



Minutes - Final

Budget and Finance Committee

Wednesday, October 5, 2016

5:30 PM

Roll Call: Chairperson Guridy, Councilpersons Hendricks and Mota

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

[15-1064](#)

Bill 52

Amending Article 307, Solicitors and Canvassers, of the Codified Ordinances of the City of Allentown by changing the license fee to an application fee, raising the fee from \$25 to \$50 to recoup the costs to process the application, changing the time from going door to door from 9am – 9pm, to 9 am to 7pm, and separating Solicitors from Canvassers.

Attachments: [Bill 52 Solicitors and Canvassers](#)

[Memo - Solicitors](#)

Assistant Chief Gail Struss discussed the process. They are trying to streamline. One of the major complaints from the residents on the west end is solicitors going door to door 8:00 or 9:00 at night, especially from the older residents. They took a look at the license fee. They had people lying on the application and were not approved because of their criminal history. Based on case law, it is best to separate the solicitors from the canvassers. A lot of municipalities are charging much more. It is for people going door to door.

Mr. Julio Guridy asked if it includes the signs when they run for political positions. He asked any comments from my colleagues.

Mr. Daryl Hendricks thanked Mr. Guridy and stated that he would like to comment that it is a wise move to change the hours to 7:00 PM.

Ms. Cynthia Mota asked how many license do you do a year. She asked how much money are you planning to get from this.

Assistant Chief Gail Struss stated that she is not really sure. It is not a huge amount. It is not in the hundreds. She doesn't know. She doesn't know how many people in the future will apply for a license.

Mr. Brent Hartzell stated that our staff with Revenue and Audit would have that information. We will get it for you.

Mr. Julio Guridy asked any other further comments from the dais or any comments from the public.

Mr. Tom Hahn, 2016 E. Highland Street, stated you mentioned about the hours. He asked them to add daylight savings time.

Mr. Julio Guridy stated that the only concern that I have is that people don't know when daylight savings time will be.

Mr. Daryl Hendricks stated that the key point is the reasonableness of the hours, 7:00 pm is more reasonable than 9:00 pm.

Ms. Cynthia Mota stated that she agrees. Let's not make it complicated, 7:00 PM.

Mr. Julio Guridy asked anymore questions from the public.

A motion was made by Cynthia Mota, seconded by Daryl Hendricks, that this Ordinance be approved. The motion carried by the following vote:

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

Enactment No: 15318

[15-1077](#)

R147

Request Submission of the Five (5) Year Financial Plan

Sponsors: Hendricks, McGuire, MacLean and Guridy

Attachments: [R147 Submission of the Five \(5\) Year Financial Plan](#)

Mr. Julio Guridy stated that we have been talking about this about getting the 5 - year financial plan. We are understanding that it was completed a while ago. He asked the Mayor, where is the Plan. The Mayor stated that he will provide it to us the day of the budget.

Ms. Cynthia Mota asked if it will be a special meeting.

Mr. Ray O'Connell stated that he needs to present the budget on November 1st. Historically, he has not. It is usually the first Council meeting in November.

Mr. Julio Guridy stated that it has to be given to us by November 1 and sometimes because November 1st might fall on a weekend, then it is presented at the next Council meeting.

Mr. Ray O'Connell stated that we will discuss as a group and come to a consensus.

Dr. David McGuire asked what range is there for that when we were told that we would get it on any given day.

Mr. Ray O'Connell asked are you talking about the 5 - year financial plan.

Dr. David McGuire stated the 5 - year plan. We were told that it would be given to us on November 1st.

Mr. Ray O'Connell stated that the 5 - year financial plan we have been asking for a long time. This is why we are doing the Resolution to get the 5 - year plan to us.

Dr. David McGuire asked if they will have a discussion on the 5 - year proposal.

Mr. Julio Guridy stated that we can talk about it, but it will be without the information.

Dr. David McGuire asked Mr. Hartzell about the 5 - year plan.

Mr. Brent Hartzell stated that Dr. McGuire might be speaking of the 5 - year capital improvements plan alongside of the 5 - year plan projected revenues and expenditures. He stated that he is sure both of those supposed to be annual. He stated that he does not have the history of when the revenue expenditure plan was put out.

Dr. David McGuire asked if the 5 - year plan funded related to state government asking us to do this. He asked where does the grants come from. Have we ever given them a report on what we have done.

Mr. Brent Hartzell stated that the provision for set plan is provided in the City Charter. There have been grants to get it completed. The State Department of Community and Economic Development.

Ms. Deb Bowman stated that there is a grant close out, but she doesn't know per se if they received the final.

Mr. Brent Hartzell stated that they have not release a report.

Dr. David McGuire asked if five or six years ago receives grants or a plan.

Mr. Brent Hartzell stated that pre-dates him.

Ms. Deb Bowman stated that there were others: EIP - Early Intervention

Plan. There have been since she has been at the city another plan.

Mr. Brent Hartzell stated that it was the EIP which had the state money on it.

Mr. Michael Hanlon stated that Council has a listing of the grants. He just emailed them.

Mr. Julio Guridy thanked Dr. McGuire. He stated that the Resolution is R147.

Mr. Michael Hanlon read:

Resolved by the Council of the City of Allentown, That

WHEREAS, the Home Rule Charter of the City of Allentown states: The Mayor shall have the following powers and duties (among others): Prepare and submit, to City Council, on an annual basis a five (5) year financial plan and budget.

WHEREAS, a plan has not been made available to Council or the public (the last document, a draft/discussion document was circulated in 2005); and

WHEREAS, the city has received state funds/grants to prepare a Five Year Plan: one grant in the amount of \$39,000 ended in August of 2015 and another in the amount of \$67,800 ended in 2012; and

WHEREAS, city funds were also used to create a five year plan as required by the Charter; and

WHEREAS, the grant application projected schedules and key milestones and dates that have long since expired; and

WHEREAS, City Council has been told for the last few years the release of such plan is just around the corner.

NOW THEREFORE BE IT RESOLVED that Allentown City Council finds that the concealment of the plan is: 1. In direct violation of the charter. 2. Contrary to the intent of state funding which is directed to be used for purposes relative to public decision-making. 3. A disservice to the operation, efficiency and transparency of city government.

BE IT RESOLVED that should the Five Year Plan not be accounted for by October 1, City Council will investigate the circumstances surrounding the Five Year Plan, specifically the decision and stalling tactics used to prevent

the plan from being made public and use all of its authority under the charter to make the record clear.

Mr. Roger MacLean stated that he believes he heard that the Plan is done. Why do we have to wait until November 1st to get it with the budget.

Mr. Julio Guridy stated that he asked for it to be today and he requested that he would present at the time of the Budget. I don't see it as too promises in terms of the finances of the city.

Mr. Ray O'Connell stated that he looks at the 5 - year financial plan and the budget as two separate entities.

Mr. Brent Hartzell stated that as the Mayor has indicated that the primary reason to bring it with the budget is to make the 2017 year the baseline projections, 2017 - 2021 would be appropriately that 5 - years.

Mr. Ray O'Connell asked the distinction between the 5 - year financial plan and the CAFR

Mr. Brent Hartzell stated the 5 year plan is prospection of estimation on revenues and expenditures. The Comprehensive Financial Report that you refer to is a yearly summary by independent auditors on what is happening in the fiscal year that was just completed.

Mr. Julio Guridy asked any other comments from the dais about the 5 year financial plan.

Dr. David McGuire asked if there is a 5 year plan to be prepared every year.

Mr. Brent Hartzell stated that is his understanding as to what is in the Charter.

Dr. David McGuire stated when we talk about a 5 year plan. Are we talking about this year and 5 years out.

Mr. Brent Hartzell stated that he would interpret it to the first year of it. The Mayor wants to use 2017 as the baseline as year one.

Dr. David McGuire stated that if he is wrong, and he prefers to be wrong that it suggests to him that the Mayor has been derelict in his explicit responsibly under the Charter to have a plan every 5 years.

Mr. Julio Guridy asked anyone else from the dais or the public.

Mr. Lou Hershman, 405 N. Gilmore Street, stated that as a member of City Council back in 2000, you know that we got an annual report every year, updated. This Mayor hasn't done it once. He stated that he has been requesting a 5 year plan annually. City Council should start an investigation for violating the Right to Know Law.

Mr. Julio Guridy thanked Mr. Hershman and asked anyone else from the public.

Mr. Glen Hunsicker, 844 S. 11th Street, stated that he has a paper that says multi-year plan services dated 12/22/14. It says it was canceled and it was \$26,000 that the city paid for this report. In 2005 Financial Advisory Services Canceled, and another one was canceled. You see the pattern. There is something wrong. Council has to step up to the plate and enforce this Charter. He has another paper the 5 year management financial plan.

Mr. Brent Hartzell stated that some time earlier in the Spring we received a Right to Know request about expenditures to Public Financial Management. If what he is looking at is a vendor list of things that happened, cancellations were not that we did not pay them, the checks were cashed. We will look into that to get clarity.

Ms. Deb Bowman stated that if she can see the document, she can tell him. This is a vendor and when it is says canceled, it is saying the check, the status is canceled. That means the check cleared.

Mr. Julio Guridy stated that we will get the information right from the mayor. He appreciates Mr. Hartzell answering questions for the mayor. He is new and may be answering questions he does not know. He stated that he wants to be as transparent as possible.

Ms. Helen Hahn, 2016 E. Highland Street, stated that they come meeting after meeting to ask questions. She thanked Dr. McGuire for asking intelligent questions to get something resolved.

Mr. Julio Guridy stated that they do provide information that they have at hand.

Mr. Tom Hahn, 2016 E. Highland Street, asked the Controller if he could provide information as soon as possible. He wants the Controller to see any Bonds, grants and compare what was done. We need the 5 year plan.

Mr. Julio Guridy asked Mr. Hahn if he is talking about the Capital Plan?

Mr. Tom Hahn stated 5 year plans where money was set aside. We need that comprehensive information to see what was completed and what was done.

Mr. Brent Hartzell stated that what you are talking about is what we have been doing with capital projects and moving money around after a project was finished.

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Mr. Tom Hahn asked how do I know you will ask the questions of the citizens if you don't meet with us.

Mr. Julio Guridy asked Mr. Hartzell if he would be able to get the calculations that Mr. Hahn was talking about.

Mr. Brent Hartzell stated that he had opportunities to speak to Mr. Hahn and Mr. Hunsicker and have no problems taking information. He never had a problem responding to questions.

Mr. Julio Guridy asked any other comments.

A motion was made by Cynthia Mota, seconded by Daryl Hendricks, that this Resolution be approved. The motion carried by the following vote:

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

Enactment No: 29328

[15-1125](#)

Monthly Finances

Attachments: [AUG 2016 MO RPT](#)
[QTR CAPITAL REPORT - 2Q16](#)

Mr. Julio Guridy stated that we still have the Budget and Finance Monthly Report and the Quarterly Capital Report for 2016. We got the MMO payment for the year and we are doing pretty good with the Real Estate Taxes.

Mr. Brent Hartzell stated that much of what we are seeing with trends in July

are pretty much held true in August in which we are still above estimates on residents earned income taxes, and the deed transfers and behind what was projected for real estate and business privilege tax. We did get good news on the state aid for pensions for Act 205 which estimated at \$3.9 million is actually for this year over \$4.3 million over the General Fund. The positives and negatives will be equal.

Mr. Julio Guridy stated that we also gotten half of the LCA payments for \$500,000. He asked about the casino revenue and how that is going to affect our finances.

Mr. Brent Hartzell stated that the second half of the royalty payment for this has been received. That may not show up until the October statement. He stated that the City of Allentown statutorily has three streams of revenue between slot machines and table games and distribution of revenue that are to be provided to the city that is tied to the Sands Casino. Right now, we have been receiving on an annual basis \$3.9 million. When the Mount Airy case originally came up for the PA Supreme Court the big issue was the \$10 million fee. The statute was rendered ineffective. The court is waiting for the state legislature over this 120 day period to come up to a replacement mechanism for that.

Mr. Julio Guridy asked about the expenditure being about one percent of the budgeted amount. He asked about the Risk Funds Summary and the other funds. He did not see much significance. We are looking at the Golf Fund and it continues to be in the black. He stated that they received a copy of the Capital Fund and expenditures. He asked about the Capital Projects being closed, reconciled and balanced.

Mr. Brent Hartzell stated that the city continues to see wages one percent above last year's budget. We now have the retroactive ruling for the arbiter the Police salary for the year we are currently in and two years to follow. He thanked Ms. Molitoris, Ms. Bowman and the Accounting team. He stated that every one of the reports gets signed off by me. The 37 close projects are separated from the Capital Plan.

Mr. Julio Guridy asked any further comments from the dais or the public..

Mr. Lou Hershman, 405 N. Gilmore Street, stated that he sent a letter to City Council on the wage tax. He asked Council to talk to the Solicitor about charging him 1.65 percent and the nonresidents 1.28 percent is legal.

Mr. Glen Hunsicker, 844 S. 11th Street, asked about the Capital Projects and \$2.8 million we are in the red. He asked of the Capital Fund Plans,

how much will be funding by Bonds. How do we know it goes back to that Proprietary Fund. How do we show it on the paperwork?

Mr. Brent Hartzell stated that he is back on the Monthly Report and he is looking at the cash balances. He stated that it is closer to zero on it because we were able to make accounting entries in August when we received reimbursements. He stated that as you can look at in the Capital Reports, the Projects are aligned with particular debt issuance.

Ms. Deb Bowman stated that when we got the state aid in, it was put in each fund. Any funds that come in that are strictly Solid Waste goes there. Our annual audit shows, if it was meant for Solid Waste, it will show.

Mr. Julio Guridy stated to Mr. Hunsicker that they can talk off-line and get more information. He asked any more comments from the dais.

Adjourned: 6:37 PM