

ARTICLE 121

Finance

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CROSS REFERENCES

Accounts and finances - See 3rd Class §1801 et seq. (53 P.S. §36801 et seq.)
City Treasurer - See ADM. Art. 109
City Controller - See ADM. Art. 111

121.01 APPROPRIATIONS.

No monies shall be paid out of the City Treasury except upon appropriation previously made by Council and upon warrant pursuant thereto, which shall explicitly state the purpose for which the money is to be drawn. No work shall be hired to be done, no materials purchased, no contracts made and no order issued for the payment of any monies in any amount which will cause the sums appropriated to specific purposes to be exceeded. Council may make supplemental appropriations for any lawful purpose from funds on hand or estimated to be received within the fiscal year and not appropriated to any other purpose.

The Business Administrator shall have the power to authorize the transfer of any unexpended balance of any appropriation item, or any portion thereof, within a department, but if the amount transferred is more than five percent of the appropriation item, then the Business Administrator shall not make such transfer without obtaining the approval of at least four members of Council.

Expenditures from the Contingency Fund shall be made only upon the express approval of Council. (Ord. 1730 §401. Passed 2/13/62.)

121.02 DEPOSITORIES OF CITY FUNDS.

The City Treasurer shall deposit all City funds and all City taxes collected by him in such banks or other financial depositories as he is directed by the Mayor, the City Controller

and himself acting as a body for the designation of City depositories. All such deposits shall be made in the name of the City. (Ord. 2987 §5. Passed 4/2/85)

121.03 TEMPORARY INVESTMENT OF CITY FUNDS.

The Mayor, the City Treasurer and the City Controller, acting as a body for the temporary investment of City funds, shall have power to provide for such investment in United States Treasury bills, and for the disposal of such securities when the monies may be needed, or in savings accounts or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Saving and Loan Insurance Corporation to the extent that such accounts are so insured or the extent that such deposits with savings institutions are protected by pledges of United States Government securities having a current market value equal to the uninsured portion of the account. (Ord. 2253 §1 Passed 6/22/71.)

121.04 ANNUAL AUDIT.

All accounts of the City shall be audited following the close of each fiscal year by an independent certified public accountant selected by resolution of Council. (Ord. 2408 §1. Passed 12/27/73.)

121.05 CONTRACTS; PERSONAL PROPERTY PURCHASE

- (a) Contract administration for the City, including, but not limited to authority as to preparation of specifications, letting of bids, award of contracts and payment of bills, heretofore vested in Council under Article XIX of the Third Class City Code, shall be vested in the Mayor and Department of Administration, to be exercised in accordance with the procedures adopted by the Mayor, except as follows:
- (1) For the award of contracts for or the engagement of professional services, coordination with and approval by Resolution of City Council prior to contract or engagement execution is required.
 - (2) For the award of all contracts over \$50,000 that are required to be bid by the provisions of the Third Class City Code, recommendation of the lowest responsible bidder by the Department of Administration, and approval by Resolution of City Council prior to contract execution are required.
 - (3) For all contracts over \$50,000 that are required to be bid by the provisions of the Third Class City Code, whenever an increase by 10% or more is recommended by the Administration, resubmission to City Council and approval by Resolution prior to execution of any increase are required.

- (4) For purposes of this Article, when calculating the dollar value of a contract with renewal clauses, the maximum amount of all renewals provided for beyond the original term shall be included as if all renewals were exercised.

(b) The Business Administrator shall file or cause to be filed monthly with the City Clerk a list by Department of each duly executed purchase order, identifying the vendor, the product or service purchased and the amount of each purchase order.

(c) The administration shall establish and maintain an ongoing prioritized contract monitoring function consistent with established best practices to ensure that the objectives of city contracts are accomplished and vendors meet their responsibilities.

(d) Used personal property may be purchased without formal bidding provided the following criteria are met:

- (1) The request to purchase used personal property shall first be submitted by the Purchasing Officer, together with justification therefore, to the Finance Committee for recommendation.
- (2) Upon and after recommendation to the Finance Committee, Council, as a whole, shall have approved the request by resolution. (Ord. 2529 §1. Passed 9/21/76.)

(Ord. 1730 §405. Passed 2/13/62; Ord. 2014-27. Passed 8/19/14.)

121.06 COMPOSITION OF BUDGET.

(a) Pursuant to Section 417 and Section 418 of the Optional Third Class City Charter Law, Act of July 15, 1957 (P.L. 901), the City budget shall consist of the following:

- (1) General Fund Operating Budget.
- (2) Water Fund Operating Budget.
- (3) Sewer Fund Operating Budget.
- (4) Capital Budget. (Ord. 1767 §6. Passed 11/13/62.)

(b) On or before July 1 of each year, the City Planner shall submit a proposed five-year capital improvement program to the City Planning Commission for its study and recommendations. On or before October 1 of each year, after receipt of the report of the Planning Commission, the Mayor shall submit the program to Council, incorporating any of the recommendations of the Planning Commission which he deems advisable. The program submitted may be modified by the affirmative vote of five members of Council. The five-year capital improvement program shall be subject to annual revision. (Ord. 2987 §5. Passed 4/2/85; Ord. 3945. Passed 3/16/99.)

121.07 BUDGET OPERATION.

The Business Administrator shall supervise the administration of each annual budget. Immediately after the budget has been enacted and after consultation with the heads of the departments, he shall, when Council directs, establish quarterly or other periodic allotments of appropriations to each department. At the beginning of each allotment period, the amount specified shall become available to each department for obligation during that period. (Ord. 2987. §5. Passed 4/2/85.)

The allotments for any department may be modified, upon request of the head of the department, by the Business Administrator or by direction of the Mayor. The Business Administrator shall file with the City Controller a copy of each allotment and modification thereof. An encumbrance system of accounts, to control all expenditures within the limits of budget appropriations and to control such allotments, shall be maintained by the City Controller.

As part of the City's Budget Operation and in conjunction with the encumbrance system of accounts, requisitions and purchase orders shall be required to obligate funds for the procurement of equipment or materials and for the contracting for public work. The City's Purchasing Director, and the City Controller exercising the statutory control function, shall have the authority to approve all requisitions and purchase orders and bind the City to the terms of the purchase order. Any authorization signatures that are required may be "ink" signatures or electronically printed name or signature.

If at any time during the budget year the Business Administrator shall ascertain the probability of a cash deficit, he shall reconsider the work programs and allotments of the several offices, departments and agencies. Upon such reconsideration and with the approval of the Mayor, the Business Administrator shall revise the allotments so as to forestall so far as possible, the making of commitments and expenditures in excess of the revenue to be realized during the fiscal year.

(Ord. 1730 §407. Passed 2/13/62; Ord. 2016-09. Passed 4/19/2016)

121.08 RESTRICTIONS ON FUND TRANSFERS; CITY COUNCIL APPROVAL REQUIRED

(a) No transfers of unappropriated funds, shall be made from the Water Fund Operating Budget to the General Fund Operating budget without the prior notice and approval of City Council.

(b) No transfers of unappropriated funds, shall be made from the Sewer Fund Operating budget to the General Fund Operating budget without the prior notice and approval of City Council. (Ord. 4143. Passed 9/3/02.)

(c) No transfers of funds from the Treasurer's Escrow Account shall be made to the General Fund Operating Budget or to the Water Fund Operating Budget or to the Sewer Fund

Operating Budget without prior notice to and approval of City Council. (Ord. 4425. Passed 5/1/07.)

(d) Gaming Local Share Account. Any and all monies received under and pursuant to the Pennsylvania Race Horse Development and Gaming Act (Act 2004-71) as amended, 4 Pa.C.S.A. §1401, et seq., shall be deposited in a separate bank account, separated and segregated from all other monies, entitled the "Gaming Local Share Account". A separate bank account shall be created for Gaming Local Share unappropriated funds to be controlled by City Council under a line item in City Council's Budget, separated and segregated from all other monies. The total amount of the Gaming Local Share unappropriated funds shall be deposited within two business days after receipt into the separate bank account to be controlled by City Council. No transfers of Gaming Local Share unappropriated funds from the separate bank account to be controlled by City Council shall be made without prior notice to and approval of City Council. (Ord. 2008-24. Passed 9/2/08; Ord. 2011-19. Passed 7/19/11.)

121.09 PROHIBITION AGAINST BUDGET DEFICITS

The total expenditures for any fiscal year shall not exceed total revenues for that fiscal year, and the Mayor may not propose, and the Council may not adopt, any budget where expenditures will exceed estimated revenues. Revenues shall include all receipts except those derived from borrowing. (Ord. 4335. Passed 8/16/05.)

121.10 INTERMUNICIPAL FUND TRANSFERS

(a) No transfer of funds exceeding \$50,000.00 shall occur between the City of Bethlehem and the Bethlehem Authority, or the Bethlehem Parking Authority or the Bethlehem Redevelopment Authority or the Bethlehem Housing Authority without prior approval by Resolution of Bethlehem City Council. It is the intent of this Ordinance that prior approval by Resolution of Bethlehem City Council shall be required for all such transfers, regardless of whether the funds are, or are not, transferred to a City of Bethlehem owned and/or controlled bank account or other account, and regardless of whether the funds are, or are not, used in payment of an Authority obligation that would ordinarily be funded by payment from the City of Bethlehem to such Authority. This requirement shall not apply to any transfers of funds between any of the said Authorities that have been previously approved by City Council as part of the City's annual General Fund, Water Fund, Sewer Fund, Golf Course Enterprise, Liquid Fuels Capital and/or Community Development Block Grant Fund Budgets.

(b) All proposed Resolutions for City Council approval of such transfers of funds shall be accompanied by a Resolution approved by the Board of such Authority and signed by the Executive Director of such Authority that certifies that the proposed transfer of funds will not impair nor have a material impact on the ability of such Authority to satisfy and honor its financial obligations, nor that the proposed transfer of funds will violate any municipal bond obligation, contractual obligation or other legal obligation of such Authority.

(Ord. 4379. Passed 4/4/06.)

121.11 FINANCIAL REPORTING TO CITY COUNCIL

(a) The Department of Administration shall prepare for submission to City Council and to the City Controller a report of the following:

- (1) Analytical Reports: General Fund Operating Budget, Water Fund Operating Budget and Sewer Fund Operating Budget.

All revenues and expenditures for the preceding month, and year to date, together with the cash balance as of the end of the preceding month for the General Fund Operating Budget, the Water Fund Operating Budget, and the Sewer Fund Operating Budget. Such reports shall be prepared for each month, to be submitted within thirty (30) days after the end of each month.

- (2) Analytical Report: Gaming Local Share Account.

A statement of all revenues and expenditures for the preceding quarter, and year to date, together with the cash balance as of the end of the preceding quarter for the Gaming Local Share Account. Such reports shall be prepared for each quarter, to be submitted within thirty (30) days after the end of each quarter.

- (3) Accounts Payable and Accounts Receivable Reports.

A statement of all accounts payable (with an aging schedule according to dates to reflect which payments are behind their due date and by how many days) and a statement of all accounts receivable (with an aging schedule according to dates to reflect which revenues are behind their due date and by how many days) for the preceding month. Such reports shall be furnished within thirty (30) days after the end of each quarter for the General Operating Fund Budget, the Water Fund Operating Budget, and the Sewer Fund Operating Budget.
(Ord. 2010-8. Passed 4/6/10.)

121.12 BOND ISSUES, GENERAL OBLIGATION NOTES, AND LINES OF CREDIT

(a) All proceeds of any bond issue, general obligation note, and line of credit (or any other type of loan or advance) shall be deposited in a separate account entitled, Bond Issue/General Obligation Note/Line of Credit, as applicable. No expenditures and/or transfers of these funds shall be made from said separate account(s) without prior written notice to City Council and the City Controller and prior approval by City Council.

(b) All proceeds of any bond issue, general obligation note, and line of credit shall only be used for the purposes for which the funds are borrowed and/or advanced and shall be utilized for no other purposes whatsoever without prior written notice to City Council and the City Controller and prior approval by City Council.

(Ord. 2011-8. Passed 3/1/11.)