



## MEMORANDUM

February 25, 2026

To: Budget and Finance Committee, Allentown City Council

From: Bina Patel, Finance Director

Cc: Matt Tuerk, Mayor

Re: Budget and Finance Committee Meeting February 25, 2026

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Councilperson Cristian Pongo,

Please see below my planned comments for the February 25, 2026, Budget and Finance Committee meeting. I look forward to any suggestions or revisions you may have.

**Monthly Financial Report (December 31, 2025, Second Version):**

In consideration of §5-17 of the City's Administrative Code, on February 20, 2026, the Department of Finance submitted the monthly financial report for the Month of January 31, 2026, and the second version for the Month of **December 31, 2025**, to City Council and the Controller.

As of December 31, 2025, the year-to-date General Fund revenues were at \$152,248,000, 3% stronger than our expectations. The major contributors are Earned Income Tax, Business License Fee, Charges for Services, and Investment Income.

General Fund expenditures spend was 96% (\$147,923,000) of the adjusted budgeted amount \$154,721,000, reflecting savings of 4%. The leading categories for these savings were Services & Charges and Materials & Supplies. The total General Fund adjusted expenditure budget was \$152,321,159 net of vacancy factor of \$2.4M.

### **Public Safety Premium Pay (Overtime) As of December 31, 2025:**

- Police premium pay expenditure was \$3,045,000, (adjusted budget \$2,574,000).
- Fire premium pay expenditure was \$3,048,000. (adjusted budget \$2,500,000).
- Emergency Medical Services (EMS) premium pay expenditure was \$1,040,000, (budgeted at \$725,000).

### **Investments:**

- At the end of December 31, 2025, the City's cash position was **\$39,834,337**:
- \$37,162,598 was invested in Pennsylvania Local Government Investment Trust (PLGIT).
  - \$2,162,598 was invested in money market and class accounts with yield of 3.91% APY.
  - \$35,000,000 is invested in TERM investments yielding between 3.74% and 4.35% APY.
    - \$5,000,000 will mature on January 15, 2026, which will yield \$104,876.71 at maturity with 4.35% APY.
    - \$5,000,000 will mature on March 17, 2026, which will yield \$96,856.16 at maturity with 3.95% APY.
    - \$5,000,000 will mature on April 16, 2026, which will yield \$111,371.23 at maturity with 3.89% APY.
    - \$5,000,000 will mature on May 4, 2026, which will yield \$110,798.63 at maturity with a 3.87% APY.
    - \$5,000,000 will mature on May 22, 2026, which will yield \$106,619.18 at maturity with a 3.76% APY.
    - \$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 August 28, 2026, which will yield \$137,889.04 at maturity with a 3.77% APY.
- Additional \$2,671,739 are liquid assets invested in TD bank with current yield of 3.00% APY.

- **Other Funds:**
- Other Fund Revenues and Expenditures at the end of the year; December 31, 2025:
  - The **Solid Waste Fund** revenues are in line with our YE expectations (\$23,923,000) and expenditures reflected savings of 3% (\$23,883,000), budgeted at \$24.5M.
  - The **Stormwater Fund** revenues were stronger by 2% (\$6,205,000), and expenditures reflected savings of 20% (\$6,137,000).
  - The **Risk Fund** revenue are in line with our YE expectations (\$34,625,000) and expenditures are at \$34.3M with adjusted budget of \$35.6M.
  - The **Golf Fund** revenues are in line with YE expectations at \$2.7M. Expenditures reflecting savings of 19% (\$2,515,000), and the adjusted budget amount was \$3.1M.
  - The **Rental Unit Fund** revenues were stronger by 19% (\$3,149,000) and expenditures reflected savings of 3% (\$2,911,000).
  - The **Building Code Fund** revenues reached 158% (\$4.2 million) of the \$2.7 million budget, while expenditures totaled 90% (\$2.5 million) of the \$2.9 million budget.

- **Monthly Financial Report (January 31, 2026):**
  - End of the month General Fund revenues for January 31, 2026, have come in at 3% (4,346,000) of our estimation models. General Fund expenditures came in at 7% (10,055,000) of the budgeted amount, increase of 1% compared to January 2025.
  - The Risk Fund, the Solid Waste Fund, the Stormwater Fund, the Golf Fund, the Rental Unit Fund, and the Building Code Fund revenues and expenditures are at our January estimations.
  
- **Investments:**
  - At the end of January 31, 2026, the City's General Fund cash position is **\$34,539,444**:
  - \$32,277,089 is invested in Pennsylvania Local Government Investment Trust (PLGIT).
    - \$2,277,089 is invested in money market PRIME and class accounts with current yield of 3.81% APY.
    - \$30,000,000 is invested in TERM investment with yielding between 3.74% and 3.89% APY.
      - \$5,000,000 will mature on March 17, 2026, which will yield \$96,856.16 at maturity with 3.95% APY.
      - \$5,000,000 will mature on April 16, 2026, which will yield \$111,371.23 at maturity with 3.89% APY.
      - \$5,000,000 will mature on May 4, 2026, which will yield \$110,798.63 at maturity with a 3.87% APY.
      - \$5,000,000 will mature on May 22, 2026, which will yield \$106,619.18 at maturity with a 3.76% APY.
      - \$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 August 28, 2026, which will yield \$137,889.04 at maturity with a 3.77% APY.
  
- Additional \$2,262,355 are liquid assets invested in TD bank with current yield of 3% APY.