



Memo

TO: Council and Mayor
FROM: Roger MacLean, Council President
CC: Agenda List
DATE: October 11, 2018
RE: Budget Schedule V2

The budget meetings will be Special Council meetings with each meeting run by the Chairperson of the Committee that has 'jurisdiction' over that department. The meetings will be structured to allow the Administration to present their respective budget, provide for Council comments and questions, and for public comments. If you plan to introduce any amendments, they should be provided to our office two days in advance of the meeting they are to be considered so they can be distributed to the public, administration and council - otherwise, Council will need to suspend the rules. Plan to review capital budgets and equipment requests on the night when each respective department is being reviewed. Amendments may be proposed and voted on at these meetings. Council will also conduct general business at these meetings should the administration need action on legislative items. If you have any questions, please contact Council office at 610.437.7556.

Friday, November 2

Budget due

Monday, November 5

5:30 PM

Mayor's Budget Presentation
Introduction of Budget Bills to be referred to respective special meetings.
Revenue and Expenditure Estimates, Finance, Debt Service Fund – Equipment and Capital Projects Fund if applicable.

Wednesday, November 7

5:30 PM

Council Meeting
Parks and Recreation, Trexler, Golf - Equipment and Capital Projects Fund.

Monday, November 12 – Veterans Day

Wednesday, November 14

6:00 PM

Human Resources, Risk Management and Non-Departmental: Mayor, General and Civic, Managing Director, Information Systems, Controller, Solicitor's Office, Council.

Monday, November 19

6:00 PM

Community and Economic Development - Equipment and Capital Projects Fund.

Wednesday, November 21

5:30 PM

Council Meeting
Public Works, Solid Waste, Liquid Fuels, Stormwater Management Fund, Administrative Order Fund - Equipment and Capital Projects Fund.

Thursday, November 22 – Turkey Day

Wednesday, November 28

6:00 PM

Public Safety: Fire, Police, EMS Communications Center - Equipment and Capital Projects Fund.

Monday, December 3 (Hanukkah)

6:00 PM

Open

Wednesday, December 5 Regularly Scheduled Council Meeting

6:00 PM

Open for Budget Meeting

7:00 PM

Adoption of Budgets

CHARTER BUDGET PROCEDURES

ARTICLE VIII FINANCIAL PROCEDURES

SECTION 801 FISCAL YEAR

The fiscal year of the City shall be the calendar year. If not prohibited by law, the Council may, by ordinance, adopt a different fiscal year, specifying an orderly procedure for financial and budgetary controls in making such transition.

SECTION 802 SUBMISSION OF BALANCED BUDGET AND CAPITAL PROGRAM

On or before ninety (90) days prior to the ensuing fiscal year, the Department Heads will submit Proposed Budget and Capital Program to the Mayor. On or before sixty (60) days prior to the ensuing fiscal year, the Mayor will submit to the City Council a balanced budget, Capital Program and an accompanying message. The Proposed Balanced Budget and Capital Program shall be in such form as the Mayor deems desirable, unless otherwise required by Council.

SECTION 803 BUDGET MESSAGE

The Budget shall be accompanied by a message which shall include:

- A. An explanation of the expenditures and revenues in the proposed budget, indicating and explaining major changes from the current year and the prior year.
- B. An outline of proposed programs and an explanation of new, expanded or abolished programs or functions.
- C. A summary of the City's debt position.
- D. Such other material, as required by Council that will inform the Council and the public of municipal goals.

SECTION 804 BUDGET

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year in accordance with all Generally Accepted Accounting Principles and, except as required by this Charter, shall be in such form as the Mayor deems desirable or the Council may require. In organizing the budget, the Mayor shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity, and object. The Budget shall contain, among other things, the following:

- A. It shall begin with a general summary of its contents.
- B. It shall show, in detail, all estimated income, indicating the existing and proposed tax levies, as well as other assessments, fees and charges.
- C. It shall show all proposed expenditures, including debt service, for the ensuing fiscal year.
- D. It shall show the number of proposed employees in every job classification.
- E. It shall be so arranged as to show comparative figures for actual and estimated income and expenditures for the current fiscal year and actual income and expenditures of the preceding four (4) fiscal years.
- F. It shall indicate proposed expenditures during the ensuing fiscal year, detailed by offices, departments and agencies, in terms of their respective work programs and the methods of financing such expenditures.
- G. It shall indicate proposed capital expenditures during the ensuing fiscal year, detailed by office, departments and agencies when practicable, and the proposed method of financing each such capital expenditure. The Mayor will include this separate Capital Program section in the annual Budget and submit to Council with appropriate supporting information as to the necessity for such programs.
- H. It shall indicate anticipated net surplus or deficit for the ensuing fiscal year of each utility, i.e., water, sewer and enterprise funds, owned or operated by the City and the proposed method of its disposition; subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget.

The total of proposed expenditures shall not exceed the total of estimated income.

SECTION 805 CITY COUNCIL ACTION ON BUDGET

A. *Public Access to Budget:* The proposed budget shall be available for public inspection at City Hall and at the Allentown Public Library and the Lehigh County Law Library, and copies shall be available for the public at a reasonable fee to be set by the Council. (11/6/01)

B. Amendment before Adoption. After the public hearing, the City Council may adopt the budget with or without amendments. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income and thereby allowing for line item changes by the City Council.

If the amended Budget increases, decreases or readjusts funding requirements by more than five (5%) percent, or adds or deletes a program, the Budget shall be returned to the Mayor immediately for comment and resubmission to the Council within three (3) normal City work days.

Council shall provide for another public hearing to be held within five (5) days after the Mayor has resubmitted the Budget.

C. Adoption. Council must adopt an annual budget by no later than December 15th of the fiscal year currently ending. If Council fails to adopt a Budget by December 15th, the Mayor's original proposed balanced Budget shall become the official Budget of the City for the ensuing fiscal year.

BUDGET SECTIONS FROM ADMINISTRATIVE CODE

130.01 FISCAL YEAR

The fiscal year of the City shall be the calendar year. If not prohibited by law, the Council may, by ordinance, adopt a different fiscal year, specifying an orderly procedure for financial and budgetary controls in making such transition. (Art. VIII, §801)

130.02 SUBMISSION OF BALANCED BUDGET AND CAPITAL PROGRAM

On or before ninety (90) days prior to the ensuing fiscal year, the Department Heads will submit Proposed Budget and Capital Program to the Mayor. On or before sixty (60) days prior to the ensuing fiscal year, the Mayor will submit to the City Council a balanced budget, Capital Program and an accompanying message. The Proposed Balanced Budget and Capital Program shall be in such form as the Mayor deems desirable, unless otherwise required by Council. (Art. VIII, §802)

130.03 BUDGET MESSAGE

The Budget shall be accompanied by a message which shall include:

A. An explanation of the expenditures and revenues in the proposed budget, indicating and explaining major changes from the current year and the prior year.

B. An outline of proposed programs and an explanation of new, expanded or abolished programs or functions.

C. A summary of the City's debt position.

D. Such other material, as required by Council that will inform the Council and the public of municipal goals. (Art. VIII, §803)

130.04 BUDGET

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year in accordance with all Generally Accepted Accounting Principles and, except as required by this Charter, shall be in such form as the Mayor deems desirable or the Council may require. In organizing the budget, the Mayor shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity, and object. The Budget shall contain, among other things, the following:

A. It shall begin with a general summary of its contents. (Art. VIII, §804)

B. It shall show, in detail, all estimated income, indicating the existing and proposed tax levies, as well as other assessments, fees and charges. (Art. VIII, §804)

C. It shall show all proposed expenditures, including debt service, for the ensuing fiscal year. (Art. VIII, §804)

D. It shall show the number of proposed employees in every job classification. (Art. VIII, §804)

E. It shall be so arranged as to show comparative figures for actual and estimated income and expenditures for the current fiscal year and actual income and expenditures of the preceding four (4) fiscal years. (Art. VIII, §804)

F. It shall indicate proposed expenditures during the ensuing fiscal year, detailed by offices, departments and agencies, in terms of their respective work programs and the methods of financing such expenditures. (Art. VIII, §804)

G. It shall indicate proposed capital expenditures during the ensuing fiscal year, detailed by office, departments and agencies when practicable, and the proposed method of financing each such capital expenditure. The Mayor will include this separate Capital Program section in the annual Budget and submit to Council with appropriate supporting information as to the necessity for such programs. (Art. VIII, §804)

H. It shall indicate anticipated net surplus or deficit for the ensuing fiscal year of each utility, i.e., water, sewer and enterprise funds, owned or operated by the City and the proposed method of its disposition; subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget. (Art. VIII, §804)

I. The budget shall be in such form as is required by Council for City budgets and shall, in addition, have appended, thereto, a detailed analysis of the various items of expenditures and revenue. Position classification titles, paygrades and salaries for each specific position shall be components of the program detail in the budget that is presented to and adopted by City Council. (13337 §1 6/8/95)

The total of proposed expenditures shall not exceed the total of estimated income. (Art. VIII, §804)

130.05 CITY COUNCIL ACTION ON BUDGET

A. Public Access to Budget: The proposed budget shall be available for public inspection at City Hall and at the Allentown Public Library and the Lehigh County Law Library, and copies shall be available for the public at a reasonable fee to be set by the Council. (Art. VIII, §805)

B. Amendment Before Adoption. After the public hearing, the City Council may adopt the budget with or without amendments. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income and thereby allowing for line item changes by the City Council. (Art. VIII, §805)

If the amended Budget increases, decreases or readjusts funding requirements by more than five (5%) percent, or adds or deletes a program, the Budget shall be returned to the Mayor immediately for comment and resubmission to the Council within three (3) normal City work days. (Art. VIII, §805)

Council shall provide for another public hearing to be held within five (5) days after the Mayor has resubmitted the Budget. (Art. VIII, §805)

The Mayor may propose amendments to the original proposed balanced budget. Any amendment which increases any tax rate or fee shall become part of the original budget provided City Council approves each amendment by five (5) votes. Other Mayoral amendments which do not increase any tax rate or fee shall become part of the original budget provided City Council approves each amendment by four (4) votes. (14078 §1 4/17/03)

C. Adoption. Council must adopt an annual budget by no later than December 15th of the fiscal year currently ending. If Council fails to adopt a Budget by December 15th, the Mayor's original proposed balanced Budget shall become the official Budget of the City for the ensuing fiscal year. (Art. VIII, §805)

The Mayor's original proposed balanced budget is that budget which was submitted at least sixty (60) days prior to the ensuing fiscal year. (14078 §1 4/17/03)

130.07 AMENDMENTS AFTER ADOPTION

A. Emergency appropriations may be made by the Council to meet a public emergency posing a sudden, clear and present danger to life or property. Such appropriations may be made by emergency ordinance in accordance with the provisions of Section 220 of this Charter. (Art. VIII, §808)

B. Supplemental appropriations may be made by the Council by ordinance upon certification by the Mayor that there are available for appropriation revenues in excess of those estimated in the Budget. (Art. VIII, §808)

Council may authorize by ordinance supplemental appropriations or revenue changes for any lawful purpose from funds on hand or estimated to be received within the fiscal year as follows:

1. Council may authorize a transfer of the unexpended balance or portion thereof of any appropriation item.

2. Council may authorize an appropriation from the unappropriated balance of any fund.

3. Council may increase any revenue or income budget account to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.

4. Council must approve, by ordinance, any transfer of any funds which results in a change in salary for any City employee. (13221 §1 10/20/93; 13252 §1 4/7/94; 13592 §1 7/17/97)

C. Transfer of appropriations may be made in accordance with provisions of the Administrative Code. (Art. VIII §808)

D. Positions Created by Ordinance: No permanent or permanent part-time position not explicitly provided for in the Budget shall be created; nor shall any budgeted position be deleted or transferred from its budgeted program, unless City Council, by ordinance, authorizes the same position. (12548 §1 3/16/83; 12979 §1 6/20/90)

E. Rules and Regulations on Transfers:

1. Interfund Transfers: City Council may, by ordinance, approve transfers between funds during a budget year. (12979 §5 6/20/90)

2. Budgeted Transfers: The Administration shall issue a monthly report, no later than the 15th of each month on the transfer of funds into the Risk Management Fund. (14922 §1 09/16/11)

3. Intrafund Transfers: Subject to the above limitation, the Director of Finance shall have the power within a given account to authorize the transfer of any unexpended balance or any portion thereof, provided such transfers do not exceed Five Thousand (\$5,000) Dollars. Transfers that exceed Five Thousand (\$5,000) Dollars must be approved by a majority of Council by signing off on an appropriate form submitted to the Clerk's Office. After approval, the transfers shall be distributed to the public as an agenda item and be made part of the minutes of said meeting. (14215 §1 10/7/04)

The Director of Finance must establish administrative procedures which require information on the request forms proving that such transfer requests comply with this section. (12979 §4 6/20/90; 13205 §1 6/22/93; 13221 §1 10/20/93; 13284 §1 10/20/94; 13592 §1 7/17/97)

130.08 LAPSE OF APPROPRIATIONS

Every appropriation, except an appropriation for a Capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. (Art. VIII, §809)

130.09 ADMINISTRATION OF THE BUDGET AND CAPITAL PLAN

A. The Mayor shall be responsible for and shall supervise the administration of the Annual and Capital Budgets. (Art. VIII, §810)

B. The Department of Finance shall submit a monthly financial report to City Council, and the Controller, showing the financial condition of the various funds of the City inclusive of authorized, year-to-date and monthly expenditures and revenues of the current and previous fiscal years. The report shall be delivered to Council, and the Controller, no later than two (2) weeks or the first business day thereafter at the close of the month. Should the report not be available within the

timeframe stated in this section, an explanation must be provided to City Council and the Controller by the first business day after the stated deadline. (14721 §1 6/3/09)

130.10 CAPITAL PLAN

A. Submission to City Council. The Mayor shall prepare and submit to the City Council a five (5) year capital program no later than the final date for submission of the budget. (Art. VIII, §811)

B. Contents of Capital Plan. The capital plan shall include:

1. A clear general summary of its contents;
2. A list of all capital improvements and other capital expenditures which are proposed to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as to the necessity for each;
3. Cost estimates and recommended time schedules for each improvements or other capital expenditure;
4. Method of financing, upon which each capital expenditure is to be reliant;
5. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired; and
6. All Capital Projects must be included in the Capital Plan Budget. (Art. VIII, §811)
The above shall be revised and extended each year with regard to capital improvements still pending or in the process of construction or acquisition. (Art. VIII, §811)

C. Financing Capital Projects. Financing for Capital Projects shall be obtained by Competitive Bidding. (Art. VIII, §811)

D. Capital Projects Approved. Proposed Capital Projects in the Capital Plan must be considered on their own individual merits by the Director of Finance, the City Controller, and the Proposer of the project. The procedures to approve the individual Capital Projects are:

1. Preliminary Feasibility Study (Art. VIII, §811)

The Capital Project preliminary feasibility study shall include:

- a. A clear general summary of its purpose and justification.
- b. The cost estimates and time schedule for the Capital Project including the cost of the Post Project Completion Audit.
- c. The method of financing and sources upon which this Capital Project is reliant.
- d. The annual cost of operating and maintaining the project to be constructed or acquired. (Art. VIII, §811)

The Council approval of Capital Projects in this preliminary feasibility study will require a simple majority vote in order to move on to a final approval and funding acceptance. (Art. VIII, §811)

2. Final Proposal and Financing (Art. VIII, §811)

The Final Capital Project proposal and financing shall include:

- a. A clear general summary of its purpose and justification. (Art. VIII, §811)
- b. The cost estimates and time schedule for the Capital Project including the cost of the Post Project Completion Audit. (Art. VIII, §811)
- c. The method of financing and sources upon which this Capital Project is reliant. (Art. VIII, §811)

d. The annual cost of operating and maintaining the project to be constructed or acquired. (Art. VIII, §811)

e. This final Capital Project Proposal will be published and made available for the public to review (Use Notice and Hearing Notice - Section 812). Capital Project replaces Capital Program. The final Council approval of Capital Projects will require five (5) votes to approve. (Art. VIII, §811)

3. Capital Project Reporting (Art. VIII, §811)

a. Current Projects. All Capital Projects in process must be reported on a quarterly basis and provide an update on cost, completion date, and estimated revised operating costs. This information is to be supplied by the Director of Finance and the Project Manager to the City Council in such a form that it is available to the public. (Art. VIII, §811)

b. Extended Projects. If commencement of a Capital Project does not begin by end of the fiscal year, following the year in which final approval is obtained, the project must go through Section 811(D)(1) and (2). (Art. VIII, §811)

c. Status Reports to Council:

1. Bi-weekly Report: A bi-weekly report of the active capital improvement projects shall be distributed to the City Controller and City Council upon their request.

2. Report to Council: In addition, the Administration shall report bi-annually to Council at a public meeting on the status of all capital projects. (13401 §1 6/7/96)

4. Capital Project Transfers. Once a capital project is completed, the authorization for that capital project shall cease and the "appropriate surplus" shall not apply to any other project. There shall be no transfer of funds from any capital projects unless specifically approved by Council as an amendment to the capital budget. (13401 §1 6/7/96)

5. Post Project Completion Audit. Following completion of the Capital project, a complete and detailed audit must be published and made available to the public. This Post Audit is to be completed by an independent auditor appointed by the Council. The purpose of the Post Audit is to confirm the estimates of costs and explain any deviation between actual and estimated costs. (Art. VIII, §811)

130.11 CITY COUNCIL ACTION ON CAPITAL PLAN

A. Public Access to Capital Plan. The proposed Capital Plan shall be available for public inspection at City Hall and copies shall be available for the public at a reasonable fee to be set by the Council. (Art. VIII, §812)

B. Adoption. Council must adopt an annual Capital Plan, with or without amendment, no later than December 15th of the fiscal year, currently ending. If Council fails to adopt a Capital Plan by December 15th then the Mayor's original Capital Plan shall become the official Capital Plan of the City for the ensuing fiscal year. (Art. VIII, §812)

130.12 PUBLIC RECORDS

Copies of the budget, capital plan and appropriation and revenue ordinances shall be public records and shall be made available to the public at City Hall and at the Allentown Public Library. (Art. VIII, §813)

COUNCIL RULES - Rule XXIII - Budget Procedures

Committee Review: In August and September of each year, the Standing committees shall conduct a public meeting where the administration shall review their budget priorities, goals and objectives, successes and failures, capital projects and any personnel or organizational changes being considered for the ensuing fiscal year.

Budget Meetings: Council shall establish public meetings on the budget to correspond to the standing committees that have jurisdiction over the administration in their respective areas: Budget and Finance, Human Resources, Community and Economic Development, Appointments and Administration, Parks and Recreation, Public Safety, and Public Works. Each of the budget meetings shall be chaired by the respective Chairperson of that committee. Council may set up other meetings at the request of four members of Council or by the Council President.

Budget Amendments: Budget amendments shall be in writing and be made available to the public, administration and Council at least two days prior to the public meeting at which they will be discussed and voted on.

Adoption of Amendments: Budget amendments shall be acted on prior to the meeting at which the budget is adopted unless four Councilpersons waive this rule. (28797 9/21/2011)