

ORDINANCE NO. 15530

FILE OF CITY COUNCIL

BILL NO. 13 - 2019

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FEBRUARY 20, 2019

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## AN ORDINANCE

Amending the 2018 Risk Fund Budget by transferring from the unappropriated balance of the Risk Fund to cover the remaining cost for Legal Fees as well as correcting negative balances in Permanent Wages and Self-Insured Losses. Also transferring funds within the 2018 Risk Fund for the same purpose. Total amount of transfer is Two Hundred Eighteen Thousand Eight Hundred Twelve Dollars and Seventy Cents (\$218,812.70).

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That City Council authorizes the transfer of funds within the Risk Fund in the following manner:

<u>FROM</u>		
<b>081-02-8001-0001-46</b>	<b>Other Contract Services</b>	<b>\$ 5,367.58</b>
<u>TO</u>		
<b>081-02-8001-0001-02</b>	<b>Permanent Wages</b>	<b>\$ 2,635.00</b>
<b>081-02-8001-0001-80</b>	<b>Self-Insured Losses</b>	<b>2,500.00</b>
<b>081-02-8001-0001-44</b>	<b>Professional Service Fees</b>	<b><u>232.58</u></b>
	<b>Total</b>	<b>\$ 5,367.58</b>

SECTION TWO: That City Council authorizes a supplemental appropriation from the unappropriated balance of the 2018 Risk Fund in the amount of Two Hundred Thirteen Thousand Four Hundred Forty-Five Dollars and Twelve Cents (\$213,445.12) in the following manner:

**Professional Service Fees**

**081-02-8001-0001-44**

**Professional Service Fees**

**\$ 213,445.12**

SECTION THREE: That this Ordinance will take effect ten (10) days after final passage.

SECTION FOUR: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

	Yea	Nay
Candida Affa, VP	X	
Julio A. Guridy	X	
Daryl Hendricks	X	
Cynthia Y. Mota	X	
Courtney Robinson	X	
Ed Zucal	X	
Roger MacLean, Pres.	X	
TOTAL	7	0

I hereby certify that the foregoing Ordinance was passed by City Council on April 3, 2019 and signed by the Mayor on April 8, 2019.



CITY CLERK

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

Finance Department

- **Summary and Facts of the Bill**

This Bill allows for the re-appropriation of funds within the Risk Fund and also transfers funds from the unappropriated balance of the Risk Fund to to cover the cost of legal fees, permanent wages and self-insured losses which exceeded the amount budgeted for 2018.

- **Purpose – Please include the following in your explanation:**
  - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
  - **What are the Benefits of doing this/Down-side of doing this**
  - **How does this Bill related to the City's Vision/Mission/Priorities**

The total cost for legal fees in 2018 exceeded the amount budgeted by \$213,677.70 due to several legal issues that the Solicitor's Office is dealing with. Also the Permanent Wage account is negative in the amount of \$2,635 due to a change in Personnel for the Claims Coordinator position. In addition the Self-Insured Losses is negative by \$2,500. A total of \$5,367.58 can be reappropriated from other accounts within the Risk Fund that did not spend the full amount allotted to them for the year. The remaining \$ 213,445.12 will be transferred from the unappropriated balance of the Risk Fund.

- **Financial Impact – Please include the following in your explanation:**
  - **Cost (Initial and ongoing)**
  - **Benefits (initial and ongoing)**

This ordinance allows for the negative account to be made whole while still maintaining a positive cash balance in the Risk Fund.

- **Funding Sources – Please include the following in your explanation:**
  - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

Reappropriation of funds within the Risk Fund and transfer from the unappropriated balance of the Risk Fund.

- **Priority status/Deadlines, if any**

Approval is needed as soon as possible to ensure timely correction of the negative balances for auditing purposes.

- **Why should Council unanimously support this bill?**

Council's approval of this ordinance will allow the City to make the negative accounts whole as required for the annual audit.