



## MEMORANDUM

July 24, 2024

To: Budget and Finance Committee, Allentown City Council

From: Bina Patel, Finance Director

Cc: Matt Tuerk, Mayor

Re: Budget and Finance Committee Meeting July 24, 2024

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Mr. Napoli,

Please see below my planned comments for the July 24, 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 July 16, 2024, the Department of Finance submitted the June 30, 2024 month end financial report to City Council and the Controller.

### **Monthly Financial Report:**

End of the month General Fund revenues for June 30, 2024 are at 61% (88,803,000) of the budgeted amount. The major contributors are Earned Income Tax (at 52% of the budgeted amount of \$41M), Deed Transfer Tax (at 57% of the budgeted amount of \$2.5M) and Permits & Licenses (at 54% of the budget amount of \$5.2M). The General Fund adjusted revenue budget is \$146M.

General Fund expenditures came in at 41% of the budgeted amount, savings of 5% compared to June of 2023. Leading category for these savings are Services & Charges (savings of 17%) and Materials and Supplies (savings of 4%). Total GF adjusted expenditure budget is \$150M.

Q2 2024 MMO payment of \$3,139,775 (Police-\$2,351,956.00, Fire-\$749,184.50, O&E-\$38,634.50) was made on June 27, 2024.

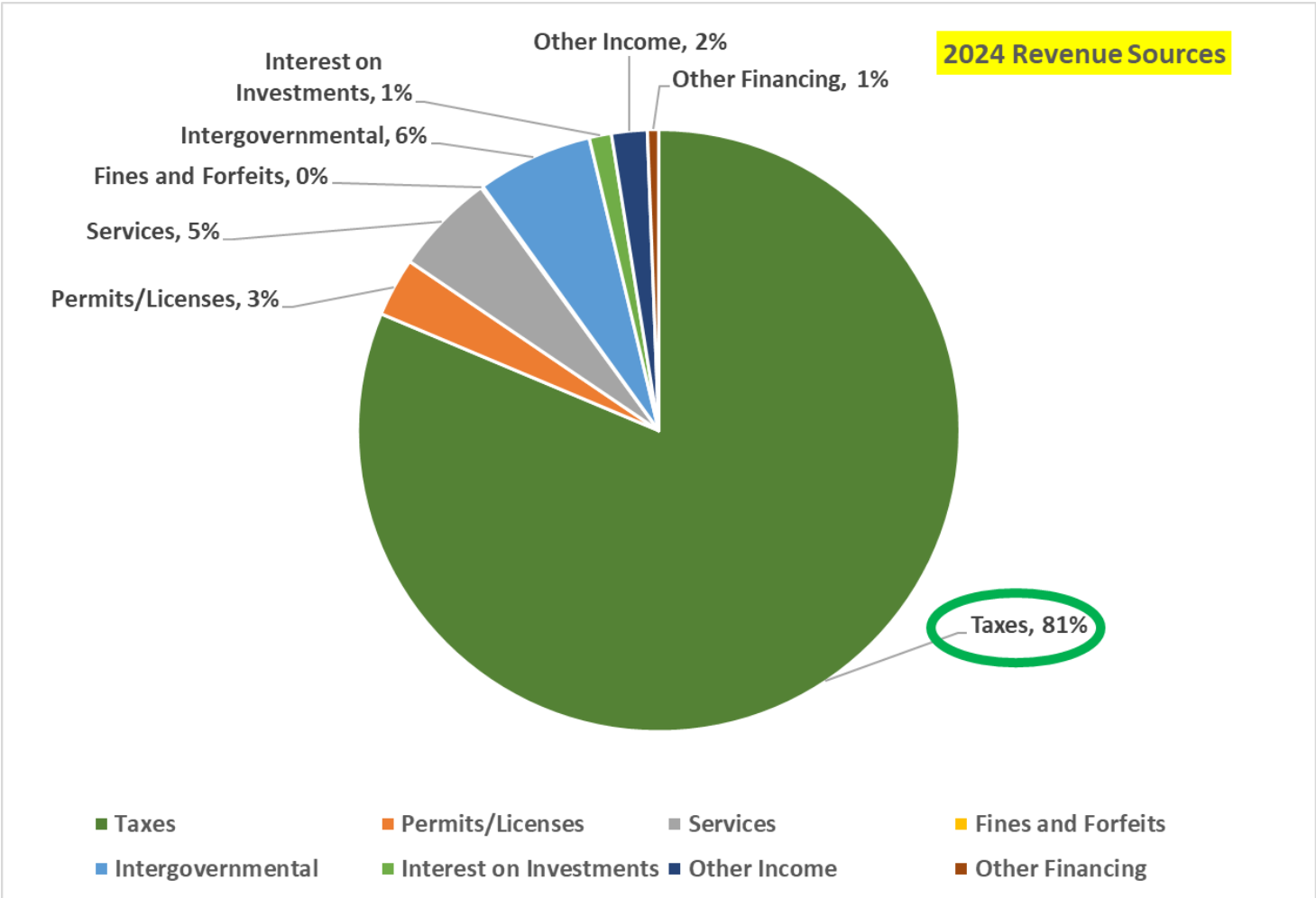
### **Public Safety Premium Pay (Overtime):**

- Police premium pay year-to-date spend is at 51% (\$1,121,000) of the adjusted budgeted amount of \$2,198,000.
- Fire premium pay year-to-date spend is at 61% (\$1,854,000) of the budgeted amount of \$3,049,000.
- Emergency Medical Services (EMS) premium pay year-to-date spend is at 53% (\$316,000) of the budgeted amount of \$600,000.

### **Other Funds:**

- The Solid Waste Fund revenues are at 87% (14,548,000) and expenditures are at 41% (\$7,749,000) reflecting a savings of 2% compared to June 2023.
- The Rental Unit Fund revenues are at 27% (\$738,000) reflecting weakness of 2% compared to the same time last year, and expenditures are at 48% (1,435,000) savings of 2% compared to June 2023.
- The Risk Fund revenues of \$15,009,000 (50%) are weaker by 2% from June 2023 and expenditures of \$15,325,000 (51%) are reflecting savings of 4%.
- The Stormwater Fund revenues are at 87% (\$5,167,000) of the budgeted amount showing strength of 2% and expenditures are at 43% (\$3,242,000) higher by 5% compared to June 2023.
- The Golf Fund revenues of \$1,212,000 (49%) and expenditures of \$1,184,000 (47%) are reflecting savings of 7% compared to the same time last year.

**REVENUE SOURCES:**



**Taxes:** Comprise of:

- City Real Estate Tax - \$35M.
- Earned Income Tax - \$21M.
- Business Privilege Tax - \$11M.

**Investments:** At the end of the month, the City’s cash position is \$65,945,094: (YTD we have received \$ 1.06M interest from investments)

- \$63,439,847 is invested in Pennsylvania Local Government Investment Trust (PLGIT).
  - \$8,439,847.21 is invested in money market PRIME and class accounts with current yield of 5.11% APY.
  - \$55,000,000 is invested in TERM investments yielding between 5.21% and 5.71% 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 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 \$2,505,247 are liquid assets invested in TD bank with current yield of 4.25% APY.

**ARPA Investments:** At the end of the month, the City’s ARPA cash position is \$31,445,191:

- \$29,503,609 is invested in Pennsylvania Local Government Investment Trust (PLGIT)
  - \$4,503,609.22 of ARPA cash is invested in Pennsylvania Local Government Investment Trust (PLGIT) money market PRIME and class account, with current yield of 5.11% APY.
  - \$25,000,000 is invested in TERM investments yielding between 5.21% and 5.34% 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.
- \$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 \$1,941,582 are liquid assets invested in TD bank with current yield of 4.25% APY.

**Capital Fund Report (Q2 2024):**

On July 22, 2024, the Department of Finance submitted the Capital Fund Report for the second quarter of 2024 to City Council and the Controller.

- The Public Works Department, the Fire Department, and the Parks and Recreation Departments had active capital projects with expenditures in Q2 2024.
- Total expenditure for Q2 2024 are \$1,743,539 and additional \$5,085,395 have been encumbered for future spend.