



CITY COUNCIL

Finance, Audit & Budget Committee

Monday, May 18, 2015
City Council Office
6:00 pm

The Budget and Finance Committee's responsibilities include Annual Budget Review, Capital Improvement Programs, Financial Reports, Taxes (Rates, exonerations and exemption appeals), Fee Assessments, Review of Budget & Financial Reports, oversight of the City's external auditing, internal controls and any other financial or business practices, and reviewing the work of the City Auditor.

Committee Members: Ms. Reed, Ms. Goodman-Hinnershitz (Co-Chairs) and Mr. Waltman

Although Council committee meetings are open to the public, public comment is not permitted at Council Committee meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair. All electronic recording devices must be at the entry door in all meeting rooms and offices, as per Bill No. 27-2012

I. Reports

1. 2014 Per Capita Tax Collection
2. 2014 Delinquent Fines/Fees Collection
2. Forestry Management

II. Legislative Review

1. Code of Ethics Award of Contracts (attached)
2. **Ordinance** – Amending the Chapter 212 Fee Schedule of the City Code, Section 123 Police Department Miscellaneous Fees regarding copies of police reports, call recording and background reports ***Advertised May 18th***

3. Ordinance - authorizing the transfer of \$4,585,914.00 among debt service accounts based on refinancing bonds 2008 C & D with bond 2014; refinancing a portion of bonds 2008 and RRA 2003 lease revenue with bond 2015A; and refinancing pension obligation bond 2006 with bond 2015B

4. Ordinance – amending the City of Reading Code of Ordinances, Chapter 5 Administrative Code, Section 5-806 Fiscal Provisions for consistency with the Purchasing Policies to and incorporate revisions recommended by the City’s Act 47 Coordinator as attached (Zombie Financial Policies)

IV. Review Finance Reports

- Review Expenditures/Revenues
- Review Bank Statement Activity
- Review Transfers
- Compliance with SEC Regulations

V. Update from City Auditor

- Compliance-transfers
- Update on the status of all capital projects currently underway
- Define operational audits for 2015 i.e. Property Maintenance and Zoning
- Define general internal audits for 2015

FOLLOW UP ISSUES 2015 Finance Committee Topics

January

- Review Wheelchair Transport

February

- Review Wheelchair Transport
- Update on New Defined Contribution Plan

March

- Review Wheelchair Transport
- Collection Report re Delinquent Taxes, Fines and Fees
- Recovery Plan Amendments – Implementation Schedule

April

- Forestry Management
- Review Wheelchair Transport

May

- Consensus of Continuation of Wheelchair Transport
- Street and Streetlight Maintenance Assessment

June



CITY COUNCIL

Finance Committee

Meeting Report Monday, March 2, 2015

Committee Members Attending: M. Goodman-Hinnershitz, D. Reed, J. Waltman

Others Attending: F. Acosta, D. Cituk, C. Younger, C. Zale, L. Kelleher, M. Bembenick, W. Stoudt, J. Conrad, C. Snyder, D. Kersley, R. Johnson, B. Rivera, D. Pottiger, V. Spencer

Ms. Goodman-Hinnershitz called the Finance Committee meeting to order at approximately 5:00 pm.

I. Report re: Correction of 2013 External Audit Findings

Mr. Bembenick distributed a handout listing each repeat external audit finding and a recommended plan to correct each finding, including a timeline for the implementation. This plan will be reviewed and discussed with the auditors from Herbein. Standard Operating Procedures (SOP) will be developed for each finding and each finding has an assigned "owner". The findings will not be eliminated until the 2015 external audit.

Mr. Bembenick continued stating that Number 7 – Preparation of Bank Reconciliations – is a critical issue as the city has been unable to reconcile the General Disbursement Account (GDA), the City’s main operating accounting through which most disbursements flow. The SOP is due to be completed by March 23rd and reconciliation is expected by March 31st.

Mr. Pottiger stated that a primary problem in the reconciliation of the GDA is the timing of the entries, the arrival of the bank statements and the unprocessed checks.

Mr. Bembenick continued stating that the next crucial issue is Number 1 – Internal View of Accounting Policies. He stated that Mr. Pottiger is reviewing the current policies and procedures and working to improve these areas.

Mr. Bembenick stated that the next most important findings are numbers 5, 6 and 10. He stated that 5 – Monitoring of State Grants –should be completed by the end of April. Finance will be required to sign off on the grant application before it is submitted.

Mr. Bembenick stated that Number 6 – Schedule of Expenditures of Federal Awards, (SEFA), will be completed by Mr. Pottiger, who is an expert in this particular field.

Mr. Bembenick stated that Number 10 – Grant Cash Management – will be addressed by Mr. Cituk. Mr. Cituk stated that, essentially, the process used by CD to post entries, initial invoices and obtain Managing Director approval took too much time and does not comply with the City’s cash management requirements.

Ms. Goodman-Hinnershitz asked what can be done proactively to address this issue. Mr. Cituk responded that Herbein would like the City to redraft the City’s standard operating procedures to establish a policy where a concise process is followed without regard to personnel turnover.

Ms. Snyder stated that these are just some of the issues that have been audit findings and that Mr. Bembenick will be documenting all findings and working to resolve them.

Mr. Bembenick continued with the handout pointing out Number 11 – Federal Funding Accountability and Transparency Act – in which the City will require further training to understand how the additional upcoming regulations will affect the City.

Mr. Bembenick stated that the new policies and SOPs will mirror the GFOA (Government Finance Officers Association) best practices.

Ms. Snyder stated that as Mr. Bembenick is leaving to work for the State, she met with him to develop a transition plan, schedule reporting and a requirement for all SOPs and policies to be reviewed and updated annually.

II. Legislation Review (Bills for final passage on March 9th)

Bill No. 8-2015 - authorizing the transfer of \$257,194 from Purchasing to Public Works for budgeted Motorola radio maintenance **(Controller)**

Mr. Bembenick stated that this transfer moves the funds for management purposes into Public Works.

Bill No. 9-2015 - amending the Recycling Budget (Fund 56) by transferring \$10,000 from the Portnoff Expense line item to the Contracted Services Line Item to fund contracted construction management services related to the Recycling baler project **(Bus Analyst)**

Mr. Bembenick stated that this is an expense for the concrete pad that the baler sits on and that this expense is not covered by the grant.

Ms. Reed inquired if the administration is considering PFM's opinion that the City should not be starting new businesses or activities, but rather concentrate on improving what we should already be doing.

Ms. Goodman-Hinnershitz remarked that the City has not shown a good history of being self-sufficient when starting new initiatives.

Ms. Snyder stated that the City, is in its start up phase with the baler and the project should become more self-sufficient due to the sale of recycled newspaper. However, the success of the project will be subject to the change in prices set by the marketplace and the use of current staff (not new staff or outsourced staff) used on a part-time basis.

Ms. Reed requested that a monthly progress report be provided so that Council can be kept abreast of this project. Ms. Snyder concurred.

Bill No. 10-2015 – amending the Position Ordinance by adding two part-time, seasonal Graffiti Abatement Technicians to the Recycling Fund, Fund 56 (**Business Analyst**)

Ms. Snyder stated that with this bill, the Graffiti Abatement part-timers assigned to Mr. Harrity are budgeted but were not included in the Position Ordinance. There were two people on “light duty” utilized so the City will first attempt to utilize the “light duty” employees to do the work since the money is already budgeted in Temporary Wages.

Bill No. 11-2015 – amending the salary range for the Police Chief to no less than \$80,000 and no more than \$125,000. (**Law**)

Ms. Snyder explained that this a 2% automatic raise for Chief William Heim as per his employment contract.

Ms. Kelleher noted her concern with the legality of this employment contract since it was made under a different administration and executed in 2006.

Mr. Cituk stated that the raise is required by the Chief’s Act. Ms. Kelleher explained that the Chief’s Act applies only to officers who were promoted to the Chief position through the ranks of the department, not to Chiefs coming to the department from outside of the municipality.

Ms. Goodman-Hinnershitz requested that the Law department look at this contract and provide an opinion.

Mr. Younger stated that the Chief’s salary is connected to rates in the FOP Collective Bargaining Agreement.

Ms. Goodman-Hinnershitz recommended this be put on a Committee of the Whole agenda for further discussion.

III. Non-Emergency (Wheelchair) Transport Update

Mr. Kersley stated that a baseline financial analysis was performed in January 2015. However, the analysis was based on September 2014 which is historically one of the busiest months for usage and payment. This operating unit required a public subsidy in January of \$15,883 due to increases in pensions and healthcare expenses.

Ms. Snyder stated that though the loss is substantial, it was anticipated as January is not a favorable month to review due to the new deductible period. She also noted that usage is generally lower in January and February due to inclement weather and employee health issues.

Deputy Chief Conrad explained that Chief Stoudt has initiated a policy to eliminate multiple employees from utilizing vacation/personal time in an overlapping fashion. He stated that the weather has also played a role as inclement weather increases the amount of time for transports. He stated that, on a positive note, the payment from St. Joseph's for the Care Van service was increased to \$90,000 from \$72,000 annually. He stated that the rate paid by St. Joseph's is now comparable to that paid to other similar organizations.

Chief Stoudt stated that a proactive program is being discussed to increase funding. He added that Deputy Chief Conrad is seeking new contracts with other organizations who utilize this service. However, he stated that the Department is preparing an exit plan, if the program cannot break even.

Ms. Snyder asked if the month of February would be more encouraging and Deputy Chief Conrad responded that February will not be much different than January as the weather, again, has played a role.

Ms. Goodman-Hinnershitz questioned the type of personnel being utilized. Deputy Chief Conrad responded that "at will" employees were hired specifically for this program and all are EMT trained; however, these employees do not have paramedic certificates. He noted that the employees working for this program are better paid than those working for other similar organizations.

Ms. Goodman-Hinnershitz commented on the need for qualified personnel as they are expected to identify specific services needed.

Mr. Cituk questioned if there is data indicating how many transports and what kind of transports are being performed. Mr. Kersley replied affirmatively; however, he stated that he did not have that information with him but he offered to provide the information at a later date.

Ms. Snyder questioned which organization would provide this service after the merger of Red Rose and BARTA. Ms. Reed replied that Red Rose would probably provide the

service. She stated that she would contact Commissioner Barnhardt to obtain additional information.

Mr. Kersley stated that he will have a more comprehensive report for Council next month that will include an analysis of the new rate structure recently approved. He stated that the BARTA program makes approximately 3,800 runs annually.

Ms. Goodman-Hinnershitz stated that the program is valued by those who use it.

IV. Update re: Costs for snow removal, street repair and other needs created by the harsh winter weather

Mr. Johnson distributed an email on this topic this afternoon.

Mr. Johnson stated that the City is on target to use as much or perhaps more salt than last winter. The City's salt supplier through the cooperative is out of salt; however, the City still has a half bin (4250 tons) available to be used sparingly. If the weather in March is severe the City will need to purchase additional salt, which will be expensive. He stated that the overtime hours are 110 as compared to last year's 125; however, overtime is projected to be higher than last year.

Mr. Johnson stated that as street paving was deferred for years, the streets have become greatly deteriorated in many locations. He stated that this year he hopes to pave the travel lanes of Kenhorst Boulevard and Hill Road. He explained his goal is to have an engineering company prepare a street paving schedule that is based on various factors such as condition, use, etc.

Ms. Goodman-Hinnershitz stated that Mary's Shelter will soon start construction at the former Navy Marine Center and she suggested that Mr. Johnson consider that when planning the paving project.

Ms. Snyder stated that the Redevelopment Authority owns the remaining land around the Navy Marine Center and they too plan construction at some point in time. Mr. Johnson stated that he will look into this and get that information to Ms. Snyder.

Mr. Acosta stated that he is pleased to hear that the Bingaman Street Bridge will be completed before the Buttonwood Street Bridge is closed for repairs. He noted his

concern for pedestrian traffic and safety. Mr. Johnson reiterated the concern for pedestrian safety.

Mr. Johnson left to attend the Standards of Living Committee meeting.

V. Financial Reports

Mr. Zale stated that all budget numbers seem to be on track for the beginning of 2015.

Mr. Bembenick stated that the City does not anticipate another bond rating upgrade at this point. No questions were brought forward.

VI. Update from City Auditor

Mr. Cituk stated that he will have the Compliance Transfer report for all transfers above \$25,000 next month. For Capital Projects, he stated that he will have a Wastewater Treatment Plant project update next month and Herbein is starting the 2014 external Audit on April 2nd. He stated that he agrees with the suggestions for audits provided by Herbein. Regarding internal and operational audits, he will audit the use of credit cards payments in 2015 and will assist with strengthening accounting and financial procedures.

Mr. Cituk stated that he will be working with Human Resources to identify retirees who have become rejoined to the workforce and have access to health care that is comparable to that provided by the City's plan.

VII. Other

Ms. Goodman-Hinnershitz stated that Mr. Mann of PFM did a presentation on the impacts on-the Act 47 Statute amendment and she recommended that asking Mr. Mann to come in and make a presentation to Council at a Strategic Planning Committee meeting.

Ms. Snyder stated that there is a very active group working on this through PFM.

Mr. Waltman stated that PFM should communicate with Mr. Cituk to work together.

Ms. Kelleher stated that she will add that to the Strategic Planning agenda.

Mr. Spencer stated that before the meeting adjourns, he would like to explain his sponsorship of the Reading High basketball playoff games broadcast on WEEU. He

stated that the fee was paid out of his personal account and that NO City funds or political were utilized for this, or the Employee Christmas parties or the Reading Phillies games.

Ms. Goodman-Hinnershitz adjourned the meeting at 6:25pm.

*Respectfully submitted by
Linda A. Kelleher CMC, City Clerk
Bea Rivera, Legislative Aide*

H. Awarding Contracts

1. To the extent that it is not inconsistent with federal or state law: (i) a City Employee, (ii) a City Official, (iii) any Immediate Family of a City Employee or City Official; or (iv) any for-profit business entity in which the City Employee, City Official, or any Immediate Family has a Material Interest, shall not enter into any Contract valued at Five Hundred Dollars (\$500.00) or more with the City or any City agency or instrumentality, unless the Contract has been awarded through an open and public process, in accordance with Pennsylvania law, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the City Official or City Employee shall not have any supervisory or overall responsibility for the implementation or administration of the Contract. Any Contract or subcontract made in violation of this subsection may be subject to further penalties, pursuant to the terms and provisions of the Pennsylvania Public Official and Employee Ethics Act (65 Pa. C.S.A. §1101.1, et. seq.).

2. Prior to entering into or awarding any No-Bid Contract, the City Employee, Official, agent or instrumentality entering into such No-Bid Contract on behalf of the City, must immediately provide the Board of Ethics with the following information:

- i. The name and address of all contracting parties;
- ii. A draft copy of the contract to be entered into;
- iii. A report, in compliance with 25 P.S. §3260a (Section 1641 of the Pennsylvania Election Code), as amended, which shall provide the following:
 - a. An itemized list of all political contributions known to each contracting party by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner, or individual owner that has been made by:
 1. Any officer, director, associate, partner, limited partner, individual owner or members of the immediate family of the aforementioned parties when the contributions exceed an aggregate of One Thousand Dollars (\$1,000.00) by any individual during the preceding year; or
 2. Any employee or members of his or her immediate family whose political contribution exceeded One Thousand Dollars (\$1,000.00) during the preceding year.
- iv. Any other information that the Board of Ethics may require.

3. In the event that the intended recipient of a City No-Bid Contract or any officer, director, associate, partner, limited partner, individual owner, member, employee, or Immediate Family of any of the aforementioned parties has made a donation to a political committee of a City Employee, City Official, agent or instrumentality, in excess of the contribution limitations set forth in Section 1-199.22 during any of the preceding two (2) calendar years from the date the draft copy of the proposed contract is submitted to the Board of Ethics, then and in that event the City is prohibited from awarding that No-Bid Contract to that intended party.

4. For purposes of this Section, the office that is considered to have ultimate responsibility for the award of the Contract shall be as provided for by the established purchasing policies of the City of Reading.

To: Mayor Vaughn Spencer
Carole Snyder, Managing Director
Don Pottiger, Interim Administrative Services Director
City Council
Linda Kelleher, City Clerk
Michelle Katzenmoyer, Deputy City Clerk

From: Gordon Mann
Public Financial Management

Date: May 13, 2015

Re: Endorsement of proposed changes to interfund borrowing, interfund loans and structural balance

At the request of Ms. Katzenmoyer, I have reviewed the ordinance introduced by City Council on May 11, 2015 that revises the City's Administrative Code related to interfund borrowing, interfund transfers, periodic financial reports and establishing a structurally balanced budget. We originally discussed this set of changes in early 2011. While the changes were partially recommended in response to the City borrowing money from the wastewater treatment plant fund before entering Act 47, we worked with Council on these changes to provide stronger and clearer restrictions on the City's future use of interfund borrowing and transfers. The changes also describe the City's commitment to monthly and quarterly financial reports and the objective of maintaining a structurally balanced budget.

To our knowledge, the City has complied with the provisions related to interfund borrowing and interfund loans. The Administrative Services Department submits monthly financial reports and, working with that department, we provide a more in-depth quarterly review of the City's finances. Maintaining a structurally balanced budget and limiting the use of non-recurring revenues to non-recurring expenditures remains an important long term goal as we have discussed during the annual budget and the 2014 Recovery Plan amendment processes. With regard to these provisions, passing this ordinance will have a limited impact in the immediate term since the City is already complying with them. But it will ensure that the City's progress in this area continues into the future, even as the events that precipitated the City's entry into Act 47 recede further into the past. It will also memorialize the positive steps that the City has taken, even as the elected and appointed officials in charge of following these policies change over time.

We endorse the changes described in this memo and thank Ms. Katzenmoyer, Thomas Coleman and other City employees who have worked on this effort.

Drafted by	Deputy City Clerk/Legal Specialist
Sponsored by/Referred by	Administrative Manual Group/PFM
Introduced on	May 11, 2015
Advertised on	

**BILL NO. ____-2015
AN ORDINANCE**

AMENDING THE CITY OF READING CODE OF ORDINANCES, CHAPTER 5 ADMINISTRATIVE CODE, SECTION 5-806 FISCAL PROVISIONS FOR CONSISTENCY WITH THE PURCHASING POLICIES TO AND INCORPORATE REVISIONS RECOMMENDED BY THE CITY’S ACT 47 COORDINATOR AS ATTACHED

Whereas the Council of the City of Reading hereby ordains as follows:

Section 1. Amending the City of Reading Code of Ordinances, Chapter 5 Administrative Code, Section 5-806 Fiscal Provisions for consistency with the Purchasing Policies and to incorporate revisions recommended by the City’s Act 47 Coordinator as attached.

Section 2. This ordinance shall become effective ten (10) days after it adoption, in accordance with Sections 219 & 221 of the City of Reading Home Rule Charter.

Enacted: _____

2015

Attest:

President of Council

City Clerk

Submitted to Mayor: _____

Date: _____

Received by the Mayor's Office: _____

Date: _____

Approved by Mayor: _____

Date: _____

Vetoed by Mayor: _____

Date: _____

§5-806 Fiscal Provisions

A. Fiscal year.

Editor's Note: Provisions of the Charter are set forth below:

§ 901. Fiscal year.

The fiscal year of the City shall be the calendar year. If not prohibited by law, the Council may, by ordinance, adopt a different fiscal year, specifying an orderly procedure for financial and budgetary controls in making such transition.

B. Administrative Services Director.

- (1) Bonding. The Administrative Services Director shall be bonded in such amount as determined by the Administrative Code. He/She shall assist the Managing Director in determining which personnel in the Administrative Services Department shall be bonded.
- (2) Policies and procedures. The Administrative Services Director shall be responsible for preparing policies and procedures as required by the Administrative Code. These policies and procedures shall be available to the public for inspection. Copies may be made for the public at a reasonable cost not in excess of reproduction which may include both direct and indirect costs of such reproduction.
- (3) Securities. The Administrative Services Department is authorized and empowered on behalf of the City to establish and maintain accounts with those banks and brokers as are necessary and convenient for the purchase and sale of any and all forms of securities which are in accordance with the City's investment policy *as per Part D herein*.

C. Regulations concerning appropriations and transfers

- (1) The authorization and expenditure of all funds and preparation of department budgets shall be in accordance with a policy adopted by the Council and a financial procedure manual to be prepared and periodically reviewed and updated by the Administrative Services Department.

Expenditures shall be executed in a uniform manner for every City Department.

- (2) The Administrative Services Director shall prepare and submit a monthly report to the Mayor, the Managing Director, and Council. This monthly report shall include all *revenues*, expenditures, borrowing, and any use for each City department and each City Fund account, and status reports comparing those expenditures with the adopted budget, ~~as well as any Department justification of transfer, borrowing, or any use of funds within departments, between departments and within or between City Funds accounts~~ *The report shall include an estimate of the fiscal year end projections for both revenues and expenditures. All reports shall also include the receipt or forecast of nonrecurring revenues. for the purpose of this policy, nonrecurring revenues shall include land or asset sales, use of fund balance, transfers from other funds that exceed ongoing and sustainable levels, and transfers from other funds that exceed legal limits. Nonrecurring revenues also include any revenue that is anticipated to be received for only one year.*

In addition to these monthly reports, the Managing Director shall also submit quarterly financial reports as outlined in initiative FI04 of the City's Act 47 Recovery Plan dated June 11, 2010.

- (3) In order to allow flexibility in the administration of the City's business, departments may transfer money between line items within the department. A majority of Council ~~in response to any monthly report,~~ may place a limit on the amount of additional-excess expenditure allowed for any program or line item. This is not intended to restrict unduly the Mayor's *and/or Managing Director's* ability to manage and administer the budget.
- (4) Justification for transferring, borrowing or any use of funds between departments and/or City Fund accounts must be presented to and approved by Council *ordinance*. The financial procedures manual will stipulate the following:
- (a) Expenditure procedures.

- (b) Justification procedures for transferring money between line items.
 - (c) Justification procedures for transferring money between departments.
 - (d) Administration of petty cash funds.
 - (e) Justification procedures for transferring, borrowing, or any use of money between City Fund accounts.
- (5) *Interfund Borrowing: The City will limit its use of interfund borrowing to obtain cash from one fund type or reserve to fund activities of another fund type or reserve, and will apply the following conditions to limit such borrowings:*
- (a) The borrowing deemed a lawful use of such funds;*
 - (b) The Director of Administrative Services has determined that the funds to be borrowed will not be needed by the lending fund during the lending period;*
 - (c) The borrowing is for a temporary period with repayment scheduled during the same fiscal year;*
 - (d) Any borrowing activity that cannot be repaid by the end of the fiscal year, other than temporary lags in reimbursements, will be disclosed along with a plan for replenishment within ten (10) calendar days of the transaction;*
 - (e) No such borrowing shall cause the City to be in noncompliance with its policy on structurally balanced budgets;*
 - (f) No such borrowing shall cause the City to be in noncompliance with applicable federal and/or state requirements or agreements; and*
 - (g) For existing borrowings that are not in compliance with this policy, the City shall adopt budgets and a plan to come into compliance by the end of 2015.*

Any actions taken to borrow money under these conditions must be separately disclosed in the City's periodic financial reports to City Council with an anticipated repayment date. If the cumulative amount that one fund borrows from another fund(s) during the calendar year is more than \$500,000, any amount in excess of \$500,000 must be approved by Council. Similarly, if the cumulative amount borrowed from one fund by any other fund(s) during the calendar year is more than \$500,000, any amount in excess of \$500,000 must be approved by Council.

~~Requiring an~~ ~~An~~ amendment to the City's annual Budget Ordinance *is required in order to* authorizing the transfer, borrowing, or any use of all monies including, but not limited to, transfers, borrowing, or any use of funds between departments, and transfers, borrowing, or any use of funds in and out of any City Fund account, account or line item either attached in part or unattached to a departmental budget. The City Funds include all general, operating, capital, ~~agency~~ and enterprise funds. The request for a budget amendment must be submitted to City Council with an agenda memorandum explaining the justification for transfer, borrowing, or any use of funds and the proposed use for the funds transferred at least two weeks before the transfer is required.

(6) *Fund Transfers and Subsidies: The City may make permanent, annual transfers from other City funds into the General Fund under the following conditions:*

(a) Use a cost allocation method to allocate administrative and overhead costs to other funds or programs receiving administrative services from the City. The cost allocation method must be applied consistently across funds and years. The cost allocated to each fund must be sustainable by those other funds. A summary of cost allocation method for each allocated cost shall be maintained in writing.

(b) There shall be an adopted schedule for transfers included in the annual budget. Transfers that are not annual shall occur at least quarterly. The City may also make transfers from enterprise funds according to the following conditions:

(1) The transfer complies with all applicable federal and/or state requirements and agreements.

(2) The transfer is based on an adopted calculation methodology applied each year. This methodology may be based on percentage of revenues, return on investment, percentage of net revenues, or other calculation adopted by the City Council. The methodology should be adopted consistently each year.

- (7) Requiring an amendment to the City's annual Budget Ordinance to authorize any cumulative modification to any departmental overall budget or line item exceeding \$10,000 *including fund transfers and subsidies*. The request for a budget amendment must be submitted to City Council with an agenda memorandum explaining the justification for transfer and the proposed use for the funds transferred, borrowed or used at least two weeks before the transfer is required.
- (8) Requiring City Council approval, via ordinance, for the following:
- (a) Salary increases *for Department Directors* that were not approved in or included in the budget for the fiscal year and fall outside the labor contract for union employees. *Please see Personnel Code Section 701 for salary increases for other employees.*
 - (b) All expenditures not approved and listed in the operating or capital budgets for the fiscal year prior to those expenditures occurring.
 - (c) All expenditures and allocations of ~~\$25,000~~ **\$10,000** or more from and to ~~any and all agency funds~~ and any and all line items falling in the Departmental and Non-departmental area of the General Fund.
- (9) *Structurally Balanced Budget: The City's objective is to achieve and maintain a structurally balanced budget in all funds such that recurring revenues fund recurring expenditures. Non-recurring revenues and budget surpluses should replenish reserve levels, support outstanding liabilities and pay for non-recurring expenditures, including capital projects, in that order.*

To that end, the Director of Administrative Services shall report to the Managing Director and City Council on the inclusion of any non-recurring revenues in each budget, forecast or actual report of financial results. That report should include the amount and use of any non-recurring revenues. For the purpose of this policy, non-recurring revenues shall include land or asset sales, use of fund balance, transfers from other funds that exceed ongoing and sustainable levels, and transfers from other funds that exceed legal limits. Non-recurring revenues also include any revenue that is anticipated to be received for only one year.

- (10) *Report on Policy Compliance: The elected City Auditor will report quarterly to City Council on the City's compliance with these policies. This report shall be made available to the public.*

D. Bank and investment accounts

- (1) The City of Reading City Council shall, annually, authorize all bank and investment accounts opened and used by the City by resolution on or before the last day of January of the new calendar year.
- (2) New bank and investment accounts shall only be opened under the signature of the Director of Administrative Services, the City Auditor, *Mayor or* ~~and~~ the Managing Director and shall be approved by Council resolution before any funds are deposited.

E. Purchasing

- (1) Responsibility. The Administrative Services Director, in consultation with the Managing Director, shall develop a purchasing policy and procedure for the purchase of supplies and materials and the sale of personal and real property; such policy and procedure under these fiscal provisions is made a part hereof and marked "Exhibit A" and hereafter referred to as "Policy and Procedure."
- (2) Purchasing policy

- (a) The overall authority and responsibility for City purchasing is centralized *within* ~~as a Division of Finance in~~ the Department of Administrative Services.
 - (b) The purchasing policy and procedure is applicable to all departments, *offices and agencies* and shall include the service function of ordering and buying goods and services. In addition, functions such as planning and scheduling purchases, seeking competition, assuring the preparation of proper specifications, and enforcing compliance with all purchasing regulations and procedures shall be part of the purchasing policy and procedure.
- (3) Purchasing Manager
- (a) The Purchasing Manager shall have the authority to:
 - [1] Purchase or contract for all materials, supplies, equipment and contractual services for all City departments, *offices and agencies* with the exception of:
 - [a] Books, subscriptions
 - [b] Business meeting expenses
 - [c] Charitable contributions
 - [d] Dues
 - [e] Items that can legitimately be purchased via the petty cash process
 - [f] Postage
 - [g] Tuition
 - [h] Travel, meals, mileage
 - [i] Utility services

- [2] Review all requisitions for the purchase of materials, supplies, equipment and services not exempted from this regulation for quality and cost.
 - [a] The purchasing process will begin with the Department Director's formulation of specifications that identify and describe the product or service to be purchased.
 - [b] The Purchasing Manager will assure that the specifications meet the Department's needs, but do not call for features or a level of quality not necessary for the item's use.
 - [c] If there is a lack of agreement between the Purchasing Manager and the Department Director concerning any specifications, the Purchasing Manager will refer the matter and all support documentation to the *Administrative Services Director* ~~Managing Director~~ for final determination.
- [3] Prepare, in cooperation with department directors, standard written specifications for supplies and/or services not exempted by this regulation especially those common to various City functions.
- [4] Place orders for all supplies, materials, equipment, or services, not exempted by this regulation, by the issuance of a purchase order.
 - [a] It is the general policy of the City to make awards to the responsible vendor who meets the specifications for the items or services to be purchased at the lowest cost. Factors such as delivery time, quality, operating and maintenance costs, service, etc., as well as initial price, should be considered by the Purchasing

Manager to determine the lowest-cost vendor who meets the specifications.

- [b] When the Purchasing Manager or department director deems that an award should be made to other than the lowest-cost vendor or when the Purchasing Manager and the department director fail to agree, the matter with all supporting information shall be referred to the *Purchasing Committee* ~~Managing Director~~ for final determination.
- [5] Dispose of surplus or unused material supplies or equipment after they have been declared as surplus by the Department Director wherein the materials, etc., are located and such declaration is agreed to by the Purchasing Manager. In the event the Purchasing Manager and the department director fail to agree on what materials are surplus, the matter with all supporting information shall be referred to the Managing Director for final determination. Disposal shall be on an annual basis or more frequent basis as needed and in accordance with the policy and procedure.
- [6] Enforce all purchasing regulations and procedures, and any such purchases pursuant to this section shall be done in accordance with the policy and procedure.
- (b) The Purchasing Manager has the following responsibilities:
 - [1] Procure for the City the highest quality in commodities and services that meet the user's needs at the lowest cost.
 - [2] Purchase as many items as feasible in bulk to take full advantage of discounts.
 - [3] Keep informed of current development in the field of purchasing including prices and market developments.

- [4] Keep accurate and up-to-date records of all verbal and written solicitations and bids in a manner that they are available for public inspections.
 - [5] Provide assistance to any department director as required to draft specifications.
 - [6] Formulate and circulate for approval, modification or additions to purchasing regulations and procedures as deemed necessary.
 - [7] Contact Pennsylvania Department of Labor and Industry when the invitation to quote/bid is formulated, if the Pennsylvania Prevailing Wage Act, 43 P.S. § 165-1 et seq., is applicable.
- (4) Emergency authority. In case of an emergency, purchase authority is delegated to the individual department directors when the Purchasing Manager is unavailable, i.e., after normal working hours. Such purchase authority shall be exercised in the manner set forth in the policy and procedure.
- (5) Department directors
- (a) The department directors have the authority to:
 - [1] Determine the need for all materials, supplies, equipment and service for his/her department.
 - [2] Formulate specifications that are clear, concise and descriptive of all the requirements for all intended purchases.
 - (b) The department directors have the responsibility to:
 - [1] Furnish the Purchasing Manager with all necessary information to assure that the purchase will be correct in all details.

- [2] Provide specifications that are clear and rated for the use intended.
- [3] Provide a justification when requesting a proprietary item.
- [4] Provide a list of suggested vendors. This will assist the Purchasing Manager in locating the item, although it does not restrict the Manager in looking elsewhere.
- [5] Notify Purchasing Manager when the material, supplies, or equipment is delivered and if it is inferior in quality or unsatisfactory.
- [6] Notify Purchasing Manager annually, by the date established by the Purchasing Manager, of any surplus, obsolete or scrap materials or equipment that exist in the department.

F. Investments

- (1) Responsibilities. The Administrative Services Director shall be responsible for identifying money (except monies belonging to pension funds) to be invested, understanding the options available and for what time period, communicating this information to the Managing Director, implementing the decision, and making regular reports regarding these actions to the Mayor, Managing Director and Council. *All investments shall comply with PA Act 72 as currently constituted.*
- (2) Types of investments. The Administrative Services Director shall invest in these types:
 - (a) Any obligations of the United States government for one year or less.
 - (b) United States Treasury Bills.
 - (c) Short-term obligations of the United States government or its agencies.

- (d) Savings accounts or time deposits of Pennsylvania institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund up to the amount covered by insurance with the remainder covered by approved collateral pledged by the depository.
 - (e) Obligations of the United States, State of Pennsylvania, any political subdivision of the state and any of their agencies or instrumentalities, backed by their full faith credit.
 - (f) Prime commercial paper (unsecured promissory notes issued by any industrial, common carrier, public utility or finance company or corporations of \$1,000,000,000 of assets or more) having no litigation pending or threatened against the prime commercial paper, being not in default upon any of its outstanding obligations, whose credit has been approved by the national credit office, incorporated or its successor and the investments make up 10% or less of the City's total portfolio.
 - (g) Certificates of deposit from institutions having their principal place of business in the state and insured and collateralized as in Subsection F(2)(d) above.
 - (h) Shares of investment companies properly registered investing only in the investments in Subsection F(2)(a) through (g) above.
- (3) Combining investments. Investment monies may be combined to purchase investment(s), provided such funds are accounted for separately in all respects and earnings from investments that are separately and individually computed and recorded and credited to the accounts from which the investment was purchased. Investment monies can be combined to purchase investment(s) pooled with other political subdivisions and municipal authorities in accordance with P.L. 180 of July 12, 1972, 53 Pa.C.S.A. § 2301 et seq., provided there is separate and equal computation, recording and distributions of earnings. *All investments shall comply with PA Act 72.*

G. Signing checks

- (1) Documentation. The issuing and signing of all City checks shall be in accordance with the following:
 - (a) The amount expressed in the request is allocated for in the department budget.
 - (b) The person presenting the request shall provide evidence that the amount due is for the payee in whose name it is drawn.
 - (c) Supplies, services or other consideration for payment has been processed by purchasing regulations if required.
 - (d) Supplies, services or other consideration for payment has been verified that they have been furnished or performed according to law or contract.
- (2) Check signatures
 - (a) The Administrative Services Director and the City Auditor shall sign all checks drawn against the City Treasury. Facsimile signatures may be used.
 - (b) In the event of the absence of the Administrative Services Director, the Mayor shall have the authority to sign checks in his/her place and stead.
 - (c) In the event of the absence of the City Auditor, the auditing coordinator in the office of the City Auditor *or the City Solicitor* shall have the authority to sign checks in his/her place and stead.
 - (d) "Absence," as used in this section, is hereby defined as failure to be present in Reading City Hall for a period of three consecutive full business days or more for any reason including, but not limited to, vacation, illness, mental or physical incapacity or death.
- (3) Limitations. No signed check shall be distributed, mailed, or released unless there is sufficient money in the particular budget from which it is

drawn, as well as the checking account to cover it at the time the check has been issued. *Exception is made for payroll as it is subject to FLSA and Federal wage and overtime regulations.*

H. Record of assets. The Administrative Services Director shall keep a complete record of books and accounts under appropriate titles, to show separately and distinctly all of the assets, property inventory, trusts, and indebtedness and all of the receipts and expenditures of the various departments. He/she shall supervise and control the accounts of all of the departments, and may require a written statement of all money or property of that department.

I. Annual budget

(1) Submission and adoption.

Section 902 of the Charter provides:

§ 902. Submission of Balanced Budget and Capital Program.

On or before 90 days prior to the ensuing fiscal year the departments heads will submit a proposed budget and capital program to the Managing Director. On or before 90 days prior to the ensuing fiscal year the Mayor will submit to the City Council a balanced budget, capital program, and an accompanying message. The proposed balanced budget and capital program shall be in such form as the Mayor deems desirable, unless otherwise required by Council.

(2) Budget message

(a) Section 903 of the Charter provides:

§ 903. Budget message.

The budget shall be accompanied by a message which shall include:

A. An explanation of the expenditures and revenues in the proposed budget, indicating and explaining major changes from the current year and the prior year.

- B. *An outline of proposed programs and an explanation of new, expanded, or abolished programs or functions.*
- C. *A summary of the City's debt position.*
- D. *Such other material that will inform the Council and the public of municipal goals.*

(b) — ~~The budget shall be accompanied by a message which shall include:~~

~~[1] — An explanation of the expenditures and revenues in the proposed budget, indicating and explaining major changes from the current year and the prior year.~~

~~[2] — An outline of the proposed programs and an explanation of new, expanded, reduced, or abolished programs or functions.~~

~~[3] — A summary of the City's debt position.~~

~~[4] — Such other material that will inform the Council and the public of municipal goals.~~

(3) Budget organization and content.

(a) Section 904 of the Charter provides:

§ 904. Budget

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year in accordance with all generally accepted accounting principles and, except as required by this Charter, shall be in such form as the Mayor deems desirable or the Council may require. In organizing the budget, the Mayor shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity, and object. The budget shall contain, among other things, the following:

A. *It shall begin with a general summary of its contents.*

B. *It shall show in detail all estimated income, indicating the existing and proposed tax levies, as well as other assessments, fees and charges.*

The estimated income shall mean the total of estimated revenue plus the prior fiscal year's fund balance. If a deficit exists, a plan to eliminate that deficit must be included in the budget.

C. *It shall show all proposed expenditures, including debt service, for the ensuing fiscal year.*

D. *It shall show the number of proposed employees in every job classification and the proposed salaries of all exempt employees beginning in 2009.*

[Amended 1-26-2009 by Ord. No. 3-2009]

The budget shall include the position ordinance, defined in § 5-212, Ordinances, which shows the number of all proposed employees in every job classification, as defined in § 70-201, Categories of employment, highlighting *changes and the proposed salaries of all exempt employees beginning in 2009* (plain italic language required by Bill No. 3-2009 enacted January 26, 2009, and approved by the Mayor January 27, 2009).

[Amended 10-26-2009 by Ord. No. 60-2009; 8-27-2012 by Ord. No. 86-2012]

[a] In some cases, however, prudent succession management may call for temporarily exceeding the position allowance in a particular department. Some examples are:

[i] When there is a known planned retirement of an individual in a highly technical position, smooth operations would call for an extended period of knowledge transfer that would require hiring the replacement individual prior to the retirement.

[ii] In the case of extended apprenticeships or training periods, such as police, it would make sense to consider the historic rate of attrition when determining the ideal class size. This would provide a more consistent number of trained staff versus the current system which can produce peaks and valleys.

[b] Therefore, in order to manage the operations of the City more effectively, City Council may, by ordinance, authorize the Managing Director to exceed the position ordinance for any department with the following conditions:

[i] No departmental position ordinance will be exceeded for a period of time greater than six months.

[ii] The temporary addition of employees will not cause the total wages of the City to exceed budgeted levels.

[iii] The Managing Director will report to Council on all planned hires which will exceed any position ordinance and will report on the status of all such hires on a regular basis.

[iv] At no time will the total number of City employees exceed the total number of employees authorized under position ordinances by more than 10 employees.

E. It shall be so arranged as to show comparative figures for actual and estimated income and expenditures for the current fiscal year and actual income and expenditures of the preceding four fiscal years.

F. It shall indicate proposed expenditures during the ensuing fiscal year, detailed by offices, departments and agencies, in terms of their

respective work programs and the methods of financing such expenditures.

G. It shall indicate proposed capital expenditures during the ensuing fiscal year, detailed by office, departments and agencies when practicable, and the proposed method of financing each such capital expenditure. The Mayor will include this separate capital program section in the annual budget and submit to Council with appropriate supporting information as to the necessity for such programs.

H. It shall indicate anticipated net surplus or deficit for the ensuing fiscal year of each utility owned or operated by the City and the proposed method of its disposition; subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget.

The total of proposed expenditures shall not exceed the total of estimated income.

~~(b) — The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year in accordance with all generally accepted form as the Mayor deems desirable or the Council may require. (Refer to comment on § 901.) In organizing the budget, the Mayor shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity and object. The budget shall contain, among other things, the following:~~

Editor's Note: Section 901 of the Charter provides:

§ 901. Fiscal year.

The fiscal year of the City shall be the calendar year. If not prohibited by law, the Council may, by ordinance, adopt a different fiscal year, specifying an orderly procedure for financial and budgetary controls in making such transition.

~~[1] — It shall begin with a general summary of its contents.~~

~~[2] — It shall show in detail all estimated income, indicating the existing and proposed tax levies, as well as other assessments, fees, and charges.~~

~~[3] — It shall show all proposed expenditures, including debt service, for the ensuing fiscal year.~~

~~[4] — It shall include the position ordinance, defined in § 5-212, Ordinances, which shows the number of all proposed employees in every job classification, as defined in § 70-201, Categories of employment, highlighting *changes and the proposed salaries of all exempt employees beginning in 2009* (plain italic language required by Bill No. 3-2009 enacted January 26, 2009, and approved by the Mayor January 27, 2009).~~

~~[Amended 10-26-2009 by Ord. No. 60-2009; 8-27-2012 by Ord. No. 86-2012]~~

~~[a] — In some cases, however, prudent succession management may call for temporarily exceeding the position allowance in a particular department. Some examples are:~~

~~[i] When there is a known planned retirement of an individual in a highly technical position, smooth operations would call for an extended period of knowledge transfer that would require hiring the replacement individual prior to the retirement.~~

~~[ii] In the case of extended apprenticeships or training periods, such as police, it would make sense to consider the historic rate of attrition when determining the ideal class size. This would provide a more consistent number of trained staff versus the current system which can produce peaks and valleys.~~

~~[b] — Therefore, in order to manage the operations of the City more effectively, City Council may, by ordinance, authorize the Managing Director to exceed the position ordinance for any department with the following conditions:~~

- ~~[i] — No departmental position ordinance will be exceeded for a period of time greater than six months.~~
- ~~[ii] — The temporary addition of employees will not cause the total wages of the City to exceed budgeted levels.~~
- ~~[iii] — The Managing Director will report to Council on all planned hires which will exceed any position ordinance and will report on the status of all such hires on a regular basis.~~
- ~~[iv] — At no time will the total number of City employees exceed the total number of employees authorized under position ordinances by more than 10 employees.~~
- ~~[5] — It shall be so arranged as to show comparative figures for actual and estimated income and expenditures for the current fiscal year and actual income and expenditures of the preceding four fiscal years.~~
- ~~[6] — It shall indicate proposed expenditures during the ensuing fiscal year, detailed by offices, departments, and agencies, in terms of their respective work programs, and the methods of financing such expenditures.~~
- ~~[7] — It shall indicate proposed capital expenditures during the ensuing fiscal year, detailed by office, departments and agencies when practical, and the proposed method of financing each such capital expenditure. The Mayor shall include this separate capital program section in the annual budget and submit it to Council with appropriate supporting information as to the necessity for such programs.~~
- ~~[8] — It shall indicate anticipated net surplus or deficit for the ensuing fiscal year of each utility owned or operated by the City and the proposed method of its disposition; subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendixes to the budget.~~

~~The total of proposed expenditures shall not exceed the total of estimated income. The estimated income shall mean the total of estimated revenue plus the prior fiscal year's fund balance. If a deficit exists, a plan to eliminate that deficit must be included in the budget.~~

(4) Adoption.

(a) Section 905 of the Charter provides:

§ 905. City Council action on budget.

1. *Notice and hearing. Council shall publish in one or more newspapers of general circulation in the municipality the general summary of the budget with a notice stating:*
 - A. *The times and places where copies of the budget message and budget document are available for inspection by the public.*
 - B. *The time, place, and date, not less than 15 days or more than 30 days after such publication, for a public hearing on the budget. The public hearing shall not be on the date of a regular Council meeting.*
 - C. *The proposed budget shall be available for public inspection at City Hall and copies shall be available for the public at a reasonable fee to be set by the Council.*

~~(b) The Council shall publish in one or more newspapers of general circulation in the City the general summary of the budget with a notice stating:~~

~~[1] The times and places where copies of the budget message and budget document are available for inspection by the public.~~

~~[2] The time, place, and date, not less than 15 days or more than 30 days after such publication, for a public hearing on the budget. The public hearing shall not be on the date of a regular Council meeting.~~

~~[3] The proposed budget message and budget document shall be available for the public at a reasonable fee to be set by the Council.~~

(5) Amendments.

(a) Section 905 of the Charter provides:

§ 905 (b) Amendment before adoption.

After the public hearing, the City Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income and thereby allowing for line item changes by the City Council.

If the amended budget increases, decreases, or readjusts funding requirements by more than 5% or adds or deletes a program, the budget shall be returned to the Mayor immediately for comment and resubmission to the Council within three normal City workdays.

Council shall provide for another public hearing to be held within five days after the Mayor has resubmitted the budget.

(b) *After the public hearing, the City Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total*

estimated income and thereby allowing for line item changes by the Council.

- (c) *If the amended budget increases, decreases, or readjusts funding requirements by more than 5%, or adds or deletes a program, the budget shall be returned to the Mayor immediately for comment and resubmission to the Council within three normal business days.*

Three normal City work and/or business days ("normal business days" shall mean weekdays and shall exclude Saturdays, Sundays and holidays).

- (d) *Council shall provide for another public hearing to be held within five regular business days after the Mayor has resubmitted the budget.*

Five normal City work and/or business days ("normal business days" shall mean weekdays and shall exclude Saturdays, Sundays and holidays).

(6) Adoption.

- (a) Section 905 of the Charter states:

§ 905 (c) Adoption. Council must adopt an annual budget by no later than December 15 of the fiscal year currently ending. If Council fails to adopt a budget by December 15, then the Mayor's original proposed balanced budget shall become the official budget of the City for the ensuing fiscal year.

- (b) The Council must adopt an annual budget by no later than December 15 of the fiscal year currently ending. If Council fails to adopt an annual budget by that date, the Mayor's original proposed balanced budget shall become the official budget of the City for the ensuing fiscal year.
- (c) Within 30 days after the adoption of a budget ordinance, the Administrative Services Director shall file a copy of the budget with the appropriate state agency.

(7) Revised budget.

(a) Section 906 of the Charter provides:

§ 906. Revised budget. Notwithstanding any other provisions of this article, when the fiscal year of the City is the calendar year, in any year following a municipal election year the Council may, within 45 days after the start of the fiscal year, revise the budget and tax levies adopted by the previous Council. The procedures for adopting a revised budget shall be in accordance with §§ 905, 906, with the time periods adjusted to 45 days after the start of the fiscal year. Ordinances adopting a revised budget shall be effective as of the start of the fiscal year and shall rescind and replace the budget ordinance of the previous Council. It is the intent of this Charter that a new Council, in the year following a municipal election, shall have the power to revise the budget and tax levies adopted by the previous Council.

~~(b) — Notwithstanding any other provisions of this article, when the fiscal year of the City is the calendar year, in any year following a municipal election year, the Council may, within 45 days after the start of the fiscal year, revise the budget and tax levies adopted by the previous Council. The procedures for adopting a revised budget shall be in accordance with §§ 905 and 906, with the time periods adjusted to 45 days after the start of the fiscal year. Ordinances adopting a revised budget shall be effective as of the start of the fiscal year and shall rescind and replace the budget ordinance of the previous Council. It is the intent of this Charter that a new Council, in the year following a municipal election, shall have the power to revise the budget and tax levies adopted by the previous Council.~~

Editor's Note: Sections 905 and 906 of the Charter provide:
§ 905. City Council action on budget.

~~1. — Notice and Hearing. Council shall publish in one or more newspapers of general circulation in the City the general summary of the budget with a notice stating:~~

- A. ~~The times and places where copies of the budget message and budget document are available for inspection by the public.~~
- B. ~~The time, place and date, not less than 15 days or more than 30 days after such publication, for a public hearing on the budget. The public hearing shall not be on the date of a regular Council meeting.~~
- C. ~~The proposed budget shall be available for public inspection at City Hall and copies shall be available for the public at a reasonable fee to be set by the Council.~~

2. ~~Amendment Before Adoption.~~

- A. ~~After the public hearing, the City Council may adopt the budget, with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs, or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income and thereby allowing for line item changes by the City Council.~~
- B. ~~If the amended budget increases, decreases or readjusts funding requirements by more than 5%, or adds or deletes a program, the budget shall be returned to the Mayor immediately for comment and resubmission to the Council within three normal City workdays.~~
- C. ~~Council shall provide for another public hearing to be held within five days after the Mayor has resubmitted the Budget.~~

~~3. Adoption. Council must adopt an annual budget by no later than December 15 of the fiscal year currently ending. If Council fails to adopt a budget by December 15, then the Mayor's original proposed balanced budget shall become the official budget of the City for the ensuing fiscal year.~~

~~§ 906. Revised Budget.~~

~~Notwithstanding any other provisions of this article, when the fiscal year of the City is the calendar year, in any year following a municipal election year, the Council may, within 45 days after the start of the fiscal year, revise the budget and tax levies adopted by the previous Council. The procedures for adopting a revised budget shall be in accordance with § 905 within the time periods adjusted to 45 days after the start of the fiscal year. Ordinances adopting a revised budget shall be effective as of the start of the fiscal year and shall rescind and replace the budget ordinance of the previous Council. It is the intent of this Charter that a new Council, in the year following a municipal election, shall have the power to revise the budget and tax levies adopted by the previous Council.~~

(b) Within 15 days after the adoption of an amended budget ordinance, the Administrative Services Director shall file a copy with the appropriate state agency.

(8) Amendments after adoption.

(a) Section 908 of the Charter provides:

§ 908. Amendments after adoption.

1. *Emergency appropriations may be made by the Council to meet a public emergency posing a sudden, clear and present danger to life or property. Such appropriations may be made by emergency ordinance in accordance with the provisions of § 220 of this Charter.*

2. *Supplemental appropriations may be made by the Council by ordinance upon certification by the Mayor that there are available for appropriation revenues in excess of those estimated in the budget.*

3. *Transfer of appropriations may be made in accordance with provision of the Administrative Code.*

~~(b) Emergency appropriations may be made by the Council to meet a public emergency posing a sudden, clear and present danger to life or property. Such appropriations may be made by emergency ordinance in accordance with the provisions of § 220 of the Charter.~~

Editor's Note: Section 220 of the Charter provides:

§ 220. Emergency ordinance.

An emergency ordinance may be adopted to meet a public emergency posing a sudden, clear and present danger to life or property. An emergency ordinance shall be introduced in the form and manner prescribed for ordinance generally, except that it shall be plainly designated as an emergency ordinance and shall describe in clear and specific terms the nature of the emergency. Every emergency ordinance shall automatically stand repealed as of the 91st day following the date on which it was adopted, but this shall not prevent reenactment of the ordinance if the emergency still exists.

~~(c) Supplemental appropriations may be made by the Council by ordinance upon certification by the Mayor that there are available for appropriation revenues in excess of those estimated in the budget.~~

(b) Transfer of appropriations may be made in accordance with the provision of the Administrative and Fiscal Codes in accordance with the provisions of § 908 of the Charter.

~~Editor's Note: Section 908 of the Charter provides:~~

~~§ 908. Amendment after adoption.~~

- ~~1. Emergency appropriations may be made by the Council to meet a public emergency posing a sudden, clear and present danger to life or property. Such appropriations may be made by emergency ordinance in accordance with the provisions of § 220 of this Charter.~~
- ~~2. Supplemental appropriations may be made by the Council by ordinance upon certification by the Mayor that there are available for appropriate revenues in excess of those estimated in the budget.~~
- ~~3. Transfer of appropriations may be made in accordance with provision of the Administrative Code.~~

J. Capital Program
[Amended 10-22-2012 by Ord. No. 98-2012]

- (1) Definitions.
 - (a) Capital improvement program (CIP). A five-year plan that shall contain eligible capital projects listed in order of priority for funding during the five-year period.
 - (b) Capital project. Any project funded or proposed to be funded by public monies in part or whole to build, restore, retain, rehabilitate, purchase or repurchase any equipment, property, facility, infrastructure, vehicle, hardware for information technology, park facility, or building that is to be used for the public benefit or is a public asset, and has minimum total value of \$50,000.
 - (c) Capital program budget. An annual budget that shall identify the total funding and source of funding for each capital project adopted in the capital improvement plan that to be executed during the fiscal year.
 - (d) Capital purchase. Any purchase of a vehicle or other motorized equipment.

- (e) Capital expenditure. An allocation from the capital budget for an approved capital project.
- K. Capital priorities. Each year in the first week of May, the Mayor shall provide an annual statement of CIP priorities to the Council and to the departments funded by the CIP. The statement of priorities shall indicate substantive outcomes that the City is seeking to achieve through projects funded through the CIP and operational goals.
 - (1) Project and purchase proposals.
 - (a) Each year in the first week of June, the Administrative Services Department (ASD) shall issue a formal request to each City department for capital project proposals. The request shall be via a standard format set by the ASD that includes an estimate of the aggregate size, in dollar figures, of the proposed capital budget for the fiscal year.
 - (b) Each capital project and purchase proposal shall be submitted to the ASD by the first week of July and shall include the following:
 - [1] For projects:
 - [a] A description of the geographic location of each proposed capital project. If a capital expenditure is for a general Citywide project, the description shall list anticipated locations, but note that the list may not be exhaustive;
 - [b] An estimated timeline for the completion of the capital project;
 - [c] An estimated total budget for the capital project;
 - [d] Any potential impact the capital project may have on the City's operating budget;

- [e] The estimated useful life of the capital project;
- [f] For capital projects related to the general maintenance of infrastructure, the total projected funds required to improve or rehabilitate the infrastructure type citywide to an acceptable state of function of repair;
- [g] The departmental priority for each capital project submitted;
- [h] A statement of whether the capital project will impact public safety or public health;
- [i] A statement of whether the project is CDBG eligible;
- [j] A proposed source of financing;
- [k] A statement of whether the capital project is consistent with the City Comprehensive Plan.

[2] For purchases:

- [a] A description of the proposed vehicle's use;
- [b] A description of the condition of the vehicle being replaced including mileage and age;
- [c] The inventory of vehicles used by the department with a statement of primary purpose and frequency of use;
- [d] An estimated total budget for the capital purchases.

(c) **Charter § 911 (b) (6) states that *All Capital Projects must be included in the Capital Program Budget.***

(2) Capital Improvement Program Committee, the CIPC.

- (a) The Capital Improvement Program Committee (CIPC) shall advise the Mayor and City Council on the selection and prioritization of all capital projects and ensure that the CIP is properly administered. The membership of the CIPC shall consist of the following ~~nine~~ *seven* members:

[1] Director of Administrative Services;

[2] Director of Community Development;

[3] Director of Public Works;

[4] Chief of the Fire Department;

[5] Chief of the Police Department;

[6] City Auditor;

[7] One Member of City Council, appointed by the President of City Council.

- (b) The Chair or assignee of the CIPC shall provide a complete listing of all capital project proposals for the CIPC members to review and analyze prior to the meeting on the proposed projects.

- (c) The Chair or assignee of the CIPC shall produce a report on the findings of the committee.

(3) Contents of the CIPC Report.

- (a) Each year the CIPC shall produce a report, as required by Section 911(d) **(1)** of the Home Rule Charter, Preliminary feasibility study that details the following:

[1] A clear general summary of its contents;

~~[2] A list of all capital improvements and other capital expenditures which are proposed to be undertaken during~~

~~the five fiscal years next ensuing, with appropriate supporting information as to the necessity for each;~~

- [32] Cost estimates and recommended time schedules for each improvement of other capital expenditure;
- [43] Method of financing, upon which each capital expenditure is to be reliant;
- [4] *The annual cost of operating and maintaining the project to be constructed or acquired.*
- [5] The percentage of total funds to be allocated to capital purchases versus capital projects.

Charter § 911 (b) (2) also requires a list of all capital improvements and other capital expenditures which are proposed to be undertaken during the five fiscal years next ensuing, with appropriate supporting information as to the necessity for each;

- (b) Each capital project proposal shall be ranked by the CIPC according to the following criteria:
 - [1] Projects that will resolve an imminent threat to public or employee safety or health;
 - [2] Achieve compliance with federal or state statutory mandates;
 - [3] Reduce expenditures in the operating budget;
 - [4] Improve efficiency or effectiveness of service delivery;
 - [5] Comply with the City's Comprehensive Plan;
 - [6] Achieve community or economic revitalization;

[7] Any other criteria as determined by the Committee.

- (c) The CIPC shall also evaluate the five-year CIP and propose any changes that are necessary to ensure that the plan is consistent with the City's capital needs.
 - (d) The CIPC Report shall be provided to the Mayor by no later than the first week of September of each year, and the Chair of the Committee or assignee shall draft the report.
- (4) Submission and approval.
- (a) The Mayor shall prepare and submit to the City Council a five-year capital program no later than the final date for submission of the budget. The capital program shall include a capital budget. The proposed five-year capital program and budget shall be posted on the City's website for public review on the date the budget is submitted to Council.
 - (b) The Mayor, with the assistance of the Managing Director, Administrative Services Director and the Director of Community Development and in accordance with the provision of the Municipalities Planning Code (53 P.S. § 10209.1), the Managing Director shall be responsible for developing administering the capital budget. The Mayor shall prepare and submit to the City Council a five-year capital program no later than the final date for submission of the budget.
 - (c) The Council approval of capital projects in this preliminary feasibility study will require a simple majority vote in order to move on to a final approval and funding acceptance.
- (5) Final proposal and financing *Charter §911 (d)*.
- (a) The final capital project proposal and financing shall include:
 - [1] A clear general summary of its purpose and justification.

[2] The cost estimates and time schedule for the capital project, including the cost of the post-project-completion audit.

[3] The method of financing and sources upon which this capital project is reliant.

[4] The annual cost of operating and maintaining the project to be constructed or acquired.

~~(b)~~[5] This final capital project proposal will be published and made available for the public to review (use notice and hearing notice, Charter § 912). Capital project replaces capital program.

~~(e)~~[6] The final Council approval of capital projects will require five votes to approve.

~~(d)~~(b) The contracts for capital projects shall be subject to the procurement process established by the Charter and the Code.

(6) City Council action on the capital improvement program (Charter § 912)

(a) *Notice and hearing. Council shall publish in one or more newspapers of general circulation in the municipality the general summary of the capital program with a notice stating:*

[1] *The times and places where copies of the capital program message and capital program document are available for inspection by the public.*

[2] *The time, place, and date, not less than 15 days or more than 30 days after such publication, for a public hearing on the capital program. The public hearing shall not be on the date of a regular Council meeting or on hearing date of the operating budget.*

[3] *The proposed capital program shall be available for public inspection at City Hall and copies shall be available for the public at a reasonable fee to be set by the Council.*

- (7) *Adoption. [Charter § 912(3)(b)] Council must adopt an annual capital program by no later than December 15 of the fiscal year currently ending. If Council fails to adopt a capital program by December 15, then the Mayor's original capital program shall become the official capital program of the City for the ensuing year.*
- (8) Capital project execution. [Charter § 911 (d) (3), Capital project reporting.]
- (a) *Current projects. All capital projects in process must be reported on a quarterly basis and provide an update on cost, completion date, and estimated revised operating costs. This information is to be supplied by the Administrative Services Director and the Project Manager to the City Council in such a form that it is available to the public.*
- (b) Quarterly report. The quarterly report on all capital projects approved for the current budget year shall be distributed to Council by the last day of each fiscal quarters. The report shall include the following:
- [1] A clear general summary of its purpose and justification.
 - [2] A statement of each project's status as of the date of the report.
 - [3] A statement of whether the project is 50% more or less completed.
 - [4] The cost estimates and time schedule for each capital project, including the cost of the post project completion audit.
 - [5] The method of financing and sources upon which this capital project is reliant.
 - [6] The annual cost of operating and maintaining the project to be constructed or acquired.

Also refer to Charter §911 (d)(3)(a)

Current projects. All Capital Projects in process must be reported on a quarterly basis and provide an update on cost, completion date, and estimated revised operating costs. This information is to be supplied by the Finance Manager and the Project Manager to the City Council in such a form that it is available to the public.

- (c) Extended projects. If commencement of a capital project does not begin by end of the fiscal year following the year in which final approval is obtained, the project must go through § 911(d)(1) and (2) of and as required by the Charter § 911(d)(3), and Subsection K(1), (2) and (3) of this section in the subsequent year.
- (d) Post-project-completion audit. (Charter § ~~914~~911(d)(4)) *Following completion of the capital project, a complete and detailed audit must be published and made available to the public. This post audit is to be completed by an independent auditor appointed by the Council. The purpose of the post audit is to confirm the estimates of costs and explain any deviation between actual and estimated costs.*

L. Annual Financial Report

- (1) Section 308 of the Charter provides:

§ 308. Powers and duties of the Mayor.

The Mayor shall have the following powers and duties:

(c) Inform City Council and the public each January of the financial and general condition of the City.

- (2) The Mayor, with the assistance of the Managing Director, Administrative Services Director and other appropriate department directors, shall:
 - (a) Inform Council and the public by the end of each January of the financial and general condition of the City. This report shall be as complete as possible but shall not be in the detail required under Subsection K(2)(b).

- (b) Report (under oath) to the Council and appropriate state agency, by the end of each March, a comprehensive financial report in accordance with the standards set forth by GASB and GAAP.
- (c) Prepare, review and update as necessary procedures necessary to implement this section, which shall include the following:
 - [1] The format of the report (taking into consideration the maximum standards of the GASB and the commonwealth).
 - [2] Dissemination to the public.
 - [3] A descriptive and textual analysis of the state of the City, and the City's finances.
- (d) When a new Mayor has been elected, the Mayor leaving office must submit as comprehensive a report as possible by December 31 of the final year of his/her term. The new Mayor shall review this report by January 31 of the year he/she takes office and proposed comments and additions to the report in preparing his/ her report pursuant to Subsection K(2)(a).

M. Risk Management.

- (1) Responsibility. The Administrative Services Director shall collaborate with the Managing Director in developing a risk management procedures manual. Additionally, the Administrative Services Director is responsible for joint reports to the Mayor, Managing Director and Council.
- (2) Reports. Reports issued by the Administrative Services Director shall include the following:
 - (a) Status of insurance (including self-insurance, requests for proposals for insurances which shall be considered professional services under this code), competitive bidding procedures.
- (b) Claims.

(c) Bonds.

(d) Other items under risk management.

N. Contracts

(1) Approval of contracts.

(a) Section 915 of the Charter provides:

§ 915. Bidding process.

(a) *Whenever the estimated cost of any construction, erection, installation, completion, alteration, repair of, or addition to, any project subject to the control of the City shall exceed \$10,000, it shall be the duty of said City to have such work performed pursuant to a contract awarded to the lowest responsible bidder [subject to Subsection d)], after advertisement for bids. Every such contract shall contain a provision obligating the contractor to the prompt payment of all material furnished, labor supplied or performed, rental for equipment employed, and services rendered by public utilities in or in connection with the prosecution of the work, whether or not the said material, labor, equipment or service enter into and become component parts of the work or improvement contemplated. Such provision shall be deemed to be included for the benefit of every person, co-partnership, association or corporation who, as subcontractor or otherwise, has furnished material, supplied or performed labor, rented equipment or service in or in connection with the prosecution of the work as aforesaid, and the inclusion thereof in any contract shall preclude the filing by any such person, co-partnership, association or corporation of any mechanics' lien claim for such material, labor or rental of equipment.*

(b) The City may make contracts for carrying into execution the provisions of the Code, ordinance and the laws of the State of Pennsylvania. Council approval shall be required of all contracts with a value of ~~\$50,000~~ **\$35,000** and over, and all collective

bargaining agreements. Any contracts for less than ~~\$50,000~~ **\$34,999.99 or less** shall be entered into by the ~~executive branch~~ **Mayor and Managing Director** as ~~it shall be determined~~ without requirement of approval by Council. All contracts or purchase not in excess of \$10,000 shall be ~~by note or memorandum signed~~ **approved by the Mayor and** the Managing Director.

(c) **Ethics Code §6 Prohibited Behaviors Letter H Awarding Contracts**

H. Awarding Contracts

1. *To the extent that it is not inconsistent with federal or state law: (i) a City Employee, (ii) a City Official, (iii) any Immediate Family of a City Employee or City Official; or (iv) any for-profit business entity in which the City Employee, City Official, or any Immediate Family has a Material Interest, shall not enter into any Contract valued at Five Hundred Dollars (\$500.00) or more with the City or any City agency or instrumentality, unless the Contract has been awarded through an open and public process, in accordance with Pennsylvania law, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the City Official or City Employee shall not have any supervisory or overall responsibility for the implementation or administration of the Contract. Any Contract or subcontract made in violation of this subsection may be subject to further penalties, pursuant to the terms and provisions of the Pennsylvania Public Official and Employee Ethics Act (65 Pa. C.S.A. §1101.1, et. seq.).*
2. *Prior to entering into or awarding any No-Bid Contract, the City Employee, Official, agent or instrumentality entering into such No-Bid Contract on behalf of the City, must immediately provide the Board of Ethics with the following information:*
 - i. *The name and address of all contracting parties;*
 - ii. *A draft copy of the contract to be entered into;*
 - iii. *A report, in compliance with 25 P.S. §3260a (Section 1641 of the Pennsylvania Election Code), as amended, which shall provide the following:*

- a. *An itemized list of all political contributions known to each contracting party by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner, or individual owner that has been made by:*
 1. *Any officer, director, associate, partner, limited partner, individual owner or members of the immediate family of the aforementioned parties when the contributions exceed an aggregate of One Thousand Dollars (\$1,000.00) by any individual during the preceding year; or*
 2. *Any employee or members of his or her immediate family whose political contribution exceeded One Thousand Dollars (\$1,000.00) during the preceding year.*
- iv. *Any other information that the Board of Ethics may require.*
3. *In the event that the intended recipient of a City No-Bid Contract or any officer, director, associate, partner, limited partner, individual owner, member, employee, or Immediate Family of any of the aforementioned parties has made a donation to a political committee of a City Employee, City Official, agent or instrumentality, in excess of the contribution limitations set forth in Section 1-199.22 during any of the preceding two (2) calendar years from the date the draft copy of the proposed contract is submitted to the Board of Ethics, then and in that event the City is prohibited from awarding that No-Bid Contract to that intended party.*
4. *For purposes of this Section, the office that is considered to have ultimate responsibility for the award of the Contract shall be as provided for by the established purchasing policies of the City of Reading.*

~~Ø. Requiring that as of March 13, 2001, City Council must, by ordinance, approve any salary increase that has not been approved in or included in the budget for the fiscal year and falls outside the labor contract for union employees.~~

P. — ~~That during the course of each fiscal year, the transfer of all monies including, but not limited to, transfers between departments and transfers in and out of any City fund, account or line item either attached in part or unattached to a departmental budget, causing a modification of \$25,000~~**\$10,000**, must be approved by Council resolution *ordinance*. The resolution *ordinance* must be submitted to City Council with an agenda memorandum explaining the justification for transfer and the proposed use for the funds transferred, within the time frame defined in the Agenda Packet Policy.

Q. — ~~All expenditures not approved and listed in the operating or capital budgets for the fiscal year that exceed \$25,000~~ **\$10,000**.

CITY of READING
GENERAL FUND FINANCIAL REVIEW SUMMARY
April 2015

The attached files are the General Fund results year to date through April of 2015. The documents include the statement of activities (income statement), full year projection, year-end cash flow/balance position, revenue by line item and contingency usage. For comparison purposes, prior year income statement results are also included.

OVERVIEW:

Four months, 33.3% of the full year, is completed. On a cash basis, the month's year to date surplus/deficit generates a surplus of \$3,287,741. This result does not include the City's full year pension MMO (minimum municipal obligation) of \$13,204,536 (General Fund only) nor the State Pension contribution of \$3,200,000. If 33.3% of these activities are recognized this month, the reported surplus would decrease to a deficit of \$46,771. The full year projection remains to attain a balanced budget.

Revenues:

Please review both the attached summary and detail revenue line items for differences between actual and budget. With four month of fiscal year reported, full year projection remains as planned. Please be cognizant that this year's budget includes an increase of \$3,068,558 from the Reading Parking Authority. This increase has not yet been realized. The revenue shortfall through April for this line item is \$1,022,853 which should be redeemed during the remainder of the year.

Expenditures:

As with revenues, please review the attached summary expenditure line items for differences between actual and budget. Also, full year projection remains as planned. Since Police and Fire 2015 spending budgets consume 71% of General Fund operating budget before debt and fees, these two lines items are significant to monitor. This month's IT allocation is not included; however, this does not impact the ending financial result. This allocation will be included next month.

2015 Full Year Projection:

Maintain plan.

Cash Flow:

This month's ending cash and investment positions are \$24,025,595 (\$12,938,938 cash and \$11,086,657 investment) compared to last year's total of \$21,610,733 (\$20,527,341 cash and \$1,083,392 investment). The General Fund has not provided any loans to other funds this year.

Something new has commenced in February. Two interest bearing accounts, consisting of CD's, have been created. These accounts are 100% covered by FDIC and are Act 72 compliant. The general fund account has \$10 million (40 issues) in the account while the sewer fund has \$15 million (60 issues) invested. Both portfolios average net yield is 40 basis points and have a weighted average maturity of .94 years (laddering utilized). The general fund interest income generated at maturity is \$41,333 while the sewer fund interest income is \$61,449. The interest will roll back to the accounts as will the value of the CD principal upon attaining maturity. Operational cash flow reviews will determine the need to access these accounts. This influences the duration of future roll over and; thus, the yield of the CD.

2015 Contingency Usage:

The budget is \$1,142,550 unspecified and \$1,200,000 specified, totaling \$2,342,550. The use of this budget is strictly prohibited, requiring council's approval. See Contingency schedule of usage.

2015 Debt Refinancing:

In April, the City refinanced the following bonds: 2003 (used to finance public works facility), 2006 (used to finance pension), and 2008 (used to finance actuarial liquidity of employee pension) with Series 2015 A&B bonds issued \$54,025,000, providing an estimated savings of \$2.1 million over the life of the bonds. This refinancing satisfied initiatives DS01, DS02 and DS03 of the Amended Act 47 Recovery Plan.

City's Bond Rating by Moody's:

Baa1 (low medium grade) compared to a target of **Aaa** (prime).

Ten Year Debt Balance History:

2015 \$138,858,575.73 Projected

Current	\$145,252,920.43	2010	\$169,000,544.88	2005
	\$67,548,791.60			
2014	\$145,252,920.43	2009	\$153,912,320.58	
2013	\$150,385,423.83	2008	\$139,256,420.98	
2012	\$156,136,322.53	2007	\$119,487,999.63	
2011	\$164,915,407.88	2006	\$121,374,949.50	

Headcount by Fund:

The general fund full time headcount ended 13 below plan, varying among divisions. The mix of headcount between public safety and non uniform is near plan.

	<u>Full Time</u>	<u>Part Time</u>	<u>vs. Plan FT</u>	<u>vs. Plan PT</u>
General	468	106	13 less than plan	23 less than plan
Shade	1	0	1 less than plan	ok to plan
plan				
	4 less than plan		4 less than plan	
Sewer			71	1
Solid Waste	18	3	ok to plan	2 more than plan
HUD	6	0	2 less than plan	ok to plan
TOTAL	564	110	20 less than plan	25 less than plan
plan				
General:	<u>Actual FT</u>	<u>% of Total GF</u>	<u>Plan FT</u>	<u>% of</u>
<u>Total of GF</u>		Police	188	40.2 %
	194		Fire	141
	30.1 %	144		
Public Safety	329	70.3%	338	70.4%
Non Safety	139	29.7%	142	29.6%
Total	468	100.0%	480	100.0%

FIVE YEAR PROJECTION:

Page 10 and page 82 of the Amended Act 47 Recovery Plan illustrate the following fund balance usage and projected ending balance between 2015 and 2019. This plan is located on the City’s web site.

Year	Use of Fund Balance	Fund Balance
2015	0	20,260,181
2016	1,031,156	19,229,025
2017	3,145,368	16,083,657
2018	2,806,216	13,277,441
2019	4,527,521	8,749,920

NEW FINANCIAL DATA ACCESS FEATURE:

This month, the City has implemented a solution, OPENGOV, to minimize the hurdles it faces when accessing and analyzing financial data. The OPENGOV platform assists directors and chiefs make data-driven decisions, foster productivity and increase collaboration. It aids finance administration by increasing budgeting and reporting efficiency, and supports elected officials by inviting transparency and govern with enhanced data insight. Currently, OPENGOV is available to the City’s management team and staff, council and PFM. In May, it will become available to all on the City’s web site.



TO: City Council, David Cituk
FROM: Christian F. Zale, City Controller
DATE: April 23, 2015
SUBJECT: Schedule of Transfers -April 2015

The following transfers occurred in April 2015 as specified in the 2015 council approved budget: **(Changes to budget captioned in bold.)**

To General Fund (01):

Indirect Cost: CD (32) **\$0.00 through March...HUD 2015 funding is not yet available (Budget \$15,833.00)**; Sewer (54) **\$91,945.58 (Budget \$86,913.00)**; Recycling (56) **\$32,080.92 (Budget \$36,833.33)**; Trash (56) **\$14,538.33 (Budget \$11,902.00)**; Water (50) \$0.00 (Budget \$0.00). **These transfers are per the 2013 Maximus cost study; they will be adjusted upon the completion of the 2014 Maximus cost study.**

Transfers: Sewer (54) \$250,000.00; Water (50) **\$766,666.67 (Next month will change to \$772,912.67 to agree with RAWA Lease Agreement, Fourth Addendum, Bill 99-2014)**

Water RAWA Act 47: Eliminated in 2015

Meter Surcharges: Water (50) **\$147,916.67 (Next month will change to \$141,666.67 to agree with RAWA Lease Agreement, Fourth Addendum, Bill 99-2014)**

To Water Fund (50):

Meter Reading Cost: Sewer (55) \$15,000.00; Billing Cost: Sewer (55) \$25,000.00
RAWA Lease Agreement: **From RAWA \$940,249.00**

To Self Insurance (52):

Sewer (54) \$41,100.42; Water (50) \$3,516.92; General (01) \$201,291.50;
Recycle \$8,070.83

Corrections:

None

Additional Transfers:

None

Other Transfers:

The City received \$496,823.88 from RAWA related to Recycle and Trash 2015 billings.

These transfers are reflected in April trial balance. Also, the related cash has been transferred among the various funds; thus, no impact in the DT/DF accounts. This activity has been confirmed by the City Auditor.