



Ray O'Connell, Interim Mayor

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To: The Honorable Roger MacLean, Council President
And Members of City Council

From: Interim Mayor Ray O'Connell *Ray O'Connell*

Re: Bill No. 77 - 2018

Date: December 15, 2018

I hereby veto Bill 77 as passed by Allentown City Council on December 10, 2018 for the following stated reasons.

I sympathize with Council members that my proposed 26 percent property tax increase is a hard pill to swallow at once given the inaction on such taxes for the previous 13 years. Bill 77 effectively establishes a 22 percent property tax increase, demonstrating our shared understanding that the costs of essential City operations require additional revenue support. I worked closely with department heads to limit 2019 expenditures as much as possible during the development of my budget, knowing full well that a requested revenue increase required thorough justification.

However, our current level of investment in information technology support is not sufficient to handle the daily responsibilities of City operations, much less the malware incident that impaired the functionality of our computer network for most of 2018. Our overtime budgets are driven both by emergencies and ongoing salary increases, and our public safety and public works managers have effectively controlled such expenditures over the past three years. Our winter aquatics program will generate new recreation revenue for the City and begin developing lifeguards for full operation of City pools next summer, justifying the incremental cost increase of a full-time aquatics program manager to enable these improvements. And the dedication of our department and bureau managers to maintain effective City operations during recent political upheaval has been outstanding. They have waited three years for the opportunity to earn merit-based wage increases, and with our compensation study nearly complete they should benefit from the study's findings without delay.

Both my proposed budget and Bill 77 provide a small budget surplus intended to begin the restoration of our General Fund cash reserves. City Council and I share a commitment to growing these reserves responsibly in the coming years. But the items requested for cut or delay in Bill 77 involve pressing needs for the continued operation of City services without impairment. I again recognize City Council's thoughtful efforts to constrain both tax increases and expenditures reasonably, but I am vetoing Bill 77 for the reasons stated here.