



Allentown

435 Hamilton Street
Allentown, Pa. 18101

Minutes - Final

City Council

Wednesday, December 3, 2025

5:30 PM

Council Chambers

Special Meeting

Roll Call

Mr. Daryl Hendricks stated good evening, we are about to begin the Special Meeting. He asked Mr. Hanlon to please conduct the Roll Call.

Present: 7 - Cynthia Mota, Daryl Hendricks, Ed Zucal, Natalie Santos, Ce-Ce Gerlach, Candida Affa, and Santo Napoli

The purpose of this meeting is for information sharing and discussion only. Future action on the budget will take place on December 10 - a meeting is scheduled at 6 PM to consider any amendments that might be proposed by any two councilpersons; the adoption of the budget is scheduled at a meeting that follows at 6:30 PM.

The Administration is prepared to provide us information on the following issues:

- 1. Alternative property tax and garbage rate proposal - distributive impact of decreasing the solid waste fee by \$25 and retaining the 3.96% tax increase.**
- 2. Cost/Benefits of alternative approaches for Background Checks across the City.**

Ms. Bina Patel stated and good evening Councilpersons. She asked to share the file stating she can't.

Mr. Michael Hanlon asked Ms. Patel which one she wants to share.

Ms. Bina Patel thanked Mr. Hanlon again. He stated that the mayor touched upon this at the last Council meeting. She stated what they are proposing is an alternative to what was initially proposed. She stated that this is a more balanced approach where they can keep the property tax increase from 3.96 percent which generates a revenue of \$1.5 million for the General Fund. They do see the proposed garbage fee increase by \$25. The current garbage fee proposed is \$740. It will be reduced by \$25 and brings it down to \$715 per unit and what that will do and she will show the impact of that on the screen that Mr. Hanlon is sharing. She stated what the proposal is showing is that the bottom-line impact to the taxpayers on fixed income and limited income is actually less or there is a savings to them. She stated that it is a second page. She stated what she did was

took property parcels from different -mall over the city and a sample. The others are showing that the property address in different corners of our city and blue sections. She stated that you are seeing the property address there. The blue section is what Council is currently willing to prove. It shows 2025, city real estate tax which if you are and can you zoom in a little bit for the first two addresses so she can walk everyone through. She stated that if they looking at this address of 615 Whitehall Street, the current proposal is to keep the property tax at 2025 current rate so that property will be paying, the city real estate tax of \$356.23. The garbage fees are one unit for that property so that current proposal is \$740 per unit. She stated that the total that property will be paying \$1,096.23. She stated that green is a recommended alternate proposal that they are proposing so the property tax remains at 3.96 percent and that is 2026 increase of 3.96 percent, but new proposals for garbage fees reduction in per unit by \$25. She stated that you will see the new per unit fee is \$715 so the total amount that 615 Whitehall Street will be paying ia \$1,085.36. She stated that is a yearly savings, the \$10.87 and per month savings of .91 cents. She stated again, it was different addresses were taken as a sample of small different corners of our city and what this is reflecting if you go down to the last address on there is 795 Benner Street property which is on the west end and you see the current 2025 rate for that property is \$4,606.26 and they are also and only one unit for that property so they will be paying \$740 for garbage fees. The total amount that they will be paying is \$5,346.26. She stated that the alternate proposal is saying at the 2026 property tax rate with the increase of 3.96 percent is \$4,788.84. Reduction in the garbage fee of \$25 and the new rate is \$715 so the total amount that this property on the west end will be paying is \$5,503.84, right. She stated that the impact to the higher value property is an increase of \$157.58 for a year and per month, is \$13.13. She stated that what this scenario is showing you is a sample is the impact to the property owners on a fixed income and smaller parcel is either savings or lesser of an impact versus a larger parcel. She stated that this addresses the concern of our taxpayers that they cannot afford or maybe it is there are challenges and pay increase that is proposed. This addresses and reflects that this new proposal is actually assisting the taxpayers on a smaller parcel, fixed income or limited income. She stated that she also has Tom Beckett who is the city's Financial Advisor to help comment on it as well. She stated if Council has any questions, she will walk them through, but he is here to communicate any question you have or the same message.

Mr. Daryl Hendricks stated ok, thank you and said Mr. Zucal.

Mr. Ed Zucal stated yes, thank you Mr. president. He stated that you keep saying \$740 and the tax fee is going to be \$140.

Mr. Bina Patel stated that this is per unit, total cost per unit is \$740.

Mr. Ed Zucal stated ok, so how did we go from \$140 with the people expecting to pay \$140 for the contracted rate we had over this five years and this year is \$148. He stated that last year was \$85. He stated that he thinks she is trying to confuse people here by using that \$740.

Ms. Bina Patel stated that \$740 is per unit, total cost per unit. She stated that this is not an increase.

Mr. Ed Zucal asked for this year or cost of contract.

Ms. Bina Patel stated no. This is for 2026. She stated that the blue is what Council is ready to approve which is \$740 per unit cost. She stated that if your property has one unit, the cost for garbage fee collection will be \$740.

Mr. Ed Zucal stated but when the mayor did his press release, he projected that asking for a 3.96 he believes it is for the increase and \$140 for the garbage fee increase.

Ms. Bina Patel stated increase. This is.

Mr. Ed Zucal stated increase so you are saying that you are willing to drop it down to \$115.

Ms. Bina Patel stated drop out down to \$715.

Mr. Ed Zucal stated no, no it was initially \$140. You wanted to drop it down to \$115 so why from the beginning it was it not \$115. What you are doing is kicking the can down the road. At some point, you are going to have to make up that \$25. Next year or the year after, whatever because we have a contract. He stated so he remembers when they did the contract that Mr. Shahda gave them a list of and the contract was that they voted on it and it was an amount for each year as an example. He stated that last year, it was \$85. Now, you are saying this year it is \$140, but you want to mark it down to \$115 which is nice. However, somewhere along the line, someone is going to pay for that \$25.

Ms. Bina Patel stated excellent question stating that what they are planning to do is loan the Solid Waste Fund, the difference between the \$740 per unit and \$715. She stated that will be a million dollars that the General Fund can lend to the Solid Waste Fund and repay over five years. She stated that would be about \$200,000 per year that the Solid Waste Fund will be repaying the General Fund.

Mr. Ed Zucal stated that at the last meeting, the mayor said that and stated actually referred to him that they needed to make it \$140 so that we can sustain the Solid Waste Fund or it would be sustained, but now you are saying it is not necessary so his question is why wasn't \$115 introduced initially.

Ms. Bina Patel stated excellent question. She stated what they are planning to do is loan the Solid Waste Fund the difference between the \$740 per unit and the \$715. She stated that will be one million dollars in the General Fund can lend to the Solid Waste Fund and repay over five years. She stated that will be about \$200,000 per year that the Solid Waste Fund will be repaying the General.

Mr. Ed Zucal stated that at the last meeting, the mayor said that and stated that he actually referred to him that they needed to make it \$140 so they can sustain the Solid Waste Fund or it would be sustained, but now you are saying it is not necessary so. He stated that he guesses his question is why wasn't the \$115 introduced initially.

Ms. Bina Patel stated that the amount of money that the Solid Waste Fund needs to sustain it may be the same. She stated that the General Fund would lend the difference.

Mr. Ed Zucal stated so you are going to take it out of the General Fund.

Ms. Bina Patel stated lend it for five years.

Mr. Ed Zucal asked the what he remembered that Mr. Glazier talking about it this last meeting. He stated that it is not appropriate to take anything from the unappropriated balance whether Council takes it or the city takes it and yet that is what you are doing here again. He stated that this is a nice idea. He stated that he appreciates her trying to help the citizens, but down the road they are going to pay it back anyway.

Ms. Bina Patel stated that it is not a new concept, Councilperson Zucal. She stated that they have done this in the reverse in the past, in 2017. She stated that the Solid Waste Fund had lent the General Fund \$4.5 million and the General Fund repaid over seven years. She stated in 2023, it was the last year that the last payment was made which was \$642,000. She stated that the concept is the same, but it is in reverse. She stated so now the General Fund is lending the Solid Waste Fund.

Mr. Ed Zucal stated that you are robbing Peter to pay Paul.

Ms. Bina Patel stated not necessary stating that this is to keep our financial

stability going. She stated that revenue generation and the revenue for the General Fund will sustain with the 3.96 percent. She stated 1.5 million is what it is going to generate. It is the small increase. A small increase in property tax and that is a recurring revenue that this increase will generate.

Mr. Ed Zucal asked let's say the 3.96 doesn't pass, is the mayor still willing to keep that \$115.

Ms. Bina Patel stated that this is a new proposal that works with that increase of 3.96 percent and \$715.

Mr. Ed Zucal stated if he doesn't get one, then he is not going to give the other.

Ms. Bina Patel stated that we have to be financially responsible. She stated that the recommended proposal is being if the city is being financially responsible.

Mr. Ed Zucal stated you just said that you are going to take it out of the unappropriated balance.

Ms. Bina Patel stated not take it out. It is a loan, that the Solid Waste Fund will repay over five years.

Mr. Ed Zucal asked let me ask you this question, what revenue are you going to use to repay.

Mr. Ed Zucal asked let me ask you this question, what revenue are you going to use to repay it.

Ms. Bina Patel stated the Solid Waste Fund. She stated that they have revenue that is going to repay over years. She stated so \$200,000 Solid Waste Fund can afford to be paid over five years.

Mr. Ed Zucal asked even if you drop it \$2,500 for each household now.

Ms. Bina Patel stated correct in 2026.

Mr. Ed Zucal stated that is good math. He stated that he doesn't know how she got to that, but ok. He stated that is all he has.

Mr. Daryl Hendricks asked if there was anybody else.

Mr. Santo Napoli stated that he has a question for Mr. Beckett stating that he worked for other municipalities and asked if this is something that

traditionally has been done over your career or is it something that you seen at other places when it comes to funds or loaning money to other funds within the municipal governments.

Mr. Tom Beckett stated that there are for larger governments like Allentown. He stated that he can't think of any larger government that doesn't regularly do interfund transfers for loans like this. He stated that one of the reasons that you can do this is if you have been fairly savvy and fairly diligent with managing the funds and the budget of the city over the last eight years. He stated so you will have resources in terms of General Fund balance that allows you to essentially make a decision tonight which is their costs. He stated that the cost is X. How do you pay for the cost and who pays for those costs. He stated that this technique here gives you the ability to decide that. To make that decision and he thinks it is a nice thing that they can do this. He stated that it is not unusual. It is something that he sees quite frequently. He stated as Bina said sometimes here in Allentown, it happens all over the place.

Mr. Santo Napoli stated that his last question, they were told a couple of weeks ago from our Controller that taking money out of the General Fund to close a budget gap is not ideal. He stated, but this being a loan would change that. He stated ultimately his concern, is the city's credit rating because as they know the city has Capital Projects in the pipeline and if our credit rating changes for the worst, obviously the debt and financing changes and they incur more debt. He asked how does this protect the city from that versus taking it out of the fund and closing the budget.

Mr. Tom Beckett stated that he thinks what it does is, the Controller is right. If you have a structural deficit and you are drawing down your reserves to pay for that structural deficit over multiple years, that is a bad sign for the Rating Agencies. It is going to put your rating under pressure. However, you have a significant amount of liquidities so that a million dollar loan, interfund loan to the Solid Waste Fund is really not going to move that needle right now. The bigger issue is sustaining the good financial management that you guys have put together for the last couple of years meeting your expenses and revenues. He stated several years ago, that was not the case for Allentown, but over the last eight or more years that's been the case every year. He stated that there is a lot of credit to go around with people on the dais up there as well as people in the administration. He stated a million dollar loan is not going to move the needle a lot on your rating.

Mr. Santo Napoli thanked Mr. Beckett.

Mr. Daryl Hendricks stated Mr. Zucal.

Mr. Ed Zucal stated Ms. Gerlach and then he will go.

Ms. Ce Ce Gerlach stated to follow up on that question, a million dollar loan would not move the needle in terms of our Credit Rating, but a \$1.5 million withdraw, if they were \$1.5 million less in General Fund asking would that move the needle in terms of our Credit Rating.

Mr. Tom Beckett stated that it depends on what it is going to be used for. He stated if you are using that \$1.5 million to draw down and pay for a structural deficit (i.e. revenues are less than expenses) when you pass the budget, that is a different story then making a loan to a fund to change the incident of taxes and fees for your residents. He stated that one is explainable as pretty good and savvy financial management and decision making that comes from your consensus. The other one can be viewed as not being diligent about matching leverage and expense over time. He stated that he thinks the level is important and he doesn't think that \$1.5 million for instance the decision and the need was \$1.5 million loan to the Solid Waste Fund versus a million dollars. It really wouldn't move the needle as much either, but if it is \$1.5 million to avoid to paper over a recurring budget deficit, that is a different story.

Ms. Ce Ce Gerlach stated go you and just as a reminder, and asked do we have 50 or 51 mill in the General Fund.

Ms. Bina Patel stated \$50 million.

Ms. Ce Ce Gerlach stated \$50 so they have \$50 million in the General Fund. She stated that she does want to echo Mr. Zucal and stated that she does appreciate them doing this and knows she can imagine it might feel like sometimes it doesn't matter. Because it is like I do all this work and Council votes against it. She stated that she appreciates it and she does appreciate the conversation they had the other day and when we talked about and had asked about her reception was going out and she wasn't even sure how much of the conversation you got and other ways to generate revenue since now the administration is very much focused on and seems like more a progressive taxing system where those who earn more, pay more. She stated that seems to be the focus now. Really, what we want to do and stated that they are other ways to achieve that like she had mentioned about the entertainment tax and she knows that there are some preemptives stuff they would have to think about. She stated that a lot of that would between the mayor and the Brooks Brothers and their contract they explicit say that there cannot be an entertainment tax. She stated that could be a conversation between the mayor and the Brooks brothers to renegotiate that and impact fees she stated that it would be

nice to know impact fees by developers because we say in this conversation that developers will face more than a burden with the mayor's alternative plan and since now that is a concern of making sure that we are holder the developers accountable, impact fees will do so and it will generate revenue and stated that she is wondering why they haven't done that, if that is now the concern .

Ms. Bina Patel stated thank them and stated that she thinks they had a poor conversation and your call dropped.

Ms. Ce Ce Gerlach stated that the connection was.

Ms. Bina Patel stated that she did try to explain that and did explore it and actually they had an RFP last year where they explore other revenues. The city of Easton has entertainment fees and wanted to explore and see if they can implement that here for Allentown and release that burden on our property owners. She stated that they are so limited, right. There are ways to control that and that is something that the mayor can explore in the future and have that relationship, but it is a state mandated rule that it is very difficult to change, but yes, it is something that can be explored, but did they try that, yes. She asked did they explore, yes, she did. She stated that the negotiations are already done by the state or our Home Rule Charter limits us on what we can. She stated that what she was trying to say when they were having conversations was that only limited things that could be changed tax wise. She stated one of them is city real estate tax. The second one is Earned Income Tax. She asked did she mention that they are one of the higher rates, 1.975 currently. She stated that balance if they increase the Earned Income Tax might impact the city as well as the employers are coming into the city and might have to pay higher wages to their employees to make up the difference because their neighboring taxing authority average rate for Earned Income Tax is one percent. She stated so if you increase, they already close to two percent if you increase that. She stated that was not an option because they do want to bring businesses into the city, getting better and they are expanding and want to continue that growth. She stated that was not an option. The Deed Transfer Tax as she mentioned was something that she wanted to explore and they did last year to remove that from the Charter. This year, Council has that and that is on Council's Agenda as well that they were able to remove the Deed Transfer tax from the Home Rule Charter. She stated now, it allows them to if they choose, if Council chooses to increase that rate. She stated only limited choices we will have. She stated that she did explore that and had some other city folks on that RFP as part of that committee and they are just so limited. She stated that she does want them to understand. She stated that this scenario that she is proposing originally is the mayor's idea. She stated her and the mayor explored

some of that a couple of years ago as well and what is being presented to you here. She stated that the higher value property is where the impact is. She stated that the second point she does want to make that they do have commercial properties that are not part of the garbage collection, not part of our contract and stated that she thinks that is the other point she was trying to make on the phone conversation they were having on Teams. She stated that they do pay property taxes, but they are not part of the \$740 or \$715 per unit. She stated that they are exempted from there and allows our contract allows them to be exempted. She stated so your kind of not taxing them on the garbage fees, right. She stated that if they do the property tax increase, they include them in that increase and that helps with the fixed income or people on an income that is lower and they are not Allentown median income. She stated that we are addressing that. She stated that she wants them and they have the right to vote however they want and she wants to make sure that she is communicating the whole picture to them and they understand that what you are voting on, right.

Ms. Ce Ce Gerlach stated you know definitely and appreciates that again and does remember in their conversation also talking about most of the folks and when they referred to the folks who are on fixed incomes or low income, many of them are renters. She stated that they talked about how this cost is going to get passed on to them not only through the increase in trash fees, no matter if it is \$115 or more, property owners double that, triple that. They take advantage of not all, but many property owners take advantage of the fact that we increase taxes or the cost of increase. She stated very rarely does she may encounter a tenant who tells her that their rent only went up to 20 bucks. She stated that does not happen. She stated that it goes up \$50, \$100, \$300 and the property owners blame it on tax increases. She stated that she hears the argument in terms of like the parcels and whether they are located and then there was the reality of the people and the dynamics behind those numbers that the majority of the persons and she was trying to figure out if 615 Whitehall Street was a rental or owned. She stated that she couldn't figure it out in this amount of time, but she would venture to say that a good number of them are rentals so they will pay more.

Ms. Bina Patel stated that she does agree that is an excellent point. If you are looking at the blue scenario in blue, that doesn't avoid that passing on an increase, right. You are still seeing an increase of the garbage fee per unit, increased to \$740. She stated that could still be passed on to the tenant stating she does understand completely what you are saying, but either scenario does not address that it will not be passed on to a tenant. In the alternate scenario, being proposed is actually helping and she knows exactly what they are saying. She stated if a property owner is not renting the property, but really it is residents residing in the property is actually

helping them.

Ms. Ce Ce Gerlach stated thank you and said she thinks she is good, thank you.

Mr. Daryl Hendricks stated ok, anybody else on the dais and stated Ms. Affa.

Ms. Candida Affa stated that she would like to touch on something that Ms. Gerlach said about and addressed this years ago. She stated the entertainment tax. She asked how many large venues do we have that are not taxed, the Entertainment Tax. She stated that the Pigs don't pay Entertainment Tax, do they or PPL or the Flyers? She asked is Archer being or are they all being. do they have?

Ms. Bina Patel stated no. She stated that we are limited so we are not able to stating the city's Home Rule Charter limits the city to using new tax. She stated that they explored that last year. They had an RFP out and explored that and it is limiting us. It's either they change their Home Rule Charter which.

Ms. Candida Affa asked why doesn't the Home Rule Charter stipulates small businesses. She stated for 28 to 38 years she had to pay an Entertainment Tax. She asked does it only eliminate the larger ones.

Ms. Bina Patel stated Amusement Tax is maybe different from an Entertainment Tax. She asked Ms. Affa if she is talking about Amusement Devices you have in restaurants and paying tax on those.

Ms. Candida Affa stated no, any entertainment tax. She stated whether she had a band in her bar, karaoke in her bar, she had to pay an Entertainment Tax. She stated like say the Archer, they had bands in there and had to pay an Entertainment Tax.

Ms. Bina Patel state that the city is not assessing Entertainment Tax currently.

Mr. Michael Hanlon stated that he would offer this and they could relook at this. He believes in the ANIZDA legislation and stated in the ANIZDA legislation and in the Coca Cola Park Agreements there was a prohibition against taxing tickets and stated that is what he believes. He stated that he believes that Council has looked into that in the past and he believes in the ANIZDA legislation related to PPL and he believes in the Coca Cola Park Agreements prohibited taxing the ticket.

Ms. Candida Affa stated that her question also is venue coming up like Archer. She stated that she understands they had in the contract that they wouldn't pay and now as they are getting new venues in there, all she is saying that they are looking for places to get more venue and she knows that is one that would really help them a whole lot. She stated that if they had an Entertainment Tax. She stated that she is just wondering about the new venues that are coming up. She stated that she keeps saying Archer because it is the newest one and the only one she could think of that will be coming up. She stated paying an Entertainment Tax. Entertainment Tax is any entertainment. If it is a stripper, it is still entertainment.

Ms. Bina Patel stated yes, Archer is part of NIZ. The parcel is in NIZ.

Ms. Candida Affa stated that she should have gotten that parcel.

Ms. Bina Patel stated that this is her point to you that you are so limited. She stated that they have explored all different avenues. She stated that the proposal in front of you actually is a fair proposal. It is helping taxpayers. It is addressing the commercial properties that are not part of the collection. Garbage fees are not contract currently. It is a fair proposal in front of you. She stated that she understands that Ms. Affa have a right to vote however you want. She stated that she wants them to process what she is saying and at one point, they cannot constantly say use the cash to balance the budget stating that is not a financially sound decision.

Ms. Candida Affa stated that she understands that Ms. Patel has nothing to do with this. All she is saying is maybe the administration in the city somehow, someway should start entertaining doing something like this. She stated that you are the Finance Director, you do what you are told to do and you have the numbers. She stated that she brought this up several years ago and of course, like everything else things are kicked to the curb and they never bring it up. She really believes getting some revenue in from these biggest places and taxes and they should consider that. She stated that she knows that it has nothing to do with this, but she thought that since Ce Ce brought it up she thought it would be a great time to bring it up again.

Ms. Bina Patel stated that so she is in agreement with her and that is why she had explored it, yes.

Mr. Daryl Hendricks stated Mr. Zucal.

Mr. Ed Zucal stated that he just got a couple more questions. He stated that you mentioned about the businesses. He stated that almost every business that he knows whether it is a garage or restaurant, they have

those big dumpsters and they actually have their own contractors come in so he doesn't see how that is going to help us here. He stated when you met with Councilmembers a while back, he believed Ms. Patel stated that the city had a deficit of 2.6 back then.

Ms. Bina Patel stated this year, 2.6 to balance a budget.

Mr. Ed Zucal stated that we had a deficit of 2.6 that we had to balance, right and asked is that correct.

Ms. Bina Patel stated correct.

Mr. Ed Zucal stated ok, so last meeting Ms. Mota offered up to take the 1.5 out of the unappropriated balance and Council voted to agree to that. He stated in addition to that they also have to take in order to balance the budget and that is with the tax increase, another 1.1 to balance it. He asked is that correct.

Ms. Bina Patel stated correct.

Mr. Ed Zucal stated and then we will also have to take more money for each of the \$25 of each dwelling, residence, or however you want to look at it. In addition to that \$1.1.

Ms. Bina Patel stated that the \$25 that the proposal is addressing is reduction in garbage fees that is a loan to the Solid Waste Fund. She stated that the Solid Waste Fund is going to repay the General Fund.

Mr. Ed Zucal stated ok, but in his world if he takes a loan out, he has to pay it back.

Ms. Bina Patel stated right and that is what she is saying. The Solid Waste Fund will repay the General Fund over five years. She stated so if it is a million dollars.

Mr. Ed Zucal stated that was his question so to pay that, you are going to have to make up that \$25 somewhere down the road during the contract term.

Ms. Bina Patel stated correct. Contract services for garbage collection is the cost of doing business increase. The Council approved that contract last year.

Mr. Ed Zucal stated yeah.

Ms. Bina Patel stated so you are absolutely correct. She stated that there will be an increase for garbage to make up the difference for the cost to address the increase in contract services, yes.

Mr. Ed Zucal stated ok, thank you and stated that's all.

Mr. Santo Napoli stated one more question. He asked about the trash fees for the next couple of years, what are those numbers. He asked Ms. Patel to refresh their memories starting 2027.

Ms. Bina Patel stated that she believes it is \$40 next year and believes \$20 the following year and \$30 the third year.

Mr. Santo Napoli stated for those three years, we have much lower than, this year and the previous years. He stated that over the last fews months he heard \$51 million a lot. He asked help Mr. Beckett or yourself why is that number relevant. He stated a lot of municipalities carry that kind of balance when is comes to a fund balance.

Ms. Bina Patel stated that \$51 million is part of our current cash balance, right. She stated that is for paying our operating expenditures. She stated that they generate revenue and pay expenditures. She stated that is where the money is for paying our expenditures. She stated that having a healthy fund balance does various things for us. She stated that she can address some and Mr. Beckett can comment as well. She stated it definitely as they talked about it earlier helps our credit rating. She stated just like our own personal credit ratings when they go out for borrowing. The rating agencies will see our cash balance and our borrowing rate when they issue bonds. She stated that is a taxpayers impact. It is for 30 years. The bonds will be for 30 years. The interest we pay on those bonds will be lower if we show we are financially responsible. We have a healthy cash balance and then we pay less on the interest. She stated that is why we need to show that we are financially healthy if we go out for borrowing. Regardless, we should not be spending more than we bring in, but this is one of the reasons why having a healthy cash balance is very helpful for our taxpayers and for the city.

Mr. Tom Beckett stated that this is a difficult question that he gets a lot. He stated that we are asking our taxpayers to pay more taxes this year and we got a significant amount of money in the bank. He asked why is that. He stated as Bina said, there is in any organization in his mind whether it is business, a household, if you are fortunate enough or government, there is a need for what he calls for one of the better words: for liquidity, for emergencies, and other purposes. He stated \$50 million is a lot of liquidity, but several things have already been designated out of that \$50

million. He stated that one of which is a contribution towards the capital cost of the new police station. He stated that is and asked Bina to correct him if he is wrong, \$6 or \$7 million. He stated that some of that is already earmarked for capital. He stated that the other component of it is that it will allow you to guard against any sudden increase and unanticipated increases in expenses or drops in your revenue. He stated so one of your drops that can happen in revenue and this just happened in Allentown before is the Earned Income Tax can go down. It is more volatile than your property tax. If you don't have that fund balance, you don't have a way other than going out and borrowing short-term cash flow note to make up the difference. He stated that it is important to have a level of liquidity for operating purposes. It is important to put money aside for capital purposes. The other thing that is the least important thing is to make the Rating Agencies happy. He stated that they are going to slap my hands for telling you this, but he personally doesn't believe they should be doing anything only for the Rating Agencies. You should be doing things for the city of Allentown. One of the things that liquidity is going to allo

Budget Bills - these are here for reference purposes.15-8105

Proposed Amendments:

Proposed Amendments:

1.A proposal to decrease the solid waste fee by \$50 and reinstate the tax increase at 3.96%. (Affa, Hendricks, Santo)

Background: On November 19th City Council amended the General Fund Budget to remove the mayor's proposed 3.96% tax increase. At that time, the Mayor proposed a compromise that would reduce the solid waste fee by \$25. President Hendricks scheduled a special meeting on December 3 to review the mayor's compromise. After reviewing the compromise and reviews by the Finance Director and the City Controller, Councilpersons Affa, Hendricks and Santo are proposing a reduction in the solid waste fee by \$50 and reinstatement of the mayor's proposed tax increase. The General Fund would lend funds to the Solid Waste fund which would be paid back over time – a common practice this city has used multiple times. In the recommended alternate proposal the property owners least able to absorb increases remain protected. In the new proposal fixed-income taxpayers are NOT disproportionately impacted. The City still generates the revenue needed to sustain services. The alternate proposal lowers the garbage fee and results in little to no increase for lower-valued homes and some even pay less than they are paying currently. Higher-valued properties contribute slightly more, which reduces the burden on residents living on fixed or limited income. This makes the alternate proposal a more equitable option for our community while maintaining essential revenue for

services. The new proposal would have a positive impact on 23,000 single family residents – out of a total of 26,000. The impact is presented on the spreadsheet attached to the agenda. This policy would retain cash reserves and a fund balance that would lower borrowing costs for projects everyone on this dais has approved. It follows recommendations from our Finance Team, Controller and Financial Advisor.

2. Proposal submitted by the Mayor found on Budget Memo 2: Increase the Mayor's operating budget by \$50,000 to support the Conference of Churches in providing an additional day of weekly services for homeless support.

000-09-00908-0091-50040	- \$50,000	\$50,000
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Attachments: [Amend FV.docx](#)

[2026 Finance Budget Memo 2.docx](#)

[For 12.10.2025 Meeting - Garbage Fee Data.pdf](#)

[Smaller Sample of Properties For 12.10.2025 Meeting.pdf](#)

[\\$50 Proposal Impact Single Family Residence Detailed Tax Impact.xlsx](#)

[Unhoused Coor Svcs 2026 revised.pdf](#)

[Finance Budget Memo No. 1.pdf](#)

[HC.pdf](#)

[Background Verification Analyst Job Description Final 11. 2025.docx](#)

[Per Unit Garbage Fee Cost and Revenue.pdf](#)

[Property Tax and Garbage Fee Analysis-12.2.2025.xlsx](#)

[Recommended Alternate Proposal.pdf](#)

15-8040

Bill 84

An Ordinance of the City of Allentown, County of Lehigh, and Commonwealth of Pennsylvania, establishing the General Fund, Administrative Order Fund, Risk Management Fund, Debt Service Fund, Equipment Fund, and Golf Fund Budgets for 2026.

Sponsors: Administration

Attachments: [Bill No. 84 -2026 BUDGET AND TAX RATE.docx](#)

15-8041

Bill 85

An Ordinance of the City of Allentown, County of Lehigh, and Commonwealth of Pennsylvania, establishing and adopting the Building Code Fund Budget for 2026 for Community and Economic Development per Chapter 270 of City code for Building Fees.

Sponsors: Administration

Attachments: [Bill No 85 .- 2026 BUILDING CODE FUND.doc](#)

15-8042 Bill 86

An Ordinance of the City of Allentown, County of Lehigh, and Commonwealth of Pennsylvania, adopting the Liquid Fuels Fund Budget for 2026.

Sponsors: Administration

Attachments: [Bill No.86 - 2026 LIQUID FUELS.doc](#)

15-8043 Bill 87

An Ordinance of the City of Allentown, County of Lehigh, and Commonwealth of Pennsylvania, establishing and adopting the Rental Unit Licensing Fund Budget for 2026 and amending Article 1759 – Landlord and Rental Fee by maintaining the Residential Rental Fees.

Sponsors: Administration

Attachments: [Bill No.87 -2026 RENTAL UNIT FUND.doc](#)

15-8044 Bill 88

An Ordinance of the City of Allentown, County of Lehigh and Commonwealth of Pennsylvania, establishing and adopting the Solid Waste Enterprise Fund Budget for 2026 and amending Article 1131, Municipal Waste Storage, Collection and Disposal by increasing the Solid Waste Fee at Seven Hundred Forty (\$740) Dollars.

Sponsors: Administration

Attachments: [Bill No. 88- 2026- SOLID WASTE FUND AND FEE.doc](#)

15-8045 Bill 89

An Ordinance of the City of Allentown, County of Lehigh and Commonwealth of Pennsylvania, establishing and adopting the Stormwater Fund Budget for 2026 and amending Article 393.15 – Stormwater Utility Fee by maintaining the Stormwater Utility Fee at Twenty (\$20) Dollars per Five Hundred (500) square feet of impervious surface.

Sponsors: Administration

Attachments: [Bill No.89- 2026 STORMWATER FUND AND FEE.doc](#)

15-8046 Bill 90

An Ordinance of the City of Allentown, County of Lehigh and Commonwealth of Pennsylvania, adopting the Trexler Fund Budget for 2026.

Sponsors: Administration

Attachments: [Bill No.90 - 2026 TREXLER FUND.doc](#)

ADJOURNED: 6:23 PM