



MEMORANDUM

March 27, 2024

To: Budget and Finance Committee, Allentown City Council

From: Bina Patel, Finance Director

Cc: Matt Tuerk, Mayor

Re: Budget and Finance Committee Meeting March 27, 2024

Mr. Napoli,

Please see below my planned comments for the March 27, 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 March 18, 2024, the Department of Finance submitted the final/third version of the monthly financial report for the Month of December 31, 2023, and the **February 29, 2024** month end financial report to City Council and the Controller.

Monthly Financial Report (February 2024):

End of the month General Fund revenues for February 29, 2024 have come in at 14% (20,105,000) of our estimation models. General Fund expenditures came in at 11% (16,524,000) of the budgeted amount, savings of 1% compared to February 2023.

The Risk Fund, the Solid Waste Fund, the Stormwater Fund, the Golf Fund, and the Rental Fund, revenue and expenditure are at our February estimations of between 1% to 6% of the budgeted amount.

Public Safety Premium Pay (Overtime):

- Police premium pay year-to-date spend is at 12% of the budgeted amount of \$2,173,000.
- Fire premium pay year-to-date spend is 15% of the budgeted amount of \$3,049,000.
- Emergency Medical Services (EMS) premium pay year-to-date spend is 14% of the budgeted amount of \$600,000.

Investments:

At the end of February 29, 2024, the City's cash position is \$45,775,846:

- \$33,731,630 is invested in Pennsylvania Local Government Investment Trust (PLGIT).
 - \$3,747,799 is invested in money market PRIME and class accounts with current yield of 5.13% APY.
 - \$10,000,000 is invested for 180-day time-period (maturing on May 14, 2024) which will yield \$277,303 at maturity with a 5.67% APY.
 - \$10,000,000 is invested for 270-day time-period (maturing on August 9, 2024) which will yield \$418,109.29 at maturity with 5.71% APY.
 - \$10,000,000 is invested for 300-day time-period (maturing on August 9, 2024) which will yield \$345,909.84 at maturity with 5.21% APY.
- Additional \$4,555,770 are liquid assets invested in TD bank with current yield of 4.25% APY.

ARPA Reporting:

At the end of February 29, 2024, the City's ARPA cash position is \$32,769,789:

- \$30,823,598 is invested in Pennsylvania Local Government Investment Trust (PLGIT)
 - \$5,823,598 of ARPA cash is invested in Pennsylvania Local Government Investment Trust (PLGIT) money market PRIME and class account, with current yield of 5.13% APY.
 - \$10,000,000 is invested for 180-day time-period (maturing on May 28, 2024) which will yield \$279,907 at maturity with a 5.66% APY.
 - \$10,000,000 is invested for 150-day time-period (maturing on July 29, 2024) which will yield \$251,503 at maturity with a 5.26% APY.
 - \$5,000,000 is invested for 180-day time-period (maturing on August 30, 2024) which will yield \$147,332 at maturity with a 5.21% APY.
- Additional \$1,946,191 are liquid assets invested in TD bank with current yield of 4.25% APY.

Monthly Financial Report (December 31, 2023 (Final/Third Version):

As of December 31, 2023 the year-to-date General Fund revenues are 2% stronger than the same period last year. The major contributors continue to be Business Privilege Tax, Earned Income Tax, Local Services Tax, Permits & Licenses, Charges for Services, and Investment Income. General Fund expenditures are reflecting savings of 9% compared to the same period last year.

Public Safety Premium Pay (Overtime):

- Police premium pay year-to-date spend is at 100% of the 2023 adjusted budgeted amount of \$2,501,000.
- Fire premium pay year-to-date spend is 100% of the 2023 adjusted budgeted amount of \$3,575,000.
- Emergency Medical Services (EMS) premium pay year-to-date spend is 100% of the 2023 adjusted budget amount of \$825,000.

Investments:

At the end of December 31, 2023, the City's cash position is \$41,972,809:

- \$35,682,608 is invested in Pennsylvania Local Government Investment Trust (PLGIT).
 - \$15,682,608 is invested in money market and class accounts with current yield of 5.18% APY.
 - \$10,000,000 is invested for 180-day time-period (maturing on May 14, 2024) which will yield \$277,303 at maturity with a 5.67% APY.
 - \$10,000,000 is invested for 270-day time-period (maturing on August 9, 2024) which will yield \$418,109.29 at maturity with 5.71% APY.
- Additional \$6,290,201 are liquid assets invested in TD bank with current yield of 4.25% APY.

ARPA Reporting:

At the end of December 31, 2023, the City's ARPA cash position is \$33,167,295:

- \$30,692,566 is invested in Pennsylvania Local Government Investment Trust (PLGIT)
 - \$20,692,566 of ARPA cash is invested in Pennsylvania Local Government Investment Trust (PLGIT) money market and class account, with current yield of 5.18% APY.

- \$10,000,000 is invested for 180-day time-period (maturing on May 28, 2024) which will yield \$279,907 at maturity with a 5.66% APY.
- Additional \$2,474,728 are liquid assets invested in TD bank with current yield of 4.25% APY.

Other Funds:

The Solid Waste Fund revenue is showing weakness of 3% and expenditures are under by 5% compared to the same time last year. The Risk Fund revenue and expenditure are in line with the December expectations. The Rental Unit Fund revenues are at 96% of the budgeted amount, expenditures are at 89% of the budgeted amount, under by 11% compared to the same time last year. The Stormwater Fund revenues are in line with December expectations and expenditures are at 86% of budgeted amount, reflecting saving of 14% . The Golf Fund continues to show revenue strengths of 13% compared to the same period last year, and expenditures are reflecting savings of 6% in the final version of December 2023 financial report.