

FILE OF CITY COUNCIL

BILL NO. 63 - 2024

JULY 9, 2024

AN ORDINANCE

Amending the 2024 Capital Fund Budget to provide for a transfer of Eight Hundred Seventeen Thousand Dollars (\$817,000.00) from the General Fund Unappropriated Cash Balance to the Administrative Order capital account. The debt will be paid back with 4.250% annual interest in full no later than May 31, 2029, pursuant to the Annual Debt Service presented in the annual report required will allow the Administrative Order (AO) fund to have the additional funds needed to complete the City's requirements under the Concession Lease Agreement.

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

SECTION ONE: That the City Council authorizes a transfer in the amount of Eight Hundred Seventeen Thousand Dollars (\$817,000.00) from the City's Central Treasury bank account.

TO

Capital Account Administrative Order (1914)

001-03-1914-2402-46

\$817,000.00

SECTION TWO: That this Ordinance takes effect ten (10) days after final passage.

SECTION THREE: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

	Yea	Nay
Candida Affa		
Ce-Ce Gerlach		
Daryl Hendricks		
Santo Napoli		
Natalie Santos		
Ed Zucal		
Cynthia Y. Mota, Pres.		
TOTAL		

I hereby certify that the foregoing Ordinance was passed by City Council on _____ and signed by the Mayor on _____.

CITY CLERK

What department or bureau is this bill originating from? Where did the initiative for the bill originate?

Public Works – Office of Compliance

Summary and facts of the bill.

This bill is to transfer funds from the General Fund Unappropriated Cash Balance to the Administrative Order capital account (1914).

The transfer is required because the current estimates indicate that the Administrative Order (AO) account will need additional funds to complete the City's requirements under the Concession Lease Agreement (CLA) for the AO.

Purpose – Please include the following in your explanation

a. What does the bill do? What are the specific goals or tasks the bill seeks to accomplish?

The purpose of this bill is to transfer funds from the General Fund Unappropriated Cash Balance to the AO capital account.

b. What are the benefits of doing this? What are the drawbacks?

The funds are needed in the AO account for the City's requirements under the Concession Lease Agreement. The funds will be repaid through a 4-year loan, which the sewer ratepayers and connected sewer municipalities will reimburse the City for the transferred funds.

c. How does this bill relate to the City's vision/mission/priorities?

The CLA §3.2.C. outlines that the City is responsible for Excluded Liabilities. The transfer of these funds is to fulfill the City's mission under the CLA.

Financial Impact – Please include the following in your explanation:

a. Cost (initial and ongoing)

The transfer will remove funds from the General Fund Unappropriated Cash Balance and put into the AO capital account for the City's requirements under the CLA.

The debt will be paid back with 4.250% annual interest in full no later than May 31, 2029, pursuant to the Annual Debt Service presented in the annual report required will allow the Administrative Order (AO) fund to have the additional funds needed to complete the City's requirements under the Concession Lease Agreement.

b. Benefits (initial and ongoing)

The funds will be repaid through a 4-year loan, which the sewer ratepayers and connected sewer municipalities will reimburse the City for the transferred funds. The transfer of these funds will help fulfill the City's mission under the CLA.

Funding Sources – Please include the following in your explanation:

a. If transferring funds, please make sure to give specific account names and numbers. If appropriating funds from a grant, please list the agency awarding the grant.

- Transfer from The General Fund Unappropriated Cash Balance the amount of \$817,000.
- Transfer to Capital Account Administrative Order:
001-03-1914-2402-46 \$817,000

Why should Council unanimously support this bill?

Council should support this bill because the funds are needed for the Administrative Order project to assist in the completion of the City's requirements under the Concession Lease Agreement.