

ORDINANCE NO. 16095

FILE OF CITY COUNCIL

BILL NO. 1 - 2025

JANUARY 15, 2025

AN ORDINANCE

Amending the 2024 Liquid Fuels Fund Budget to provide for a transfer of Five Hundred Sixty-Seven Thousand Nine Hundred Fifty-One Dollars and Thirty-One Cents (\$567,951.31) from the unappropriated balance of the General Fund. The reason for this transfer is due to an audit that was conducted on the Liquid Fuels funding from 2016-2020. During that audit, a finding was presented that paving of more than one inch had to get prior approval from the Department of Transportation, and that was not done. This was not found in previous audits and corrected once we were made aware.

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

SECTION ONE: That the City Council authorizes a decrease to the unappropriated balance of the General Fund in the amount of Five Hundred Sixty-Seven Thousand Nine Hundred Fifty-One Dollars and Thirty-One Cents (\$567,951.31) and transferred to the following account:

Decrease:	
000-01-0609-0001-88 (Interfund Transfers)	\$567,951.31
000-1010 (Cash – General Fund)	\$567,951.31
Increase:	
Liquid Fuels Fund	
004-1010 (Cash – PA Motor Fund)	\$567,951.31
004-6660 (Transfer From Other Funds)	\$567,951.31

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SECTION THREE: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.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	X	
Ce-Ce Gerlach	X	
Cynthia Y. Mota	X	
Santo Napoli	X	
Natalie Santos	X	
Ed Zucal	X	
Daryl Hendricks, Pres.	X	
TOTAL	7	0

I hereby certify that the foregoing Ordinance was passed by City Council on February 5, 2025 and signed by the Mayor on February 7, 2025.

Michael F. Har

CITY CLERK

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

Public Works - Liquid Fuels.

- Summary and facts of the bill.

This bill transfers \$567,951.31 from the General Fund to the Liquid Fuels Fund in 2024. The state conducted an audit on the Liquid Fuels Tax Fund for the period of January 1, 2016, to December 31, 2020. The audit requires the City to reimburse total of \$1,703,853.92 to the Liquid Fuels Fund from the General Fund for paving in excess of one inch on various streets without obtaining the approval of the Department of Transportation. Per auditors "Before paving of one inch in thickness or greater is done the municipality must obtain the approval of the Department of Transportation. However, the municipality did not file an application with the Department of Transportation for the project and also failed to submit specification for approval". A payment plan has been set up for three years (2024 through 2026). The first payment, \$567,951.31 is due by December 31st, 2024.

- 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?

This bill reimburses the Liquid Fuels Fund in the amount of \$567,951.31 for 2024 per the state's audit findings.

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

The benefit of doing this transfer is complying with the state's audit findings and following regulations. Also, the funds will not be returned to the state. The funds are being reimbursed to the Liquid Fuels Fund, which means the payments can be used on construction projects that have received previous approval, or approved expenditures in the Liquid Fuels Fund.

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

This bill relates to the City's vision/mission/priorities as it shows our commitment to the safety of our community and following the findings from the state audit of the Liquid Fuels Fund. This shows our dedication to working with the state and making corrections to issues they have identified.

- Financial Impact – Please include the following in your explanation:

- a. Cost (initial and ongoing)

\$567,951.31 for 2024 per the payment plan.

- b. Benefits (initial and ongoing)

The funds will be reimbursed to the Liquid Fuels Fund as recommended by the state audit covering January 1, 2016, through December 31, 2020. The Liquid Fuels Fund may use these funds on previously approved projects, and or approved expenditures.

- 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.

Decrease:

000-01-0609-0001-88 (Interfund Transfers)	\$567,951.31
000-1010 (Cash – General Fund)	\$567,951.31

Increase:

004-1010 (Cash – PA Motor Fund)	\$567,951.31
004-6660 (Transfer From Other Funds)	\$567,951.31

- Priority status – Are there any deadlines to be aware of?

The first payment is to be made on or by December 31, 2024, per the payment plan.

- Why should Council unanimously support this bill?

Council should unanimously support this bill as it implements the recommendations of the state audit. Also, the funds reimbursed to the City of Allentown's Liquid Fuels Fund through the payment plan will not be lost to the state. The funds are being reimbursed to the Liquid Fuels Fund for future use on approved projects, or other approved expenditures.