



## MEMORANDUM

October 2, 2022

To: Budget and Finance Committee, Allentown City Council

From: Seth O'Neill, Director of Finance

Cc: Matt Tuerk, Mayor

Re: Budget and Finance Committee Meeting October 4, 2022

---

Mr. Siegel,

Please see below my planned comments for the July 27, 2022 Budget and Finance Committee meeting. I look forward to any comments or revisions you may have.

### **Monthly Financial Report:**

In consideration of §5-17 of the City's Administrative Code, on **September 21, 2022**, the Department of Finance submitted the monthly financial report for the Month of **August 2022** to City Council and the Controller. End of month revenues for each month from January to August of 2022 have come in stronger than our estimation models, particularly Earned Income Tax, which we now project will come in *at least* 10% over-estimate. General Fund expenditures are likely to come in under-budget in the near term leading to a forecasted multi-million dollar budget surplus to end 2022.

### **Investments:**

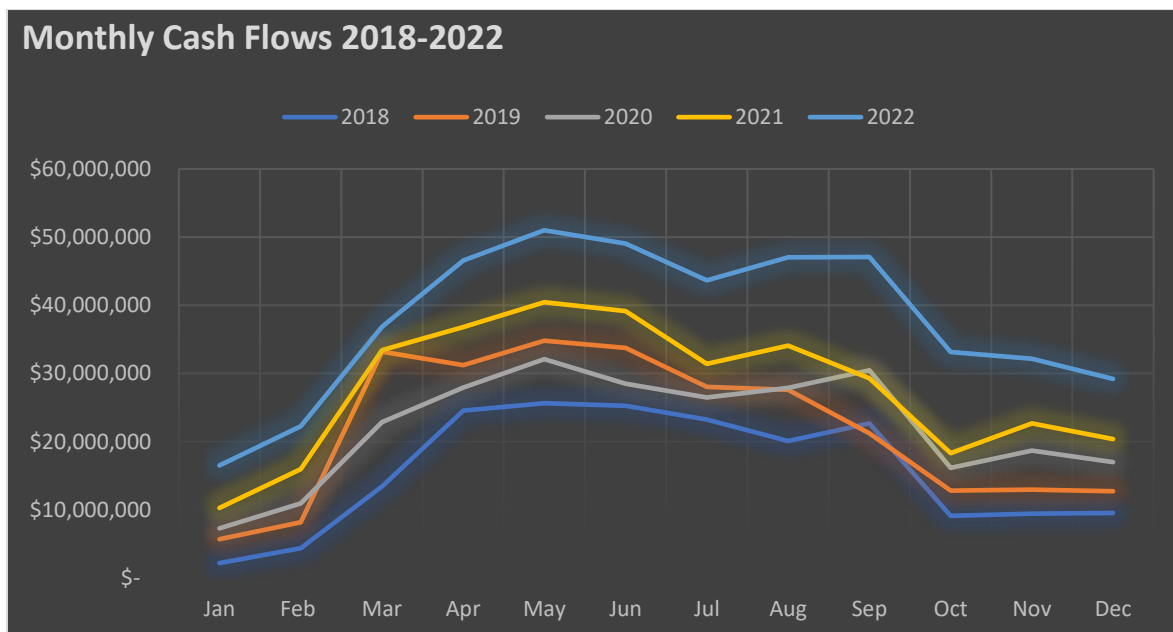
As previously reported, the City invested \$32,000,000 in General Fund cash reserves in PLGIT Prime in two stages in May and June respectively. In August, \$5,000,000 matured from a 90 day investment, yielding \$15,000 in interest. That amount was reinvested for a 180 day at 3.37% yield, which will net the City \$82,000 in interest when it matures in February.

In September, \$10,000,000 from the same investment fund matured, yielding the City \$48,000. The entire \$10,048,000 was returned to central treasury to meet the City's cash flow needs in October. The next investment maturity will occur on November 4, 2022.

At our previous meeting, I reported that about \$28M in ARPA cash was also invested in a PLGIT account. These orders were placed on August 9, 2022. The total yield for this investment strategy will be \$515,000. The first maturity is scheduled for November 8, 2022. I will report further on this investment pool at that time.

### **Cash Flow:**

Eight months through 2022, the equity in the General Fund, plus the General Fund Investment account totals \$47,040,000. At the end of August 2021, the cash reserves in the General Fund totaled \$34,095,000. We are far along enough in the year to plot out the expected course of the 2022 General Fund cash reserves. See the comparison to prior years below:



The Risk fund, the Golf Fund, and the Stormwater fund continue to persist with strong and sustainable cash balances.

### **2023 Budget:**

The zero-base budget planned for 2023 is all but complete and will be delivered on time. The proposed book will have a limited print release to save on resources. We plan to issue a plain budget

cover in the proposed copy while ASD middle school students continue work on a budget book art competition.