



MEMORANDUM

June 24, 2026

To: Budget and Finance Committee, Allentown City Council

From: Bina Patel, Finance Director

Cc: Matt Tuerk, Mayor

Re: Budget and Finance Committee Meeting June 24, 2026

Councilperson Cristian Pungo,

Please see below my planned comments for the June 24, 2026, Budget and Finance Committee meeting. I welcome any suggestions or revisions you may have.

Monthly Financial Report:

As of **May 31, 2026**, General Fund revenues, net of the estimated Neighborhood Improvement Zone (NIZ) liability, totaled **\$86.6 million**, representing **57% of the annual budget** and are performing in line with our projections.

The estimated NIZ liability is reflected as a reduction within the applicable revenue categories and is updated each month based on projected collections.

General Fund expenditures totaled **\$55.1 million**, or **35% of the annual budget**. Compared with the same period last year, expenditures are **13% lower**, primarily due to reduced spending in **Services and Charges** and **Materials and Supplies**.

The City's other operating funds—including the **Risk Fund, Solid Waste Fund, Stormwater Fund, Golf Fund, Rental Unit Fund, and Building Code Fund**—are performing within expected ranges. Revenue collections currently range from **20% to 82%** of budget, with expenditures tracking consistent with projected spending patterns for this point in the fiscal year.

Fund	Revenue	Revenue % of Budgeted Amount	Expenditure	Expenditure % of Budgeted Amount
Risk Fund	13,181,000	41%	12,681,000	38%
Solid Waste Fund	23,828,000	82%	9,663,000	33%
Stormwater Fund	4,464,000	72%	2,512,000	34%
Golf Fund	917,000	32%	1,240,000	41%
Rental Unit Fund	685,000	25%	1,176,000	37%
Building Code Fund	563,000	20%	1,195,000	36%

The Housing Fund continues to receive **50% of the City's Deed Transfer Tax (Realty Transfer Tax)** revenues, totaling approximately **\$875,000** through May.

Public Safety Premium Pay (Overtime)

Premium pay expenditures remain within budget expectations:

- Police: **\$1.14 million**, or **43%** of the **\$2.64 million** budget.
- Fire: **\$1.22 million**, or **47%** of the **\$2.61 million** budget.
- Emergency Medical Services: **\$354,000**, or **49%** of the **\$725,000** budget.

We will continue to monitor overtime closely throughout the year.

Investments and Cash Position

As of **May 31, 2026**, the City's General Fund cash balance totaled **\$71.3 million**.

Of this amount:

- **\$57.9 million** is invested through the Pennsylvania Local Government Investment Trust (PLGIT).
- Approximately **\$17.4 million** is invested in PLGIT PRIME and Class accounts, currently earning **3.71% APY**.
- **\$50 million** is invested in laddered PLGIT TERM investments with yields ranging from **3.72% to 3.90% APY**, providing competitive returns while maintaining liquidity through scheduled maturities extending to **May 2027**. A detailed maturity schedule is provided below.

- \$5,000,000 will mature on June 23, 2026, which will yield \$122,446.58 at maturity with a 3.74% APY.
 - \$5,000,000 will mature on July 17, 2026, which will yield \$68,284.93 at maturity with 3.72% APY.
 - \$5,000,000 will mature on August 28, 2026, which will yield \$137,889.04 at maturity with 3.77% APY.
 - \$10,000,000 will mature on September 10, 2026, which will yield \$155,860.27 at maturity with 3.87% APY.
 - \$5,000,000 will mature on October 15, 2026, which will yield \$112,389.04 at maturity with a 3.87% APY.
 - \$5,000,000 will mature on December 2, 2026, which will yield \$109,939.73 at maturity with a 3.84% APY.
 - \$5,000,000 will mature on January 29, 2027, which will yield \$141,546.58 at maturity with a 3.87% APY.
 - \$5,000,000 will mature on February 12, 2027, which will yield \$143,178.08 at maturity with a 3.90% APY.
 - \$5,000,000 will mature on May 06, 2027, which will yield \$194,465.75 at maturity with a 3.90% APY.
- An additional **\$13.4 million** is maintained in liquid investments at TD Bank, currently earning **3.00% APY**.

Overall, the City's investments continue to earn competitive returns while preserving liquidity, revenues are meeting expectations, and expenditures remain below budget at this point in the fiscal year.

Before the end of the month, the City will make its **second Minimum Municipal Obligation (MMO) payment** of **\$3,340,944**, continuing to meet our pension funding obligations in accordance with the adopted budget.