



## Request for City Council Committee Action from the Department of Finance

Date: June 25, 2012  
To: Councilmember Hodges, Chair, Ways & Means/Budget  
Referral to: N/A

### **Subject: Contracting for Board-Up Services**

**Recommendation:** The Regulatory Services, Fire, and Finance Departments recommend implementation of the following changes to the City's board-up program for vacant properties:

The Regulatory Services, Fire, and Finance Departments recommend transitioning the provision of this activity back to a contracted service, in lieu of the Fire Department performing the activities. In addition, we also recommend adjusting the per-board charge to match the charge from the contractor plus administration costs, which would be collected by Regulatory Services. Fire and Regulatory Services will work with Finance to incorporate the financial impact of this recommendation into the 2013 budget process.

### **Previous Directives:**

On March 26, 2012, the Council directed the Finance and Fire Departments to examine and bring back to the Ways & Means/Budget Committee options on bridging the gaps between revenues and expenses for programs funded by regulatory and license fees in the Fire Department that aren't self-sustaining. The original staff direction read as follows:

c) **3/26/12:** *"Finance and MFD to examine and bring back to the Ways & Means/Budget Committee the amount difference expected in 2012 and options on how they will pay for those differences."*

### **Prepared and Presented by:**

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### **Approved by:**

  
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Kevin Carpenter, CFO

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John Fruetel, Fire Chief

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Gregory Stubbs, Dir., Regulatory Services

**Reviews**

- Permanent Review Committee (PRC): Approval \_\_\_\_ Date \_\_\_\_\_
- Civil Rights Approval Approval \_\_\_\_ Date \_\_\_\_\_
- Policy Review Group (PRG): Approval \_\_\_\_ Date \_\_\_\_\_

**Financial Impact**

- No financial impact
- Action requires an appropriation increase to the \_\_\_\_ Capital Budget or \_\_\_\_ Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- **Action requires a change to the Business Plan**
- **Other financial impact**
- Request provided to the Finance Department when provided to the Committee Coordinator

**Community Impact**

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- **Other**

**Supporting Information**

The current program for performing board-ups is an unsustainable expense for both the Fire and Regulatory Services Departments. Revenues from the assessments charged to perform these activities are not enough to cover Regulatory Services expense in administering the program, and the funding transfer from Regulatory Services to the Fire Department is not enough to cover the Fire Department's expense in performing the board ups.

The Fire Department provides board-up services for non-emergency board-ups when requested by Regulatory Services and emergency board-ups when required by Regulatory Services, Fire or Police. For this work, a flat fee of \$400,000 is transferred to the Fire Department, regardless of workload. This workload has been declining due to the high level of demolitions that have occurred and the work of the Regulatory Services Problem Properties Division to reduce the board-ups. Board-ups are considered a major blight issue.

This work was previously done by contractors using a bid process with Regulatory Services providing all administration functions. The work was paid for based on how many actual boards were done in accordance with the specifications in the bid. Regulatory Services still performs the administration involving billing, collections, KIVA data entry, assessing, along with the Regulatory Services problem property field inspections that create the orders that require the boarding to occur.

If the work is once again contracted out, Regulatory Services recommends that the fee per board-up match the charge from the contractor plus administration costs. By transitioning this activity back to a contracted service, not only will revenues more closely correlate with expenses, but the three Fire Department employees dedicated to providing board-up

services, regardless of workload, could be re-assigned elsewhere in the department, freeing up existing resources.