

ORDINANCE NO. 15634

FILE OF CITY COUNCIL

BILL NO. 56 - 2020

AUGUST 19, 2020

AN ORDINANCE

Amending the 2020 General Fund, Solid Waste and Stormwater Fund Budgets by transferring a total of Four Hundred Twelve Thousand Eight Hundred (\$412,800) Dollars from the unappropriated balances of the General Fund, Solid Waste Fund and Stormwater Fund to General and Civic Program within the General Fund to enable payment to the Pennsylvania Unemployment Compensation Fund for COVID-19 related furloughs and layoffs.

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

SECTION ONE: That City Council authorizes a transfer in the amount of Eighty-Six Thousand Four Hundred (\$86,400) Dollars from the unappropriated balance of the Solid Waste Fund to Account 88 – Interfund Transfers in the following manner:

**Solid Waste
Collection/Disposal/Recycling**

085-03-8005-0001-88	Interfund Transfers	\$ 86,400
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SECTION TWO: That City Council authorizes an increase to the unappropriated balance of the General Fund in the amount of Eight-Six Thousand Four Hundred (\$86,400) Dollars as the result of a transfer from the Solid Waste Fund in the following manner:

General Fund

000-2660	Transfers In	\$ 86,400
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SECTION THREE: That City Council authorizes a transfer in the amount of Forty-Three Thousand Two Hundred (\$43,200) from the unappropriated balance of the Stormwater Fund to Account 88 – Interfund Transfers in the following manner:

Stormwater

086-03-0815-0001-88	Interfund Transfers	\$ 43,200
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SECTION FOUR: That City Council authorizes an increase to the unappropriated balance of the General Fund in the amount of Forty-Three Thousand Two Hundred (\$43,200) Dollars as a result of a transfer from the Stormwater Fund in the following manner:

General Fund

000-2660	Transfers In	\$ 43,200
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SECTION FIVE: That City Council authorizes the transfer in the amount of Two Hundred Eighty-Three Thousand Two Hundred (\$283,200) Dollars from the unappropriated balance of the General Fund to Account 46 – Other Contract Services in the General and Civic program for the General Fund portion of the COVID-19 unemployment cost in the following manner:

General and Civic

000-01-0609-0001-88	Interfund Transfers	\$283,200
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SECTION SIX: That City Council authorizes the transfer in the amount of One Hundred Twenty-Nine Thousand Six Hundred (\$129,600) Dollars from the unappropriated balance of the General Fund to Account 46 – Other Contract Services in the General and Civic program for the Solid Waste and Stormwater Funds portion of the COVID-19 unemployment cost in the following manner:

General and Civic

000-01-0609-0001-88	Interfund Transfers	\$129,600
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SECTION SEVEN: That this Ordinance will take effect ten (10) days after final passage.

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

	Yea	Nay
Candida Affa	X	
Julio A. Guridy, VP	X	
Ce-Ce Gerlach	X	
Cynthia Mota	X	
Joshua Siegel	X	
Ed Zucal	X	
Daryl Hendricks, Pres.	X	
TOTAL	7	0

I hereby certify that the foregoing Ordinance was passed by City Council on September 2, 2020 and signed by the Mayor on September 3, 2020.

Michael P. Hala
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**

Move funds from the unappropriated balance of the Solid Waste Fund, Stormwater Fund and General fund to cover the unemployment cost incurred during the COVID-19 furloughs and layoffs for those whose salaries are allocated to these funds.

- **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**

At the time the budget was prepared the customary amount of \$110,000 was budgeted for the quarterly payments that are made to the PA Unemployment Compensation Fund for employees who become unemployed while working for the City or those who become unemployed within two years after the leaving the City on good terms and the City is considered the base year employer on record.

Due to COVID-19 it became necessary for the Administration to offer a voluntary furlough to it's employees which resulted in a total of 86 employees being furloughed for 8 weeks. The cost per employee per week is \$600 with 34 employees being paid from the General Fund, 14 employees from Liquid Fuels, 18 employees from Solid Waste, 9 employees from Stormwater and 11 employees from the Rental Unit Fund. The Solid Waste and Stormwater Funds are able to share in this cost for the employees who were out. However, the General Fund needs to be support the Liquid Fuels Fund because this is not a reimbursable expense under the Liquid Fuels State guidelines and with the Rental Unit Fund being in its first year it does not have any reserve to pull from.

Under the CARES Act the City should be receiving 50% of this cost reimbursed; however, when that will occur remains to be unknown at this time. Therefore, the City is required to pay the full amount quarterly as invoiced by the PA Unemployment Compensation Fund.

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

Below is a breakdown of the unemployment costs per fund:

General Fund	34 employees	\$ 163,200
Liquid Fuels Fund	14 employees	\$ 67,200
Rental Unit Fund	11 employees	\$ 52,800
Solid Waste Fund	18 employees	\$ 86,400
Stormwater Fund	9 employees	<u>\$ 43,200</u>
Total		\$ 412,800

- **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.**

Funds are being transferred from the unappropriated balance of the General Fund, Solid Waste Fund and the Stormwater Fund.

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

Unemployment Compensation payments need to be paid timely to prevent the City incurring penalty for late payment. This amount of \$412,800 will cover the second, third and fourth quarter payments for 2020.

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

Without this transfer unemployment compensation payments will not be able to be processed for payment and the City will incur a 1% penalty for each payment that is late.