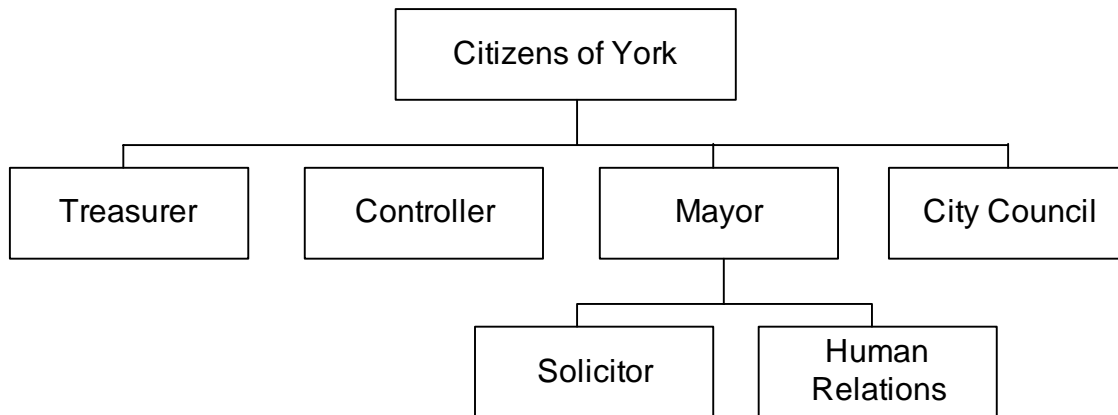
It is the responsibility of the Solicitor's Office to represent the City in all legal actions brought by or against the City and to render legal opinions to City officials. The Solicitor is appointed by the Mayor with the approval of City Council.

Human Relations

The Human Relations Commission's main function is to enforce the City's anti-discrimination ordinance, monitor and report tense civil situations and promote diversity, equality, and non-violence through education and outreach programs.



ORGANIZATION CHART



RECENT ACCOMPLISHMENTS

The offices of the Mayor, Controller, and Treasurer are all located in City Hall. Over the past several years, the City of York combined payroll, accounting, and the revenue office into one operation called “Finance.” In the process of this consolidation, the City reduced staff by one-third. Simultaneously, Finance took over billing for parking, police reimbursed overtime, false alarms and several other invoicing items. Last year the City eliminated another position from Finance and allocated work among the administrative support worker, Business Administration administrative assistant and Finance staff.

In Central Services there were three administrative support workers who included City Hall/phone receptionists and provided floating cover throughout the City. This staffing complement has been reduced to one individual who assists with work in Police Department, Mayor’s Office, front desk reception and phone coverage, billing, complaint tracking and other tasks as assigned.

The Controller works fairly independently. Information systems have been designed and implemented to maximize automated processes in this office.

The Treasurer had one clerk eliminated three years ago. The Treasurer’s level of service to the public might be improved if Finance cashiers could receive tax payments at the Finance Office window.



INITIATIVES

EO01. Tie Non-Legislative Salaries and Benefits to Non-Represented Employees

The Mayor and other full-time elected officials should have any changes in pay and benefits tied to the package offered to non-represented managerial employees in the City. Their treatment in terms of pay adjustments, health coverage and other benefits changes should track that of other City managers. It is understood that such change cannot be made mid-term, but should apply to prospectively elected individuals. In the meantime, elected officials should be encouraged to voluntarily accept salary and benefit reductions – as proposed in the following two initiatives – as both a real and symbolic effort towards alleviating the City's fiscal strain.

EO02. Reduce City Council Salaries

Given the current and prospective future financial situation, the City should consider reducing Councilmembers' salary to bring them into line with comparable Commonwealth of Pennsylvania cities. As presented in the table below, Harrisburg and York are outliers in terms of salaries paid to their part-time elected legislators.

City	Annual Salary
Harrisburg	\$15,000
York	10,000
Bethlehem	5,820
Reading	5,000
Lancaster	5,000
Altoona	3,600
Williamsport	3,000
New Castle	2,400
Johnstown	2,200
Lebanon	\$1,200

The average of these salaries – excluding York – is \$4,802. If York reduced Council salaries to this level, annual spending could be reduced by \$23,900 or \$120,000 over five years (scenario 1). If York reduced their Council salaries to the average of the above Cities (\$3,528) – excluding outlier Harrisburg - \$32,900 could be saved annually, or \$165,000 over five years (scenario 2).

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010	Total
Scenario 1	\$23,900	\$23,900	\$23,900	\$23,900	\$23,900	\$120,000
Scenario 2	\$32,900	\$32,900	\$32,900	\$32,900	\$32,900	\$165,000



EO03. Eliminate Benefits for City Council Members

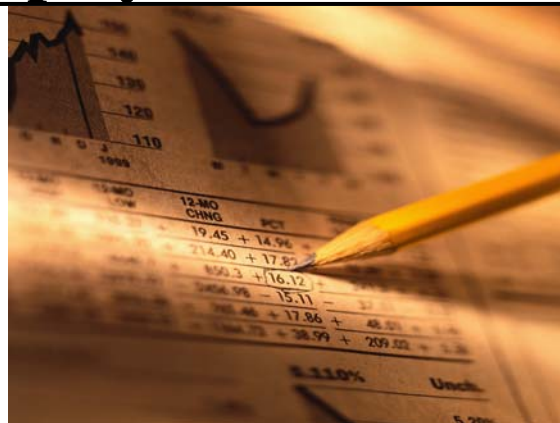
With the rapid rise in health care costs in recent years, benefit costs for members of City Council are now over three-quarters as much as Council salaries. In the private sector, most comparable positions would not carry full benefits; many would not offer benefits at all. Given the City's current financial situation, York should consider eliminating benefits for Councilmembers. According to benchmarking research, comparable Pennsylvania cities such as Reading, Altoona, New Castle, Lebanon, and Johnstown do not offer benefits to their part-time legislators. Even after applying a conservative discount of 50 percent, this initiative could save \$70,000 over five years. Pennsylvania law prohibits a formal change of salary and benefits compensation during the term of office; however such an initiative could be launched on a voluntary basis in the interim period and formalized at the next eligible City Council elections.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	50%	50%	50%	50%	50%
Fiscal Impact	\$12,150	\$13,000	\$13,850	\$14,700	\$15,650



Pensions and Other Post-Employment Benefits



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Pensions

OVERVIEW

The City of York and its employees maintains three pension funds:

- 1) City of York Police Pension Fund
- 2) City of York Paid Firefighter's Pension Fund
- 3) City of York Officers & Employees Retirement Fund

Members of the YCEU, YPEA, IBEW and NAFF belong to the Officers & Employees Retirement Fund.

As shown in the table below, there are 635 current and future potential participants in the three funds. In both the police and fire funds, the number of beneficiaries and vested former members exceed that of active members.

CURRENT ACTIVE MEMBERS AND BENEFICIARIES, 2003 ACTUARIAL STUDY, CITY OF YORK

	Police Pension Fund	Fire Pension Fund	Officer's & Employees Pension Fund	Total
Active Members	105	74	189	368
Retirement Beneficiaries	63	56	46	165
Disability Recipients	7	5	4	16
Vested Former Member	7	0	22	29
Beneficiary of Deceased	34	15	8	57
Total	216	150	269	635

Source: Conrad Siegel; 2003 Pension Actuarial Reports for the City of York

The table on the following pages summarizes the terms of the City's retirement benefits for different groups of employees:



PLAN FEATURES CITY OF YORK PENSION FUNDS

	FOP (hired before 1/1/78)	FOP (hired after 1/1/78)	IAFF (hired before 1/1/88)	IAFF (Hired after 1/1/88)	E & O (hired before 1/1/78)	E & O (hired after 1/1/78)
Eligibility	All full-time members of the police force	All full-time members of the police force	All full-time member of the fire department	All full-time member of the fire department	All officers and full-time employees other than policemen and firemen	All officers and full-time employees other than policemen and firemen
Normal Retirement	Attainment of age 50 and completion of 20 years	Attainment of age 50 and completion of 20 ½ years; after age 65	Attainment of age 50 and completion of 20 years of service (or 20 and ½ if hired after 1/1/88)	Attainment of age 60 and ten years of service	Attainment of age 60 and 20 years of service or completion or 40 years of service	Attainment of age 60 and 5 years of service or 40 years of service
Early Retirement	NA	NA	NA	Attainment at age of 50 and ten or more years of service; benefit reduced 1/3 of 1% for each month early	NA	Attainment of age 55 and 5 years of service; benefit reduced 1/3 of 1% for each month early.
Disability Retirement	Service related disability, equal to retirement pension; non-service disability and ten years of service; 30% percent of salary and an additional 2% for each year of service in excess of ten	Service related disability, equal to retirement pension; non-service disability and ten years of service; 30% percent of salary and an additional 2% for each year of service in excess of ten	After ten years of service; 30% percent of salary and an additional 2% for each year of service in excess of ten years, up to 50% of salary, Payment reduced by Worker's Compensation benefits received	Ten years of service average monthly compensation equal to 50%, plus incremental increase of 1.25% for each year in excess of 25 years – with \$100 monthly maximum	Before age of 55 and after 15 years of service; 50% of compensation at time of disability; Payment reduced by Worker's Compensation benefits received	After ten years of service, benefit accrued to date of disability, but not less than 50% of total comp
Payment	Payable semi-monthly; upon death transferred to spouse or dependent	Payable semi-monthly; upon death transferred to spouse or dependent	Payable monthly for life; upon death transfers to spouse or dependent	Payable monthly for life; upon death spouse or dependent receive 50% of payment	Payable semi-monthly, payments cease upon death	Payable semi-monthly and upon death of spouse or dependent child receives 50% of what employee would have received



	FOP (hired before 1/1/78)	FOP (hired after 1/1/78)	IAFF (hired before 1/1/88)	IAFF (Hired after 1/1/88)	E & O (hired before 1/1/78)	E & O (hired after 1/1/78)
Retirement Benefit: Basic Benefit	50% of yearly salary of officers of the same rank; additional incremental pension up to a maximum of \$1200; pension is increased 25% of dollar increase granted to active patrol men of highest grade pay.	50% of yearly salary of officers of the same rank; additional incremental pension up to a maximum of \$1200; pension is increased 25% of dollar increase granted to active patrol men of highest grade pay.	50% of salary at time of retirement or highest annual salary in the five years preceding retirement; additional incremental pension up to a maximum of \$1200; compensation includes base pay and longevity	2% of average monthly compensation for first 25 years of service, plus incremental increase of 1.25% for each year in excess of 25 years – with \$100 monthly maximum	50% of the higher of the final rate of pay or average of final five years; base salary only	Annual pension is equal to 2% multiplied by the number of years of service up to 40 years, average annual salary based on five highest consecutive years over last ten years, compensation includes base pay and longevity
Members' Contributions	5% + \$1 per month	5% + \$1 per month	5% + \$1 per month	4%	2%	2%
Death Benefits	Payable to spouse or dependent at rate equal if employee had retired day before death	Payable to spouse or dependent at rate equal if employee had retired day before death	30% percent of salary and an additional 2% for each year excess of ten to spouse or dependent; if member dies after eligible; benefit to spouse or dependant	If married for one year and eligible for early retirement, 50% of pension to spouse or dependent at rate earned prior to death	For employee married for one year and eligible for normal retirement; 50% of the pension to surviving spouse at the rate earned prior to the date of death	If married for one year and eligible for early retirement, 50% of pension to spouse or dependent at rate earned prior to death
Vesting	12 years of service; deferred pension beginning at normal retirement date equal to benefit accrued to the date of termination	12 years of service; deferred pension beginning at normal retirement date equal to benefit accrued to the date of termination	NA	10 years of service; deferred pension beginning at normal retirement date equal to benefit accrued to the date of termination	12 years of service, deferred pension beginning at normal retirement date	five years of service, deferred pension beginning at normal retirement date



YORK'S PENSION LIABILITY CRISIS

As with post-retirement healthcare (see the following section), collective bargaining decisions from several decades ago are now reflected as large unfunded pension liabilities that the City is required to support in FY2006 and over the course of the Five Year Plan. These unfunded liabilities have both long-term and more recent origins, and while the City has taken steps to address the problem, it threatens to overwhelm all other budget funding issues in coming years.

The long-term aspect of York's pension funding problem is a 1960 decision to award police officers and firefighters a pension settlement that increased annual benefits by half the amount of the annual increase in the wage of the highest paid active officer in the rank within which the person retired.

This additional benefit remained unfunded as it passed through a number of challenges brought by City officials. However, in 1994, an arbitrator restated this benefit for Police and Fire personnel during an Act 111 grievance proceeding, creating a large unfunded liability that the City was required to meet. From 1994-2004, full funding was again delayed by subsequent negotiations and legal challenges. In 2004, the Commonwealth's Public Employees Retirement Commission (PERC) directed the City to fund the benefit.

The more recent significant contributor to York pension funding problems was the stock market decline in 2001 and 2002. The precipitous fall in stock prices reduced the value of the pension funds' equity investments, requiring the City to make additional direct contributions to the funds to meet funding requirements. While the market has rebounded since that time, several years of growth were lost.

The recent pressures can be tracked in the percentage of City pension obligations that are unfunded in recent actuarial studies. The first table below shows the impact of long-term underfunding, with the funded ratio of all three pension plans under 50 percent through 1995. In the mid-1990s, the City issued pension bonds to increase the funded ratio, with results visible through 2000 as bond proceeds invested in equities posted strong returns. After that date, however, declining equity earnings drive the funded ratio lower again. Both the police and fire funds drop below the 100 percent funded ratio by the 2002 actuarial report.

The second table shows the budget impact of these earnings declines. While the City only had to make pension contributions of about \$546,000 and \$624,000 in fiscal years 2001 and 2002, respectively, that amount has grown steadily. By 2004 the City's contribution exceeded 7.0 percent of General Fund expenditures, at an amount triple what it paid just two years earlier. The 2005 payment exceeded \$2.0 million.



FUNDED RATIO (UNFUNDED PENSION LIABILITY)

Pension Plan	Funded Ratio: Police Pension Fund	Funded Ratio: Fire Pension Fund	Funded ratio: Officers and Employees
1/1/1993	30.0%	41.2%	35.1%
1/1/1994	32.0%	47.3%	41.4%
1/1/1995	28.7%	41.7%	41.9%
1/1/1996	90.9%	90.0%	104.0%
1/1/1997	97.2%	96.7%	117.4%
1/1/1998	103.4%	109.1%	128.8%
1/1/1999	104.4%	109.4%	132.5%
1/1/2000	104.0%	111.0%	134.7%
1/1/2001	99.3%	102.0%	128.3%
1/1/2002	86.7%	93.0%	112.0%
1/1/2003	81.8%	87.5%	110.7%

HISTORICAL PENSION COST TO GENERAL FUND, 2001-2005

	2001	2002	2003	2004	2005
Pension Contribution (3 Funds)	\$546,042	\$624,147	\$1,100,392	\$1,892,002	\$2,034,131
G.F. Expenditures	\$23,372,156	\$26,198,464	\$27,986,875	\$26,008,968	\$28,003,948
Pension Contribution as a % of General Fund Expenditures (historical)	2.3%	2.4%	3.9%	7.3%	7.3%



THE CITY'S RESPONSE

Recognizing the threat to long-term financial stability, the City has taken a number of actions to limit the impact of pension cost growth. As noted earlier, in the mid-1990s the City issued pension obligation bonds to raise the unacceptably low funded ratio in the City's pension plans. While this action came early enough that the City reaped several years of significant benefit, some of the gain was eroded by the stock market downturn in the early part of this decade.

In response to the drop in earnings and resulting spike in pension payment requirements, the City joined other Commonwealth municipalities in working to pass HB 2467 in 2004. The legislation allows public pension funds to incorporate the effect of the 2001 and 2002 investment losses over 30 years, rather than the 15 years over which actuarial gains and losses are generally amortized.

The City also worked with its actuary to move from an actual fair market valuation method of determining the value of pension fund assets to an "asset smoothing" method. Asset smoothing calculates the value of plan assets based on a moving average of the prior three to five year period, rather than on a 'snapshot' of asset value during a given year. This shields municipal budgets from sudden swings in mandatory pension payments. It is important to note, however, that asset smoothing works both ways – while it allows a City to avoid upward spikes in pension payments, it also smooths the impact of years of strong gains. Therefore, the smoothing approach allows the City to budget for a reduced upsurge in its MMO, it also reduces the annual benefit to the MMO when market performance improves.

Recognizing the potentially catastrophic effect of the unique 1960 decision on the City's budget, York went even further. In 2005 the City worked successfully with the General Assembly to pass a York-specific amendment to the Commonwealth's pension statute (Act 205). This amendment allows the City to reduce the annual payments on the 2004 PERC judgment through the use of a 30 year amortization period rather than the standard 15-year schedule. This resolution provides a considerable easing of the annual burden on the tax base that would have resulted from a 15-year funding plan.

However, despite the lengthened amortization schedule, the annual payments still remain at a significant level and will pose serious threats to the City's ability to balance the budget in future years. For example, in 2006 alone, the City's Minimum Municipal Obligation payment is \$4,863,063, which represents an increase of 139 percent (or \$2.83 million) over 2005 contributions. This increased pension payment will remain a major threat to the City's ability to provide public services at a reasonable cost to residents throughout the duration of this multi-year plan.

As shown in the table below, with the need to absorb the 30-year payout of the PERC decision, the City's annual pension payments will make up around 15 percent of all expenditures for the foreseeable future:

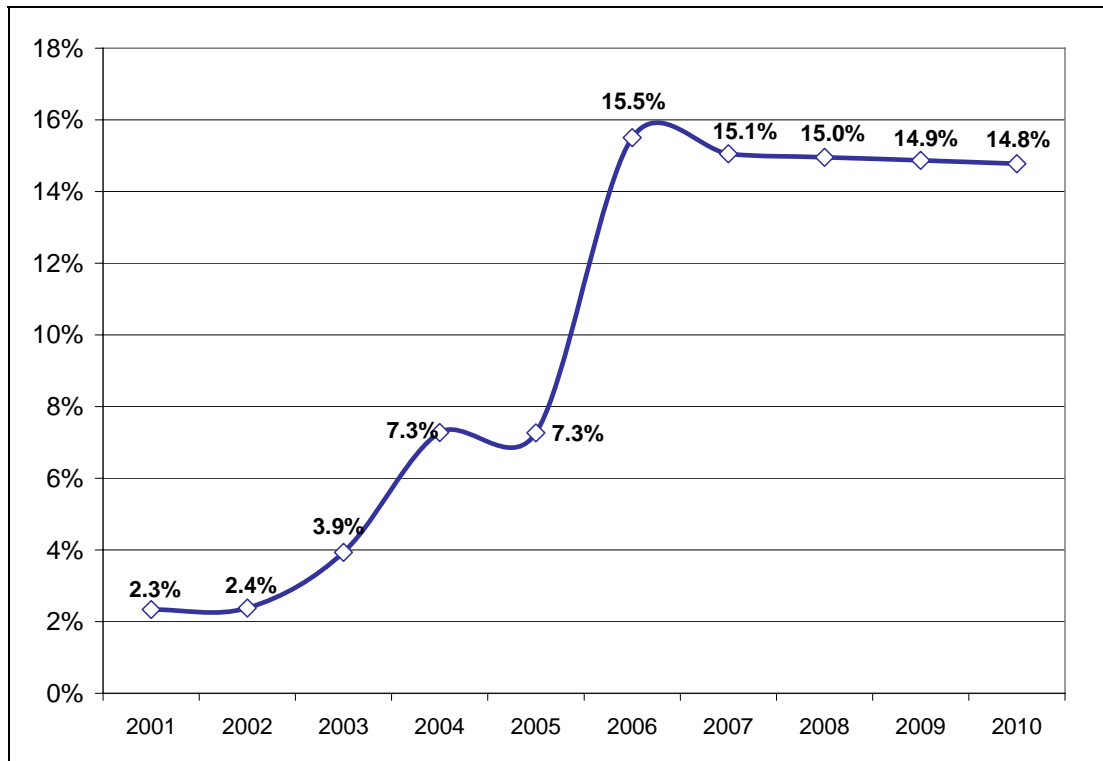


PROJECTED PENSION COST TO GENERAL FUND, 2006-2010

	2006	2007	2008	2009	2010
Pension Contribution (3 Funds)	\$31,363,047	\$33,133,487	\$34,235,392	\$35,349,786	\$36,508,433
G.F. Expenditures	\$4,863,063	\$4,987,357	\$5,119,694	\$5,255,723	\$5,395,554
Pension Contribution as a % of General Fund Expenditures (historical)	15.5%	15.1%	15.0%	14.9%	14.8%

Not surprisingly, the increased pension funding requirement represents one of the primary drivers of the City's Five-Year fiscal gap. Indeed, if projected pension contributions were illustrated as a percentage of projected General Fund *Revenues* (as opposed to GF expenses), *more than 17 percent of the City's budget will be dedicated to retirement funding by 2010.*

PENSION CONTRIBUTION AS A PERCENTAGE OF GF EXPENDITURES, 2001-2010



Unfortunately, options for ameliorating the financial impact of pension contributions on cities are relatively limited. York has already undertaken all of these options, including pension bonds and smoothing. In many cases, local governments might issue additional pension bonds to reduce the impact of new liabilities such as the PERC judgment. After



discussions with the City and its actuary, however, PFM has concluded that the special legislation secured by the City last year has already captured the potential benefit pension bonds for the PERC liability, and at a lower cost.

INITIATIVES

PE01: Explore Alternative Future Retirement Program

In the light of the extraordinary growth in pension costs since 2002, prior to its upcoming collective bargaining negotiations the City should critically review its existing pension benefit programs. In much of the private sector and among a small but growing number of public employers, traditional defined benefit plans have been replaced by defined contribution plans that provide resources for employee retirement while fixing employer liability.

For future hires, the City should explore the development of enhanced 457(b) Plans as an alternative to the traditional defined benefit plans. Rather than contributing to employee pension funds, the City could make a match contribution to each employee's personal 457(b) Plan. Such defined compensation plans do not require significant start-up costs for public employers, and the employer is not responsible for the payroll taxes on that part of income. Such a development would require collective bargaining for represented employees and as such, no savings have been attributed to this initiative. However, defined contribution plans should be considered for the long term.



Other Post-Employment Benefits (OPEB)

In 2004, the Governmental Accounting Standards Board (GASB), the body responsible for determining Generally Acceptable Accounting Principles, issued Statements 43 and 45 related to “Other Post Employment Benefits” (OPEB). The issuance of these statements and its consequences has been widely publicized, because a great majority of US governments follow GASB Standards.

OPEB is focused on retiree benefits other than pensions. For most governments, this involves retiree medical benefits; although certain other retiree benefits such as life insurance and long-term care plans might be covered if offered. GASB Statements 43 and 45 instruct most governments to report this expense by requiring an actuarial determination and disclosure of the cost of post-retirement health care costs. This calculation is very complex and akin to an actuarially determined pension liability. Prior to issuance of this standard, most governments had a “pay-as-you-go” approach to liabilities and have never undertaken an actuarial valuation. For most, this actuarial calculation will exponentially increase the annual liability.

GASB 43	Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans (April 2004) <ul style="list-style-type: none">▪ Requires the accrual of liabilities▪ Describes financial reporting for OPEB plans that are pre-funded or administered through a separate trust<ul style="list-style-type: none">– The plan needs to calculate the Annual Required Contribution (ARC) Sponsor must include a schedule in the financial report that shows whether or not it is receiving contributions at that level
GASB 45	Accounting and Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans (June 2004) <ul style="list-style-type: none">▪ Requires the accrual of the expense▪ GASB 45 describes financial reporting for Sponsors of OPEB plans The sponsor needs to report a record of the cumulative under-funding or over-funding with respect to the ARC in its financial statement

Actuarial valuations will be required under new standard: biennially for 200 or more members, or triennially for fewer than 200 members. Members are defined as the total number of employees in active service; beneficiaries currently receiving benefits; terminated employees who have accumulated benefits but are not yet receiving them; and retired employees.

JUSTIFICATIONS FOR GASB 43 AND 45

In justifying this major change in accounting procedures, GASB argued that post employment health care is part of the exchange of salary and benefits for work performed and should be accounted for while the employee is performing the work. To do otherwise, according to this perspective, is to ignore a potentially significant long-term




liability – and is a matter of “good government” policy. In terms of the practical impact of GASB 43 and 45, however, most governments now fund post employment health care on a pay-as-you-go basis. If a government opts to do what GASB is implying to be the right thing, it would need to “pre-fund” rather than “pay-as-you-go” its annual OPEB expense. In some cases, while there can be significant localized variability, the pre-funding annual expense is may be as much as ten times the annual pay-as-you-go annual expense – and, in some cases, even more.

OPEB IMPLEMENTATION IN YORK

Implementation will be phased based on the size of the government. A government’s size is measured by total revenues from all funds in FY 2000 (from GASB 34 implementation). Implementation is scheduled for GASB 43/45 as outlined in the following graphic. For York, the standard would be applicable for the fiscal year 2008 Financial Statements.

GASB 43 AND 45 IMPLEMENTATION SCHEDULE

			GASB 43	GASB 45
	Phase	Total Annual Revenues	applies for periods beginning after:	applies for periods beginning after:
	1	\$100,000,000 or more	12/15/2005	12/15/2006
	2	\$10,000,000 – \$100,000,000	12/15/2006	12/15/2007
	3	Less than \$10,000,000	12/15/2007	12/15/2008

YORK RETIREE MEDICAL BENEFITS

York retirees are eligible for city-sponsored medical benefits. The following table indicates the level of coverage offered to each employee and employee premium cost-sharing information along with co-payment requirements.



HEALTH BENEFITS AND COST SHARING FOR RETIREES AND DEPENDENTS

	FOP	IAFF	YPEA	YCEU	IBEW	NAFF
Normal Retirement Date	Attainment of age 50 and completion of 20 years of service (or 20 and ½ if hired after 1/1/78)	Attainment of age 50 and completion of 20 years of service (or 20 and ½ if hired after 1/1/88)	Attainment of age 60 and 5 years of service or completion of 40 years of service	Attainment of age 60 and 5 years of service or completion of 40 years of service	Attainment of age 60 and 5 years of service or completion of 40 years of service	Attainment of age 60 and 5 years of service or completion of 40 years of service
Medical Coverage	Plan includes medical, prescription drug, dental and vision benefits; At age 65 or greater \$5,000 lifetime limit and plan secondary to Medicare	Plan includes medical, prescription drug, dental and vision benefits; At age 65 or greater \$5,000 lifetime limit and plan secondary to Medicare	Plan includes medical, prescription drug, dental and vision benefits; At age 65 or greater \$5,000 lifetime limit and plan secondary to Medicare	Plan includes medical, prescription drug, dental and vision benefits; At age 65 or greater \$5,000 lifetime limit and plan secondary to Medicare	Plan includes medical, prescription drug, dental and vision benefits; At age 65 or greater \$5,000 lifetime limit and plan secondary to Medicare	Plan includes medical, prescription drug, dental and vision benefits; At age 65 or greater \$5,000 lifetime limit and plan secondary to Medicare
Health Premium Sharing – Under Age 65	Retiree \$700; Spouse/Dependent \$700	Retiree \$700; Spouse/Dependent \$700	Retiree \$700; Spouse/Dependent \$700	Retiree \$700; Spouse/Dependent \$700	Retiree \$700; Spouse/Dependent \$700	Retiree \$700; Spouse/Dependent \$700
Health Premium Sharing – Over Age 65	Retiree \$700; Spouse/Dependent \$700	Retiree \$405.36; Spouse/Dependent \$469.44	Retiree \$103.32; Spouse/Dependent \$103.32	Retiree \$103.32; Spouse/Dependent \$103.32	Retiree \$103.32; Spouse/Dependent \$103.32	Retiree \$103.32; Spouse/Dependent \$103.32
Office Visit Co-Payment - Retiree	\$0.00	\$0.00	\$10 1st 3 visits, 80-20 w/ additional visits	\$10 1st 3 visits, 80-20 w/ additional visits	\$10 1st 3 visits, 80-20 w/ additional visits	\$10 1st 3 visits, 80-20 w/ additional visits
Office Visit Co-Payment - Dependent of Retiree	\$0.00	\$0.00	\$10 1st 3 visits, 80-20 w/ additional visits	\$10 1st 3 visits, 80-20 w/ additional visits	\$10 1st 3 visits, 80-20 w/ additional visits	\$10 1st 3 visits, 80-20 w/ additional visits
Retiree Prescription Co-Payment - Generic	\$3.00	\$0.00	\$3.00	\$3.00	\$3.00	\$10.00



Table Continued	FOP	IAFF	YPEA	YCEU	IBEW	NAFF
Retiree Prescription Co-Payment – Brand Only	\$5.00	\$3.00	\$5.00	\$3.00	\$3.00	\$25.00
Retiree Prescription Co-Payment - Choose brand over generic	\$5.00	\$3.00	\$5.00	\$3.00	\$3.00	Difference in Cost
Dependent of Retiree - Generic	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$10.00
Dependent of Retiree – Brand Only	\$5.00	\$3.00	\$5.00	\$3.00	\$3.00	\$25.00
Dependent of Retiree - Choose brand over generic	\$5.00	\$3.00	\$3.00	\$5.00	\$3.00	Difference in Cost

**RETIREE HEALTH PLANS, CURRENT ACTIVE MEMBERS AND BENEFICIARIES,
CITY OF YORK**

	FOP	IAFF	YPEA	YCEU	IBEW	NAFF
Active Participants	95	70	26	59	5	94
Retired Participants	61	49	2	14	2	14
Retired Spouses/ Dependents	59	51	2	9	1	9
Total	215	170	30	82	8	117

Source: Conrad Siegel; Actuarial Reports

In the fall of 2005, the City of York authorized the firm Conrad Siegel to undertake an actuarial calculation to determine the extent of its OPEB liability. The actuary reviewed the City's six post retirement health care plans, which provide medical coverage for former members of the following bargaining and non-bargaining units:

1. Fraternal Order of Police White Rose Lodge No. 15
2. International Association of Firefighters AFL-CIO 627
3. York Public Employee Association
4. York City Employees' Union



5. International Brotherhood of Electrical Workers
6. Non-Union Employees and Supervisory Personnel

The actuarial report calculated an annual Other Post-Employment Benefit (OPEB) cost using two alternative investment rate assumptions. One approach assumes that the City sets aside funds to cover its OPEB obligations over 30 years and is able to secure annual proceeds on its investments that match historical equity returns (8.0 percent). Under this assumption, the City's annual contribution towards its OPEB liability would be \$4,777,994.

Using a second, more conservative assumption that the City will not set aside monies today to fund its OPEB liability, the actuary calculated annual funding requirements using a long-term investment yield of 5.0 percent. Under this second scenario, the annual requirement to fully finance the City's post-retirement medical benefit liability rises to \$6,329,154. Such an amount would exceed the City's already considerable pension MMO requirement.

The actuary used 2003 and 2004 claims data to determine an estimate of 2005 per capita costs and to integrate factors such as the age and gender of health plan beneficiaries. The following table illustrates the annual requirement to meet the City's post-retirement health care costs for each bargaining and non-bargaining unit. Police and Fire health care benefits constitute approximately three-quarters of the Citywide OPEB liability.

ANNUAL OTHER POST-EMPLOYMENT BENEFITS COSTS

Interest Rate Assumption		
	5.0%	8.0%
FOP	\$2,641,511	\$1,925,859
IAFF	2,172,757	1,656,909
YPEA	132,110	93,436
YCEU	579,033	474,061
IBEW	45,411	36,356
NAFF	758,332	591,373
Total	\$6,329,154	\$4,777,994

Source: Conrad Siegel; 2005 Actuarial Report

Given the size of the potential liability, the City may not be in a position to fund OPEB costs in 2008. However, developing a funding plan to address such commitments over time should be a priority in the early years of the Multi-Year Plan.

The rating agencies recognize that many governments will not be in a position to fund this liability immediately, and GASB 45 requires only the *declaration* of OPEB liabilities, as opposed to full immediate *funding* of these obligations. At the same time,



the development of a plan to address this liability over time is considered an important financial practice.

The table below outlines Fitch Ratings' recently-released summary on the credit implications of GASB 45:

“THE NOT-SO-GOLDEN YEARS” CREDIT IMPLICATIONS OF GASB 45 – FITCH RATINGS	
<p>Governmental Accounting Standards Board (GASB) Statement No. 45 will be the accepted accounting practice for governments as of its implementation dates. Failure to comply would prevent auditors from releasing a “clean” audit opinion.</p> <ul style="list-style-type: none">• The switch to actuarial funding from a pay-as-you-go practice may have a sizable fiscal impact. However, Fitch Ratings believes that meeting actuarial funding requirements for other post employment benefits (OPEB) will be a stabilizing factor and protective of credit over time.• Fitch expects a wide range of unfunded liability positions to result as GASB 45 is implemented, reflecting the variability of benefits offered around the U.S. Annually required contributions are likely to place disparate burdens on the budgetary resources of state and local governments.• Initially, Fitch’s credit focus will be on understanding each issuer’s liability and its plans for addressing it. Fitch also will review an entity’s reasoning in developing its plan. An absence of action taken to fund OPEB liabilities or otherwise manage them will be viewed as a negative rating factor.	<ul style="list-style-type: none">• For issuers choosing to ramp up annual contributions to reach full funding of actuarially determined levels, Fitch recognizes that a rising net OPEB obligation in the short term may be a by-product. Such an increase, taken in the context of a sound OPEB funding plan, will not by itself affect credit ratings.• Fitch does not expect OPEB plan funding ratios to reach the generally high levels of pension systems for many years, but steady progress toward reaching the actuarially determined annual contribution level will be critical to sound credit quality.• Assumptions play a crucial role in calculating plan assets and liabilities. As actuarial standards for OPEB plans become clear, Fitch will review the underlying assumptions and will view negatively any that are overly aggressive. When applicable, assumptions should be consistent with those adopted for the plan sponsor’s pension system.• Fitch will view OPEB liabilities, like pensions, as soft liabilities that fluctuate based on assumptions and actual experience. Reality dictates that an entity may opt to defer OPEB funding in times of budget stress. However, indefinite deferrals are damaging to credit quality. While not debt, pension and OPEB accumulated costs are legal or practical contractual commitments that form a portion of fixed costs. Long-term deferral of such obligations is a sign of fiscal stress that will be reflected in ratings.

INITIATIVES

PE02: Develop an OPEB Funding Plan

With the pending implementation of new GASB standards it will be imperative for governments not only to calculate OPEB liabilities but to develop a responsible approach for this liability. Elements of a funding plan may include:

- **Funding Reserves**
In the same way that the City contributes incrementally towards its employee Pension Funds, the City may wish to establish and manage pre-funded OPEB trust funds or reserves.
- **Consideration of OPEB Obligation Bonds**
As indicated in Conrad Siegel’s OPEB calculation, the City may be in a position to benefit from higher investment earnings if it pre-funds its post-retirement healthcare



actuarial liabilities, perhaps through taxable obligation bond proceeds. Such an approach, however, involves cash and risks that merit close review.

- **Reconsideration of benefit design, including**

- **Changing Benefit level**

- Following the introduction of Federal Accounting Standard (FAS) 106– the private sector corollary of GASB 45 – many private sector employers reduced or eliminated retiree medical benefits.

- **Eligibility changes**

- Including the number of years of service required for postretirement medical eligibility

- **Consideration of deferred contribution approach**

- **Cost Recovery through user charges, grants, and Medicare Part D Reimbursement**

Medicare Part D subsidies are a new option under the federal prescription drug plan. The City applied for a Medicare Part D subsidy in 2005.



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Capital



Capital

MISSION

To provide for the infrastructure needs of the City.

OBJECTIVES

- To effectively plan for the City's infrastructure needs
- To maximize the use of non-City funding sources
- To implement projects on budget and schedule

THE CAPITAL PROGRAM

The City of York plans its capital expenditures on an annual basis and does not have a comprehensive capital planning process. Over the five year period from FY00 until FY04, the City expended approximately \$2.6 million on a number of projects in ten bureaus. Notable projects include the Farquhar Park Gazebo (\$571,000) and the purchase of Police vehicles (\$377,000).

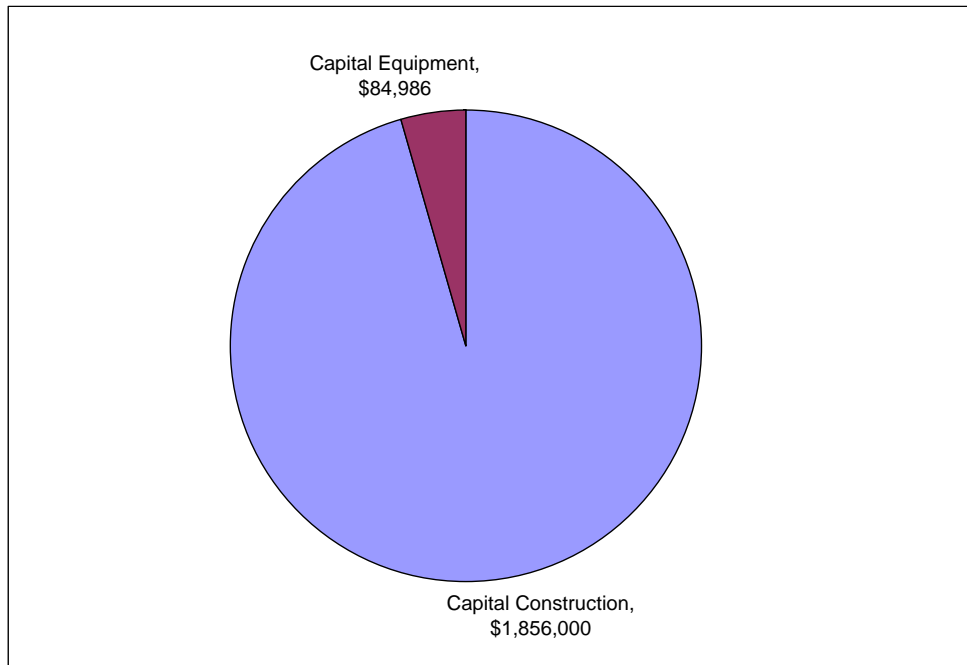
FY00 – FY05 USES OF FUNDS BY BUREAU

Bureau	FY 00	FY 01	Historical FY 02	FY 03	FY 04	Budget FY 05
Environmental	\$13,624	\$13,461	\$0	\$15,591	\$14,796	\$14,800
Fire	\$165,002	\$84,252	\$40,826	\$0	\$0	\$0
Highway	\$14,896	\$241,679	\$24,872	\$0	\$24,725	\$100,000
MIPP	\$4,860	\$4,779	\$4,779	\$0	\$0	\$0
Parking	\$22,000	\$0	\$0	\$0	\$0	\$0
Permits	\$33,000	\$26,670	\$0	\$0	\$0	\$0
Police	\$267,897	\$251,085	\$9,294	\$45,016	\$23,360	\$30,186
Public Works	\$52,611	\$20,803	\$36,587	\$51,357	\$0	\$1,796,000
Recreation/Parks	\$97,872	\$527,124	\$377,084	\$102,000	\$0	\$0
Treasurer	\$3,575	\$0	\$0	\$0	\$0	\$0
Total	\$675,337	\$1,169,851	\$493,442	\$213,965	\$62,881	\$1,940,986

Most of the City's capital expenditures are for construction projects. In 2005, The City uses various capital funds for construction projects and equipment purchases. In 2005, approximately \$1.9 million was planned for construction and about \$85,000 for capital equipment. Projects in 2005 include \$1.2 million for the Greenway project and \$500,000 for Little League.



2005 USES OF FUNDS



To finance this capital program, the City relies on a number of sources of funding. The majority of funds in 2005 come from State grants. Only a small amount, \$238,000 come from the City's general fund. Other sources of funds in 2005 are miscellaneous grants and public / private contributions.

FY00 – FY05 USES OF FUNDS BY OBJECT

Object	FY 00	FY 01	Historical FY 02	FY 03	FY 04	Budget FY 05
Expense Reimbursements - Other	\$0	\$7,527	\$0	\$0	\$0	-\$3,540
Investment/Cash Management Int.	\$1,570	\$0	\$0	\$0	\$68	\$0
Miscellaneous Grant	\$0	\$0	\$17,964	\$0	\$23,243	\$100,000
Public/Private Contribution	\$0	\$0	\$0	\$0	\$25,000	\$475,000
State Govt. Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$1,128,000
Transfer From General Fund	\$250,863	\$0	\$426,573	\$113,965	\$40,556	\$238,435
Transfer From Sewer Fund	\$200,000	\$0	\$1,240,000	\$0	\$0	\$0
Total	\$452,433	\$7,527	\$1,684,537	\$113,965	\$88,867	\$1,937,895

CHALLENGES AND GOALS

The biggest challenge for the City is the absence of a long-term framework through which to consider and plan for capital expenditures. In order to maintain the City's infrastructure and address its equipment needs, there should be a long-term plan in place that ties projected needs to anticipated revenues. Taking a multi-year approach to the capital budget process can help the City match outside funding to projects, dedicate



general fund or other City funds to projects, and plan debt issuance if additional funds are needed for infrastructure needs.

INITIATIVES

CP01: Develop a Multi-Year Capital Plan

As part of the annual budget process, the City should develop and submit to City Council a five-year view of its capital funding sources and expenditures. The first year of this multi-year capital plan should be the “Capital Budget” and expenditures in that year should be limited to the budgeted amount. The five year view is the “Capital Plan.”

The Capital Plan will help the City to integrate capital financing and capital project planning activities. Therefore, the Plan preparation process should include all City departments involved with capital financing and project implementation. One person or department should lead and coordinate the process; in Allentown, for example, the process is coordinated by the Planning Department.¹ Including all departments involved with capital project financing and implementation can help ensure that all necessary projects are identified, that they are evaluated consistently and that the operating budget impacts of capital projects are fully considered

In the past, the City’s capital program has been mainly financed with “pay-as-you-go” funds from the General Fund Budget and the Sewer Fund. The City should continue to fund its capital program from operating funds as much as possible. The bond rating agency FitchRatings has listed pay-as-you-go capital funding policies as one of the top best financial management practices for local governments. Not only does this practice help keep debt service costs manageable, but it “improve[s] an issuer’s financial flexibility in the event of a sudden revenue shortfall or emergency spending.”

However, debt is also an appropriate way to fund a municipal capital program because it provides for “intergenerational equity” – i.e., today’s taxpayers will not foot the entire cost of assets that will be used for years to come. Debt is also used in many capital programs because the expenditures tend to be large and “lumpy,” i.e., irregular relative to the incremental growth of the operating budget.

The development of a Capital Plan in conjunction with the City’s long-range operating budget forecast will help determine how much pay-as-you-go capital can be afforded; whether the City should issue bonds to support part of its capital program; and if so, the level of debt service that it can afford.

¹ In most cities the finance cluster and the public works group also play a significant role in the process.



DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	0%	0%	0%	0%	0%
Fiscal Impact	\$0	\$0	\$0	\$0	\$0

CP 02: Anticipate Third Party funding in the Plan

The City should ensure that the Plan includes all anticipated state and federal dollars, as well as any contributions or matches from York County, regional planning groups or authorities, and donations or contributed capital from private firms. In general, the City should work to maximize the use of outside funding in its capital program. This can help ensure that those projects that have financial support from the state and federal governments proceed, and create a continuing incentive for the City to continue to seek outside funding for projects. Finally, in many cases a City match is needed to leverage funding from other governments. Identifying these amounts as early as possible allows more effective planning for other projects competing for the remaining amount of City pay-as-you-go or general obligation bond (GO) funding.

There is no fiscal impact from this initiative. However, more aggressively pursuing outside dollars to support the capital program can lower the City's contribution to capital projects.

DISCOUNTED FISCAL IMPACT

	2006	2007	2008	2009	2010
Discount %	0%	0%	0%	0%	0%
Fiscal Impact	\$0	\$0	\$0	\$0	\$0

CP03: Annually solicit project requests from department heads

The first step in the capital process is the solicitation of project requests from departments early in the budget process. A formalized project request process with specific deadlines can help ensure that all City needs are identified. All requests should include details about the project including the cost, schedule, benefits, operating impact, and outside funding anticipated for the project.

In Allentown, for example, the capital Project Request Form requires the following information:

- Detailed project description
- Project location
- Purpose and needs to be met by the project
- The project's anticipated useful life



- The geographic extent of the project and the identification of project impacts
- Time estimates for project phases
- Cost estimates
- An estimate of the project's impact on the General Fund budget

There are various tools available to simplify and coordinate the capital budget process. The City of Easton has recently begun to use Plan-It! Capital planning software, a product offered by Strategic Insights. Plan-It is an Access database system where users can input capital project information and produce a number of reports that sort and group this data. After project requests are submitted electronically, various standard reports can be used to analyze the capital program and to assemble a capital budget and plan. The reports range from detailed project information pages to reports that show summary information. Information that has been input into the system can also be exported into to an Excel spreadsheet where it can be manipulated.

The product is essentially a database tool to take project information and group and summarize it various ways. The following is a sample Streets project:

The screenshot shows the 'Plan-It Capital Planning Software - [Main : Form]' window. The menu bar includes File, Edit, View, Insert, Format, Records, Tools, Window, and Help. The toolbar has icons for Data, Report, and Administration. The main form is for a project named 'Ash St. (Jefferson to Maple)' in the 'City of Lac Mirage, Minnesota'. The project details include: Project # S-1, Type Improvement, Priority 1 Urgent, Category Street Construction, Contact Public Works Director, and Useful Life 25 years. Below the details are tabs for Description, Justification, Operation Impact, Expenditures, Funding, and Budget Impact. The Expenditures tab is active, showing a table with columns for Expenditure, Amount, and Year. The table lists four expenditure items: Planning/Design (12,000), Planning/Design (5,000), Land Acquisition (44,000), and Construction/Maintenance (490,000). The years 2005, 2008, 2008, and 2009 are entered for each item, respectively. A blue text box on the right side of the table says 'Please enter a year on every expenditure line item you select.' The bottom of the window shows 'Expenditure item ID' and 'NUM'.

Expenditure	Amount	Year
Planning/Design	12,000	2005
Planning/Design	5,000	2008
Land Acquisition	44,000	2008
Construction/Maintenance	490,000	2009

Using the various categories of information, such as priority, category, and department, this information can be grouped using a number of standard reports. The following is an example of the reports that the database produces:



Project #	S-2	Type	Maintenance
Project Name	Street Paving	Useful Life	25 years
		Category	Unassigned
		Priority	2 Very Important
		Contact	Public Works Director
Description		Department	Streets
Paving of streets per the Pavement Management Program outlined by consulting engineering firm (S.E.H., Inc.). City staff will do most of the paving, with come contracted services hired.			
Justification			
Pavement Management System identifies condition of roadway and determines length of time until failure or unusable condition. Significant cracking and failure need to be avoided by annual paving.			

The City should track information electronically, either through the use of this type of software, or through its own database system or spreadsheets.

CP04: Develop consistent criteria to evaluate proposed projects

The City is not likely to be able to fund every project that is proposed. Therefore, a process must be in place to evaluate all proposed projects for inclusion in the capital plan. Project feasibility, cost, operating budget impact, whether it meets a legal mandate, and other concerns should be addressed. A review committee, using consistent criteria for all projects, can help ensure that the projects that are included in the Capital Plan make the best use of the City's limited resources.

One example of how to approach this is used by Allentown, where the Home Rule Charter requires proposed capital projects to be reviewed by the Finance Director, City Controller, and the person who proposed the project. In practice, the City meets this requirement and has enhanced the process by including a member of the City Council and a member of the Mayor's staff.³ Projects are evaluated using set project criteria as follows:

- **Establishment of urgent need** – Determining whether a project would impair work efficiency or cause a major inconvenience to the public or the economy
- **Public health and safety** – Including those projects needed to eliminate municipal liability and hazards to human life and property
- **Financial impacts** – Projects that reduce operating costs or future capital expenditures
- **Legally required or necessary** – For example, projects that result from Federal requirements regarding water quality, or the need to comply with the Americans with Disabilities Act
- **Completes or compliments another project** – Projects that are part of larger projects, or need to be completed to realize the benefits of other projects

³ In York, it may make sense to include representation from City Planning and the Department of Public Works on such a committee.



- **Relationship to Department/Bureau plans and policies/Bureau budget goals and objectives** – Including projects that meet various Department or Bureau objectives
- **Distributional effects** – Projects that impact the maximum number of residents, as well as low-income neighborhoods and minority or handicapped residents
- **Economic development** – These projects attract and retain businesses, jobs and employment that will add to the City’s fiscal base

One of the best strategies is to develop a project evaluation system that allows all Committee members to assign points based on set criteria. The following is an example of a capital project scoring system that could be implemented in the City of York:

Factor	Score (1-5)	Weight	Weighted Score
General			
Project feasibility		3	
Project funding		2	
End of useful life/ obsolescence		2	
Population benefiting		1	
Need and Cost			
Protection/ preservation of City assets		2	
Departmental initiatives		2	
Comfort/ convenience		1	
Scheduling			
Project Scheduling		2	
Financial Programming			
Cost savings (reduces operating expenditures)		3	
Legal Mandates			
Legal mandate		1	
Health or safety		1	
TOTAL			

CP05: Identify and plan for the operating impacts of capital projects

Whether it is the construction of a new building, the installation of energy efficient light fixtures, or the reconstruction of a road, capital projects will have an impact on the City’s operating expenditures. From the time of a project’s inception, the operating budget impacts should be considered. Those projects that will reduce operating expenditures



should be favored over those that increase those expenditures. And, the City should evaluate and plan for the operating budget impact of those projects that will increase ongoing expenditures. These impacts should be taken into account in the scoring system described above. After projects are assigned by year, their operating cost impact should be reflected in the annual operating budget and in the annual multi-year plan.

CP06: Monitor the status of capital project implementation

The goal of capital program management is to complete projects on schedule and on budget, meet program objectives, and reduce the frequency and financial impact of change orders. So that the City may accomplish this, project status reports should be developed to report on the status of individual capital projects and the overall capital program.

Status reports will have a number of different audiences, including City staff, elected officials, and the public. While City staff may want to have a report that shows the status of each individual project, elected officials might request a summary of the capital program with detailed information on high profile projects. The public might want a web-based tool to understand the capital programs that will impact their neighborhoods.

As the City develops status reports, it should customize them for the audience. At a minimum, the reports should be produced quarterly and presented to City Council.

The City should produce both summary and detailed reports. Summary reports should provide information on the entire capital program, such as the total amount of spending anticipated for each of the funding sources, as well as information regarding significant variances between planned and current expectations regarding expenditures. The reports should include information on the status of each project with specific information that describes how project actuals and expenditure projections compare with the budget. The report should also indicate which project milestones have been met and how this compares with the planned schedule. The detailed reports should show this same information for each individual capital project.

There is no fiscal impact from this initiative. However, more thorough reporting will help ensure that projects remain on schedule and within budget, and can help the City to better plan its cash flow needs.

CP07: Charge staff time to the capital budget

The City should consider charging directly related staff time to the capital budget. Staff time can be included in the capital budget based on the rationale that employee administrative and managerial time required to implement capital projects (i.e. in-house design, selecting and managing design consultants, writing specifications, or inspecting construction) can be appropriately counted as direct costs of the project.



Currently, the City's annual operating budget bears the costs of implementing projects that will last 5, 10, 20, and even 50 years because staff time is only charged to that year's budget. Therefore, projects costs spending shown in the capital budget are low because staff charges are not included. PFM recommends that only very specific categories of staff time be charged in order to limit the long-term interest premium associated with this practice and to ensure that the true costs of capital projects are more fully allocated without allowing for undue charges to the capital budget.

Implementing a system to track and charge staff time associated with capital projects does not need to be an onerous task. The most effective way of capturing these costs is through a timesheet system that requires project managers to "charge" their time to individual capital projects. The City should determine if it is feasible to track staff time through its payroll system as this is the most efficient way to track staff time worked on capital projects because it prevents double entry. Even if this cannot be accomplished through the payroll system, this initiative should be considered in light of the appropriateness of the charges, the impact on the operating budget, and because charging this time would more appropriately reflect the true costs of capital projects.

