

ORDINANCE NO. 15076

FILE OF CITY COUNCIL

BILL NO. 25 - 2013

April 3, 2013

AN ORDINANCE

Amending the Administrative Code by requiring budget detail sheets to be submitted concurrent with the Mayor's presentation of the budget to City Council and the public.

WHEREAS, Article 130.04 Section 804, Budget of the Home Rule Charter, provides that the budget shall provide a complete financial plan of all city funds and activities and 'shall be in such form as the Mayor deems desirable or the Council may require.'" and

WHEREAS, the Council finds it appropriate that detail sheets act to provide a more complete financial picture of the city.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That Article 130.04 Budget be amendment to include the following, letter **J.**:

130.04 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. (Art. VIII, §804)*
- B. *It shall show, in detail, all estimated income, indicating the existing and proposed tax levies, as well as other assessments, fees and charges. (Art. VIII, §804)*
- C. *It shall show all proposed expenditures, including debt service, for the ensuing fiscal year. (Art. VIII, §804)*
- D. *It shall show the number of proposed employees in every job classification. (Art. VIII, §804)*
- 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 (4) fiscal years. (Art. VIII, §804)*

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. (Art. VIII, §804)

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. (Art. VIII, §804)

H. It shall indicate anticipated net surplus or deficit for the ensuing fiscal year of each utility, i.e., water, sewer and enterprise funds, 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. (Art. VIII, §804)

I. The budget shall be in such form as is required by Council for City budgets and shall, in addition, have appended, thereto, a detailed analysis of the various items of expenditures and revenue. Position classification titles, paygrades and salaries for each specific position shall be components of the program detail in the budget that is presented to and adopted by City Council. (13337 §1 6/8/95)

J. The budget submitted to Council and the public shall include budget detail sheets which list each and every program account with the items that justify the respective account expenditure.

The total of proposed expenditures shall not exceed the total of estimated income. (Art. VIII, §804)

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

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

	Yea	Nay
Joe Davis	X	
Jeanette Eichenwald	X	
Jeff Glazier	X	
Cynthia Y. Mota	X	
Ray O'Connell, VP		
Peter G. Schweyer	X	
Julio A. Guridy, Pres.	X	
TOTAL	6	0

I hereby certify that the foregoing Ordinance was passed by City Council on June 5, 2013 and signed by the Mayor on June 7, 2013.



CITY CLERK

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

City Council

- **Summary and Facts of the Bill**

Purpose of the ordinance is to require the Administration to submit detail sheets with the budget. .

- **Purpose – Please include the following in your explanation:**
 - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
 - **What are the Benefits of doing this/Down-side of doing this**
 - **How does this Bill related to the City’s Vision/Mission/Priorities**

Budget detail sheets are already distributed to Council usually when each respective department is being reviewed; this simply formalizes the process and requires earlier submission to council.

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

Requires managers and budget administrators to remove items from detailed sheets in a more time effective manner; benefits council and the public more having more time to review and creates more general accountability when expenditures are tied to specific items.

- **Funding Sources – Please include the following in your explanation:**
 - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

N/A

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

Next Budget

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

Creates more transparency and accountability.

130.01 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. (Art. VIII, §801)

130.02 SUBMISSION OF BALANCED BUDGET AND CAPITAL PROGRAM

On or before ninety (90) days prior to the ensuing fiscal year, the Department Heads will submit Proposed Budget and Capital Program to the Mayor. On or before sixty (60) 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. (Art. VIII, §802)

130.03 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, as required by Council that will inform the Council and the public of municipal goals. (Art. VIII, §803)

130.04 BUDGET

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- D. It shall show the number of proposed employees in every job classification. (Art. VIII, §804)
- 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 (4) fiscal years. (Art. VIII, §804)
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H. It shall indicate anticipated net surplus or deficit for the ensuing fiscal year of each utility, i.e., water, sewer and enterprise funds, 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. (Art. VIII, §804)

I. The budget shall be in such form as is required by Council for City budgets and shall, in addition, have appended, thereto, a detailed analysis of the various items of expenditures and revenue. Position classification titles, paygrades and salaries for each specific position shall be components of the program detail in the budget that is presented to and adopted by City Council. (13337 §1 6/8/95)

The total of proposed expenditures shall not exceed the total of estimated income. (Art. VIII, §804)

130.05 CITY COUNCIL ACTION ON BUDGET

A. *Public Access to Budget:* The proposed budget shall be available for public inspection at City Hall and at the Allentown Public Library and the Lehigh County Law Library, and copies shall be available for the public at a reasonable fee to be set by the Council. (Art. VIII, §805)

B. *Amendment Before Adoption.* After the public hearing, the City Council may adopt the budget with or without amendments. 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. (Art. VIII, §805)

If the amended Budget increases, decreases or readjusts funding requirements by more than five (5%) percent, or adds or deletes a program, the Budget shall be returned to the Mayor immediately for comment and resubmission to the Council within three (3) normal City work days. (Art. VIII, §805)

Council shall provide for another public hearing to be held within five (5) days after the Mayor has resubmitted the Budget. (Art. VIII, §805)

The Mayor may propose amendments to the original proposed balanced budget. Any amendment which increases any tax rate or fee shall become part of the original budget provided City Council approves each amendment by five (5) votes. Other Mayoral amendments which do not increase any tax rate or fee shall become part of the original budget provided City Council approves each amendment by four (4) votes. (14078 §1 4/17/03)

C. *Adoption.* Council must adopt an annual budget by no later than December 15th of the fiscal year currently ending. If Council fails to adopt a Budget by December 15th, the Mayor's original proposed balanced Budget shall become the official Budget of the City for the ensuing fiscal year. (Art. VIII, §805)

The Mayor's original proposed balanced budget is that budget which was submitted at least sixty (60) days prior to the ensuing fiscal year. (14078 §1 4/17/03)

130.07 AMENDMENTS AFTER ADOPTION

A. *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 Section 220 of this Charter. (Art. VIII, §808)*

B. *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. (Art. VIII, §808)*

Council may authorize by ordinance supplemental appropriations or revenue changes for any lawful purpose from funds on hand or estimated to be received within the fiscal year as follows:

1. Council may authorize a transfer of the unexpended balance or portion thereof of any appropriation item.

2. Council may authorize an appropriation from the unappropriated balance of any fund.

3. Council may increase any revenue or income budget account to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.

4. Council must approve, by ordinance, any transfer of any funds which results in a change in salary for any City employee. (13221 §1 10/20/93; 13252 §1 4/7/94; 13592 §1 7/17/97)

C. Transfer of appropriations may be made in accordance with provisions of the Administrative Code. (Art. VIII §808)

D. *Positions Created by Ordinance: No permanent or permanent part-time position not explicitly provided for in the Budget shall be created; nor shall any budgeted position be deleted or transferred from its budgeted program, unless City Council, by ordinance, authorizes the same position. (12548 §1 3/16/83; 12979 §1 6/20/90)*

E. *Rules and Regulations on Transfers:*

1. Interfund Transfers: *City Council may, by ordinance, approve transfers between funds during a budget year. (12979 §5 6/20/90)*

2. Budgeted Transfers: *The Administration shall issue a monthly report, no later than the 15th of each month on the transfer of funds into the Risk Management Fund. (14922 §1 09/16/11)*

3. Intrafund Transfers: *Subject to the above limitation, the Director of Finance shall have the power within a given account to authorize the transfer of any unexpended balance or any portion thereof, provided such transfers do not exceed Five Thousand (\$5,000) Dollars. Transfers that exceed Five Thousand (\$5,000) Dollars must be approved by a majority of Council by signing off on an appropriate form submitted to the Clerk's Office. After approval, the transfers shall be distributed to the public as an agenda item and be made part of the minutes of said meeting. (14215 §1 10/7/04)*

The Director of Finance must establish administrative procedures which require information on the request forms proving that such transfer requests comply with this section. (12979 §4 6/20/90; 13205 §1 6/22/93; 13221 §1 10/20/93; 13284 §1 10/20/94; 13592 §1 7/17/97)

130.08 LAPSE OF APPROPRIATIONS

Every appropriation, except an appropriation for a Capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. (Art. VIII, §809)

130.09 ADMINISTRATION OF THE BUDGET AND CAPITAL PLAN

A. The Mayor shall be responsible for and shall supervise the administration of the Annual and Capital Budgets. (Art. VIII, §810)

B. The Department of Finance shall submit a monthly financial report to City Council, and the Controller, showing the financial condition of the various funds of the City inclusive of authorized, year-to-date and monthly expenditures and revenues of the current and previous fiscal years. The report shall be delivered to Council, and the Controller, no later than two (2) weeks or the first business day thereafter at the close of the month. Should the report not be available within the timeframe stated in this section, an explanation must be provided to City Council and the Controller by the first business day after the stated deadline. (14721 §1 6/3/09)