

ARTICLE 137
Fiscal Procedure

137.01	Fiscal year.	137.10	Capital Reserve Fund.
137.02	Definitions; appropriations.	137.11	Unclaimed Moneys Fund.
137.03	Depositories of City funds.	137.12	Treasury warrants; check signing machine.
137.04	Temporary investment of City funds.	137.13	Bond issue financing.
137.05	Budget.	137.14	Payroll liability reserve.
137.06	Finance control.	137.15	Establishment of Loan Committee.
137.07	Annual audits.	137.16	Forgiveness of loans.
137.08	Contracts.		
137.09	Standardized compensation.		

CROSS REFERENCES

Preparation of City Budget - see 3rd Class Charter Law §416, 417
(53 P.S. §41416, 41417)

Contracts - see 3rd Class §1901 et seq. (53 P.S. §36901 et seq.)

Municipal Unclaimed Moneys Act - see 27 P.S. §491 et seq.

Surplus fund use - see 53 P.S. §37403 clause 1.1

137.01 FISCAL YEAR.

The fiscal year of the City is January 1 through December 31. (Ord. 2-1962 §401.)

137.02 DEFINITIONS; APPROPRIATIONS.

(a) Definitions.

- (1) "Appropriation item", for the purpose of this article, means the functional categories used in the Pennsylvania Department of Community Affairs Chart of Accounts for expenditures.
- (2) "Department", for the purpose of this article, means the Mayor's Office, Council, Treasurer's Office, Controller's Office, Solicitor's Office, Business Administration, Economic and Community Development, Public Works, Police Department and Fire Department.
- (3) "Fund", for the purpose of this article, means fund as used in the annual City budget document approved by Council.

(b) Appropriations. No moneys shall be paid out of the City treasury except upon appropriation previously made by Council and upon warrant pursuant thereto which warrant 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 moneys in any amount which will cause the sums appropriated to specific purposes to be exceeded.

All expenditures shall be charged to the appropriate standard account, as determined by the Business Administrator. The appropriate standard account shall be adequately funded to cover each expenditure from the appropriate standard account.

In order to ensure that proper accounting practices are followed and adequate financing is available for each expenditure, the Business Administrator shall have the power to authorize the transfer of unexpended funds between accounts except in the following instances which shall require an affirmative vote of four members of Council:

- (1) Transfer of more than five percent (5%) of an appropriation item within that fund.
- (2) Transfer of more than five percent (5%) of a department's appropriated budget in that fund.

All transfers shall be cumulative in nature.

(Ord. 26-1990 § 1. Passed 12-18-90.)

137.03 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, City Controller and himself acting as a body for the designation of City depositories. All deposits shall be made in the name of the City. (Ord. 37-1989 §1. Passed 3-21-89.)

137.04 TEMPORARY INVESTMENT OF CITY FUNDS.

The Mayor, City Treasurer and City Controller, acting as a body for the temporary investment of City funds, shall have power to provide for such investment as provided by the Third Class City Code. (Ord. 37-1989 §2. Passed 3-21-89.)

137.05 BUDGET.

(a) The City budget shall be prepared annually by the Mayor with the assistance of the Business Administrator. In order to prepare the budget, the Mayor shall require all department heads to submit requests for appropriations to him and to appear before him or such other officer as the Mayor designates at a public hearing on such requests. The City Clerk shall also appear at such hearing and submit for incorporation into the budget the requests for appropriations for the use of Council.

(b) Except for the budget for the fiscal year beginning on the first Monday of January, 1962, the Mayor shall present the budget to Council at no later than the last meeting scheduled in November of each year preceding the fiscal year for which the budget is submitted. The budget shall be in the form of an analysis of the various proposed items of revenue and expenditure.

(c) In considering the budget, Council may reduce any item by a vote concurred in by at least three members; but it may increase or add an item only if four members vote in favor thereof. After passing the proposed budget ordinance on first reading, Council shall fix a date for final passage thereof which date shall not be later than December 31 immediately following. In the interval between passage on first reading and final passage, the proposed budget ordinance shall be available for public inspection in the office of the City Clerk.

(d) In the month of January following any municipal election the Mayor may submit and Council may pass amendments to the budget ordinance adopted during the preceding month. In so doing, it shall cause the amended ordinance to be available for public inspection in the office of the City Clerk during the interval between first reading and final passage of such amendments.

(e) All expenditures of the City shall be made in accordance with the budget and shall be specifically identified with reference to the budget. (Ord. 2-1962 §405; Ord. 15-1969 §7.)

(f) The City budget, when prepared by the Mayor with the assistance of the Business Administrator, shall reflect an unappropriated balance equal to a minimum of one-half percent (.5%) of the projected appropriations in each budgetary fund. The purpose of the balance is to prevent deficit financing resulting from a revenue shortfall.

Any projected expenditure from the unappropriated balance shall require a supplemental appropriation measure approved by a majority of Council, as outlined in Section 137.02. (Ord. 21-1983 §1. Passed 7-19-83.)

137.06 FINANCE CONTROL.

(a) The City Controller shall be responsible for determining that, in the operation of the budget, no funds are expended which have not previously been allotted for such expenditure, no expenditures are made except upon written requisition and no payment is made unless a warrant therefor has been properly signed and a check therefor presented to the City Treasurer.

(b) No claim or demand against the City for services rendered or goods sold to the City shall be paid unless such claim or demand has been audited by the City Controller prior thereto as provided in Section 129.01.

(c) There is hereby appropriated out of any money in the City treasury not otherwise appropriated five hundred dollars (\$500.00) which shall be known as the Petty Expenditures Revolving Fund. From this Fund shall be paid all properly approved purchases and expenditures made by any department agency, commission, bureau, other unit, officer or employee for incidentals. At the end of each month the director of the department administering the centralized purchasing system shall render to the City Controller and City Council a statement showing the actual expenditures for each user so made out of such Petty Expenditures Revolving Fund.

(d) All applications for grants to the City from local, State or Federal sources or from private foundations, wherein the City pledges, or commits itself to pledge, matching contributions, either by program or cash, shall be submitted to Council for prior approval thereto before accepting such grants.

(e) The Business Administrator shall present to the Council members a monthly written report, in a form they approve, that lists the expenditures for the proceeding month. The report shall also include a listing of all transfers authorized by the Business Administrator as stated in Section 137.02(b).

(f) The Business Administrator at the end of each fiscal quarter shall submit to Council in a form that its members shall approve a consolidated report on the expenditures and operations of the entire City government, together with his or her recommendations, no later than 30 days after the close of each quarter. (Ord. 12-2002. Passed 5-7-02.)

137.07 ANNUAL AUDITS.

Each account of the City shall be audited following the close of each fiscal year by an independent certified public accountant or qualified firm selected by resolution of Council. The City shall request proposals for a new auditing contract once every three years and Council shall approve the contract no later than thirty (30) days prior to the close of the fiscal year to be audited. An Audit Committee comprised of the Mayor or his or her designee, the Business Administrator or his or her designee, the deputy business administrator for finance, the Council President or his or her designee and the Controller or his or her designee shall consider all proposals for the auditing contract and/or recontract and recommend an independent certified public accountant or a qualified firm to the Council. The committee shall receive all oral and written reports presented by independent certified public accountant or firm. The Council President shall give Council reports on the audit as required. The independent certified public accountant or firm shall formally present the audit findings and report(s) to the Council at a session open to the public. (Ord. 17-2007. Passed 5-1-07.)

137.08 CONTRACTS.

(a) Except in the case of an actual emergency declared and stated by the Mayor in writing to Council, the Business Administrator shall not purchase, lease, lease to purchase, rent or otherwise acquire a right to use of goods, properties, or services for or on behalf of the City, except as hereafter provided, involving an expenditure of more than ten thousand dollars (\$10,000), except under written contract entered into after competitive bidding on such purchase following advertisement two times, on different days, in a newspaper of general circulation in the City and posting notice of the advertisement in City Hall. All such contracts shall be awarded to the lowest responsible bidder, but the City shall be deemed to reserve the right to accept or reject any and all bids in connection with any such contract. Any contract that involves an expense exceeding the average annual payment of an amount equal to .0010 (.10%) of the total projected General Fund appropriation shall not be undertaken or proceeded upon except after reference thereof to Council and approved by Council by ordinance or resolution. Each year after the Council gives final approval to the General Fund appropriation, the Business Administrator shall calculate and report to Council the specific amount equal to .0010 of that appropriation. The Controller shall file all signed contracts within his or her office. The Business Administrator shall receive a copy of each contract within 10 days of it being signed. The Controller shall present a written report monthly to the Council of all contracts signed during the prior month. (Ord. 10-2006. Passed 3-7-06.)

(b) The following purchases or contracts shall not require advertising or bidding as set forth in subsection (a) hereof:

- (1) Those for maintenance, repairs or replacements for water, electric light or other public works of the City, provided they do not constitute new additions, extensions or enlargements of existing facilities and equipment, but a bond may be required by Council as in other cases or work done;
- (2) Those made for improvements, repairs and maintenance of any kind made or provided by any City through its own employees: provided, however, that this shall not apply to construction materials used in street improvements;
- (3) Those where particular types, models or pieces of new equipment, articles, apparatus, appliances, vehicles or parts thereof, are desired by Council, which are patented and manufactured or copyrighted products;

- (4) Those involving any policies of insurance or surety company bonds; those made for public utility service under tariffs on file with the Pennsylvania Public Utility Commission, those made with another political subdivision or a county, the Commonwealth of Pennsylvania, the Federal government, any agency of the Commonwealth or the Federal government, or any municipal authority, including the sale, leasing or loan of any supplies or materials by the Commonwealth or the Federal government, or their agencies, but the price thereof shall not be in excess of that fixed by the Commonwealth, the Federal government or their agencies; or
- (5) Those involving personal or professional services.

(c) Except in the case of an actual emergency declared and stated by the Mayor in writing to Council at its next meeting following the declaration, notwithstanding other provisions of this section, Council must approve the purchase of, lease of, lease to purchase of, rent of, or any other acquisition of a right by the City to the use of all motor vehicles for the City.

(d) All other matters pertaining to the advertisement, bidding and award of contracts for the purchase of goods, properties or service not otherwise subject to this section shall be determined in accordance with rules and regulations for the operation of the centralized purchasing system to be drawn and promulgated by the Business Administrator with the approval of the Mayor. The Mayor and the Business Administrator shall report all such rules and regulations to the Council at the next meeting after their approval. Such rules and regulations shall provide for the protection of the City in such cases:

- (1) By requiring proper security to be submitted with the bid proposal only when required by the Business Administrator. This security may be in the form of a bid bond, certified check, cashier's check, cash or a letter of credit. The security shall be in the amount of ten percent (10%) of the amount of the bid proposal. Security shall be forfeited for nonperformance;
- (2) By requiring further security in the form of a performance bond with contracts for "public works" in excess of ten thousand dollars (\$10,000). Performance bonds shall be in the amount of one hundred percent (100%) of the cost of the contract. Contracts for materials, supplies, motor vehicles and equipment shall not need the performance bond, unless the nature of such contract is such that the Business Administrator deems it necessary to require such bond. The City reserves the right to request any bond deemed necessary to insure the completion of the contract. In lieu of a bond, the City may accept a certified check, cashier's check or an irrevocable letter of credit. "Public works" contracts include any contract for construction or maintenance. Excluded would be purchases of materials, supplies, motor vehicles and equipment. If installation of a purchased product is considered an important part of the contract, it should be considered a "public works" contract. "Liquid fuels" purchases require a fifty percent (50%) performance bond.

- (3) By requiring a bond for the protection of persons furnishing materials to or supplying or performing labor for the City in the carrying out of "public works" contracts in the amount of fifty percent (50%) of the value of the contract for contracts between one thousand five hundred dollars (\$1,500) and five thousand dollars (\$5,000). For "public works" contracts in excess of five thousand dollars (\$5,000), a one hundred percent (100%) bond shall be required. This security, also known as a payment bond, may be in the form of a certified check, cashier's check or irrevocable letter of credit.
- (4) By requiring, whenever the contract involves the employment of labor, that the contractor will accept, with respect to the work involved, the provisions of the Pennsylvania Workmen's Compensation Act and will either insure his liability thereunder or file a certificate of exemption from such insurance from the Pennsylvania Department of Labor and Industry;
- (5) By requiring, whenever the contract involves the employment of labor, that the contractor or any subcontractor will not discriminate on account of race, color, religious creed, national origin, ancestry, age, familial status, sex, sexual orientation, or disability in his hiring of employees for the performance of work under the contract; and
 - (6) By including such specifications as are required by the "Pennsylvania Prevailing Wage Act", Act of August 15, 1961, P.L. 987 with regard to the payment of wages to workmen employed in the performance of the contract.
 - (7) By requiring all contracts to comply with the provisions of Article 136 "Small and Disadvantaged Business Enterprise Program". (Ord. 13-2002. Passed 5-7-02.)

(e) Original copies of all fully executed bonds, notes, contracts and written obligations of the City shall be filed in the Offices of the York City Solicitor, York City Controller, and York City Clerk. (Res. 67-2002. Passed 5-7-02.)

137.09 STANDARDIZED COMPENSATION.

Salaries and wages paid to employees of the City shall be standardized throughout the City government insofar as such standardization is consistent with the needs of the City government. For these purposes the Business Administrator shall prepare a standard compensation plan which the Mayor, following his review and approval, shall promulgate by executive order. The Mayor, subject to the provisions of the budget, may create and abolish offices and positions of employment when the same are not otherwise provided for by law or ordinance. (Ord. 2-1962 §409; Ord. 15-1969 §9.)

137.10 CAPITAL RESERVE FUND.

(a) Creation. There is hereby created a separate fund to be known as the Capital Reserve Fund for municipal purposes, including the accumulation of funds for the construction, purchase or replacement of or addition to City buildings, equipment, machinery, motor vehicles or other capital assets of the City.

(b) Deposits. All moneys, now or hereafter budgeted and appropriated for the purposes of such Fund shall be deposited in the Fund.

(c) Accumulations. For the purpose of accumulating such Fund, Council is hereby authorized to appropriate each year at the time of making and adoption of the annual City budget an item of moneys for such Fund and to include such item in the annual budget. Council may also from time to time appropriate and transfer moneys from the General Fund to the Capital Reserve Fund, and may also place in such Fund any moneys received from the sale, lease or other disposition of any City property, or from any other source unless received or acquired for a particular purpose.

(d) Surplus Funds. Any moneys in the Fund at the end of the fiscal year, shall not lapse, nor shall the same be used for any other purpose than that specified herein, except as expressly provided by Act of June 23, 1931 P. L. 932 (as amended by June 28, 1951, P. L. 662) Section 2403, Clause 1.1 (53 P.S. §37403 clause 1.1). (Ord. 54-1963 § 1-4.)

137.11 UNCLAIMED MONEYS FUND. (REPEALED)
(EDITOR'S NOTE: Former Section 137.11 was repealed by Ordinance 24-2007.)

137.12 TREASURY WARRANTS; CHECK SIGNING MACHINE.

(a) Mechanical Preparation. Warrants drawn upon the City Treasurer for the payment of bills, demands, payrolls, wages and other claims against the City, may be prepared and executed by passing the same through a check signing machine through which the signatures of the officers of the City, now or hereafter required by law or ordinance to sign and countersign such warrants, may be imprinted in facsimile in an unerasable substance upon such warrants.

(b) Authenticity Presumed. Such warrants when so prepared and executed shall, unless the contrary is proven, be presumed to be authentic warrants and entitled to full faith and credit as such by any and all persons and for any and all purposes.

(c) Dies. One or more dies bearing the engraved signatures of such officers shall be used in the operation of the check signing machine which can be inserted for its operation and withdrawn when it is not in use.

(d) Custody of Dies. Where one such die can be used for the signature of each officer, each officer shall have custody of and be responsible for the die bearing his respective signature when the machine is not in operation, When more than one signature of the officers is required to be engraved upon a die, the City Controller shall have custody of and be responsible for all such die or dies when the machine is not in operation. (Ord. 20-1948 §1-4.)

(e) Operation. When such check signing machine is placed in operation to prepare and execute warrants drawn on the City Treasurer, the operation of such machine shall be conducted in the presence of the following officials: the Mayor or his representative duly authorized in writing and the City Controller or his representative duly authorized in writing. (Ord. 88-1964 §1. Passed 12-15-64.)

(f) Custody of Machine. When such machine is not in operation the City Controller shall have custody of and be responsible for the same.

(g) Exception. No provision of this section shall be construed to prohibit the manual or countersigning of such warrants by any of the required officers in ink.

(h) Duties of Officers. Nothing contained in this section shall relieve any of the officers required to sign or countersign such warrants of or from any of the duties, responsibilities, liabilities or penalties otherwise imposed upon them or any of them by existing laws or ordinances.
(Ord. 20-1948 §6-8.)

137.13 BOND ISSUE FINANCING.

(a) All general obligation bonds floated by the City, as approved and authorized by Council shall require the following financing provisions for the funding of the debt service (principal and interest) payments:

- (1) In the first year in which debt service payments are required for the bond issue, no more than seventy-five percent (75%) of the total principal and interest payments due in that fiscal year, shall be paid by or from capitalized interest on the principal.
- (2) In the second year in which debt service payments are required for the bond issue, no more than fifty percent (50%) of the total principal and interest payments due in that fiscal year shall be paid by or from capitalized interest on the principal.
- (3) In the third year in which debt service payments are required for the bond issue, no more than twenty-five percent (25%) of the total principal and interest payments due in that fiscal year shall be paid by or from capitalized interest on the principal.
- (4) In the fourth year in which debt service payments are required for the bond issue, and for all subsequent years, the full portion of the principal and interest payments shall be paid from revenue derived from City ad valorem taxation.

(b) Tax anticipation notes, revenue or grant anticipation notes or other like forms of debt derived for the sole purpose of anticipating income sources, are exempted from this provision.

(c) Any excess capitalized interest earnings shall be:

- (1) Applied as revenue for a Capital Improvements Fund, as a method of financing other capital projects outlined in the City Capital Improvement Program, that meet the provisions of the bond indenture, as approved, authorized and appropriated by Council, or;
- (2) Escrowed for the purpose of recalling bonds, if approved by bond counsel and the City Solicitor and if permitted by the bond indenture,
(Ord. 3-1983 §1. Passed 2-1-83.)

137.14 PAYROLL LIABILITY RESERVE.

By the first Council meeting in July of each year, the Department of Administration shall introduce a resolution to transfer one-twelfth of the budgeted bi-weekly payroll for each year that there are only twenty-six pays. These funds shall be transferred by resolution to the special projects account and restricted for use only in the year of a twenty-seventh pay period to meet the extra payroll unless otherwise approved by Council.
(Ord. 1-1991 §1. Passed 1-15-91.)

137.15 ESTABLISHMENT OF LOAN COMMITTEE.

(a) A Loan Committee is hereafter established to be comprised of the following three members: the member of City Council who serves as liaison to the Community Development Department or a member of City Council designated by the member who is the liaison to the Department of Community Development, the Controller and the Mayor.

- (1) For all loans or grants made by the City in excess of fifteen thousand dollars (\$15,000.00) the Committee shall have the authority to review and recommend approval or denial of the application for any such loan or the modification, waiver or forgiveness of any term of such grant or loan. No such grant or loan shall be made, nor shall any term of any such existing grant or loan be modified, waived or forgiven until it shall first have been reviewed by the Committee.
- (2) The Loan Committee shall review all information submitted by the applicant in support of his/her application to the City staff for City funded loans and grants, including information related to the income and sources of income of applicants, without deletion or redaction. The Committee's review shall occur in committee and no documents containing personal, confidential information, as defined in subsection (a)(3) hereof, shall be copied or removed by any member of the Committee.
- (3) Any personal information that could be used to perpetrate an identity theft, including social security numbers, financial account numbers, date and place of birth, etc., in the files and applications of the applicants and any information that is classified as confidential by local, state or federal laws will not be made available by members of the Loan Committee to the public unless authorized to be released by the applicant.

(b) Council shall receive monthly a report from the Community Development Director that contains the names and addresses of recipients of loans and/or grants and the amount of those loans and/or grants.
(Ord. 14-2004. Passed 4-20-04.)

137.16 FORGIVENESS OF LOANS.

For all grants or loans in an amount exceeding one and one half mills (.0015) of the expenditure budget of the General Fund the City Council shall have the sole authority to approve the making of the grant or loan, to approve modification of the terms of any existing grant or loan, or forgive the terms of any loan and/or grant with recapture provisions that are issued directly by and for the City and/or through any other entity with whom the City has contracted to administer City programs.
(Ord. 14-2004. Passed 4-20-04.)