



Minutes - Final

Budget and Finance Committee

Wednesday, July 27, 2016

6:00 PM

Call to Order: Chairperson Guridy, Councilpersons Hendricks and Mota

Present: 2 - Cynthia Mota and Daryl Hendricks

[15-997](#) June Finance Reports

Attachments: [JUNE 2016 MO RPT](#)

Mr. Julio Guridy stated that they have the June and May Report. The May Report they never really got to talk about. The revenues seem to be a little bit behind. Primarily is because the Business Privilege Tax (BPT) hasn't come in.

Mr. Brent Hartzell stated that there are two rather distinctive. In the June Report, you will notice the Real Estate Tax for that month is not as high as it will be in previous because we extended the Gross Payment deadline to July 15th. On the Business Privilege Tax side, we have seen a noticeable drop outside the NIZ of \$200,000 and inside the NIZ even greater than that. Explanation within the NIZ was there was large construction work. Outside the NIZ, we had one very large corporation that moved out of the city. It is mostly in the service sector.

Mr. Julio Guridy thanked Mr. Hartzell. That is what is going on inside and outside the NIZ. He talked about the vacancy report being a little higher than anticipated. He talked about the Solid Waste Transfer that will be in July. Risk Management coming in as expected.

Mr. Brent Hartzell talked about the \$4.5 million loan to the General Fund will be on the July statement. He did mention both in the May and June Statement that we were seeing a larger expected spend on Remittances to health providers. By the end of June, we were five percent more than what we spent at the same time a year ago.

Mr. Julio Guridy stated that the good news we are about \$25,000 behind on the Golf Fund. The good news, we will be in the Black. We are having a great year.

Mr. Brent Hartzell stated that as we mentioned at the end of June a year

ago the balance of the Golf Fund was worst than a negative \$150,000. Now, we are a negative \$25,000. We will be in the black after July and hopefully really there after August.

Mr. Julio Guridy stated that let's hope we don't have a bad winter and it comes a little late to get more resources in the Golf Fund. 911 seems to be ok. We are still working on the Capital Fund.

Mr. Brent Hartzell thanked Mr. Guridy for mentioning that because you are still seeing that negative balance in the Capital Fund. We are making sure before making any adjustments to get the accounts rectified. the Deputy Director submitted a reimbursement for \$900,000. The Trust has to make that approval.

Mr. Julio Guridy asked any comments from my colleagues or the public.

Mr. Lou Hershman asked about the unappropriated balance of the Trexler Fund. You will still have a deficit. He asked when you passed the 2016 budget, you had a line item for marketing and advertising for \$130,000, but in your cash report it did not provide that line item. He asked about the Parking Authority going into Rental Properties. He doesn't know if the city Charter allows that. They can't even pay us the \$1 million.

Mr. Brent Hartzell stated that he doesn't know what department he is looking at. He didn't bring his budget book. He stated that he can get back to Council. It was an item that money was not received in 2015 and we had \$130,000 for this year.

Mr. Julio Guridy asked if that was for the 2015 budget. They are allowed to rent parking.

Mr. Brent Hartzell stated 2016. We factored in \$130,000 for revenue on a line item for marketing and advertising.

Mr. Daryl Hendricks stated what they are doing Mr. Hershman is looking at a lease agreement. They are looking to develop a vacant lot at Sixth and Linden. It is actually to build the parking deck. They did pay last year the \$1 million.

Mr. Brent Hartzell stated that he has in his possession from the Executive Director the expected allocations for the year that are set in court order. The city will receive during 2016 from the Trust \$250,000 from Capital, \$1,456,250 for Operating which is \$200,000 more than we have budgeted.

Mr. Glenn Hunsicker asked about the negative numbers of Page 1 of 2901

and 2909 accounts. Explain these negative numbers? He asked if Mr. Hartzell transferred it to another account. He stated that this is a little confusing. He stated that he understands the 325. This is the revenue coming in for real estate for that month. He asked about Page 9, will they get a full report on the Capital Fund. He asked about the Bonds and the \$5.7 million negative. It is fair to say we are still short \$5.7 million. We want to see the details on a Summary Sheet. He asked about the Golf Fund and the inner-city transfer fund and the General Fund Service Charges.

Mr. Brent Hartzell stated that 2901 in May we accumulated within the real estate current all the monies that came in for payment for real estate tax. We collect the solid waste fee as part of that bill. We transferred the portion back to the Solid Waste Fund. With respect to 2909, in June that was the escrow for the NIZ for the Business Privilege Tax. With respect to the Capital Fund, we are in the process of closing 37 projects. We are looking back to the origin of the projects to make sure they are assigning it to the right project. That is why we are going through the reconciliation. We are waiting reimbursements from other grantees. There are projects that are closing earlier. He stated that during the last two to three months, the city has retained the Maximus for Harrisburg to do a review of our indirect cost methods. In addition to that it laid out the dollar amounts that revenue or enterprise funds that work the general fund was doing for those entities. Those numbers will be put in the 2017 budget. He asked about the Stabilization number and when does the interest is put in.

Mr. Julio Guridy suggested the Mr. Hartzell right a paragraph on it. He stated that there will be a Capital Fund Report soon. He stated that he doesn't want the Finance Department to put information that is not correct.

Ms. Deb Bowman went over the Fund numbers and the non-pooled the 001 are the proceeds that we got for the items. It is all listed. There are draw downs as we expense. We keep them separate. it is a more efficient way to track the funding. For the Stabilization Fund, the interest is put in on a month to month basis.

Mr. Julio Guridy thanked Mr. Hunsicker.

Mr. Tommy Hahn stated that he has the article about the Parking Authority going into business with PennRose. Who will I address this? He sent an email out about what affects the revenues.

Mr. Julio Guridy stated to Mr. Hahn to contact the Parking Authority.

Mr. Daryl Hendricks stated to Mr. Hahn that they had a meeting. The

Parking Authority will not own the building or rentals. They will own the parking entity of the building. It will be a 99 year lease.

Mr. Ray O'Connell stated that the rentals will pay taxes. Not the parking portion. Right now the property pays no taxes so the rentals would pay taxes.

Mr. Julio Guridy asked any other comments.

Dr. David McGuire asked Mr. Hartzell asked about the City of Allentown 2016 Budget and the first part is General Fund with sources of money. He asked about the Transfer from Solid Waste. In the Budget for 2015, there was nothing all the way across to the final and then in 2016 Budget it says \$4,500,000. Briefly tell me why it is \$4,500,000.

Mr. Brent Hartzell stated what you are going to get in the segment of the General Fund is indeed the revenues in the aggregate coming forward anticipated in 2016. He stated that this was indeed part of the Budget approval process back in December to balance the General Fund. He approved that transfer back in July and you will see it on next month's Financial Statements. The budget of 2017 will have an item of \$643,000 and is the first payment of the General Fund back to the Solid Waste. He deferred to Mr. Craig Messinger to go into further details.

Mr. Julio Guridy asked any further comments.

Adjournment: 6:34 PM