

CITY AUDITOR'S REPORT

MONDAY, DECEMBER 17, 2018

2017 STATE LIQUID FUELS AUDIT

TODAY 12/17/18, THE CITY RECEIVED A COPY OF THE JUST COMPLETED LIQUID FUELS (MOTOR LICENSE) FUND AUDIT FOR THE YEAR ENDED 12/31/17. THESE ARE STATE FUNDS THAT MUNICIPALITIES RECEIVE TO MAINTAIN, REBUILD, AND REPAIR STREETS AND ROADWAYS. STREET LIGHTING, BRIDGE LIGHTING AND APPLICABLE PERSONNEL COSTS ARE ALSO ALLOWABLE USES OF THESE FUNDS.

THERE WERE TWO (2) FINDINGS IN THE 2017 AUDIT:

1. FAILURE TO OBTAIN PROJECT APPROVAL (\$97,340)
2. LATE RECEIPT OF ALLOCATION

MANAGEMENT PROVIDED A CORRECTIVE ACTION PLAN FOR BOTH ITEMS TO ELIMINATE THESE TYPE OF FINDINGS IN THE FUTURE.

THE CITY RECEIVED A GRANT OF \$2,036,946 IN 2017 FOR THE LIQUID FUELS FUND. THE 2017 BUDGET ESTIMATED \$2,771,500 IN TOTAL REVENUES AND ALSO THE SAME AMOUNT FOR EXPENDITURES. IN 2018, THE CITY BUDGETED \$2,101,610 FOR OUR ANNUAL LIQUID FUELS GRANT AND RECEIVED \$2,136,872 OR \$35,262 MORE THAN EXPECTED.

2019 PROPOSED BUDGET COMMENTS

I PROVIDED, IN A SEPARATE REPORT, COMMENTS REGARDING THE MAYOR'S PROPOSED 2019 BUDGET AS DEFINED IN **ARTICLE V SECTION 503(b)** OF THE HOME RULE CHARTER OF THE CITY OF READING. THIS REPORT WAS GIVEN TO CITY COUNCIL AND THE ADMINISTRATION ON 12/10/18.

THE AUDITOR'S RECOMMENDED CHANGES TO BOTH REVENUE AND EXPENDITURE ALLOCATIONS WERE GIVEN TO BOTH CITY COUNCIL AND THE ADMINISTRATION ON THURSDAY 12/06/18. SEVERAL OF THOSE RECOMMENDATIONS ARE NOW INCORPORATED INTO THE FINAL VERSION OF THE 2019 BUDGET, **INCLUDING OVER \$275,000 OF INCREASED REVENUES AND MORE THAN \$170,000 IN EXPENDITURE REDUCTIONS.**

TRAFFIC FINES MOTOR CODES 2007-2018 2nd QUARTER

THE FOLLOWING CHART ILLUSTRATES THE TRAFFIC FINES-MOTOR CODES COLLECTED THROUGH THE READING PARKING AUTHORITY FOR THE YEARS 2007-2018-2nd QUARTER. THESE FINES ARE FROM READING POLICE DEPARTMENT ISSUED CITATIONS PAID AT THE READING PARKING AUTHORITY. ON 12/05/18, THE CITY RECEIVED \$171,974 FOR 1ST & 2nd QUARTER 2018 PAID TICKETS. THE 2019 BUDGET LISTS \$340,000 AS EXPECTED REVENUE.

YEAR	BUDGET	ACTUAL	VARIANCE
2007	\$470,000	\$361,841	<\$108,159>
2008	\$470,000	\$487,805	\$17,805
2009	\$490,000	\$294,010	<195,990>
2010	\$350,000	\$366,027	\$16,027
2011	\$315,000	\$337,182	\$22,182
2012	\$315,000	\$343,502	\$28,502
2013	\$325,000	\$417,486	\$92,486
2014	\$325,000	\$473,335	\$148,335
2015	\$340,000	\$410,767	\$70,767
2016	\$380,000	\$380,527	\$527
2017	\$390,000	\$281,246	<\$108,754>
2018-2 ND Q.	\$225,000	\$171,974	

ADDITIONAL POLICE OFFICERS RECOMMENDATION

I HAVE A RECOMMENDATION FOR THE MAYOR/ADMINISTRATION AND CITY COUNCIL TO CONSIDER FOR **ADDING ADDITIONAL POLICE OFFICERS TO THE STREETS OF READING AT NO ADDITIONAL COSTS TO THE TAXPAYERS!**

IF THE CITY DID RECENTLY RECEIVE A FAVORABLE RULING THROUGH THE POLICE ARBITRATORS DECISION ON POST-EMPLOYMENT HEALTHCARE BENEFITS (COUNTY), THEN UTILIZE THOSE SAME DOLLARS IN EXPENDITURE SAVINGS TO INCREASE THE NUMBER OF NEW POLICE PATROLMEN/WOMEN.

I BELIEVE YOU COULD QUICKLY PREPARE A 2019 BUDGET AMENDMENT TO ADJUST THE POSITION ORDINANCE AND FOR PROPER FUNDING ALLOCATIONS.