



# ***COMMITTEE of the WHOLE***

## ***CITY COUNCIL***

**MINUTES**  
**Monday, March 4, 2013**  
**6:45 P.M.**

### **COUNCIL MEMBERS PRESENT:**

F. Acosta, M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, J. Waltman, R. Corcoran

### **OTHERS PRESENT:**

C. Younger, C. Snyder, L. Kelleher, M. Bembenick, E. Lloyd, L. Murin

The Committee of the Whole meeting was called to order at approximately 6:20 pm by Council President Acosta.

### **I. Trash and Recycling Billing**

Mr. Murin expressed the belief that the Administration can out-source the billing of the trash and recycling without Council approval because Council approved reductions associated with the out-sourcing of this billing with the 2013 Budget.

Mr. Waltman inquired about the savings. Mr. Bembenick stated that approximately \$80,000 in expenses will be saved within the IT Division and approximately \$40,000 in postage.

Mr. Waltman noted that the cost of the recycling program in Reading is exorbitant and inquired if the transfer will allow a reduction in the rate charged to property owners. Mr. Murin explained that without the outsourcing the cost of the recycling program would need to increase. He stated that that fact was made clear during the budget discussion when Mr. Denbowski made his presentation to Council. Mr. Murin also stated that the Recycling program is in a shortfall situation currently.

Mr. Bembenick stated that trash is currently billed quarterly and recycling is billed annually. This transition will permit trash and recycling to be billed monthly.

Ms. Goodman-Hinnershitz disagreed that approval of the 2013 Budget automatically provides authorization to out-source trash and recycling billing. She noted that the annual budget is a

financial plan not a mandate. She questioned the process used to make this decision about the billing of a City operated service.

Ms. Goodman-Hinnershitz noted that the RAWA ordinance distributed at this meeting includes the language “and other such documents” relating. She inquired what documents are referred to. Mr. Murin stated that the language does not refer to trash and recycling billing.

Mr. Waltman agreed that the expenditures were reduced in the 2013 Budget; however, the enactment of the budget does not authorize the out-sourcing.

Mr. Waltman inquired if the total trash and recycling billing will be discounted to account for uncollectible accounts. Mr. Bembenick stated that the City will be paid 100% upfront. There will not be a discounted amount.

Ms. Goodman-Hinnershitz questioned the capacity of RAWA to take this on as they have some issues with water and sewer billing on a continued basis. She also noted RAWA’s questionable collection practices.

Mr. Murin stated that out-sourcing trash and recycling billing will save money in the IT and postage areas and eliminate the need to retain the services of Portnoff and the 2<sup>nd</sup> lockbox.

Mr. Acosta inquired about the process to disband RAWA. Mr. Murin stated that the Solicitor is working on that issue.

Mr. Murin stated that the MOU will define the billing program; however some things will not be included due to the relationship the Mayor has with RAWA.

Mr. Acosta questioned having all terms in writing as future elected officials may not have the same relationship with the RAWA Solicitor.

Ms. Goodman-Hinnershitz agreed that the specifics need to be provided in written form within the MOU. She questioned the Solicitor’s interpretation that City employees can serve on Authorities due to the language in the Charter.

Mr. Corcoran noted the lack of transparency during the Administration’s consideration of this billing transfer.

Mr. Murin stated that the Solicitor drafted two written opinions relating to the transfer of the billing services to RAWA. The Solicitor read highlights from both opinions (attached). He expressed the belief that because Council approved the 2013 Budget, they also authorized the transfer of these billing services.

## **II. SAFER Grant Update**

Ms. Snyder stated that FEMA approved the City's request for a modified grant. She distributed a sheet showing the financial breakout. She stated that the modified grant will allow 20 new firefighters to be hired, which will eliminate the need for layoffs at the end of the grant period. She stated that in 2014 the addition of a 4<sup>th</sup> EMS unit will increase revenue by approximately \$850K. She stated that the impact on overtime is unknown at this point in time. She noted the need for Council to approve the amendment to the position ordinance before the March 11<sup>th</sup> regular meeting.

Ms. Kelleher stated that the earliest opportunity for a Special Meeting would be Thursday, March 7<sup>th</sup> due to the need for an advertisement. Mr. Acosta suggested that the Special Meeting begin at 4:30 pm on March 7<sup>th</sup>. The members of Council agreed with the time and date for the Special Meeting.

Ms. Snyder described her ongoing meetings with the IAFF leadership.

The Committee of the Whole meeting adjourned at approximately 7:30 pm.

*Respectfully Submitted by  
Linda A. Kelleher, CMC, City Clerk*

# Memorandum

To: Vaughn D. Spencer, Mayor  
CC:  
From: Charles D. Younger, City Solicitor   
Date: 8/28/2012  
Re: Proposed Recycling Billing by RAWA

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ISSUE: MAY THE CITY OF READING ENTER INTO AN AGREEMENT WITH RAWA FOR NON-WATER RELATED SERVICE BILLING WITHOUT AN RFP?

OPINION: YES.

#### DISCUSSION:

The original Lease and Operating Agreement (effective June 1, 1994) between the City of Reading and RAWA provided that the City of Reading "shall provide personnel for the purpose of rendering to, for and on behalf of the Authority, the following services: (a) The calculating, preparing and rendering of all bills or statements for services rendered in connection with the Water System, such bills or statements to be in accordance with the appropriate resolution or resolutions of the Authority in effect, from time to time..." [See Article III Section 3.03 (a)]. In addition, under Article VII Section 7.09, the City of Reading and the Authority may amend and/or supplement the Lease and Operating Agreement by mutual consent in writing.

The Lease and Operating Agreement has been amended by mutual consent of the parties, the City of Reading and RAWA (i.e. Second Addendum dated 12/30/2010). Most recently, a Third Addendum has amended the Lease and Operating Agreement through mutual consent and in writing. Among other things, RAWA has now assumed billing services that originally were performed by the City of Reading. In order to cut costs of multiple bills for multiple services, the City of Reading and RAWA have agreed that RAWA will prepare a consolidated bill to include other City of Reading services other than water related ones. Said mutual agreement is in line with the original Lease and Operating Agreement and the ability to amend same.

Given the reality of Act 47 and the need to cut costs to the City of Reading, said amendment is not subject to an RFP requirement because of the existing agreement between the parties. While a consolidated bill does "change" the bill prepared, the bill preparation responsibility has been transferred to RAWA from the City of Reading under the terms of the agreement between them. While said agreement is not exactly an intergovernmental cooperation agreement as provided for in 53 Pa.C.S.A. Sect. 2301 *et seq.*, it is noteworthy that under certain circumstances such an intergovernmental cooperation agreement does not have to be the result of competitive bidding.

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1

# Memorandum

To: City Administration  
CC:  
From: City Solicitor  
Date: 2/21/2013  
Re: RAWA Consolidated Billing

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ISSUE: DOES APPROVAL OF THE 2013 BUDGET WITH ITS INCLUSION OF LINE ITEMS ASSOCIATED WITH CONSOLIDATED BILLING SERVICES BY RAWA FOR THE CITY OF READING PROVIDE LEGAL JUSTIFICATION FOR SAID SERVICES?

OPINION: YES.

DISCUSSION:

The Home Rule Charter for the City of Reading provides financial procedures under Article IX. Said Article IX sets forth requirements for the budget message (Sect. 903) and the budget (Section 904). In the budget message "an explanation of the expenditures and revenues in the proposed budget" should be included [Sect. 903 (a)]. Likewise, the budget provides "a complete financial plan of all City funds and activities for the ensuing fiscal year" including "all estimated income, indicating the existing and proposed tax levies, as well as other assessments, fees and charges" [Sect. 904 (b)].

When the budget was adopted by City Council, it approved any and all included items set forth therein. Since the 2013 budget included line items resulting from a RAWA consolidated billing for City trash and recycling, there is an underlying legal justification for said consolidated billing without further council approval.

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