



Allentown

435 Hamilton Street
Allentown, Pa. 18101

Minutes - Final

Budget and Finance Committee

Wednesday, April 27, 2016

5:30 PM

Council Chambers

Roll Call: Chairperson Guridy, Councilpersons Hendricks and Mota

Rollcall

Present: 3 - Cynthia Mota, Daryl Hendricks and Julio Guridy

15-793 March Finances

Attachments: [March Finances - 2016](#)

[Capital Report - 1Q16](#)

[Acct 46 Report - 1Q16](#)

Mr. Julio Guridy stated that in March we are a little lower than expected. We are little bit behind.

Mr. Brent Hartzell stated to clarify that when April began the Treasury department has been down two staff persons a day for two weeks. There were things that came in March that was not billed in March.

Mr. Julio Guridy stated that is where we are in regards to March. If you look at page 3 of 12 perhaps it is a little behind, but the bulk of that is the pension and insurance increase. We have earned some interest on the lockbox. There is a penalty if we pre-pay.

Ms. Barbara Molitoris stated that Mr. Guridy summed it up very well. There is a pre-payment penalty.

Mr. Brent Hartzell stated that we are paying it on the schedule that we are intended to. All the money is set aside at the beginning of the year.

Mr. Julio Guridy asked any questions or comments from my colleagues on the monthly report.

Mr. Ray O'Connell asked about the sale of city property. Who owns Bicentennial Park. Are there are any plans to sale or lease it? He asked about the land that the city bought from an entrepreneur in Allentown considered the parkland or park property.

Mr. Brent Hartzell stated that it is a city owned property. The other \$500,000 could be an anticipation of park sales.

Mr. Julio Guridy stated that we own it, but we lease it. I think we had a 10 year lease.

Mr. Daryl Hendricks asked if that has been identified.

Mr. Brent Hartzell stated that at this point, the \$500,000 is anticipated coming from the park.

Mr. Jeff Glazier stated that the entrepreneur's land that we bought was made up of multiple parcels. Some of which may connect the park and others parcels are just hanging out there.

Mr. Julio Guridy stated that let's move on to the Capital Reports. Any comments on the Capital Reports? He stated that there has been \$2 million that has been re-directed.

Mr. Brent Hartzell stated that they have been working on this. We wanted to real-time update on the open projects. When they will be finished. More than 30 projects are ready to be closed out.

Mr. Julio Guridy stated that it would put to rest some of the questions some people had. You are being very proactive.

Mr. David McGuire asked what page of the Capital those items you finished talking about.

Mr. Brent Hartzell stated that if you look at each individual item starting on page 1, you will see a document that says Capital Fund.

Mr. Julio Guridy stated that is all he has about Capital and asked about Account 46. You comments or questions from my colleagues? He stated we are catching up on certain things. He stated to look at page 12 - General Fund shows how much we actually spent on this. We are a little bit behind.

Mr. Brent Hartzell stated that we actually have \$5.8 million in contracts budgeted in the General Fund. In the first three months in the year, we didn't spend \$1.1 million. There is a Bill that has come to Council last week where it was an additional cash infusion received to the city by the Trexler Fund and that re-appropriation is coming.

Public Comment

Mr. Tommy Hahn asked Council to go through everything at one time. He talked about the lockbox money and the amount of money that was lost from the 3 1/2 percent interest. He asked for an audit of where the money went.

Mr. Brent Hartzell stated that the only thing that he has been told. He can't speak to what happened prior to 2008. He knows that this is part of the regular cash that is pulled in our bank accounts.

Mr. Julio Guridy stated that he doubts that anyone would have ask Mr. Hahn. He suggested that he and Mr. Hahn can sit down and figure out with Mr. Hartzell how to satisfy your question on this issue.

Mr. Lou Hershman stated that the city pays taxes on Bicentennial Park. We need to see how we can make more revenue then the real estate taxes we are paying. He questioned the money from the Parking Authority and asked for the report to be corrected. He asked if the city is getting the rent that is due periodically that we supposed to get.

Mr. Brent Hartzell asked what is the clarification. He stated that the revenue summary that is provided monthly is a cash-based summary. The whole idea of going through the cleanout of the Capital Projects Outlay Project to figure out what is owed to specific programs.

Mr. Jeff Glazier stated that he would say that he spent significant time with Mr. Hartzell and Ms. Molitoris going over some of the questions that are asked.

Mr. Julio Guridy stated that if we can try to figure out the two questions that Mr. Hershman is speaking so that we can put that to rest and also the issue about the loan fund that Mr. Hahn spoke about.

Mr. Glenn Hunsicker stated that he heard Bicentennial Park mentioned as a possible sale, maybe. We need to be included in that dialogue if that takes place. He asked about the encumbrance. He understands there is a bi-weekly encumbrance report.

Mr. Brent Hartzell stated no. He doesn't recall anything like that. We give frequent updates on the overall situation in terms of revenue and expenditures. We are always looking at the encumbrances. Account 99 is no longer used.

Mr. Ray O'Connell asked Mr. Hunsicker that don't you for one minute think

and realize that the FBI looked into all of this.

Mr. Hunsicker stated that he doesn't know it until he sees it. He has to go with what Reagan said trust, but verify. He asked where is in the Finance Reports the \$15 million bond, the \$11 million bond, and the \$6 million loan.

Mr. Julio Guridy stated that they are trying to work and find where the money is. We explained that earlier. There is a on-going investigation going on anyway.

Mr. Brent Hartzell stated page 8 of the Capital Fund. The 2015 Debt Funding totaling \$15 million and you see all of the Public Works projects, page 8 - the Parks and Recreation Projects, and on page 9, the 2012 Debt Funding in the amount of \$4 million, on page 10 - all the Public Works Projects and the encrypted police radio projects. He referred Mr. Hunsicker to review pages 8 - 14 of the Capital Fund Report. Any on-going projects prior to the Lease, there were still some obligations that had to be dealt with along with defeasing the bonds and making sure all of those are completed and paid.

Adjournment: 6:54 PM