



MEMORANDUM

October 30, 2024

To: Budget and Finance Committee, Allentown City Council

From: Bina Patel, Finance Director

Cc: Matt Tuerk, Mayor

Re: Budget and Finance Committee Meeting October 30, 2024

Mr. Napoli,

Please see below my planned comments for the October 30, 2024 Budget and Finance Committee meeting. I look forward to any comments or revisions you may have.

In consideration of §5-17 of the City's Administrative Code, on October 15, 2024, the Department of Finance submitted the September 30, 2024 month end financial report to City Council and the Controller.

Monthly Financial Report:

End of the month General Fund revenues for September 30, 2024 are at 86% (125,072,000) of the budgeted amount. The major contributors are Earned Income Tax (at 79% of the budgeted amount of \$41M), Deed Transfer Tax (at 103% of the budgeted amount of \$2.5M), Recreation (at 109% of the budgeted amount of \$328K) Investment Income (at 146% of the budgeted amount of \$1.4M), and Permits & Licenses (at 75% of the budget amount of \$5.2M). The General Fund adjusted revenue budget is \$146M.

General Fund expenditures spend is at 67% of the budgeted amount (\$100,506,000), savings of 7% compared to September 2023. Leading category for these savings are Services & Charges (savings of 24%) and Materials and Supplies (savings of 14%). Total GF adjusted expenditure budget is \$150M.

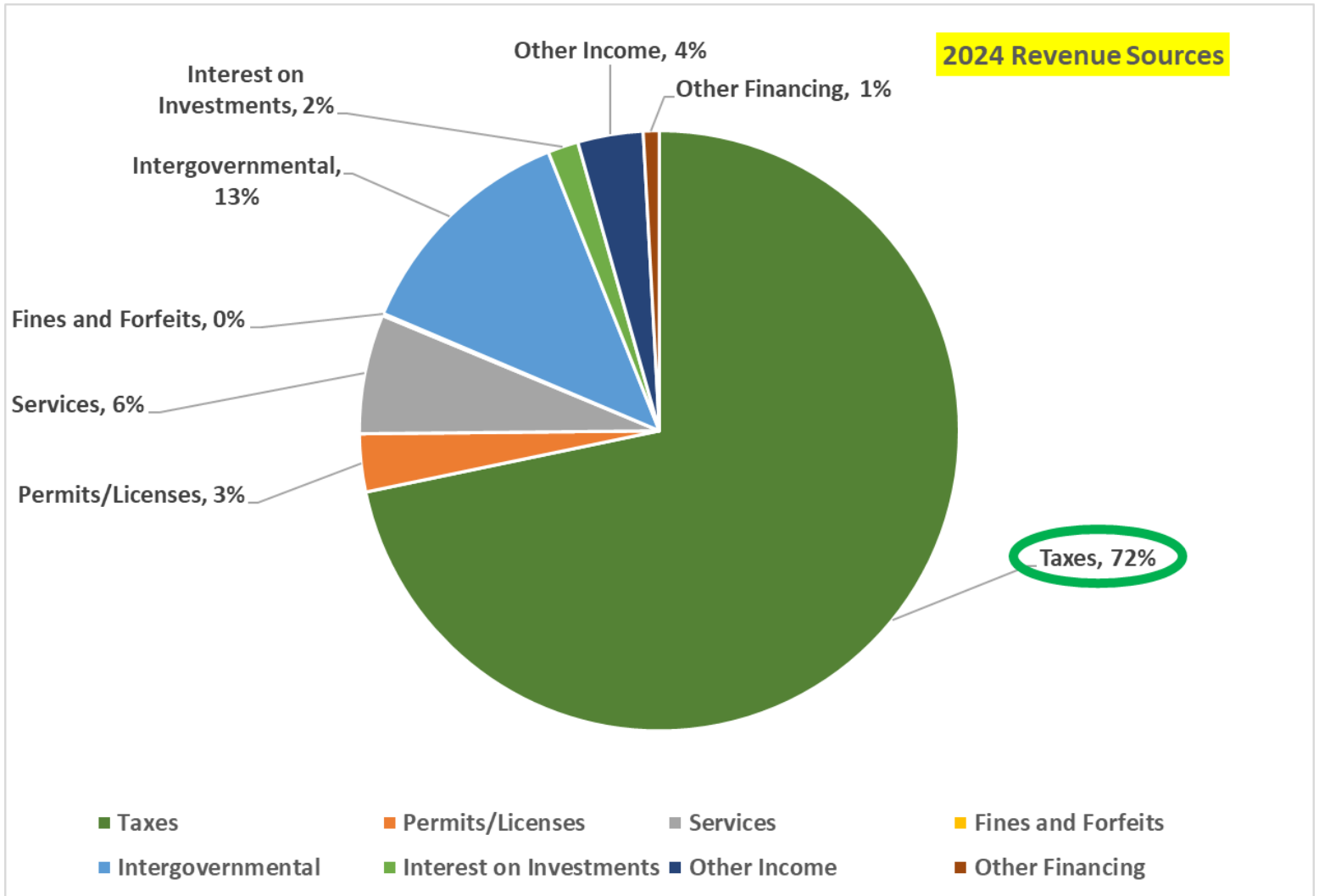
Public Safety Premium Pay (Overtime):

- Police premium pay year-to-date spend is at 80% (\$1,776,000) of the adjusted budgeted amount of \$2,214,000.
- Fire premium pay year-to-date spend is at 84% (\$2,570,000) of the budgeted amount of \$3,049,000.
- Emergency Medical Services (EMS) premium pay year-to-date spend is at 88% (\$527,000) of the budgeted amount of \$600,000.

Other Funds:

- The **Rental Unit Fund** revenues are at 56% (\$1,516,000) reflecting strength of 16% compared to the same time last year, and expenditures are at 71% (2,132,000). The Rental Unit Fund's budgeted expenditures are at \$3M.
- The **Risk Fund's** revenues at the end of September are at 76% (\$22,726,000) are weaker by 3% from September 2023 and expenditures are at 77% (\$23,272,000) are higher by 6% compared to September 2023.
- The **Solid Waste Fund** revenues are at 97% (16,224,000) stronger by 2% and expenditures are at 64% (\$12,073,000) reflecting savings of 4%
- The **Stormwater Fund** revenues are at 100% (\$5,950,000) of the budgeted amount showing strength of 4% and expenditures are at 69% (\$5,184,000) higher by 9% compared to September 2023.
- The **Golf Fund** revenues are at 88% (\$2,164,000) stronger by 3%, and expenditures are at 66% (\$1,659,000) reflecting savings of 13% compared to September 2023.

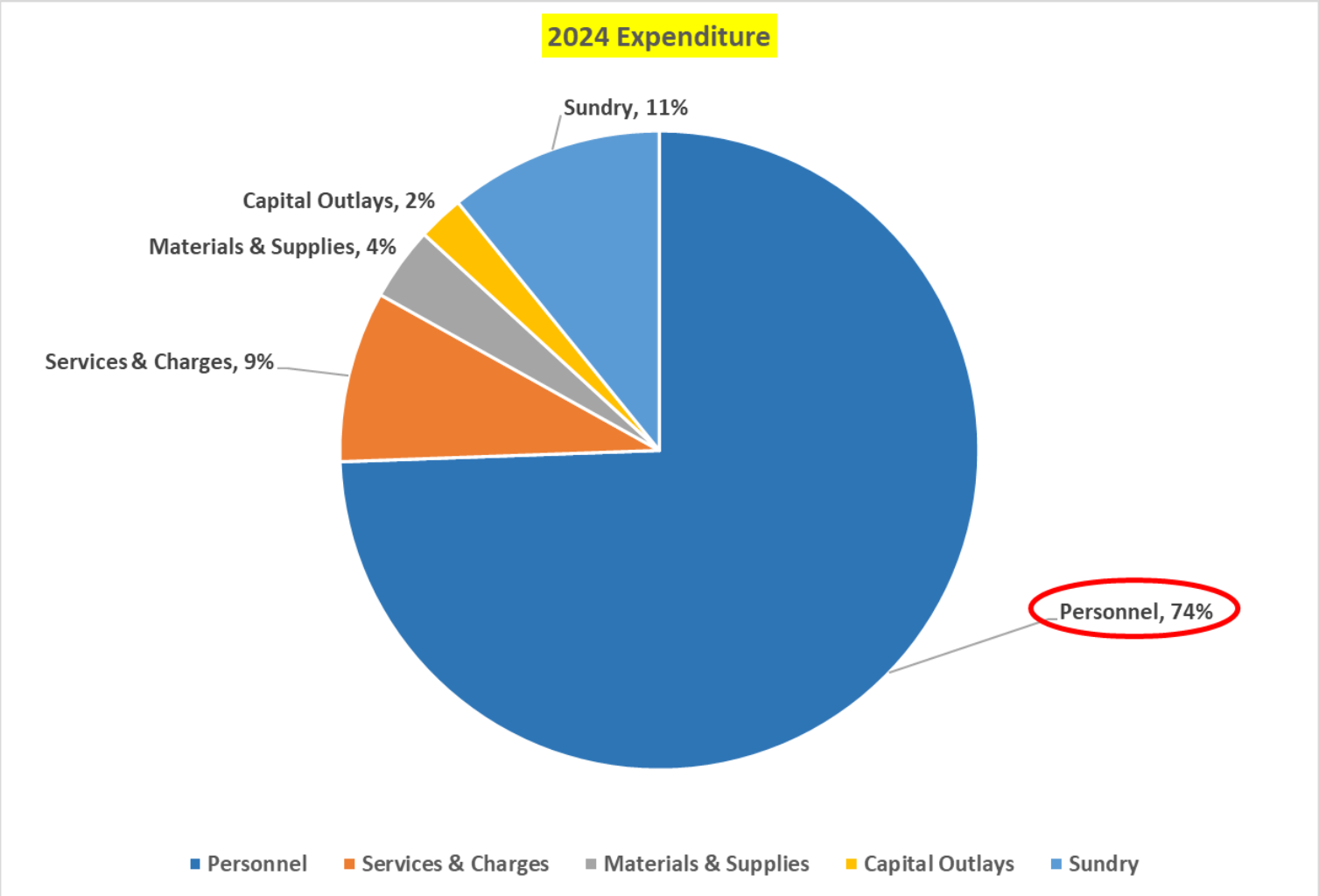
REVENUE BREAKDOWN:



Taxes: Comprise of:

- City Real Estate Tax - \$37.1M
- Earned Income Tax - \$32.5M
- Business Privilege Tax - \$11.96M

EXPENDITURE BREAKDOWN:



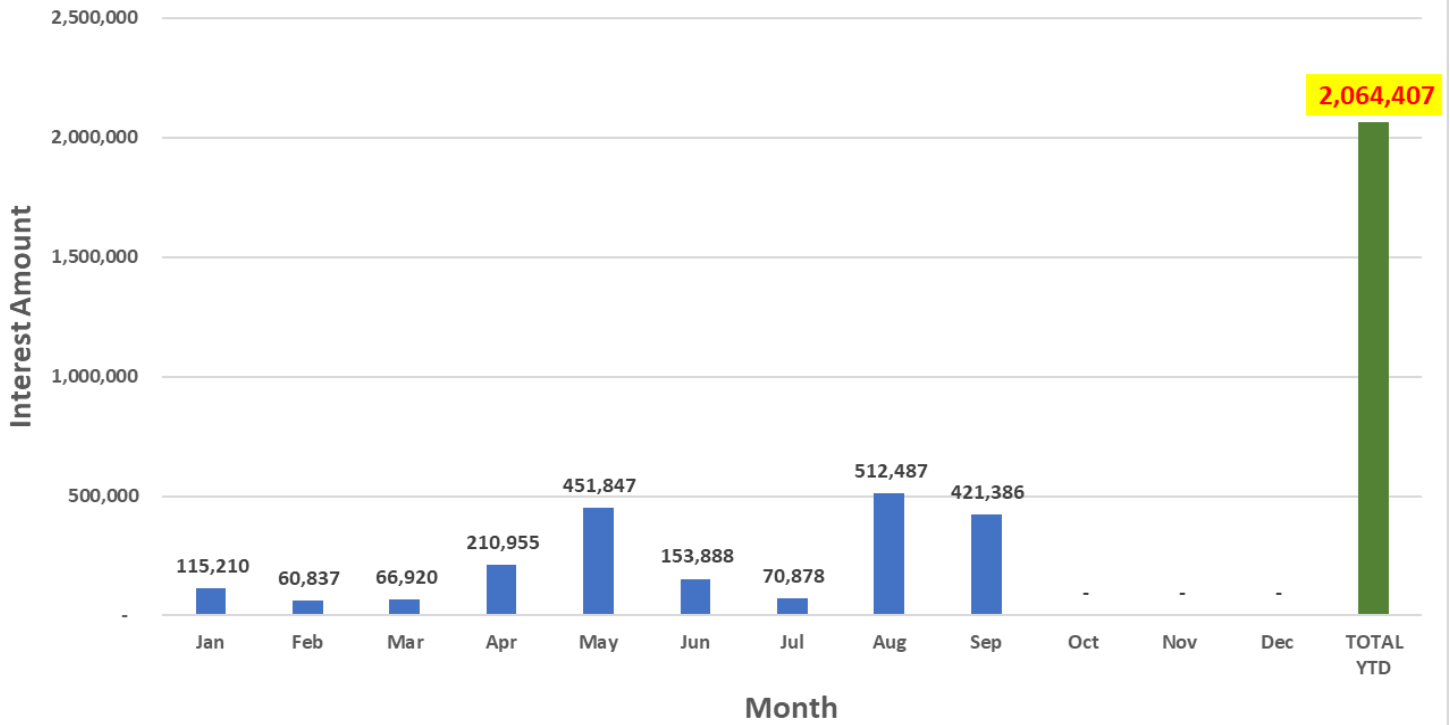
Expenditure: Comprise of:

- Personnel - \$74.8M
- Service & Charges - \$8.7M
- Material & Supplies - \$3.74M

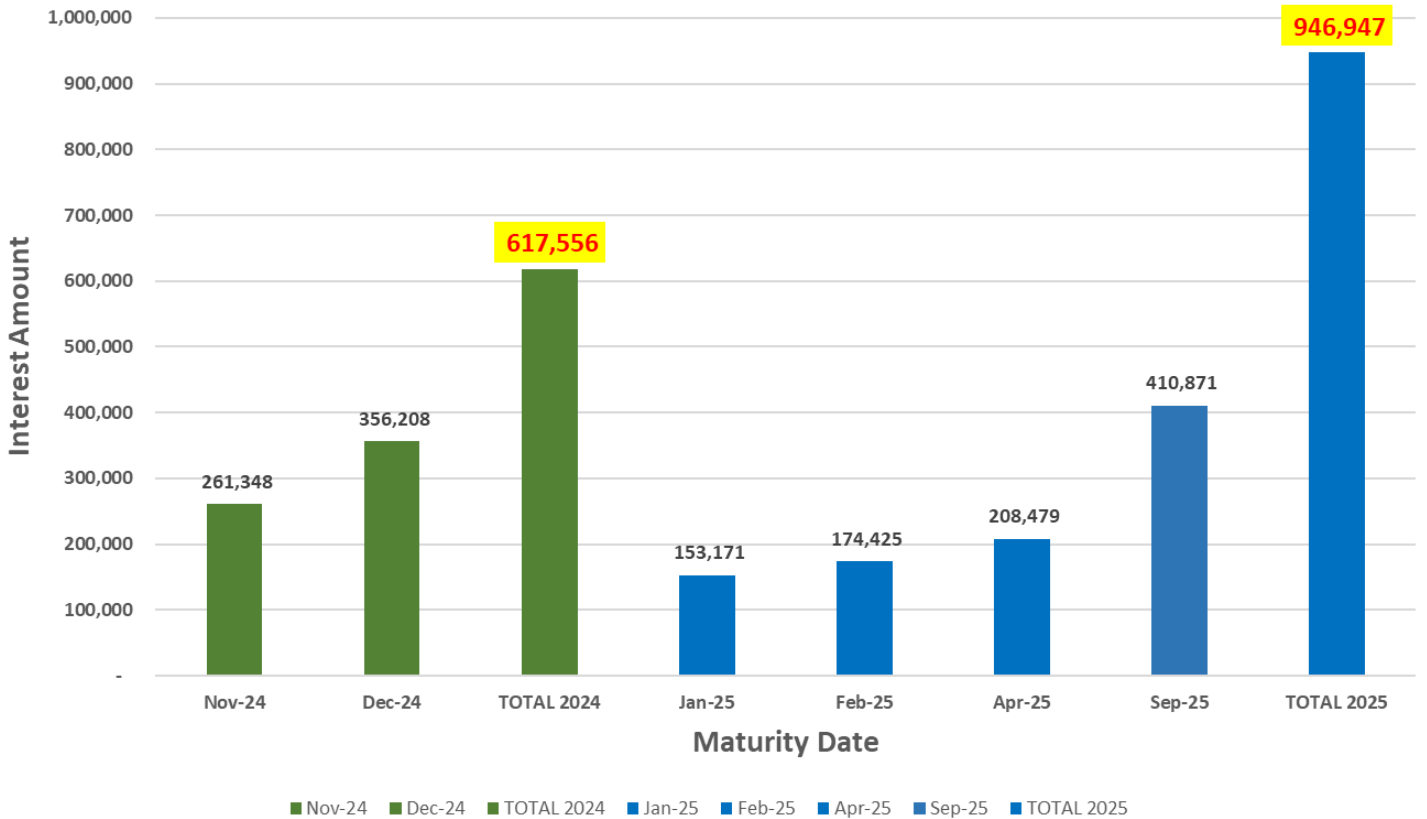
Investments: At the end of the month, the City's cash position is \$60,657,568: (YTD we have received \$ 2,064,000 interest from investments)

- \$57,355,645 is invested in Pennsylvania Local Government Investment Trust (PLGIT).
 - \$21,355,645 is invested in money market PRIME and class accounts with current yield of 5.26% APY.
 - \$45,000,000 is invested in TERM investments yielding between 5.21% and 5.44% APY.
 - \$10,000,000 is invested for 300-day time-period (maturing on September 16, 2024) which will yield \$345,909.84 at maturity with 5.21% APY.
 - \$10,000,000 is invested for 180-day time-period (maturing on November 8, 2024) which will yield \$261,347.95 at maturity with 5.42% APY.
 - \$10,000,000 is invested for 240-day time-period (maturing on December 26, 2024) which will yield \$356,208.22 at maturity with a 5.44% APY.
 - \$5,000,000 is invested for 209-day time-period (maturing on January 23, 2025) which will yield \$153,171.23 at maturity with a 5.35% APY.
 - \$5,000,000 is invested for 238-day time-period (maturing on February 21, 2025) which will yield \$174,424.66 at maturity with a 5.35% APY.
 - \$5,000,000 is invested for 285-day time-period (maturing on April 9, 2025) which will yield \$208,479.45 at maturity with a 5.34% APY.
- Additional \$3,301,923 are liquid assets invested in TD bank with current yield of 4.25% APY.

YTD 2024 General Fund Interest on Investments



Future General Fund Interest on PLGIT Term Investment



ARPA Investments: At the end of the month, the City's ARPA cash position is \$26,015,312:

- \$25,178,723 is invested in Pennsylvania Local Government Investment Trust (PLGIT)
 - \$10,178,717 of ARPA cash is invested in Pennsylvania Local Government Investment Trust (PLGIT) money market PRIME and class account, with current yield of 5.26% APY.
 - \$15,000,000 is invested in TERM investments yielding between 4.92% and 5.34% APY.
 - \$5,000,000 is invested for 180-day time-period (maturing on February 21, 2025) which will yield \$119,967 at maturity with a 4.92% APY.
 - \$5,000,000 is invested for 285-day time-period (maturing on April 9, 2025) which will yield \$208,479.45 at maturity with a 5.34% APY.
 - \$5,000,000 is invested for 299-day time-period (maturing on April 23, 2025) which will yield \$217,901.37 at maturity with a 5.32% APY.
- Additional \$836,589 are liquid assets invested in TD bank with current yield of 4.25% APY.

Capital Fund Report (Q3 2024):

On October 14, 2024, the Department of Finance submitted the Capital Fund Report for the third quarter of 2024 to City Council and the Controller.

- The Public Works Department, the Fire Department, IT Department, and the Parks and Recreation Departments had active capital projects with expenditures in Q3 2024.
- Total expenditure for Q3 2024 are \$609,296 and additional \$4,800,976 have been encumbered for future spend.