



MEMORANDUM

March 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 March 25, 2026

Councilperson Cristian Pungo,

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

Monthly Financial Report (December 31, 2025, Third Version):

In consideration of §5-17 of the City's Administrative Code, on March 17, 2026, the Department of Finance submitted the monthly financial report for the Month of February 28, 2026, and the third and final version for the Month of **December 31, 2025**, to City Council and the Controller.

As of December 31, 2025, year-to-date General Fund revenues, net of the Neighborhood Improvement Zone (NIZ) payments, totaled \$147,882,000, while actual revenues were \$152,238,000. Our estimation for the adjusted General Fund revenues was \$147,748,000.

The City of Allentown's total NIZ certification amount was \$4,355,504.04, as detailed below by tax and fee type. The City remitted a NIZ payment of \$2,580,023.53 to the Pennsylvania Department of Revenue on Monday, March 2, 2026.

Additionally, Berkheimer, the tax collector for Lehigh County, escrowed \$1,775,480.51 throughout the year and subsequently remitted those funds to the Pennsylvania Department of Revenue on behalf of the City of Allentown.

PROGRAM YEAR 2025 NIZ Payment Totals						
	EIT	LST	BPT	BL	RTT	TOTAL CERTIFIED
COA Certified Total	\$ 2,603,422.15	\$ 528,339.08	\$ 1,205,857.81	\$ 10,360.00	\$ 7,525.00	\$ 4,355,504.04
Berkheimer Escrow for COA	\$ 1,474,669.96	\$ 300,810.55	0.00	0.00	0.00	\$ 1,775,480.51
Total Remit to DOR for COA	\$ 1,128,752.19	\$ 227,528.53	\$ 1,205,857.81	\$ 10,360.00	\$ 7,525.00	\$ 2,580,023.53

- 72% of the General Fund revenues are generated from taxes: City Real Estate Tax, Earned Income Tax, Local Services Tax, Deed Transfer Tax, Business Privilege tax.
- 14% from Intergovernmental sources, including Grants, State Aid for Pension, Casino Fee, and Fire and Police Training.
- 8% from Charges for Services

General Fund expenditures totaled 93% of the adjusted budgeted amount \$154,721,000, reflecting savings of 4% compared to the same period last year. The leading categories for these savings were Services & Charges and Materials & Supplies.

The total adjusted expenditure budget for the General Fund, net of the \$2.4M vacancy factor, was \$152,321,000. Notably, 72% (\$109.7M) of the General Fund expenditure is allocated to personnel costs.

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).

Other Funds:

- Other Fund Revenues and Expenditures at the end of the year; December 31, 2025:
 - The **Risk Fund** revenue are in line with our YE expectations (\$34,630,000) and expenditures are at \$35.6M.
 - The **Solid Waste Fund** revenues are in line with our YE expectations (\$23,923,000) and expenditures reflected savings of 2% (\$23,985,000), 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 **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.

Investments:

- At the end of December 31, 2025, the City's cash position was **\$39,830,703**:
- \$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 \$2,668,105 are liquid assets invested in TD bank with current yield of 3.00% APY.

Monthly Financial Report (February 28, 2026):

As of February 28, 2026, month-end General Fund revenues, net of estimated NIZ liability, were \$19,646,000, representing 13% of projected revenues based on our estimation models.

NIZ liability is reflected as a negative amount within the revenue recorded for each respective tax type and fee.

General Fund expenditures came in at 13% (\$20,139,000) of the budgeted amount, in line with our February expectations.

The Risk Fund, the Solid Waste Fund, the Stormwater Fund, the Golf Fund, the Rental Unit Fund, and the Building Code Fund revenue and expenditure are at our February estimations of between 1% to 16% of the budgeted amount.

Fund	Revenue	Revenue % of Budgeted Amount	Expenditure	Expenditure % of Budgeted Amount
Risk Fund	5,243,000	16%	3,344,000	10%
Solid Waste Fund	2,339,000	8%	1,308,000	4%
Stormwater Fund	537,000	9%	929,000	12%
Golf Fund	21,000	1%	367,000	12%
Rental Unit Fund	214,000	8%	413,000	13%
Building Code Fund	233,000	8%	393,000	12%

The Housing Fund includes 50% (\$147,000) of the Deed Transfer Tax (Realty Transfer Tax) revenue received by the City.

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

- Police premium pay expenditure was \$292,000, (adjusted budget \$2,644,000).
- Fire premium pay expenditure was \$297,000. (adjusted budget \$2,606,000).
- Emergency Medical Services (EMS) premium pay expenditure was \$105,000, (budgeted at \$725,000).

Investments: At the end of February 28, 2025, the City's General Fund cash position is \$40,124,708:

- \$30,278,930 is invested in Pennsylvania Local Government Investment Trust (PLGIT).
 - \$278,930 is invested in money market PRIME and class accounts with current yield of 3.78% APY.
 - \$30,000,000 is invested in TERM investments yielding between 3.74% and 3.95% 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 \$9,845,777 are liquid assets invested in TD bank with current yield of 3.00% APY.