

City of Allentown, Pennsylvania

Management and Financial Audit

Draft Report

December 2019



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December 5, 2019

Mayor Ray O'Connell
Members of the City Council
City of Allentown
435 Hamilton Street
Allentown, PA 18101

Dear Mayor O'Connell and Members of the City Council:

We are pleased to present this draft management and financial audit for the City of Allentown. This report includes a detailed review of the City's current finances and financial practices, as well as analysis of each City department and its operations.

The recommendations included in this report are designed to help the City stabilize its finances and streamline service delivery as part of the City's involvement in Pennsylvania's Early Intervention Program (EIP). These recommendations also describe opportunities to more clearly define the organization's strategic goals and to restructure some City services to better achieve those goals and enhance efficiency. Applicable industry standards and best practices were utilized in conjunction with input and information provided by City staff to formulate these recommendations.

We are confident that this report provides an effective framework for the City to address its financial constraints, prioritize services, and conserve available resources. However, implementing these recommendations will require diligent management oversight, support from the City's elected officials, and close coordination with City staff.

Thank you for this opportunity to work with the City of Allentown. We look forward to the City's review of this draft report before a final report is provided.

Sincerely,

Michelle Ferguson
Organizational Assessment Practice Leader

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Executive Summary

Pennsylvania's Early Intervention Program (EIP) provides eligible communities with a unique opportunity to assess the fundamentals of good governance, including sound financial management practices, effective budgeting and forecasting, the efficiency of service delivery, the appropriateness of organizational structures, and process and procedural constraints. By participating in the EIP process and conducting this management and financial audit, the City of Allentown has taken a significant step toward understanding its current environment and addressing financial and operational constraints.

This report describes several financial and operational challenges that impact how the City utilizes resources and provides service to the Allentown community. Though the City has a healthy General Fund balance of nearly \$24 million, it has been relying upon that fund balance to meet ongoing operating needs. As such, the City is facing a structural General Fund deficit that will need to be addressed through a combination of revenue increases or expenditure reductions. Specific financial challenges include policy and budgeting practices that have constrained the City's available resources and limited the organization's ability to respond to current and future needs. Addressing these challenges will require the City to take specific, concrete actions to reduce liabilities, better forecast revenues, and more effectively prioritize spending through a priority-based budgeting process.

While the financial recommendations in this report describe *how* the organization should allocate its resources, it is also critical for the City to determine *where* to focus those resources and for what purpose. This is most effectively accomplished through a formal strategic planning process. Effective strategic plans establish clear goals and priorities for the City and create a framework that guides the implementation of organizational initiatives (such as the Vision: 2030 comprehensive planning process) as well as the allocation of financial and human resources.

Other operational challenges discussed in this report describe opportunities for more formal policy development, improving interactions among departments (particularly regarding internal services such as information technology), restructuring functions to reduce duplication and service overlaps, and opportunities to evaluate contracting out for service. The recommendations included in this report are intended to help the City more effectively align its resources and staff with its organizational strategic plan and preserve the City's financial resources.

It is important to emphasize that implementing the changes described in this report will require consistent leadership from the City's governing body and management personnel, as well as engagement with City staff. However, by exercising diligent oversight and aligning the City's operations with its strategic priorities, the City will be able to more effectively provide service based on its available resources and enhance the effectiveness as well as the efficiency of its services.

The following table lists recommendations included in this report.

Table 1: List of Report Recommendations

Number		Recommendation
City-Wide		
1		Develop a fund balance policy for each major operating fund.
2		Adopt Financial Management Policies.

Number	Recommendation
3	Increase Health Insurance funding by \$2.5 million in the 2020 budget and eliminate the practice of utilizing the Risk Management Fund Balance to fund ongoing health care costs.
4	Pursue strategies to limit health care costs to the City.
5	Create an OPEB Trust to partially or fully fund liabilities.
6	Develop an organization-wide strategic plan.
7	Implement priority-based budgeting.
8	Develop a capital project inventory and prioritization system.
9	Implement a comprehensive performance measurement program.
10	Establish a compensation philosophy.
11	Formalize process and policy documentation for all City Departments.
Finance Department	
12	Reorganize Finance to create a Deputy Finance Director position.
13	Create cross-training in pension and payroll management.
14	Implement process improvements to the accounts payable process.
Human Resources Department	
15	Document current HR procedures and update documentation as procedures change.
16	Create a formal organizational and workforce development program.
17	Create a comprehensive supervisory and management training program.
18	Implement a consistent performance review process.
19	Implement a consistent safety program throughout the City.
Solicitor's Office	
20	Develop a process for reviewing and updating Allentown's Charter and codified ordinances.
21	Engage outside legal counsel to represent the City in labor matters and union negotiations.
Information Services Department	
22	Revive the City's Technology Steering Committee (TSC).
23	Implement an Information Services Strategic Planning process and update the Information Services Strategy plan.
24	Adopt a formal Information Services governance process for project management.
25	Reclassify the vacant Application Developer and Senior Systems Analyst positions as Business Analysts responsible for supporting key IS customers.
26	Develop service level agreements with customer departments.
Community and Economic Development Department	
27	Create a Community Development Bureau supervised by the Community Development Operations Manager.
28	Create a zoning cross-training program for Housing Inspectors.
29	Establish a formal grants policy for Community and Economic Development programs.
30	Conduct an annual review of all Community and Economic Development fees.
31	Improve customer education tools regarding the City's development and permitting processes.
Parks and Recreation Department	
32	Transfer Parks functions and staff to the Public Works Department and retitle the Parks and Recreation Department to the Recreation Department.
33	Create an annual Recreation work plan.
34	Expand volunteer opportunities for Recreation-related services.
35	Establish formal cost recovery goals for Recreation programs.

Number	Recommendation
Public Works Department	
36	Consolidate Parks maintenance and Public Works functions.
37	Update DPW Superintendent and Chief Maintenance Supervisor job descriptions and competitively select qualified candidates to fill the positions.
38	Develop comprehensive asset inventories and condition assessments.
39	Develop an annual work plan for DPW maintenance activities.
40	Issue RFPs to evaluate the cost-effectiveness of contracting for services.
41	Adjust solid waste practices to reduce costs.
42	Enhance the MS4 contract to provide support for the implementation of the City's stormwater management plan.
43	Create a Memorandum of Understanding between the MS4 Program and the Stormwater Bureau.
44	Increase the capacity to recover past-due SWEEP fees.
45	Connect radios to the emergency call center.
46	Enhance internal communication opportunities throughout the Department.
47	Provide relevant staff with the opportunity to test and be trained on new equipment.
48	Partner with local trade schools to provide hands-on training opportunities.
Police Department	
49	Adopt a proactive policing standard and adjust minimum staffing levels to meet proactive needs.
50	Prioritize the Investigations staffing within operational constraints.
51	Enhance data collection regarding Criminal Investigations Division workload indicators.
52	Implement a system for referring cases electronically.
53	Implement an information-led, proactive policing strategy.
54	Develop additional capacity for crime analysis.
55	Enhance internal Information Technology capacity.
56	Monitor staffing needs for the processing of digital evidence.
57	Address salary compression at the rank of Captain.
58	Revise False Alarm Prevention Program structure.
59	Renegotiate the process for authorizing Personal Time.
60	Enhance telephone communication with staff.
61	Conduct a space needs assessment of Headquarters and Patrol facilities.
62	Delineate standards for vehicle replacement and incorporate Police Department input.
Fire Department	
63	Fully integrate fire and EMS operations and management.
64	Consider adding Firefighter positions to the Fire Suppression function.
65	Consider hiring one additional Paramedic position in the EMS Division.
66	Develop an annual training plan and standardize training across shifts.
67	Develop a set schedule for multi-company, live fire training drills to build practical firefighting and scene management skills.
68	Develop electronic pre-plans for all high-risk facilities within five years.
69	Assign administrative specialization to Battalion Chiefs.

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Background and Methodology

In April 2019, the City of Allentown received funding from the Pennsylvania Department of Community and Economic Development's Early Intervention Program to assist in the development of a short- and long-term fiscal and operational plan for the City. The Novak Consulting Group was chosen to complete an in-depth review of the City's financial position and a full-scale review of each City department to develop a multi-year financial plan and a clear path to enhance the efficiency and effectiveness of City operations.

The analysis involved a review of the City's year-end financial reports, independent audits, debt payment schedules, pension obligations, collective bargaining agreements, operating and capital budgets, other fiscal data, and other relevant information and factors that may affect the current and future financial condition of the City. This assessment included the following key activities:

- Analyzed the City's financial history from 2014 through 2018, focusing on such factors as revenues, expenditures, tax base, operating positions, and debt structure.
- Examined the historical data and the 2019 budget in relation to ongoing operations, collective bargaining agreements, other salary and benefit requirements, financial interrelationships among the City component funds, and other obligations of the City.
- Reviewed all tax bases and revenues, major user fees, and other revenue sources.
- Projected, to the extent possible based on known factors and available data, revenues and expenditures for 2020 through 2025 assuming the continuation of obligated levels of wages and operations, existing revenue patterns, and other operating trends. The goal of these projections is to permit City officials to better anticipate potential deficits and take proactive steps to address any expected shortfalls.
- Made recommendations to assist the City in developing and improving its financial management policies and processes.

The methodology of the operations assessment included individual interviews with City Council Members, other elected officials, and key staff throughout the organization. In addition, The Novak Consulting Group reviewed and analyzed a myriad of documents and materials provided by City staff, such as budgets, work plans, performance data, and staffing and operational information from each department.

This report details the findings, analysis, and recommendations that, once implemented, will assist the City in developing and improving its financial management policies and processes and enhance the delivery of services. Some recommendations are designed to reduce expenses, and others are designed to modernize the organization's resources, practices, and procedures. These recommendations are specific and action-oriented and will work to improve the long term sustainability of the City of Allentown.

About the City of Allentown

The City of Allentown, Pennsylvania, is located in Lehigh County, approximately 60 miles northwest of the City of Philadelphia. The City has experienced an increase in population over the last several decades. Currently, the City's population is 121,433, according to the U. S. Census Bureau's 2018 Population Estimates Program. This represents a 13% increase compared to the 2000 Census. The following figure compares population growth in Allentown during the 2000 and 2010 Decennial Censuses, as well as the Census Bureau's 2018 population estimate.

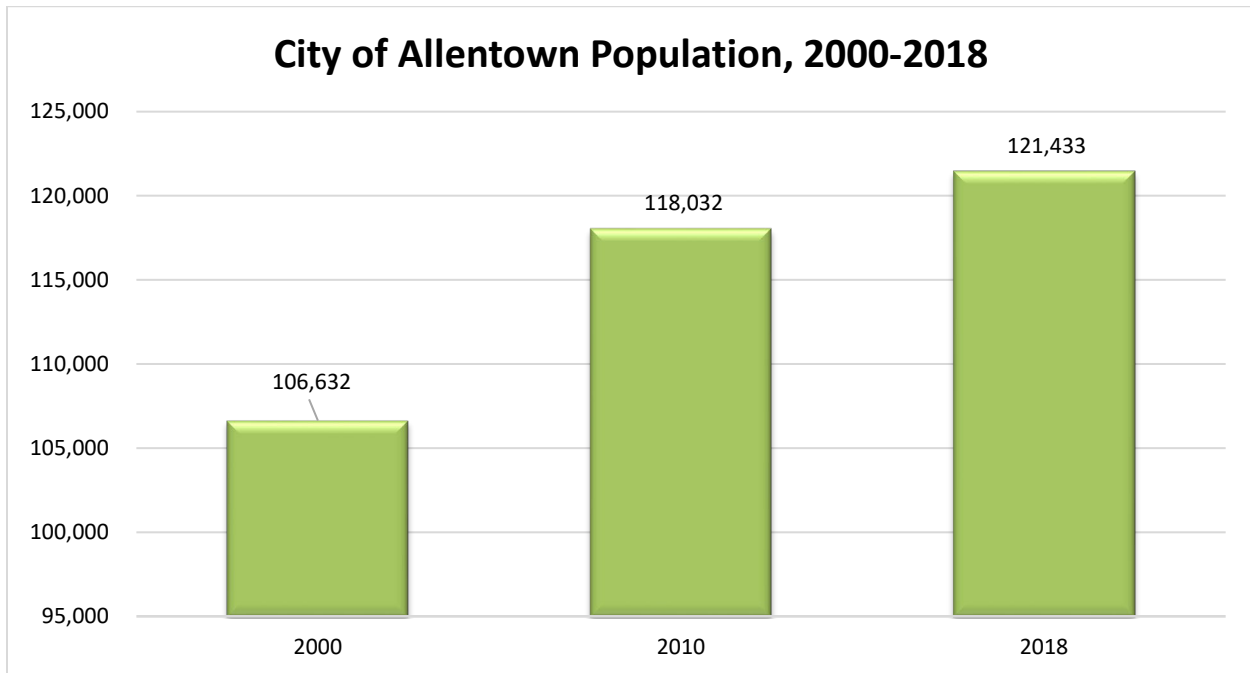


Figure 1: City of Allentown Population Growth, 2000-2018 (Estimated)

Structure

Allentown is a Home Rule City, meaning that residents have the authority to adopt the City Charter without approval from the Commonwealth of Pennsylvania. The current Charter was adopted in 1996. The City is governed by a Legislative Branch, consisting of seven elected City Council members, and an Executive Branch, governed by an elected Mayor. The City Controller is also an elected position. The following figure illustrates the City's overall structure and key functions.

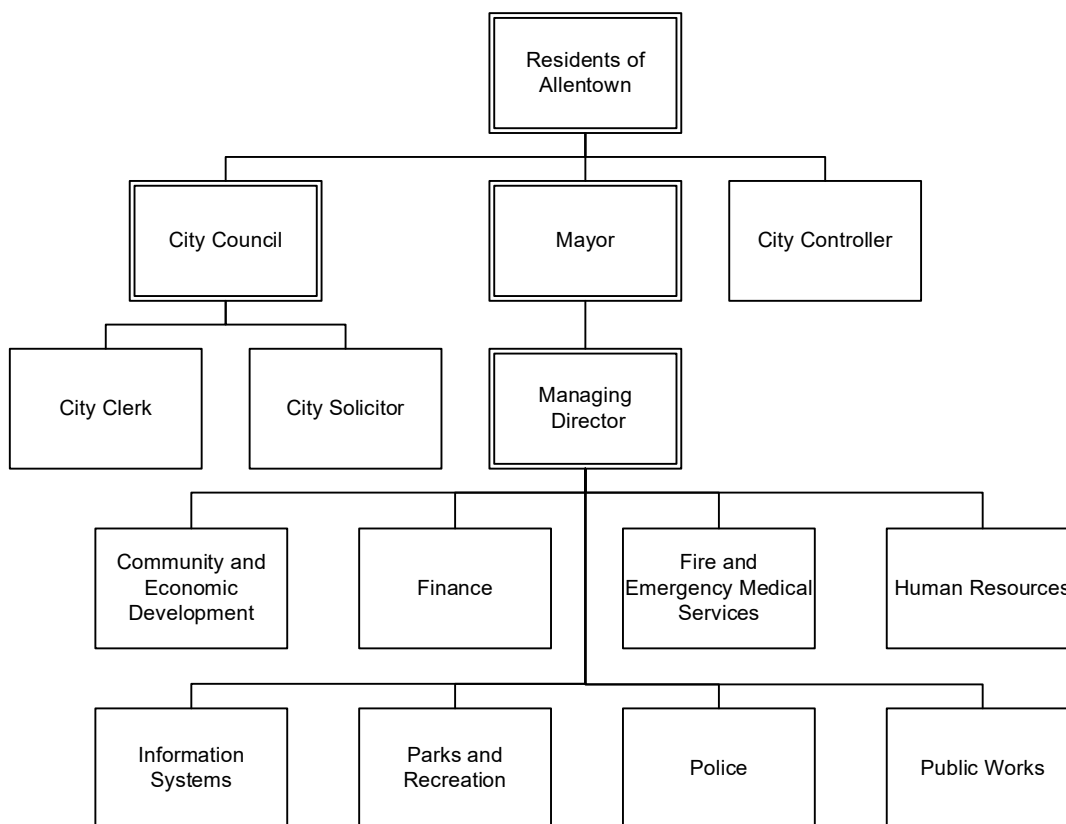


Figure 2: City of Allentown Organizational Chart, 2019

Per the City Charter, the City Council is responsible for passing ordinances to govern City operations. City Council members are responsible for introducing proposed ordinances and for enacting them via a majority vote during a public meeting. The Council is also responsible for appointing a City Clerk to issue public notices of upcoming meetings, take minutes during Council meetings, and perform other duties as assigned. The City Council also oversees the City Solicitor, responsible for serving as chief legal advisor to the Council, the Mayor, and City departments. The City Solicitor is appointed by the Mayor, but the appointment requires confirmation by at least four of the seven Councilmembers.

The duty of the Mayor, per the City Charter, is to “[e]xecute, enforce, and obey the ordinance of the City, the laws of the Commonwealth of Pennsylvania, and the United States of America.”¹ The Mayor must approve all legislation passed by the City Council; the Mayor does have veto power, but vetoes can be overruled by a vote of five or more Councilmembers. The Mayor is also responsible for presenting a recommended annual budget for City Council review and approval, developing City policies and procedures, and supervising the negotiation and administration of collective bargaining agreements.

The Mayor is also responsible for overseeing all City departments, except the Office of the City Clerk, Office of the Chief Solicitor, and Office of the City Controller. The Mayor directly appoints all Department Directors, but day-to-day management responsibilities are delegated to a Managing Director. Departments under the Managing Director’s supervision include Finance, Human Resources, Information

¹ Allentown City Charter, Article III Section 308.

Systems, Community and Economic Development, Parks and Recreation, Public Works, Police, and Fire and Emergency Medical Services.

Per the City Charter, the City Controller is responsible for “financial oversight of City finances, independent of the Executive and Legislative branches.”² The position is responsible for reviewing the City Council and Mayor’s expenditures, for reviewing the recommended annual budget prepared by staff and making recommendations for changes to the Mayor and City Council, for assisting in the audit of City finances, for directing financial security activities, and for conducting loss investigations when required.

Staffing

The FY2019 budget includes a total of 795.75 full-time positions. In addition, various City departments are staffed with part-time and seasonal positions; however, though the personnel costs for these positions are budgeted, they are not accounted for in the position counts that are reflected in the City’s budget documents. Therefore, it is not possible to estimate the number of full-time equivalent (FTE) employees within the City.³ The following chart summarizes the City’s authorized full-time staffing level by Department, per the City’s adopted budget.

Table 2: Authorized Staffing Level by Department, FY2015-FY2019

Department	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Budget	Percent Change
City Controller	2.00	2.00	2.00	2.00	2.00	0%
City Council (City Clerk)	9.00	9.00	9.00	9.00	10.00	11%
Community and Economic Development	68.25	82.40	90.00	89.00	104.00	52%
Finance	29.30	29.15	30.90	33.90	33.90	16%
Fire	159.00	160.00	161.00	161.00	161.00	1%
HUD Grants	5.80	5.80	0.00	0.00	0.00	-100%
Human Resources	6.70	6.70	5.10	5.10	5.10	-24%
Information Services	0.00	0.00	15.00	14.00	18.00	Not Applicable
Law	6.00	6.00	5.50	7.00	7.00	17%
Office of the Mayor	23.80	22.80	5.50	7.00	7.00	-71%
Parks and Recreation	58.00	60.00	59.00	58.50	58.75	1%
Police	284.00	282.00	274.50	274.50	244.00	-14%
Public Works	133.00	131.00	136.50	143.50	145.00	9%
Total	784.85	796.85	794.00	804.50	795.75	1%

The City’s full-time staffing has increased by 10.9 FTEs, or 1%, over the last five fiscal years. The increase is largely driven by staffing increases in the Community and Economic Development Department and the Public Works Department. The Community and Economic Development Department added more than 35 FTEs between FY2015 and FY2019, mainly to accommodate rental and pre-sale inspections. The Public Works Department added 12 FTEs between FY2015 and FY2019; these new FTEs are primarily dedicated to the Department’s stormwater management program, which began in FY2017.

² Allentown City Charter, Article IV Section 403.

³ 1.0 FTE equates to 2,080 hours per year, or 40 hours per week. For example, employees who are scheduled to work 40 hours per week are 1.0 FTE employee. Employees scheduled to work 20 hours per week are 0.5 FTE employee.

Budget

The City operates on a fiscal year from January 1 through December 31. City operations are supported by 11 funds:

- General Fund
- 911 Fund, which funds maintenance and improvements to the City's emergency communications system
- Administrative Order Fund, which collects fees from water and sewer system users to fund capital improvements
- Equipment Replacement Fund, which funds the purchase of computers, vehicles, and other equipment
- Golf Course Fund, which funds operations at the City-owned golf course and is financed through user fees
- Housing Fund, which finances affordable housing initiatives
- Liquid Fuels Fund, which finances road projects and is funded through the Commonwealth's Liquid Fuels Program
- Risk Management Fund, which supports City insurance coverage
- Solid Waste Fund, which finances recycling and solid waste services for City residents
- Stormwater Fund, which finances improvements to the City's stormwater system
- Trexler Memorial Fund, which finances the upkeep of Allentown's Trexler Memorial Park

The following chart shows operating expenditures by fund for the last five fiscal years.

Table 3: City Operating Expenses by Fund, FY2015 - FY2019

Fund	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budgeted	Percent Change
General Fund	\$92,926,629	\$98,441,517	\$106,141,560	\$104,728,575	\$119,381,074	28%
911 Fund	\$2,849,342	\$2,994,765	\$3,915,291	\$2,770,704	\$1,202,587	-58%
Administrative Order Fund	\$0	\$605,634	\$664,762	\$814,174	\$658,885	Not Applicable
Equipment Replacement Fund	\$2,538,647	\$2,395,751	\$2,958,198	\$2,509,221	\$2,731,315	8%
Golf Course Fund	\$1,138,210	\$1,290,987	\$1,586,228	\$1,417,172	\$1,423,605	25%
Housing Fund	\$0	\$0	\$0	\$0	\$300,000	Not Applicable
Liquid Fuels Fund	\$2,350,680	\$3,051,340	\$3,251,991	\$3,313,734	\$4,052,567	72%
Risk Management Fund	\$19,084,923	\$21,439,045	\$21,112,505	\$25,457,550	\$25,458,396	33%
Solid Waste Fund	\$15,262,060	\$19,378,100	\$15,148,669	\$14,774,441	\$17,322,982	14%
Stormwater Fund	\$0	\$0	\$0	\$4,002,972	\$5,284,338	Not Applicable
Trexler Memorial Fund	\$1,609,647	\$1,987,644	\$1,866,991	\$1,838,170	\$2,056,464	28%
Total	\$137,760,138	\$151,584,783	\$156,646,195	\$161,626,713	\$179,872,213	31%

Overall expenditures increased by 31% over the last five fiscal years, largely driven by increases in General Fund expenditures. The following table provides a more detailed look at General Fund expenditures by category.

Table 4: General Fund Expenditures by Category, FY2015 - FY2019

Category	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budgeted	Percent Change
Personnel	\$68,561,762	\$73,274,424	\$76,360,345	\$79,291,460	\$87,048,769	27%
Materials & Supplies	\$2,542,184	\$2,560,974	\$2,626,139	\$2,800,368	\$3,666,902	44%
Services & Charges	\$8,205,886	\$9,033,023	\$8,950,240	\$10,197,723	\$13,045,406	59%
Capital Outlay	\$1,003,444	\$1,372,099	\$1,096,724	\$931,697	\$2,596,204	159%
Sundry	\$12,613,353	\$12,200,997	\$17,108,112	\$11,507,326	\$13,023,792	3%
Total	\$92,926,629	\$98,441,517	\$106,141,560	\$104,728,574	\$119,381,073	28%

The biggest contributor to increases to the General Fund between FY2015 and FY2019 was Personnel Services costs, which rose by more than \$18 million. That increase was mainly driven by salary and pension costs. General Fund salary costs increased by more than \$6 million between FY2015 and 2019, and pension costs increased by more than \$7 million.

Financial Assessment

The City of Allentown operates under a 2019 All Funds Operating Budget totaling \$179,872,213. As previously noted, the City utilizes 11 governmental funds for various purposes but primarily utilizes its General Fund as its major operating fund. The General Fund is used to account for all general government expenses not otherwise accounted for in other funds, including police and fire services, community and economic development, parks and recreation, and other community services. In 2019, the General Fund budget is \$119.4 million, accounting for two-thirds of the City's planned expenditures for the year. The following table provides the all funds summary for planned revenues and budgeted expenses for FY2019.

Table 5: FY2019 All Funds Summary

Fund	FY2019 Planned Revenue	FY2019 Budgeted Expenses
General Fund	\$117,435,664	\$119,381,074
Liquid Fuels Fund	\$3,441,776	\$4,052,567
Trexler Memorial Fund	\$1,892,266	\$2,056,464
Administrative Order Fund	\$1,168,646	\$658,885
Risk Management Fund	\$25,454,754	\$25,458,396
Equipment Replacement Fund	\$2,116,071	\$2,731,315
Solid Waste Fund	\$15,059,744	\$17,322,982
Stormwater Fund	\$5,906,668	\$5,284,338
Golf Course Fund	\$1,435,723	\$1,423,605
Housing Fund	\$300,000	\$300,000
911 Fund	\$1,200,300	\$1,202,587
Grand Total	\$175,411,612	\$179,872,213

In addition to several other special purpose governmental funds, the City manages a Risk Management internal service fund that is primarily used to aggregate internal transfers from other City funds and pay for workers' compensation, property/casualty, and health insurance premiums and claims for the City at large. While the Risk Management fund is considered a non-major fund by accounting and auditing standards, rising healthcare benefit costs have led to the total depletion of the Risk Management fund balance as of mid-2019. The Novak Consulting Group's analysis focuses primarily on the General Fund and Risk Management Funds, as the other funds are restricted funds or enterprise funds that do not face significant financial constraints or issues.

Similar to many cities, expenditure growth has outpaced revenue growth in the City. Over the past several years, steps have been taken to increase revenues, including leasing its water and sewer system to the Lehigh County Authority in 2013, the creation of a stormwater fee in FY2018, and a 1.50 composite mill property tax increase in FY2019. However, to create long-term financial sustainability and structural balance, further options for revenue growth and reductions to expenditures will be required. The following sections provide five-year historical analysis and projections for City finances, as well as financial recommendations aimed at improving the overall fiscal health of the City.

General Fund Historical Financial Trends

From FY2014 to FY2018, the General Fund revenue grew from \$94.2 million to \$108.7 million, an increase of nearly \$14.5 million, or 15%. Over the same period, General Fund expenditures increased from \$102.6 million to \$104.8 million, an increase of nearly \$2.2 million, or 2%. The following figure summarizes macro-level revenue and expenditure trends in the General Fund.

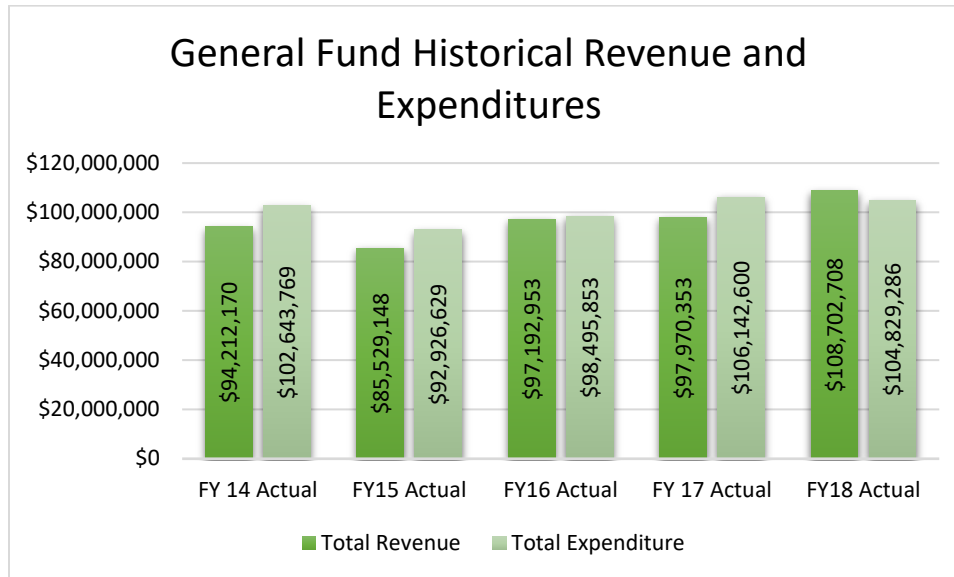


Figure 3: Historical General Fund Revenues and Expenditures

From FY2014 to FY2018, expenditures exceeded revenues in all years but one. In 2014, the beginning General Fund balance was \$46.4 million.⁴ The projected (unaudited) FY2018 year-end General Fund balance was \$24.9 million, a reduction of nearly \$13.0 million, or 34%. The following figure summarizes fund balance trends for the General Fund.

⁴ City of Allentown, PA, 2014 Consolidated Annual Financial Report.

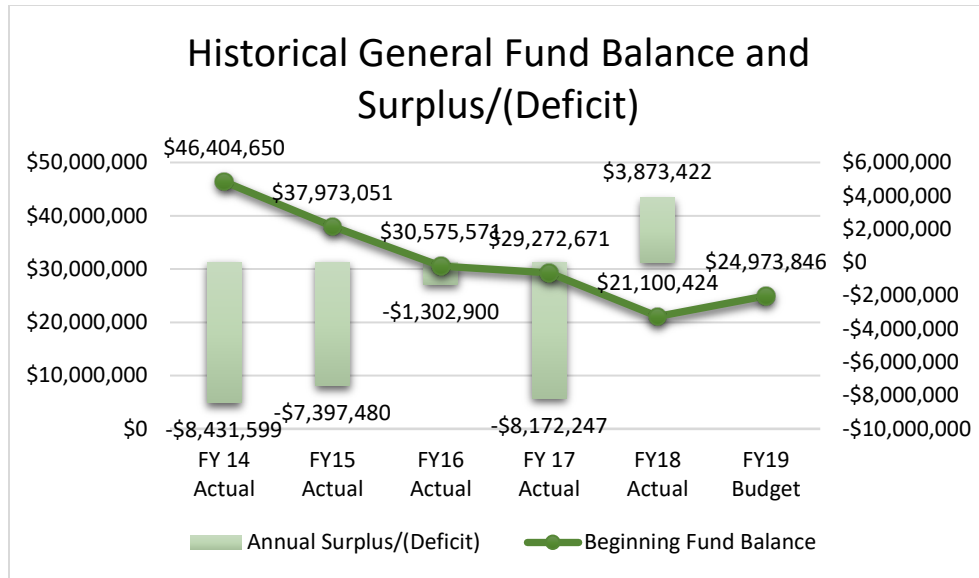


Figure 4: Historical General Fund Balance Trends

General Fund Revenue Trends

In FY2018, General Fund revenue totaled \$108,702,708. The following table summarizes the sources of General Fund revenue from FY2014 through FY2018.

Table 6: General Fund Revenue Sources FY14-FY18

Revenue Category	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	Percent Change
Taxes	\$27,903,998	\$29,406,134	\$33,458,515	\$40,010,662	\$44,095,819	58%
Real Estate Taxes	\$29,882,984	\$30,138,489	\$30,808,926	\$30,351,060	\$30,729,128	3%
Intergovernmental Revenue	\$18,364,425	\$11,277,226	\$12,254,589	\$11,468,891	\$13,766,665	-25%
Permits & Licenses	\$6,309,429	\$5,858,969	\$5,907,654	\$6,273,648	\$8,580,049	36%
Departmental Earnings	\$6,788,518	\$4,654,775	\$4,544,492	\$4,181,759	\$5,430,672	-20%
Municipal Recreation & Other GF Charges	\$1,283,939	\$1,258,148	\$1,347,843	\$1,580,657	\$2,068,986	61%
Fines and Forfeits	\$748,688	\$690,926	\$1,765,200	\$989,914	\$778,867	4%
Investment Earnings	\$27,632	\$11,065	\$7,156	\$6,723	\$470,102	1,601%
Other Income	\$2,881,215	\$2,232,866	\$1,654,208	\$1,423,343	\$1,738,344	-40%
Other Financing Sources	\$21,342	\$550	\$5,444,369	\$1,683,695	\$1,044,075	4,792%
Total Revenue	\$94,212,170	\$85,529,148	\$97,192,952	\$97,970,352	\$108,702,707	15%

Local Enabling Taxes

Local Enabling Taxes (not including Real Estate Taxes) were the largest source of General Fund revenue in FY2018, comprising 41% of total collections with approximately \$44.1 million collected. From FY2014 to FY2018, this revenue source grew by approximately \$16.2 million, or 58%. Revenue from the Taxes category is mostly made up of Earned Income Tax (66% in 2018) and Business Privilege Tax (18% in 2018).

The City of Allentown levies an Earned Income Tax (EIT) for City residents as well as non-residents who work in Allentown. While the EIT rate for non-residents decreased slightly in FY2015 from 1.33% to 1.28%, the EIT rate for residents has increased twice: once in FY2016, when the rate increased from 0.83% to 1.15%, and again in FY2017 when the rate increased to 1.475%. These changes, along with improvements to Allentown's overall tax base, have led to an increase in EIT collections between FY2014 and FY2018. During this period, EIT collections increased by 108% from \$13.9 million in FY2014 to nearly \$28.9 million in FY2018.

The City also levies a Business Privilege Tax on businesses located within the City. This tax is based on the gross volume of business transacted. The tax levied is 1.0 mill on wholesale businesses, 15 mills on retail businesses, and 3.0 mills on other types of businesses. These rates were unchanged during the historic period analyzed. Between 2014 and 2018, Business Privilege Tax collection increased by 18%, from \$6.7 million in FY2014 to nearly \$8.0 million in FY2018.

Real Estate Taxes

Real Estate Taxes comprised 28% of total General Fund revenues collected in FY2018 at \$30.7 million. Between FY2014 and FY2018, real estate tax collections have remained steady, increasing by 2.8% in total over the five-year period. From FY2014 to FY2018, Allentown's composite real estate tax rate remained steady at 5.8059 mills. However, beginning in FY2019, an increase of 26% is in effect, bringing the composite real estate tax rate to 7.3075 mills.

Intergovernmental Revenue

Allentown collects a variety of intergovernmental revenues in the General Fund, including grants, reimbursements, state pension aid, and casino fees. For FY2018, these sources, totaling approximately \$13.8 million, made up 13% of total General Fund revenue. Revenue in this category fluctuates year-to-year, depending on grant cycles, state policy decisions, and other factors. Overall, Intergovernmental Revenue has decreased by 25% from FY2014 to FY2018.

Permits and Licenses

Allentown collects permit and license fees for a variety of activities in the City. Total revenue in this category varied year-to-year between FY2014 and FY2017, with an average of just under \$6.1 million. In FY2018, collections increased by over a third to \$8.6 million, or 8% of total FY2018 General Fund collections. The primary driver of this increase relates to a change in the timing of rental registration fee payment deadlines in FY2018 that resulted in a temporary spike in collections.

Departmental Earnings

Departmental Earnings include charges for services provided by various General Fund departments, and collections have varied from year-to-year between FY2014 and FY2019. Adjusting for an outlier in prior Water/Sewer collections in FY2014, annual average Departmental Earnings was approximately \$4.5 million between FY2014 and FY2017. In FY2018, collections increased significantly to \$5.4 million, with additional growth expected in FY2019. The City's FY2019-2023 forecast includes a 1-4% growth for these revenue sources.

Municipal Recreation and Other General Fund Charges

Municipal Recreation and Other General Fund Charges made up 2% of total General Fund collections in FY2018. This category includes charges related to swimming pool fees and recreation, as well as General Fund service charges to departments. Collections in this category increased by over 60% from FY2014 to FY2018, due primarily to adjustments to the General Fund Service Charge calculation.

Fines and Forfeits

Fines and Forfeits made up 1% of total General Fund revenue in FY2018. This category includes revenue from district court, fines and restitutions, and reimbursement from the Allentown Parking Authority. Collections have varied year-to-year, with no discernible trend.

Investment Earnings

Investment Earnings made up less than 1% of total General Fund revenue in FY2018. This category includes interest on investments and non-recurring gains or losses on investments. From FY2014 to FY2018, Investment Earnings have varied year-to-year, with a significant increase in FY2018 due to a one-time reconciliation with a lender.

Other Income

The Other Income category made up less than 2% of total General Fund revenue in FY2018. It is composed of multiple revenue sources not otherwise categorized. Receipts vary significantly year-to-year.

Other Financing Sources

The Other Financing Sources revenue category includes interfund transfers to the General Fund as well as the annual Water/Sewer Lease payment. In FY2018, it made up 1% of the total General Fund collections. From FY2014 to FY2018, revenues in this category have increased significantly due to Community Development Block Grant (CDBG) Reimbursements and Water/Sewer Lease payments.

General Fund Expenditure Trends

Total expenditures in Allentown's General Fund have grown from \$102.6 million in FY2014 to \$104.8 million in FY2018, an increase of \$2.2 million, or approximately 2%. The following table summarizes the various types of General Fund expenditures from FY2014 through FY2018.

Table 7: General Fund Expenditure Trends FY14-FY18

Expenditure Category	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	Percent Change
Personnel	\$64,164,322	\$68,561,762	\$73,274,424	\$76,360,345	\$79,291,460	24%
Services and Charges	\$13,734,682	\$8,205,886	\$9,087,359	\$8,950,240	\$10,297,394	-25%
Materials and Supplies	\$3,403,329	\$2,542,184	\$2,560,974	\$2,626,139	\$2,800,368	-18%
Capital Outlays	\$1,978,415	\$1,003,444	\$1,372,099	\$1,096,724	\$931,697	-53%
Sundry	\$19,363,021	\$12,613,353	\$12,200,997	\$17,109,152	\$11,508,366	-41%
Total Expenditures	\$102,643,769	\$92,926,629	\$98,495,853	\$106,142,600	\$104,829,285	2%

Personnel

The largest category of General Fund expenditures is Personnel, which made up 76% of the total General Fund expenditures in FY2018. Allentown's General Fund includes the salaries and benefits for 1,270 employees in three different unions. These include the Fraternal Order of Police (FOP), which represents Allentown Police Officers; the International Association of Fire Fighters (IAFF), which represents Allentown Firefighters; and the Service Employees International Union (SEIU), which represents Allentown employees in all other full-time position types, excluding confidential employees, management-level employees, and first-level supervisors.

Expenses in this category are largely driven by employee salaries, pensions, and health insurance benefits. Total General Fund Personnel expenditures have increased by \$15.1 million from FY2014 to FY2018, a difference of 24%.

Services and Charges

Expenditures for Services and Charges made up 10% of Allentown's General Fund in FY2018. Expenditures in this category include contractual services, electric power, non-City charges for grants, and other services. Expenditure totals in this category vary depending on non-recurring line-items, such as non-City charges for grants.

Materials and Supplies

Expenditures for Materials and Supplies made up 3% of the General Fund in FY2018. Expenditures in this category include fuels, oils and lubricants, operating materials and supplies, repair and maintenance supplies, and uniforms. Materials and Supplies expenditures were reduced significantly in FY2015 but have experienced annual growth each year since.

Capital Outlays

Capital Outlays made up 1% of General Fund expenditures in FY2018. While investment in long-term capital infrastructure is captured outside of the General Fund, this expenditure category includes annual expenditures for capital equipment. From FY2014 to FY2018, these expenditures have decreased by 53%.

Sundry

The Sundry expenditure category made up 11% of General Fund expenditures in FY2018. This category is composed of those expenditure types that are not otherwise categorized, including contingency, fund transfers, and refunds. Spending in this category is variable from year-to-year.

General Fund Revenue and Expenditure Projections

The process of developing five-year financial projections generally involves two major activities: analysis of historical financial trends and assessment of available data regarding future expenditures to include labor agreements, debt service schedules, actuarial data, and other contractual obligations. The Novak Consulting Group completed an analysis of these factors and developed baseline assumptions that were reviewed and refined with City leadership and financial management staff. The financial projections described herein are all applied to FY2019 budgeted figures. The following details the fundamental revenue and expenditure assumptions used to develop a five-year financial model for Allentown's General Fund.

General Fund Revenue Projections

Taxes

- Earned Income Tax collections are assumed to increase 2.5% per year based upon historical trends.
- Business Privilege Tax collections are assumed to increase 3% per year based upon historical trends.
- Earned Income – Act 205 collections are assumed to increase 1% in 2020, with 2% increases in the out-years based upon new employers in the Neighborhood Improvement Zone (NIZ) and returns from the first half of FY2019.

- All other minor sources of tax collections in this category are assumed to remain flat over 2019 budgeted figures.

Real Estate Taxes

- Real Estate Tax collections are assumed to increase 1.5% per year, based upon projections that recently constructed buildings within the NIZ will come into value in the near future.

Intergovernmental Revenue

- State Aid Pension collections are assumed to increase by 1% per year, based upon historical trends.
- Casino Fees collections have fluctuated based on collection methodology, and the recent sale of the Sands Casino may influence collections further. The City has revised its estimate for 2019 collections to approximately \$3.8 million. Flat growth is assumed for 2020 and beyond.
- Annually recurring sources of Intergovernmental Revenue, including Third Party Reimbursements, Health Categorical Grants, and Fire Training and Police Training, are assumed to remain flat over 2019 budgeted figures.
- All other sources of Intergovernmental Revenue are highly variable and are assumed to be nonrecurring.

Permits and Licenses

- Rental registration fees increased from \$100 per unit to \$125 per unit in 2018, and the collection date for those fees moved from April to December, which effectively resulted in double collection for most fees in FY2018. The FY2019 plan is likely overstated as a result. Applying a 25% increase to FY2017 collections would be approximately \$3 million. Flat growth is assumed thereafter.
- All other permits and licenses are assumed to remain flat over 2019 budgeted figures.

Departmental Earnings

- Towing Agreements are assumed to increase 4% per year based upon recently negotiated towing services agreements.
- Emergency Management System (EMS) Transit Fees are assumed to increase by 3% per year based upon recent changes to collections practices and laws.
- All other sources of Departmental Earnings are assumed to remain flat over 2019 budgeted figures.

Municipal Recreation and Other General Fund Charges

- All sources of Municipal Recreation and Other General Fund Charges are assumed to remain flat over 2019 budgeted figures.

Fines and Forfeits

- Reimbursements from the Allentown Parking Authority are highly variable from year-to-year, with parking revenue down from prior years. The Authority is still working to pay down debt service. The City has revised its estimate for 2019 collections to \$400,000. Flat growth is assumed for 2020 and beyond.
- All other sources of Fines and Forfeits are assumed to remain flat over 2019 budgeted figures.

Investment Earnings

- Investment Earnings are assumed to remain flat over 2019 budgeted figures.

Other Income

- Payment in Lieu of Taxes (PILOT) revenue collections are assumed to increase by 2% per year.
- Revenue from Lights in the Parkway Admissions and Sponsors are assumed to increase by 2% per year.
- Other minor sources of Other Income, including Utility Realty Tax, Rental of City Property, Marketing/Advertising, Allentown Neighborhood Improvement Zone Development Authority (ANIZDA), Health Violation tickets, and Muni Claim Recovery, are assumed to remain flat over 2019 budgeted figures.
- All other sources of Other Income are highly variable and assumed to be nonrecurring.

Other Financing Sources

- Water/Sewer Lease revenue is assumed to increase 2% per year, based upon lease terms.
- All Other Financing Sources revenue types are highly variable and assumed to be nonrecurring.

General Fund Expenditure Projections**Personnel**

- Salary Expenses: Salary expenses are assumed to increase by 3% per year. Current union contracts include 3% annual increases in negotiated out-years (FOP through FY2022; IAFF and SEIU through FY2020).
- Salary Savings: The City has historically balanced the General Fund budget by factoring in a “Vacancy Factor,” which is anticipated to account for salary savings throughout the year. From 2014-2018, actual salary savings ranged from \$1 million to \$2 million per year and averaged 3.8% of permanent wages. The Novak Consulting Group’s projections include a -3.8% offset to permanent wages to account for projected salary savings.
- Pensions: The average annual increase for pension expenses has been 29% between FY2014 and FY2018. Based upon recent efforts by the City to pay down pension liabilities with the Water/Sewer Concession lease, growth in this expenditure area has been reduced significantly. The five-year forecast utilizes actuarial calculations of the Minimum Municipal Obligation (MMO).
- Health Insurance: Historical increases for health insurance have ranged between 8.3% and 11%. While the City is working to explore cost-reducing alternatives, none are yet implemented. The City recently increased the 2019 budget for Health Insurance by \$1.5 million. The five-year forecast assumes annual increases of 8.7% applied to the updated 2019 baseline.

Services and Charges

- Expenditures for Services and Charges are projected to increase by 3% per year, based upon historical trends.

Materials and Supplies

- Expenditures for Materials and Supplies are projected to increase by 1.5% per year, based upon historical trends.

Capital Outlay

- Expenditures for Capital Outlay are projected to increase by 2% per year, based upon inflationary growth.

Sundry

- Interfund Transfers have been projected based upon debt service schedules, anticipated risk management fund expenses, annual lease payments, and equipment replacement schedules.
- All other Sundry expenditures in the General Fund vary widely year-to-year and are assumed to be non-recurring.

General Fund Projection Analysis

Applying these assumptions to the FY2019 General Fund revenue and expenditure plan clearly indicates a structural imbalance, with expenditures that exceed planned revenues in each year of the forecast. Baseline revenue projections indicate that General Fund revenue is projected to grow at an average annual rate of approximately 1.2% per year from FY2019 through FY2024. General Fund expenditures are projected to grow an annual rate of approximately 3.0% during this same period.

The overall effect of this forecasted imbalance between revenues and expenditures is a cumulative General Fund deficit of \$47.7 million between FY2019 and FY2024. Unless action is taken to increase revenues and decrease expenditures, the current projections indicate that the City's General Fund balance will be completely depleted by FY2023.

The following figure depicts the City's projected ongoing General Fund revenues, expenditures, and changes to fund balance for the period from FY2019 to FY2024.

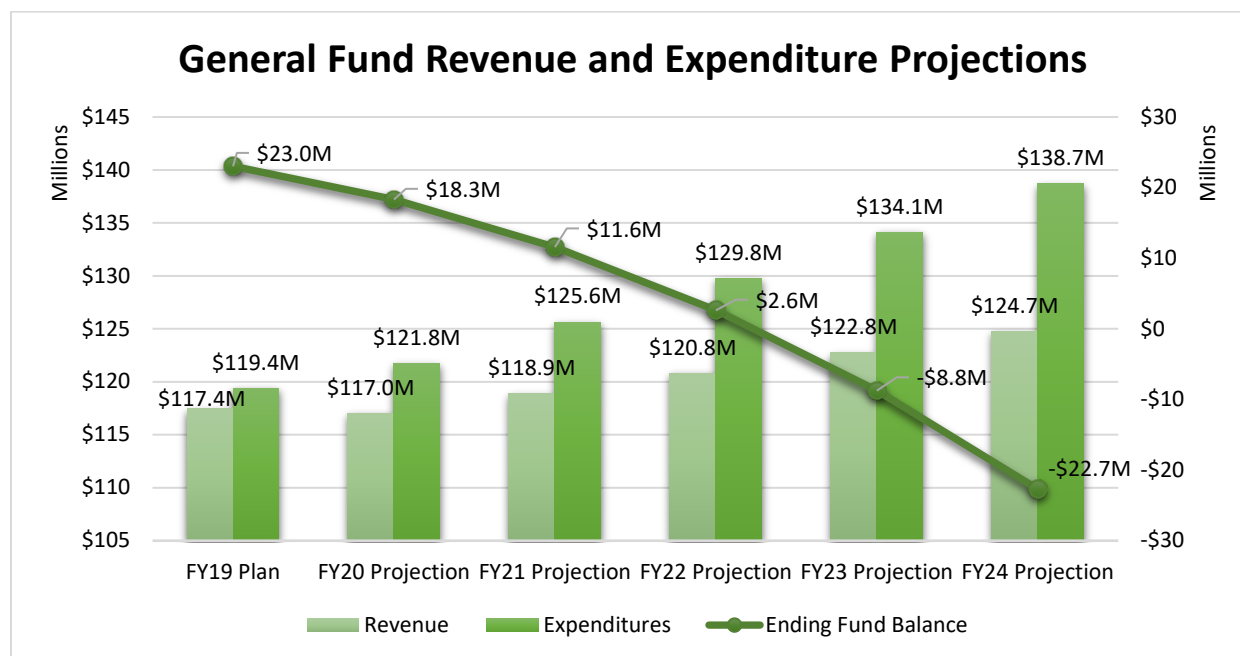


Figure 5: General Fund Revenue, Expenditure, and Fund Balance Projections

Financial and City-Wide Analysis and Recommendations

The financial assessment demonstrates a need to create equilibrium between the City's ongoing revenue and expenditures and to eliminate the practice of utilizing one-time revenues to fund ongoing needs. The following recommendations provide a policy and financial management framework to help achieve that goal.

Financial Policies

Recommendation 1: Develop a fund balance policy for each major operating fund.

While the City of Allentown has made efforts to develop a balanced budget over the past several years, including spending reductions and increasing revenues, the City's General Fund remains structurally imbalanced. If unaddressed, this structural imbalance will lead to the ultimate depletion of the General Fund balance by FY2023. In FY2019, the fund balance for the Risk Management Fund was nearly depleted to cover current operating expenditures.

The City of Allentown has published a set of financial management policies in its Consolidated Annual Financial Report (CAFR) that describe the City's approach to budgeting and financial management. Specifically, these policies state the following regarding deficits:

The annual budget should continue to be prepared, adopted and maintained in such a manner as to avoid the following situations: 1) Two consecutive years of operating fund deficits. 2) A current operating fund deficit greater than the previous year. 3) An operating fund deficit in two or more of the last five years. 4) An abnormally large deficit in any one year of more than 5 to 10 percent of net operating revenues.⁵

Further, the financial policies in the 2019 CAFR also include the following statement regarding contingency reserves:

Contingency reserves should be maintained at a level sufficient to provide for unanticipated expenditures of a nonrecurring nature. The City will strive to maintain a fund balance at a level at least equal to five percent (5%) of budgeted expenditures.⁶

Publishing these policies in the CAFR represents a positive first step for the City of Allentown. However, based on the five-year forecast, the City will be unable to adhere to them. To promote structural balance for all City operating funds, the City should develop a fund balance policy for each major operating fund. These policies should be tailored to the individual needs and purposes of each fund, developed collaboratively between City staff and elected officials, and ultimately, should be formally adopted by City Council.

In its 2015 best practices paper entitled "Fund Balance Guidelines for the General Fund," the Government Finance Officers Association (GFOA) recommends that governments establish a formal policy for the level of unrestricted fund balance that should be maintained in the General Fund. They recommend that the policy should be set by the legislative body and create a framework for how the organization should

⁵ City of Allentown, PA, 2018 Consolidated Annual Financial Report.

⁶ Ibid.

increase or decrease the level of unrestricted fund balance over time, particularly when the fund balance falls below recommended levels.⁷

In this best practice, GFOA describes five separate categories of fund balance, based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts can be spent: non-spendable fund balance; restricted fund balance; committed fund balance; assigned fund balance; and unassigned fund balance. The total of the last three categories, which include only resources without a constraint on spending or for which the constraint on spending is imposed by the government itself, is termed “unrestricted fund balance.”

According to GFOA, the amount that should be targeted for fund balance in each fund is dependent on the municipality and the fund in question. The adequacy of unrestricted fund balance in the General Fund should be assessed based upon a government’s own specific circumstances, with the fund balance policy specifically articulating the potential for risk and volatility that may impact the fund’s financial position.

At a minimum, GFOA recommends that all general-purpose governments, regardless of size, maintain unrestricted fund balance in their General Fund of no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures. However, a government’s particular situation often may require a level of unrestricted fund balance in the General Fund significantly in excess of this recommended minimum level.

In establishing a policy governing the level of unrestricted fund balance in a fund, a government should consider a variety of factors:

- The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile).
- The fund’s perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts).
- The potential drain upon General Fund resources from other funds, as well as the availability of resources in other funds (i.e., deficits in other funds may require that a higher level of unrestricted fund balance be maintained in the General Fund, just as the availability of resources in other funds may reduce the amount of unrestricted fund balance needed in the General Fund).
- Liquidity (i.e., a disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require maintaining a higher level of resources).
- Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose).

These guidelines issued by the GFOA, though focused on General Fund unrestricted fund balance, are also appropriate for consideration in other major operating funds. Maintaining adequate fund balance in the General Fund and other major operating funds will allow the City of Allentown to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. It will also allow the City to eliminate the practice of utilizing temporary measures to address long-term structural issues and to assess the long-term impact of proposed revenue measures and budget initiatives.

⁷ Government Finance Officers Association, “Fund Balance Guidelines for the General Fund,” 2015

Recommendation 2: Adopt Financial Management Policies.

The most important financial policy that should be addressed by the City of Allentown is that of fund balance. However, it is also important to develop broader financial policies. Though there are several areas where developing specific financial policies will add clarity and structure for City leaders, two specific areas will add the most direct value: debt management and investment management. The City has published some guidelines related to capital and debt management as well as cash and investments in the financial policies section of its CAFR, and these guidelines should serve as an effective starting point for deliberations on formalized policies.

Debt Management

After developing fund balance policies for each major operating fund, the next policy that should be developed and adopted by City Council is a debt management policy. A debt management policy should address the debt issuance process, management of the City's debt portfolio, and adherence to Commonwealth and federal laws and regulations, and define the total amount of general obligation debt and enterprise fund revenue secured debt that the City can reasonably service on annually. The debt management policy should be developed collaboratively with City staff and elected officials, adopted by City Council, and regularly reviewed and updated.

The Commonwealth of Pennsylvania sets limits and filing requirements for municipal borrowing in the Local Government Unit Debt Act (LGUDA). For a third-class City such as Allentown, the LGUDA specifies that nonelectoral debt plus lease rental debt cannot exceed 350% of the City's borrowing base. However, this formula does not account for each community's ability to service that level of debt or the varying philosophical preferences of local governing bodies concerning debt management. An effective debt management policy provides guidance for the issuance of City debt obligations and the maintenance of the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment that are beneficial to the City and necessary for essential services.

Investment Management

The third financial policy that should be developed is an investment management policy. An investment management policy provides clear guidelines that outline the level of risk and type of investments authorized for application to available cash management. In its 2016 best practices paper on investment policies, the GFOA recommends that investment policies should address the following issues related to investment management:

- Scope and investment objectives
- Roles, responsibilities, and standards of care
- Suitable and authorized investments
- Investment diversification
- Safekeeping, custody, and internal controls
- Authorized financial institutions, depositories, and broker/dealers
- Risk and performance standards
- Reporting and disclosure standards⁸

To be effective, an investment management policy should be reviewed annually and updated as needed based upon the City's financial objectives and market conditions.

⁸ Government Finance Officers Association, "Investment Policy," 2015

The value of developing and adopting formal financial policies is two-fold. First, the process of engaging in discussions between staff and elected officials regarding policy development creates the opportunity to have a thoughtful conversation about the financial condition of the City and the City's ultimate goals for its financial future. Second, and most important, it creates a series of policies that serve as a guidepost for City staff and administrators as they budget and plan for municipal service delivery.

Financial Practices

While the City of Allentown's CAFR includes a summary of broad financial management practices, staff report that the City's financial policies and procedures are outdated and/or insufficient to meet the current needs of the City. The following recommendations are intended to elevate and formalize the City's financial practices into formally developed and adopted financial policies that will help the City meet its fiscal goals.

Recommendation 3: Increase Health Insurance funding by \$2.5 million in the 2020 budget and eliminate the practice of utilizing the Risk Management Fund Balance to fund ongoing health care costs.

One of the largest and fastest-growing expenditure categories in the City of Allentown is health insurance for employees and retirees. In FY2018, health benefit costs for the City were over \$21.5 million, a \$5.9 million, or 38%, increase from 2014. Annually, between FY2014 and FY2018, total actual health insurance expenditures have increased by an average of 8.5% per year.

Allentown administers a self-funded health benefit program that includes healthcare, prescription drug, dental, and vision coverage. These benefits are available for active employees and their eligible dependents, except members of the SEIU, which operates its own health insurance program. The City provides health benefits as Other Post-Employment Benefits (OPEB) for eligible retirees from all three of its collective bargaining units (SEIU, FOP, and IAFF), as well as non-bargaining employees. These benefits are provided to the eligible retiree, along with their spouses and dependents, until the retiree reaches Medicare eligibility (normally age 65). The City of Allentown covers most of the cost of providing these health benefits for both active and retired employees. The following table summarizes the employee premium contribution rates for health benefits in 2019.

Table 8: 2019 Employee Health Benefit Contributions

Category	Active Employee	Retiree
Non-bargaining unit	7.5%	15-25%
Fraternal Order of Police (FOP)		
Wellness Participant	0%	25%
Non-Wellness Participant	5%	25%
International Association of Fire Fighters (IAFF)	5%	25%
Service Employee's International Union (SEIU)	0% ⁹	25%

In accordance with applicable collective bargaining contracts, the City currently administers several separate health benefit plans through two different third-party administrators (Capital Blue Cross and Keystone Health). In total, the City manages nine plan designs, including three traditional plans, one Preferred Provider Organization (PPO) plan, and five Health Maintenance Organization (HMO) plans. Except for the PPO plan, which has a \$250 individual/\$500 family deductible, these plans are designed

⁹ SEIU health benefit plan for active employees is administered by the SEIU. A flat monthly-rate per SEIU member is negotiated in the collective bargaining agreement.

with no overall deductible and co-pays of \$0 to \$15 or co-insurance of 0% to 20% for routine office visits. These plan designs are advantageous to individual employees because the City bears most of the costs.

Given the overall historical growth in healthcare costs and current plan designs, increasing health benefit costs will continue to be one of the largest and fastest-growing expenditures for the City unless steps are taken to contain them. The following section includes budgetary and plan design recommendations for health benefits that will help to slow the growth of this expenditure type.

During the past several years, the City's initial budget has consistently underbudgeted the total amount of funding required to cover all health insurance premiums and claims expenses. This initial under-budgeting has required mid-year reallocations of funds to ensure that funds are available to cover expenses. When these adjustments take place, the additional required funds are either drawn from the risk management fund balance or reprogrammed from other budgeted expenditures within the City. The following table summarizes the FY2014 through FY2018 initial budget for health benefits compared to the final expenditures at year-end.

Table 9: Historical Health Insurance Budget vs. Actual FY2014-FY2019

	FY2014	FY2015	FY2016	FY2017	FY2018
Initial Adopted Budget	\$15,775,000	\$15,900,000	\$17,000,000	\$18,000,000	\$18,500,000
Actual Expenditures	\$15,639,164	\$16,605,131	\$18,462,896	\$18,610,332	\$21,572,563
Difference	\$135,836	-\$705,131	-\$1,462,896	-\$610,332	-\$3,072,563

This practice creates a challenge for City departments that are required to reduce their appropriations in the middle of the fiscal year to accommodate mid-year adjustments to the health insurance account. Also, the City's practice of utilizing the Risk Management Fund balance to cover a portion of health insurance expenses has reduced the Risk Management Fund balance from \$2.1 million in 2014 to \$945,022 in 2018.

The FY2019 initial adopted budget for health insurance benefits was \$20,500,000. Based upon historical trend data, this amount is expected to be insufficient; in March 2019, the City Council adopted a supplemental appropriation of \$3,002,557 to increase the total budget for health insurance benefits to \$23,502,557.

To facilitate meaningful budgeting and policy decisions, it is important to make every effort to accurately forecast health insurance expenses during the annual budget cycle. Based on a financial forecast developed by The Novak Consulting Group, the City should increase its FY2020 forecast by \$2.5 million and after that, apply a growth factor of 8.4% to adequately forecast the anticipated growth of these expenses. This will also address the problem of depleting fund balance within the Risk Management Fund.

Recommendation 4: Pursue strategies to limit health care costs to the City.

The anticipated expenditure growth in health care costs to the City cannot be sustained without significant revenue increases or reduction in core services. Unfortunately, there are limited options available to control health care cost inflation without increasing employee contributions and/or adjusting plan design to incentivize health care cost-saving measures on the part of employees.

The City's plan design and employee contribution rates are much more costly than other local governments in the Mid-Atlantic region. Using data from the U.S. Department of Health and Human Services Agency for Healthcare Research and Quality, it is possible to compare overall plan premiums,

employee contributions, and plan designs. The Novak Consulting Group analyzed data for Mid-Atlantic local governments with 250 to 999 employees compared to the City of Allentown. In 2017, the first year where data was available, Allentown employees paid between 0% and 7.5% of plan premiums. By comparison, in the Mid-Atlantic average for comparable sized local governments, employees paid between 16.7% and 17.2% of employee premiums. Similarly, the deductible for Allentown employees ranges from between \$0 to \$500 per year for family coverage, whereas employees in comparable governments paid an average of \$2,155 in annual deductibles for family coverage. This is illustrated in the following table.

Table 10: Premium and Employee Contribution Comparison¹⁰

	Plan Type	Average Total Premium	Average Percent Paid by Employee
2017 Mid-Atlantic Average for Local Governments with 250 to 999 Employees	Employee Only	\$8,566	17.2%
	Employee + One	\$16,559	16%
	Family	\$21,590	16.7%
2017 Allentown Average Premium (health + drug + stop-loss)	Employee Only	\$9,783	0 - 7.5%
	Employee + One	\$19,840	0 - 7.5%
	Family	\$24,545	0 - 7.5%

This analysis demonstrates that Allentown's plan premiums are more expensive than average, Allentown's employees pay a lower percentage than average, and Allentown employees pay a lower share of overall healthcare expenses due to lower than average deductibles.

To contain the growth of Allentown's health insurance benefit costs, the City and its unions should pursue strategies to limit health care costs to the City by bringing plan design features in line with market norms. At a minimum, the following features should be addressed each year to adjust and evaluate these and other cost-sharing mechanisms with periodic upward adjustments for inflation and/or changing market conditions:

- Employee contributions
- Deductibles and out of pocket maximums
- Copays and/or co-insurance for primary physician, specialists, and emergency room visits
- Prescription copays
- Employee waiver bonuses
- Mandated use of mail-order prescriptions
- Annual dependent audits
- Spousal carve-outs

One alternative would be to cap annual increases in hospitalization and health insurance premiums and vision and dental premiums to 5% annually. If the annual premium increases by more than 5%, then the City and bargaining unit should meet to discuss limiting the annual premium rate increase to 5% or less. If the City and bargaining unit be unable to limit the annual premium rate increase to 5% or less, increases over 5% should be paid by the employee as a co-payment.

¹⁰ U.S. Department of Health and Human Services Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, 2017

Recommendation 5: Create an OPEB Trust to partially or fully fund liabilities.

The City of Allentown utilizes four pension systems, including the Police Officers Pension Plan, the Firemen's Pension Plan, the Officer's and Employee's Pension Plan, and the Pennsylvania Municipal Retirement System Municipal Plan (PMRS). PMRS is administered by the Commonwealth of Pennsylvania; however, the remaining pension plans are directly managed by the City of Allentown. As an element of this financial analysis, The Novak Consulting Group reviewed the 2018 actuarial value reports for each of the three City-managed pensions.

The actuarial studies indicate that the pension funds are between 81% and 94% funded and predict that funding levels will steadily increase over the next 15 years. The City fully funds Minimum Municipal Obligation (MMO) each year, and there is no clear indication of instability in the pension systems. However, the City does have more than \$94 million in Other Post Employment Benefit (OPEB) liabilities on its books. OPEB refers to the benefits, other than pensions, that a state or local government employee receives as part of his or her package of retirement benefits.

GFOA recommends pre-funding OPEB in a trust, given that the benefit is earned on an actuarial basis (i.e., over the working life of the employee) as opposed to paying for each year's OPEB expense through budgeted contributions on an annual "pay-as-you-go" basis. Historically, the City and other public entities have funded OPEB on a pay-as-you-go basis, which is the simplest and cheapest option in the short-term, though it does not recognize the growing liability that typically occurs. In the long-term, however, pre-funding at least a portion of the OPEB liability or paying the entire estimated current cost and the amortization of the unfunded portion of the liability offers significant advantages and when coupled with responsible cost-containment measures and benefits design, will help ensure the sustainability of the City's OPEB obligations.

Another advantage of the OPEB Trust Fund is its favorable impact on the City's financial statements. The Government Accounting Standards Board (GASB) has prescribed certain requirements for a trust used to prefund OPEB that, if met, will allow the City to reduce the reported OPEB liability on its financial statements and calculate its unfunded OPEB liability using an advantageous discount rate, both of which should positively impact its credit rating. To comply with the GASB trust requirements, the Allentown OPEB Trust must be irrevocable and the assets generally must: (1) not revert to or be used by the City other than for provision of OPEB to retirees and their beneficiaries; (2) be legally protected from the City's creditors; and (3) be held in a tax-exempt trust. An Internal Revenue Code Section 115 trust is the preferred OPEB funding vehicle for many public employers because it is administratively less burdensome than other tax-exempt trust options that require an Internal Revenue Service filing to confirm the trust's tax-exempt status and ongoing compliance with applicable Internal Revenue Code requirements to maintain such tax-exempt status.

A dedicated OPEB Board should be established as a separate legal entity governed by a board of trustees composed of nine members. It is recommended that the composition of the Allentown OPEB Board be as follows:

- 1 individual appointed by the FOP
- 1 individual appointed by IAFF
- 1 individual appointed by the SEIU
- 2 individuals appointed by City Council
- 2 individuals appointed by the Mayor

The OPEB Trust Board would prepare a trust agreement, an investment policy statement, and a custodial agreement (the "OPEB Trust Documents") and submit these documents to the Commonwealth Court for approval. Upon the Court's approval, the City and City Council should take all necessary action to facilitate and effectuate the formation of the Allentown OPEB Trust Fund, pursuant to the OPEB Trust Documents. The OPEB Board members will be fiduciaries with the duty to act in the exclusive interests of the beneficiaries of the Allentown OPEB Trust Fund and not the City.

The OPEB Trust could be funded through one of two mechanisms. First, the City could earmark a portion of its General Fund balance as principle for the fund. However, this would require that the City resolve its General Fund structural budget issues through revenue or expenditure adjustments. In addition, the City could evaluate the opportunity to sell City facilities as a means to generate initial investment capital. Though a detailed list was unavailable, the City reportedly owns over 170 facilities, many of which are residential homes. A portion of these properties could also be sold to create principle for the Fund.

Strategic Planning

Recommendation 6: Develop an organization-wide strategic plan.

The City of Allentown is in the process of creating a comprehensive economic development plan, "Allentown Vision: 2030," which focuses on community development issues, such as housing, transportation, conservation and open spaces, industry, and economic opportunities. The comprehensive planning process for Allentown Vision: 2030 is extensive and involves outreach with community organizations and neighborhoods to plan for the future of the City's built environment. This approach represents an important step in ensuring Allentown's future is aligned with community expectations.

Comprehensive planning processes such as Allentown Vision: 2030 are intensive efforts that engage the community to inform long-range planning and development practices. However, to effectively support and implement the Allentown Vision: 2030 plan, it is important for the City to articulate a clear strategic vision and goals using a formal organization-wide strategic plan. Adopting a formal strategic plan provides the City with an opportunity to describe its mission and identify key focus areas that will guide the organization's work in the near-term. Without a formal strategic plan, there is a risk that competing priorities and goals will delay important initiatives, such as Allentown Vision: 2030. The primary advantage of developing a formal strategic plan is that it enables the City to more effectively communicate its policy priorities and describe how the work performed by the organization will advance those priorities.

Effective strategic planning addresses three organizational questions:

- **Where are we?** *What do we know to be true?*
- **Where do we want to go?** *What do we hope will be true in the future?*
- **How do we get there?** *What must go well to make it so?*

It is important for the City's governing body to carefully consider these questions and develop a strategic plan that formalizes the City's future goals and aspirations. While there are many ways to formulate and develop a strategic plan, effective strategic plans share certain fundamental elements. An International City/County Management Association (ICMA) presentation entitled "Strategic Planning 101" identifies nine core components of effective strategic planning efforts:¹¹

¹¹ https://icma.org/sites/default/files/307752_LG%20101--Mastering%20the%20Fundamentals-Strategic%20Planning%20101.pdf

- An environmental scan and/or description of the City's core business functions. This element is designed to answer the question "Where are we? What do we know to be true?" and identify the current state of the City in the context of larger social and economic trends.
- Identification of key stakeholders that should be involved in the strategic planning process, such as residents, civic associations, neighborhood groups, and non-profit and business leadership.
- Gathering data and stakeholder feedback regarding how stakeholders perceive the community and where they believe the City should focus on broad priorities.
- Development of a mission statement describing the City's purpose and approach to customer service.
- Development of a vision statement designed to articulate what the City desires to become in the future. This is a key element that will help the City answer "Where do we want to go? What do we hope will be true in the future?"
- Development of values/guiding principles that describe how the City will provide services and address stakeholder needs.
- Identifying goals and objectives that describe how the City will realize its vision based on current circumstances and trends.
- Identifying specific initiatives that, when implemented, will move the City toward achieving its strategic goals.
- Developing communications and reporting tools to measure progress.

Communities are not static and experience population changes, business cycle fluctuations, and external impacts that affect how services are provided. The City should regularly update its strategic plan to reflect its contemporary environment and address changes that were not contemplated during previous strategic planning efforts.

Establishing a formal strategic planning process will enable the City to articulate clear goals for the future and facilitate more effective prioritization of projects and services. This will allow the City to prioritize funding for functions and services that directly support the City's strategic goals and initiatives and potentially reduce funding for other ancillary services. In this respect, the City's strategic plan serves as a foundational document for guiding budget expenditures as well as capital projects and day-to-day work plans for department staff.

Strategic planning is also particularly important as the City continues to participate in the EIP process. In the short term, a strategic plan will also allow the City to develop an implementation framework for prioritizing EIP-related decisions. This is often something that will require a consultant to support and should be considered for Phase II EIP grant funding.

Recommendation 7: Implement priority-based budgeting.

Like many communities, the City of Allentown utilizes an incremental budgeting approach where the current year budget is based largely off of the previous year's budget with some adjustments and modifications. In situations where an organization's budget is relatively stable or increasing, this approach is effective because current expenditures can be sustained into the next budget year. However, in circumstances where an organization's budget is constrained or declining, an incremental budget approach provides little flexibility and guidance regarding how to curtail spending and prioritize budget needs.

To create a more comprehensive and strategic approach to budget management, the City should implement a Priority-Based Budgeting (PBB) process. PBB is an alternative budgeting approach that provides organizations with greater insight and flexibility to make critical budget decisions when faced with limited resources. According to “Anatomy of a Priority-Driven Budget Process” published by the GFOA, the guiding philosophy of PBB is that “resources should be allocated according to how effectively a program or service achieves the goals and objectives that are of greatest value to the community.”¹² Once the City has established clear strategic goals and initiatives by adopting a strategic plan, it can begin to more closely align current budgeting practices to better achieve those goals using a PBB process.

Eight steps guide the development and approach of PBB:

1. **Identify Available Resources.** In this step, the organization inventories resources that are available to fund operations and capital expenditures in the next fiscal year. This approach requires the development of accurate financial forecasts to provide reasonable estimates about the amount of money the organization will have to spend. During this process, it is essential to distinguish one-time revenue sources from recurring revenue sources to prevent the City from relying on inconsistent revenue streams.
2. **Identify Priorities.** Important priorities for spending should reflect the goals and objectives identified in the City’s strategic plan. These priorities should be described in a way that allows them to be measurable but not so specific that they will become obsolete after a short time.
3. **Define Priority Results More Precisely.** This step involves more clearly defining what the broad priorities described in the City’s strategic plan mean to the community. For example, a priority like “Maintaining a Safe Community” may involve law enforcement services in one community and building codes in another, depending on what the community feels is important. An effective strategic planning process will provide the City with feedback and perceptions from stakeholders, which will help facilitate this step in PBB.
4. **Prepare Decision Units for Evaluation.** In this step, the City inventories existing programs and their overall costs. When inventorying programs, it is important to evaluate all inputs and recognize that some programs cross multiple departments and organizational units.
5. **Score Decision Units Against Priority Results.** Once programs are identified, they must be compared to the priority results defined in previous steps. This is typically accomplished using a scoring process to rank the effectiveness of each program at achieving the organization’s priorities. The scoring process can be accomplished based on determining whether programs are mandated or voluntary, whether demand for the program has changed, whether the City organization is the only provider of the service, and whether the program is perceived as effective by stakeholders.
6. **Compare Scores Between Programs.** After all the programs are scored, the City can compare which programs are more effective at achieving its strategic priorities. This necessarily involves ranking programs and determining which programs should be funded in the upcoming budget. However, it is important to develop a transparent scoring process so that the results are clearly understood and accepted by all organizational and community stakeholders.
7. **Allocate Resources.** Allocating funding to high-scoring programs can be accomplished in several ways. One option is to designate a line where the cost of high-priority programs equals the amount of forecasted revenue the City will generate. Programs that are prioritized above this line receive funding, while those that fall below the line do not. Alternatively, the City could choose

¹² <https://www.gfoa.org/sites/default/files/GFOAAnatomyofaPriorityDrivenBudgetProcess.pdf>. Page 1.

to divide programs based on tiers, such as quartiles, where available funding is reduced for each subsequent tier until anticipated revenues are entirely allocated.

8. **Create Accountability for Results.** It is important to effectively measure whether programs deliver results from year-to-year to help inform future decisions about whether the program should be maintained. This step in the PBB process involves developing clear performance measures for programs that allow the organization to understand how well each program supports the City's priority results.

Implementing a PBB process represents a fundamental shift in approach to budgeting for the City of Allentown. However, the PBB process creates significant opportunities to identify and support core strategic priorities more transparently and effectively. It also allows the City to consider budget priorities at an organizational level and reduces opportunities to silo budgets by department. By implementing PBB, the City will be empowered to make difficult budget decisions using a transparent methodology designed to deliver results and achieve goals identified during the strategic planning process.

Recommendation 8: Develop a capital project inventory and prioritization system.

Currently, the City's capital planning and capital budget process is similar to its operational budget process. Individual departments identify capital needs specific to their service areas and compete for funds during the annual budget process. Capital projects are prioritized primarily based on the amount of funding available. There is currently no mechanism in place to evaluate capital needs holistically across the organization, nor does the City allocate capital funds in a manner that reflects the organization's strategic priorities.

The development of an organization-wide strategic plan and implementing PBB will help lay the groundwork for more effective capital planning in the organization. However, there is an opportunity to develop a more comprehensive capital prioritization process that supports the City's strategic goals. To accomplish this, the City must first develop an inventory of potential capital projects across the organization and estimate the costs of each capital project. Once the inventory of capital projects is compiled, the City must then prioritize how it will allocate available capital resources. This process will determine which capital projects receive funding and which are held until additional funding becomes available.

There are several options the City might use to prioritize capital projects. One option involves expanding the use of PBB to address capital-specific expenditures. In many respects, capital projects are distinct from operating programs in that capital projects typically represent one-time expenditures, whereas programs involve ongoing expenditures. Adapting PBB for capital planning purposes requires the organization to examine available outlays for capital projects separately from other operating programs. Once resources available for capital projects are identified, the City can follow a similar PBB process as described above to prioritize requested capital projects based on each project's ability to deliver priority results.

Alternatively, the City could establish an independent process where the capital project inventory is reviewed and prioritized by City staff. Organizations that utilize this approach typically form "Capital Improvement Plan (CIP) Committees" that are charged with developing evaluation criteria, compiling capital project inventories, evaluating cost estimates, and recommending priority projects to the Finance Department for inclusion in a CIP. Representation on CIP Committees commonly consists of key stakeholders from across the organization who are knowledgeable about the City's capital needs and can effectively collaborate to develop an organization-wide priority list.

Regardless of the specific approach utilized by the City, it is important to develop a capital project inventory and prioritization system so that all capital needs are considered as part of the resource allocation process, not simply those with pre-identified funding. Additionally, as the City's asset management capabilities develop (as discussed elsewhere in this report), it can leverage the capital prioritization process to more effectively allocate available funding to preserve and extend the life of the City's assets. This will reduce capital maintenance and replacement burdens over the medium- to long-term and prevent the City from unnecessarily spending funds.

Recommendation 9: Implement a comprehensive performance measurement program.

While developing an organization-wide strategic plan and implementing PBB will provide the City with a clearer picture of what its long-term priorities are and how to budget for them, it is essential to regularly evaluate how well the organization makes progress toward those priorities. This requires developing a comprehensive performance measurement program that enables the City to evaluate the effectiveness of programs and services.

Several City departments already engage in active data tracking and performance measurement activities. For example, the Community and Economic Development Department tracks the volume of development applications reviewed and inspections performed. The Parks and Recreation Department tracks the number of seasonal maintenance activities that must be performed and estimates labor hours required to provide services. Public safety departments, including Police and Fire, track the volume of calls for service received, and the Information Services Department tracks the volume of customer service requests and the number of days required to resolve requests.

A comprehensive performance measurement program includes three types of measures:

- **Workload:** Workload measures quantify the amount of work accomplished within the organization, such as the number of inspections performed or potholes filled in a given timeframe.
- **Efficiency:** Efficiency measures describe how well the organization uses its resources. They are often expressed as ratios or averages, such as labor hours spent per work order or average abatement cost.
- **Outcome:** Outcome measures indicate how well a program or service accomplishes its intended purpose and often directly relates to strategic planning priorities. For example, outcome measures often include stakeholder perceptions of program quality (such as survey results) and response/cycle times for critical processes.

Much of the data currently collected by City departments involves workload. While understanding the quantity of work completed is important, workload indicators alone provide an incomplete view of program effectiveness. It is also essential to define and track efficiency and outcome measures that allow the City to determine whether programs effectively achieve the organization's strategic goals.

Defining comprehensive workload, efficiency, and outcome measures that directly relate to strategic priorities will allow the City to focus on collecting and analyzing specific data, rather than encourage data collection for its own sake. Wherever possible, the City should leverage existing software systems and tools, such as Eden™, Lucity™, and TrackIt™ to capture performance data and facilitate analysis.

The ultimate value of performance measurement rests in regularly analyzing data collected over time, which requires dedicated staff capacity and attention. Regularly analyzing how well the City achieves its performance measures provides the organization with objective evidence of progress toward strategic

priorities. Over time, performance measurement trends will become a critical aspect of evaluating the City's strategic goals, informing strategic planning updates, and enhancing the effectiveness of the PBB process. This enhances the City's accountability and transparency and allows the organization to better "tell the story" of how it utilizes resources to deliver service.

To help facilitate the creation of a robust performance measurement program, The Novak Consulting Group has developed a table of proposed workload, efficiency, and outcome measures for key City departments and functions. This list may be found in Attachment A of this report.

Recommendation 10: Establish a compensation philosophy.

The City is in the process of conducting a classification and compensation study to evaluate how its employees are paid compared to other local area and peer organizations. The purpose of this study is to provide the City Council and City Administration with insights regarding Allentown's compensation practices and to develop recommendations designed to address employee concerns about pay and benefits. Conducting regular classification and compensation studies is an important best practice that will help the City evaluate its competitiveness as an employer.

However, while it is useful for the City to understand how it compensates employees compared to peer organizations, this information represents only one part of an effective compensation strategy. To maximize the effectiveness of classification and compensation studies, it is important for the City to establish a formal compensation philosophy describing how it intends to compensate employees. According to the Society for Human Resource Management (SHRM), compensation philosophies are integral to managing employee compensation effectively because they "explain the why behind employee pay and create a framework for consistency."¹³ Effective compensation philosophies guide important decisions about how the organization will pay employees relative to local market conditions. They are designed to attract and retain talent using a pay structure that is as equitable as possible.

In general, there are three approaches to compensation philosophy, which can inform how the City chooses to pay its employees. The first approach is to lead the local market by establishing pay ranges and/or total compensation packages that are more generous than peer communities. This has the advantage of potentially attracting more qualified personnel to work for the City, but also represents the greatest cost. The second approach is to match the local market by setting employee compensation at levels that are roughly equivalent to peer organizations. This approach helps the City remain competitive while managing labor costs; however, during tight labor markets the City may need to increase compensation to remain comparable to other organizations. Finally, the City can choose to lag the local market by implementing compensation that is less generous than peer communities. This latter approach is not commonly selected by organizations unless financial constraints demand it. While lagging the market can keep labor costs low, it reduces the pool of qualified employees who will work for the organization and contributes to high turnover rates as employees find jobs that offer greater pay.

Some organizations use a combination of the approaches described above to guide decisions about employee pay in different functions and service areas, depending on local market conditions. For example, an organization may adjust how it compensates employees in tight labor markets to attract scarce talent and revise its compensation philosophy as market conditions change. While this approach provides

¹³ Society for Human Resource Management (SHRM). "What is a compensation philosophy? What should be included in a compensation philosophy?" <https://www.shrm.org/resourcesandtools/tools-and-samples/hr-ga/pages/compensationphilosophy.aspx>

greater flexibility, it also requires more frequent adjustments to the organization's classification and compensation system.

Establishing a formal compensation philosophy allows the City to understand the results of classification and compensation studies in context. By comparing current compensation practices to peer organizations as well as the compensation philosophy, the City can more effectively determine whether adjustments to employee pay and benefits are warranted. This will allow the City to communicate compensation-related decisions more clearly to employees, better budget for personnel costs, and create a framework for transparently determining when changes to the organization's classification and compensation system are required.

Recommendation 11: Formalize process and policy documentation for all City Departments.

The City utilizes a variety of methods to compile and categorize process and policy-related documentation, such as employee handbooks, standard operating procedures, and training manuals. Currently, there is no standardized format describing how these materials should be collected, updated, and transmitted to employees. For example, the City's Personnel Policy Manual is stored in Microsoft Word™ format and was last updated in 2009. The Police Department utilizes PowerDMS™ software to track general orders and other policies related to accreditation; however, staff report that these policies are not regularly updated and that approximately 50% of existing policies are in need of review. The Information Services Department stores approximately 10 technology-related policies on the City's intranet. Other departments lack policy documentation and/or track policies and procedures on an ad hoc basis.

The City's existing approach to documenting and reviewing policies and processes creates several significant challenges. First, staff cannot refer to consistently available documentation because many policies across departments are frequently outdated, do not reflect current practice, and are stored in a variety of places. This increases confusion for staff who have questions about a policy or how to accomplish specific tasks and limits the City's ability to uniformly train new employees regarding appropriate practices. It also prevents managers from ensuring work processes and policies are followed consistently within each department and across the City organization. In short, the lack of consistent policy and Standard Operating Procedures (SOP) documentation limits the City's ability to provide effective service, train new staff, adapt to turnover, and mitigate unnecessary risks as staff perform their duties.

Addressing these challenges will require the City to adopt a comprehensive and formal approach to policy and SOP documentation. As a best practice, policies and SOPs that impact the entire City organization should be compiled into a common policies and procedures manual. Each policy and SOP should adhere to a standard format, including a purpose statement explaining the need for the policy, descriptions of specifications the policy is addressing, discussion of how the policy should be implemented, the date the policy is effective, and a glossary defining relevant terms.¹⁴ Department-specific policies and procedures should be compiled similarly and made available to all staff who work for the relevant department.

Once compiled, it is important to store policy and procedure information in an easily accessible location. According to staff, some departments store policy-related information on the City's internal SharePoint™ site. Leveraging an internal storage source such as this provides a way for the City to easily disseminate important policy and SOP information to staff.

¹⁴ <https://www.shrm.org/ResourcesAndTools/tools-and-samples/how-to-guides/Pages/howtodevelopandimplementanewcompanypolicy.aspx>

Finally, the City should review its policy and SOP manuals regularly to ensure they address contemporary practices and needs. Some organizations undertake a comprehensive policy review every few years, while others review a portion of approved policies every year on an ongoing basis. The specific review period selected by the City can be flexible; however, it is important to assign responsibility for this review to specific City staff members and to ensure the review is carried out in a timely manner.

Administrative and Internal Services Departments

Robust central services are necessary to support the daily work of the City of Allentown's operating departments. The City's administrative functions and internal services include the City Council (City Clerk's Office), City Controller's Office, Office of the Mayor, Finance Department, Human Resources Department, Information Systems Department, and Law (City Solicitor's Office). The following sections provide greater detail about each of these functions.

City Council (City Clerk's Office)

The City Council Office consists of seven elected positions supported by three staff positions in the City Clerk's Office. The City Clerk's Office is responsible for preparing agendas and taking minutes at City Council meetings and providing general support to the City Council. The Office's mission is *"to provide a legislative system through which goals and objectives of other City service areas can be achieved."*¹⁵

The City Clerk's Office is overseen by a City Clerk appointed by and reporting to the City Council. The City Clerk is supported by a team of two staff: a Deputy City Clerk and a Legislative Aide, as illustrated in the following figure.

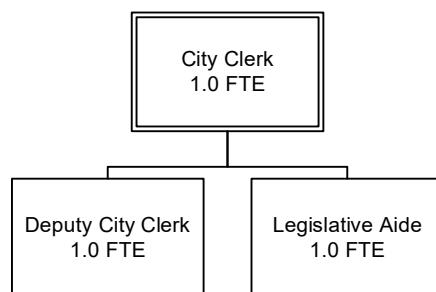


Figure 6: City Clerk's Office Organizational Structure, FY2019

City Controller's Office

The Allentown City Controller's Office is responsible for oversight of City finances, independent of the City's executive and legislative branches. The mission of the City Controller's Office is *"to insure that all City revenues are collected properly and efficiently, that all City expenses are incurred judiciously and prudently and that all the financial affairs of the City are handled in the best long term interest of the citizens."*¹⁶

The Controller's Office reviews the City's annual budget and makes recommendations to City Council, conducts internal audits, assists with external audits, and conducts financial security evaluations and loss investigations for the City. The Controller's Office is also the official repository for all City contracts.

The City Controller's Office is led by a City Controller elected to four-year terms with no term limits, who is supported by a full-time Internal Audit Manager, as illustrated in the following figure.

¹⁵ City of Allentown. "2019 Final City Budget." Page 15.

<https://www.allentownpa.gov/Portals/0/files/Finance/budget/2019Final/02%20-%20General%20Fund.pdf>.

¹⁶ Ibid. Page 31.

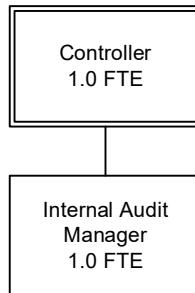


Figure 7: Controller's Office Organizational Structure, FY2019

Office of the Mayor

The Office of the Mayor is responsible for executive and administrative oversight of City functions. The mission of the Office of the Mayor is *"to promote community vitality through open, creative, and effective executive leadership. Providing for the highest level of services which are responsive to health, safety, and general welfare needs of the community. The Office of the Mayor will maintain the highest level of commitment to moral and ethical conduct while striving to improve the quality of life of all citizens."*¹⁷

The Mayor directly supervises the Managing Director, City Solicitor, and five support staff, including the Communications Manager, Grants Coordinator Manager, Human Relations/Special Assistant to the Mayor, Administrative Assistant, and Executive Secretary. The Communications Manager is responsible for coordinating public communications on behalf of the City. The Grants Coordinator Manager oversees grant applications and grants management for the City. The Human Relations/Special Assistant position serves as a community outreach liaison and assists with special project and event implementation. The Executive Secretary and Administrative Assistant oversee the day-to-day administrative functions of the Mayor's Office, including responding to constituents and inquiries, clerical support, and facilitating communications with external organizations.

The Managing Director oversees Department Directors who provide administrative and internal support for the City as well as operating departments. The following figure illustrates the organizational structure of the Office of the Mayor.

¹⁷ Ibid. Page 21.

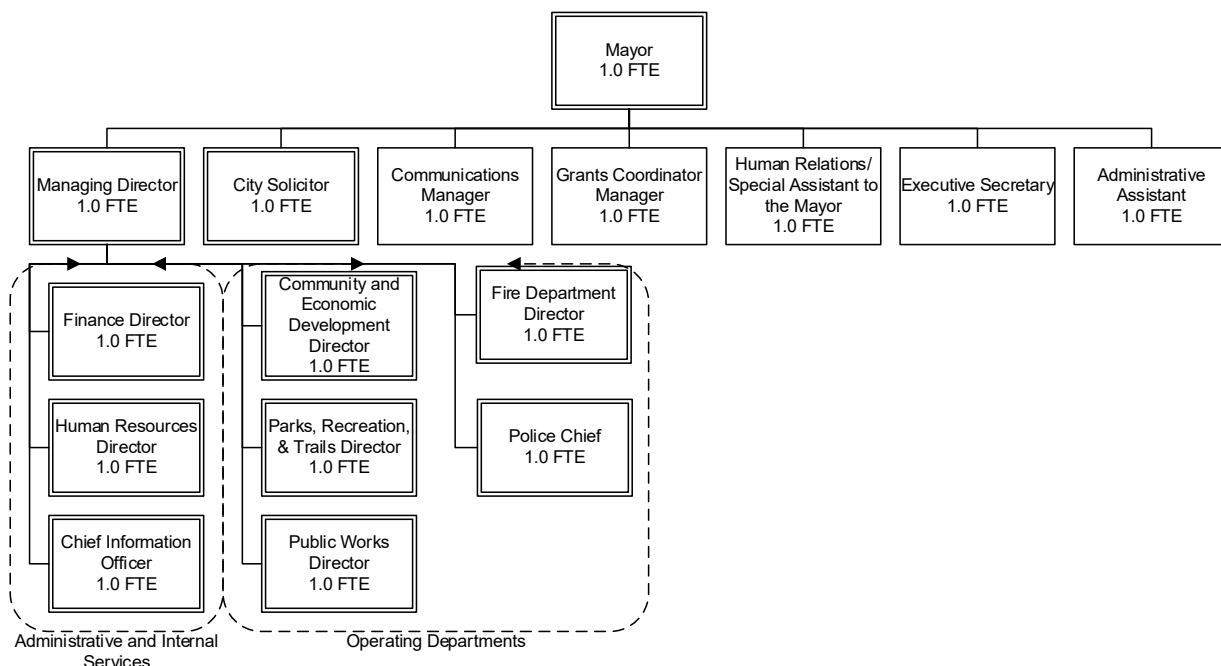


Figure 8: Office of the Mayor Organizational Structure, FY2019

The following sections describe administrative and internal services departments, which are supervised by the Managing Director and the City Solicitor.

Finance Department

Allentown's Finance Department is responsible for the oversight and administration of the City's fiscal resources, including 2019 planned revenues of over \$117 million and a total authorized operating budget of over \$189 million for 2019. The mission of the Allentown Finance Department is the following: *"In accordance with the policies set forth by the Mayor and the City Council, the mission of the Finance Department of the City of Allentown, PA, is to manage the financial affairs of the City in the most cost effective and efficient manner possible."*¹⁸

The Finance Department is led by a Finance Director who reports to the Managing Director. The Finance Director supervises six positions, including four division managers and two financial analysts. The department is organized into five functional divisions: Finance and Budget Administration, General Support Services, Accounting and Financial Management, Revenue and Audit, and Purchasing. The following figure illustrates the Finance Department's current organizational structure.

¹⁸ City of Allentown. "2019 Final City Budget." Page 47.

<https://www.allentownpa.gov/Portals/0/files/Finance/budget/2019Final/03%20-%20Finance.pdf>.

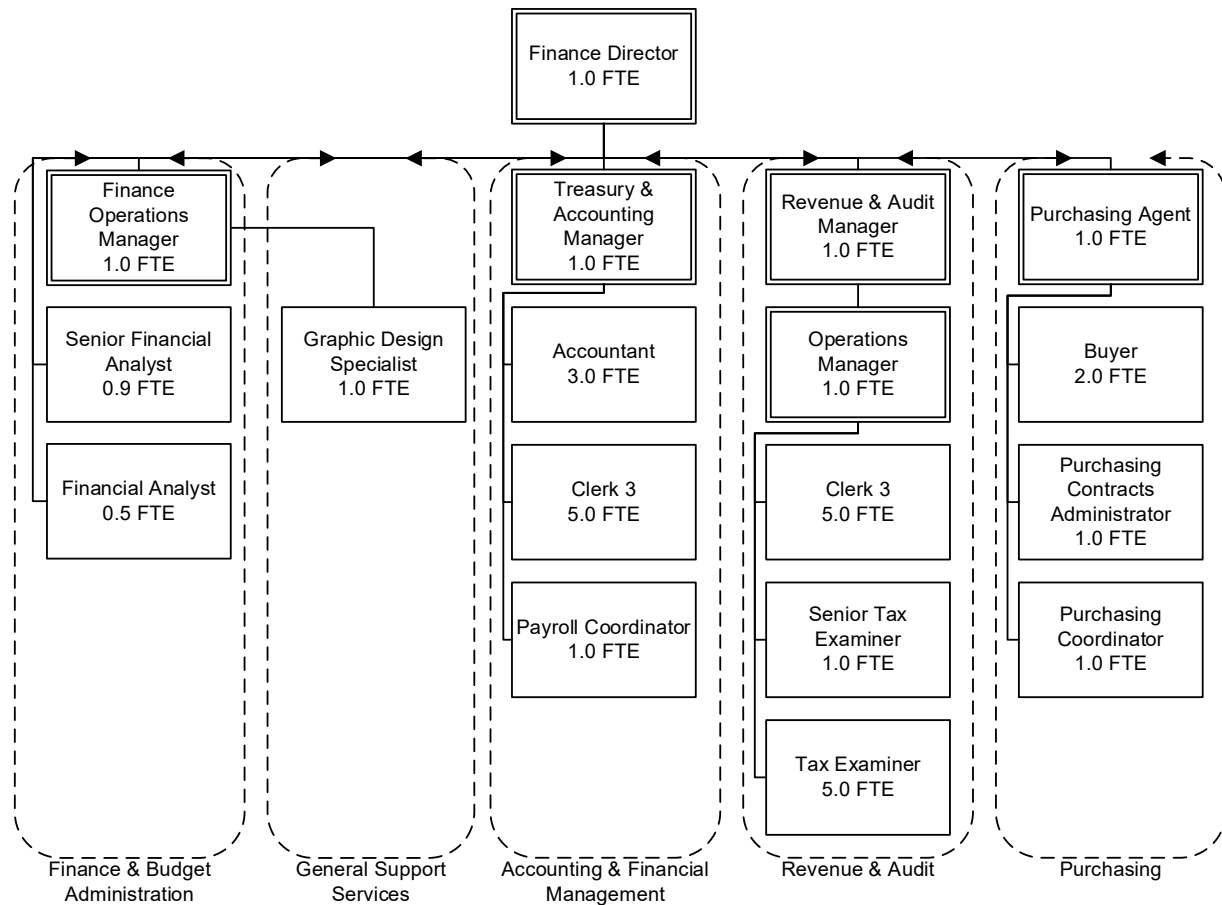


Figure 9: Finance Department Organizational Structure, FY2019

The Finance Director is responsible for managing the daily operations of the Finance Department as well as providing strategic financial management advice on policy matters under consideration by the Managing Director, Mayor, and City Council. The Finance Director is also deeply involved in the work of the Finance and Budget Administration Division, which is responsible for the development and oversight of the City's annual budget, as well as arranging bond sales, structuring debt refinancing, and managing the City's cash and investments. This Division also works with the Bureau of Planning and City Controller to develop the City's Five-Year Capital Improvements Program. The Finance Operations Manager is primarily responsible for budget development and execution. This position is also tasked with drafting all legislation for the City Council, as well as supervising mailroom operations and the City's Graphic Design specialist. Two Financial Analysts also work in this division, performing financial analysis and research under direct supervision of the Finance Director.

The Graphic Design Specialist is the only position in the General Support Services Division. The Specialist is responsible for providing graphic design services and other visuals to all City departments.

The Accounting and Financial Management Division is responsible for accounting and financial reporting for the City, producing the CAFR, processing accounts payable, and payroll for the City. This Division is led by a Treasury and Accounting Manager, who oversees the daily operations of the division, compiles the CAFR, manages relationships with outside auditors, and manages the City's debt and escrow accounts. Staff in this division are responsible for four major functional areas:

- Treasury functions, which include cashiering, cash receipting, and processing bank deposits, are accomplished by three Clerk 3 positions.
- Accounts Payable, which includes processing invoices, blanket purchase orders, and reconciling purchase card transactions, is accomplished by two Clerk 3 positions.
- Financial Accounting, which includes grant accounting and reporting, managing petty cash, reconciling daily deposits, processing debt payments, and completing periodic reporting for pensions and payroll, is accomplished by three Accountant positions.
- Payroll, which includes processing bi-weekly payroll for all current City employees and bi-weekly pension payments for all retired City employees, is accomplished by one Payroll Coordinator position.

The Revenue and Audit Division, managed by a Revenue and Audit Manager and an Operations Manager, is responsible for administering taxes and fees levied by the City. It collects delinquent City fees, charges, and taxes, and conducts audits to ensure business-related taxes are appropriately paid. The Revenue and Audit Manager is responsible for the strategic management of the division while the Operations Manager, who reports to the Revenue and Audit Manager, provides direct supervision to Division staff. The Division's five Clerk 3 positions are primarily responsible for billing and collections for numerous revenue sources, including Business Privilege Tax, and water, sewer, and trash fees. This Division provides frontline customer service for residents and businesses to make payments and account inquiries as well. The Division's Senior Tax Examiner and five Tax Examiners are responsible for the enforcement of delinquent accounts.

The Purchasing Division, overseen by a Purchasing Agent, is responsible for centralized purchasing for the City, developing and enforcing procurement policies, processing all purchase orders, and preparing all formal Invitations to Bid and Requests for Proposals (RFPs). The Division is staffed by a Procurement Coordinator, who oversees all bids and RFPs, two Buyers who process purchase requisitions, and a Purchasing Contracts Administrator, who provides oversight of all City contracts.

Human Resources Department

The Human Resources Department provides recruitment, hiring, benefits, risk management, and labor relations support for the City organization. The mission of the Human Resources Department is *"To empower and support our most valuable resource – employees – by providing guidance and direction, fostering professional growth, promoting open communication and a culture of safety to better serve the citizens of Allentown."*¹⁹

The Department is led by the Human Resources Director, who oversees five personnel, including the Labor Relations Manager, Risk and Safety Manager, Human Resources Coordinator, Benefits Manager, and Recruitment Manager. The Director is responsible for overseeing all department programs and serves as the City's lead on classification and compensation issues. In addition, the HR Director serves as an appeal step in the City's disciplinary appeal process. The Benefits Manager is responsible for administering all benefits programs for existing employees and retirees and manages the City's open enrollment process for health care. The Labor Relations Manager serves as liaison to the City's three labor unions, including the FOP, IAFF, and SEIU. The position participates in the collective bargaining negotiation process along with the City Solicitor's Office. The position also oversees the City's civil service process and serves as liaison to the Civil Service Commission. The Recruitment Manager is responsible for managing the talent

¹⁹ City of Allentown. "2019 Final City Budget." Page 151.

<https://www.allentownpa.gov/Portals/0/files/Finance/budget/2019Final/07%20-%20Human%20Resources.pdf>.

acquisition process for the City and supports Departments in their efforts to fill budgeted positions. The Risk and Safety Manager is responsible for managing the City's insurance policies, self-insured Risk Management Fund, and workers' compensation claims. In this role, the position also leads the City's safety program and serves as staff liaison to the City's Safety Committee. The Human Resource Coordinator and Desk Clerk provide support to managers across all program areas. The structure of the Department is illustrated in the following organizational chart.

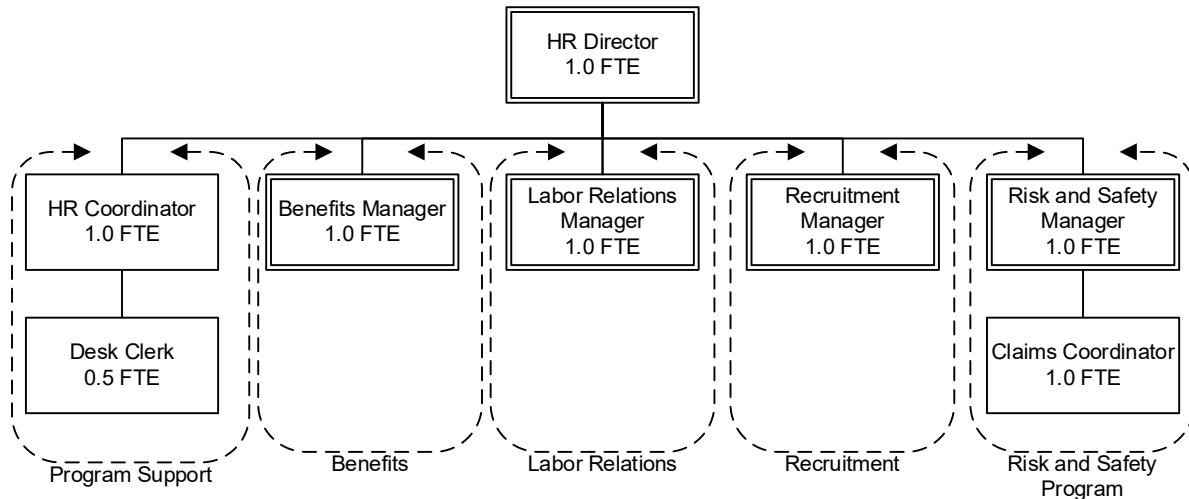


Figure 10: Human Resources Organizational Structure

Information Services Department

The mission of the Information Services (IS) Department is to “provide an administrative central support service that promotes and facilitates the accurate and efficient management and use of information resources and technology.”²⁰

Information Services is responsible for maintaining the City's hardware and software systems and databases, including Eden™, the City's financial enterprise resource planning (ERP) program, and Lucity™, which is used by the Parks and Recreation Department and Department of Public Works for asset management and work order tracking. It also provides general technical support for City Departments and maintains the City's Geographic Information Systems (GIS) databases and software. The Department is organized into three primary functional areas that may be broadly categorized as Information Technology Support, Systems Administration and Application Development, and GIS Management. These areas are not formal divisions but represent core functions to which staff are principally allocated. The following figure illustrates the Department's current organizational structure.

²⁰ City of Allentown. “2019 Final City Budget.” Page 21.

<https://www.allentownpa.gov/Portals/0/files/Finance/budget/Budget2016/FINAL/04GeneralFund.pdf>.

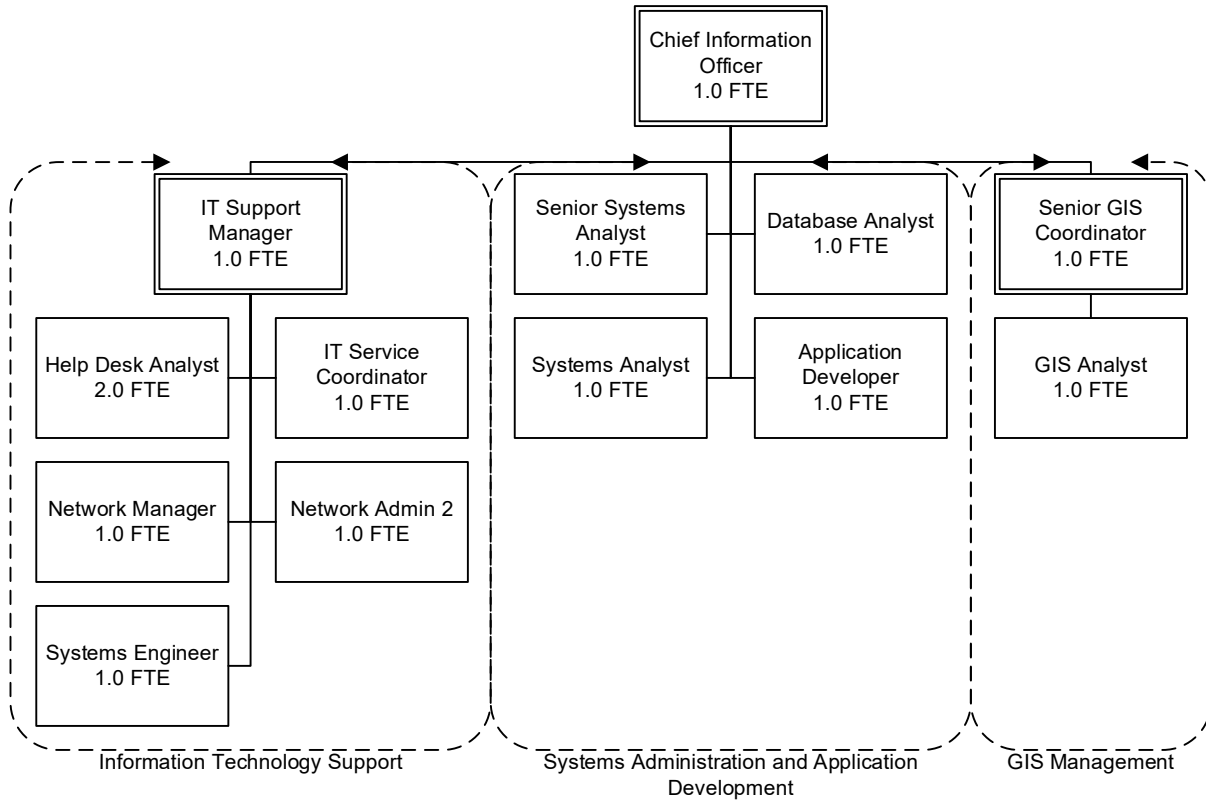


Figure 11: Information Services Department Organizational Structure, FY2019

The Department is led by the Chief Information Officer (CIO), who oversees a staff of 14 FTEs, including an IT Support Manager, Senior Systems Analyst, Database Analyst, Systems Analyst, Application Developer, and Senior GIS Coordinator. The CIO is also responsible for developing the Department's budget, coordinating major technology projects, and ensuring the security of the City's technology systems.

Information Technology (IT) Support functions are led by an IT Support Manager who supervises six staff, including two Help Desk Analysts and an IT Service Coordinator, who primarily respond to customer service requests and resolve trouble tickets entered into the City's TrackIt™ system. In addition to this staff, the Network Manager, Network Admin 2, and Systems Engineer manage and resolve hardware-related issues and assist with hardware-related project implementation. Collectively, IT Support staff are also responsible for installing, configuring, troubleshooting, and updating technology hardware and software, particularly for end-user devices.

Four staff involved in Systems Administration and Application Development report directly to the CIO, including a Senior Systems Analyst, Systems Analyst, Database Analyst, and an Application Developer. This staff provides primary support and maintenance services for the City's ERP systems, Eden and Lucity, including software customizations and creating custom reports. Additional responsibilities of this staff include the development of custom software applications and assisting Department customers with the implementation of new software.

GIS functions are managed by a Senior GIS Coordinator who supervises a GIS Analyst. This staff is responsible for supporting the functions of the City's GIS system, such as updating data, maintaining base maps and property records, managing departmental access to GIS, and generating custom maps.

City Solicitor's Office

The Allentown City Solicitor's Office is responsible for handling all legal matters that pertain to the City of Allentown. The mission of the City Solicitor's Office is *"to provide a comprehensive range of legal services to the Mayor, City Council, City Controller, and all City Departments, Bureaus, and Commissions in an effective manner, through which the goals and objectives of the aforementioned City policy makers and services can be achieved."*²¹

The City Solicitor's Office is led by an appointed full-time City Solicitor, who reports directly to the Mayor. The City Solicitor oversees a staff of six, including an Associate City Solicitor, two Assistant City Solicitors, a Litigation Paralegal, and two Legal Administrative Assistants. The following figure illustrates the Solicitor's Office's organizational structure.

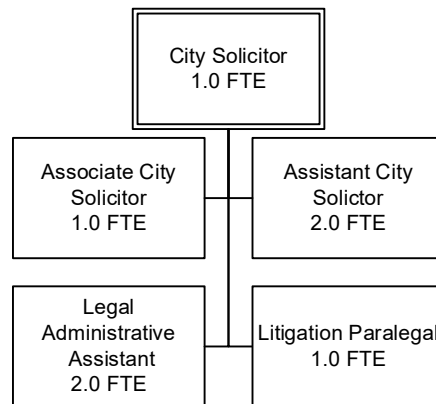


Figure 12: Solicitor's Office Organizational Structure, FY2019

The City Solicitor's Office provides legal advice and opinions to the Mayor, City Council, and City departments. It is responsible for managing all legal actions taken by the City and defending the City in litigation brought against the City. Additionally, the City Solicitor's Office is responsible for drafting or reviewing all City contracts and ordinances, as well as responding to Right to Know Law requests. The City Solicitor's Office periodically contracts with outside counsel for complex litigation and risk management cases.

Core Services Matrix

The following table provides an overview of core services and program activities that are performed by each administrative department. This list is not meant to be all-inclusive but rather to summarize key program areas and program activities.

²¹ City of Allentown. "2019 Final City Budget." Page 37.

<https://www.allentownpa.gov/Portals/0/files/Finance/budget/2019Final/02%20-%20General%20Fund.pdf>.

Table 11: Administration Departments' Core Services

Department	Program Area	Activities
Office of the Mayor	Executive Leadership	<ul style="list-style-type: none"> • Provide executive leadership to City government • Manage internal and external communications for the City
	Budget	<ul style="list-style-type: none"> • Prepare and submit an annual recommended budget • Prepare and submit an annual recommended five-year financial plan
	Grant Management	<ul style="list-style-type: none"> • Oversee grants throughout the City
City Controller's Office	Expenditure Review	<ul style="list-style-type: none"> • Review all accounts payable transactions prior to issuance of payment to ensure compliance and reasonableness of expenditures • Review monthly bank reconciliations to verify bank transactions are complete, timely, and accurately reported • Review monthly purchase card activity to ensure compliance and reasonableness of expenditures
	Internal Audit	<ul style="list-style-type: none"> • Examine City activities for compliance with applicable policies, procedures, laws, and regulations • Perform reviews and issue audit reports at the request of City Council or the Mayor • Assist with independent City auditors
	Budget Review	<ul style="list-style-type: none"> • Review the City budget prior to adoption • Provide budgetary advice and suggestions to City Council and the Mayor
	Contract Repository	<ul style="list-style-type: none"> • Maintain executed copies of all City contracts
City Clerk's Office	Meeting Management	<ul style="list-style-type: none"> • Compile public City agendas and supporting documentation • Record City Council minutes • Publicize meeting notices and agendas
City Solicitor's Office	Legal Opinions	<ul style="list-style-type: none"> • Research and prepare oral and written legal opinions for the Mayor, City Council, and City Departments • Respond to Legal Service Requisitions • Maintain records of previous legal opinions and Legal Service Requisition responses
	Litigation Support	<ul style="list-style-type: none"> • Represent the City in litigation to which the City is a party • Select and oversee outside counsel regarding litigation on behalf of the City
	Contract Review	<ul style="list-style-type: none"> • Review all contracts prior to issuance • Draft terms advantageous to the City
	Legislative Support	<ul style="list-style-type: none"> • Prepare or assist in the preparation of ordinances for introduction to City Council • Review existing code and ordinances and identify opportunities for updates

Department	Program Area	Activities
	Right to Know Law Requests	<ul style="list-style-type: none"> Respond to Right to Know Law requests
Finance	Finance and Budget Administration	<ul style="list-style-type: none"> Produce City's annual operating budget Monitor department revenues and expenditures Review and perform requested budget transfers Draft City ordinances Arrange bond sales and structure debt refinancing Oversee pension investments Manage operating cash Assist in the development of the Five-Year Capital Improvements Program Design print and digital media for City departments
	Accounting and Financial Management	<ul style="list-style-type: none"> Process all City receipts and payments Prepare daily bank deposits Prepare payments of invoices and contracts Maintain accurate and reliable financial records Prepare and publish Comprehensive Annual Financial Reports Coordinate state, federal, and independent audits of the City's financial records Process bi-weekly payroll for all City employees Process bi-weekly pension payments for City retirees
	Revenue and Audit	<ul style="list-style-type: none"> Prepare bills for taxes and fees levied by the City Maintain accurate billing and payment records Assist walk-in and telephone customers Audit businesses and organizations to ensure business-related taxes are appropriately paid Collect delinquent accounts File civil complaints for delinquent accounts Manage private collection agency collections
	Purchasing	<ul style="list-style-type: none"> Process purchase orders Solicit quotations from vendors Complete purchases for goods and services Develop and advertise all formal Invitations to Bid and Requests for Proposal Draft contracts for goods and services Coordinate legislation and Council approval for contracts Monitor change orders Close out expired contracts
Human Resources	Benefits	<ul style="list-style-type: none"> Oversee and administer City employee benefit program including health, dental, disability, life insurance, etc. Manage benefit contracts for employees and retirees Manage benefit enrollment process

Department	Program Area	Activities
	Classification and Compensation	<ul style="list-style-type: none"> Review and adjust City compensation classifications based on salary studies Manage City unemployment requests
	Labor and Employee Relations	<ul style="list-style-type: none"> Review City performance evaluations Conduct disciplinary investigations and employee conflicts Develop employee discipline plans Lead and coordinate the collective bargaining process Negotiate collective agreements Mediate union arbitration and grievances
	Recruitment	<ul style="list-style-type: none"> Formulate and implement City recruiting strategy Conduct job description and compensation review Review and post vacancy notices Screen applicants Administer written examinations Audit recruiting files, interview notes, background checks Administer City drug testing program Manage City's new hire onboarding program Assist City department during interview process
	Risk and Safety	<ul style="list-style-type: none"> Manage City insurance policies for health care, liability, and workers' compensations Coordinate with legal counsel to manage claims against the City Administer safety program Manage workers' compensation and safety training Manage workers' compensation claims
	Workforce Development and Training	<ul style="list-style-type: none"> Provide employee development opportunities Provide supervisory skill training
Information Systems	Information Technology Support	<ul style="list-style-type: none"> Manage and prioritize tickets generated from the City's help desk system Coordinate with software companies to troubleshoot specific software issues or concerns Manage and provide assistance to departments for Lucity, Eden, and Office 365 software Install and configure all technology-related software Guide the purchasing process for all new hardware Install and configure new technology-related hardware Configure and deploy all City desktop and laptop computers
	Systems Analysis and Application Development	<ul style="list-style-type: none"> Manage and provide assistance to departments for ERP software (Lucity, Eden) and Office 365 Generate custom reports for ERP programs

Department	Program Area	Activities
		<ul style="list-style-type: none"> Create custom code and applications to meet customer needs and enhance services
	GIS Management	<ul style="list-style-type: none"> Update GIS monthly with data from the County Maintain base maps and property records Manage employee access to GIS Create custom maps by special request

Staffing

The following table summarizes the historical staffing levels of the Administrative and Internal Services departments.

Table 12: Authorized Administrative and Internal Services Staffing Level by Department, FY2015-FY2019

Administrative and Internal Services	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Budget	Percent Change
City Council (City Clerk)	9.00	9.00	9.00	9.00	10.00	11%
City Controller	2.00	2.00	2.00	2.00	2.00	0%
Office of the Mayor	23.80	22.80	5.50	7.00	7.00	-71%
Finance	29.30	29.15	30.90	33.90	33.90	16%
Human Resources	6.70	6.70	5.10	5.10	5.10	-24%
Information Services	0.00	0.00	15.00	14.00	18.00	Not Applicable
Law (City Solicitor)	6.00	6.00	5.50	7.00	7.00	17%
Total	76.80	75.65	73.00	78.00	83.00	8%

Staffing in these departments increased by 6.2 FTEs, or 7%, over the last five fiscal years. Position changes include the following:

- The City Solicitor's Office added a 1.0 FTE Administrative Assistant position in FY2018.
- The Finance Department added 5.05 FTEs between FY2015 and FY2019: A Claims Coordinator in FY2016, a Graphic Design Specialist in FY2017, a Purchasing Contracts Administrator in FY2018, and a Payroll Coordinator and Emergency Management Coordinator in FY2019.
- The Information Systems Department added 4.0 FTEs in FY2019: An Application Manager, an Infrastructure Manager, a Systems Engineer, an IT Support Manager, and a Network Administrator. The Department also eliminated an Operations Manager and a Database Administrator position in FY2019.
- The Office of the Mayor reduced staffing by 1.8 FTEs in FY2018 by eliminating two support services positions: An Inventory Control Clerk and a Printer Aide.²²

Budget

The following table summarizes the historical General Fund expenditures of Administration departments.

²² The Information Services Department was also housed in the Office of the Mayor until FY2017; these positions are reported separately.

Table 13: Expenses by Department, FY2015 through FY2019

Expense Category	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budget	Percent Change
City Council (City Clerk)	\$403,759	\$347,158	\$373,696	\$369,685	\$746,871	85%
City Controller's Office	\$180,128	\$183,960	\$193,989	\$198,167	\$214,626	19%
Office of the Mayor	\$1,106,019	\$934,459	\$602,666	\$733,884	\$868,099	-22%
Finance	\$2,900,909	\$2,771,264	\$3,619,138	\$3,302,525	\$3,622,352	25%
Human Resources	\$694,659	\$683,535	\$583,030	\$614,157	\$847,476	22%
Information Systems	\$2,326,656	\$2,374,152	\$2,497,377	\$3,424,867	\$3,994,897	72%
Law (City Solicitor)	\$622,518	\$620,875	\$633,834	\$757,631	\$887,093	43%
Grand Total	\$8,234,648	\$7,915,403	\$8,503,730	\$9,400,916	\$11,181,414	36%

General Fund expenditures have increased by 36% overall in these Departments, largely driven by increases in the budgets for the Clerk's Office, the Finance Department, and the Information Services Department.

The increase in Clerk's Office expenditures is largely driven by an increase of approximately \$200,000 in the FY2019 budget for Contract Services.

The increase in Finance Department expenditures is largely driven by increasing personnel costs. The Department added approximately six positions, as discussed in the Staffing section of this report, and these increased expenditures reflect the increased cost associated with those positions. The increase is also due to the City beginning to account for mailroom and in-house printing and design expenses within the Finance Department in 2017 after the hiring of a Graphic Design Specialist.

The increase in Information Services Department expenditures is largely driven by increasing personnel costs as well as increased expenditures on contracted services. Increased personnel expenditures are largely due to the four positions added in FY2019, as discussed in the Staffing section. The Department has also increased contracted services expenditures by nearly \$1 million per year in FY2018 and 2019.

Risk Management Fund

All Departments are financed entirely through the General Fund except for the Risk Management function of the HR Department, which is funded through the Risk Management Fund. The Risk Management Fund provides financial support for the City's insurance coverage programs. It also funds positions within the Risk Management Division of the HR Department. The following table shows the HR Department's operating expenditures by fund for the past five fiscal years.

Table 14: Human Resources Department Expenditures by Fund, FY2015 through FY2019

Expense Category	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budget	Percent Change
General Fund	\$694,659	\$683,535	\$583,030	\$614,157	\$847,476	22%
Risk Management Fund	\$19,084,923	\$21,439,045	\$21,112,505	\$25,457,550	\$25,458,396	33%
Grand Total	\$19,779,582	\$22,122,580	\$21,695,535	\$26,071,707	\$26,305,872	33%

Overall, HR Department expenditures have increased by more than \$6.5 million, or 33%, over the last five fiscal years. This is largely driven by increasing insurance costs. Expenditures for employee dental, life, and medical insurance increased by nearly \$4 million between FY2015 and FY2019.

Administration and Internal Services Analysis and Recommendations

The administrative, management, and support services functions of the City are fundamental to ensuring that public services are delivered efficiently and effectively. The following recommendations outline process and policy improvements intended to improve these important functions.

Finance Department

The Finance Department will play a critical role in implementing many of the recommendations included in this report, particularly those related to financial management and organization-wide areas. To successfully do so, it will be important to ensure that the Department is organized effectively and that key functions are performed efficiently. The following recommendations are intended to improve the organizational structure of the Department to enable it to become a strategic partner in leading the City forward.

Recommendation 12: Reorganize Finance to create a Deputy Finance Director position.

Under the Department's current organizational structure, the Finance Director directly supervises the Finance Operations Manager, Treasury and Accounting Manager, Revenue and Audit Manager, and Purchasing Agent. The Finance Director is responsible for the Department's daily operational activities, such as signing off on invoices and payroll, and handling escalated Department staffing and supervision matters.

The Finance Director also plays a demanding role outside of the Department. The position is responsible for monitoring the City's financial condition and communicating that condition and financial issues to the governing body and the public. This broader strategic financial management responsibility requires the dedicated attention of the Finance Director; however, much of the Finance Director's time is consumed in the day-to-day management of the Finance Department.

Prior to 2015, a Deputy Finance Director position existed in the Department that was responsible for assisting the Director with the daily oversight of the Department. This allowed the Finance Director to provide broader oversight of the Department but focus greater attention on strategic financial leadership and communication and engagement with the governing body and the public. From 2015 through 2018, the functions were performed by a Deputy Finance Director and Treasury Manager. When that position was vacated in 2019, it was reclassified as a Treasury and Accounting Manager, and the Department no longer had an individual in the Deputy Director role.

In light of the heightened need for the Finance Director to participate in organization-wide strategic and financial initiatives related to this report, the City should again create a Deputy Director position in the Finance Department. This position would be responsible for the daily operations of the Department, essentially serving as the Chief Operating Officer responsible for directly supervising the work of one or more divisions as appropriate. This position will also take a more active and directive role in the budget development and the budget monitoring process and will lead the effort to implement the operating and capital budget development process improvement recommendations detailed in the organization-wide recommendations identified in this report.

Based on the existing workload and staffing, this recommendation can be accomplished without adding staff. Currently, the Revenue and Audit Division has two management positions (a Revenue and Audit Manager and an Operations Manager) that oversee the work of five Clerk 3 positions, one Senior Tax Examiner, and five Tax Examiners. All other Divisions within the Department operate with one management position. By consolidating the management positions in this Division, the Department will be able to create a Deputy Director position without a significant increase in staffing; however, this may require an incremental increase in pay for the position to create parity within the City's classification and compensation system.

The following figure summarizes the recommended organization structure for the Finance Department. Changes are highlighted in green.

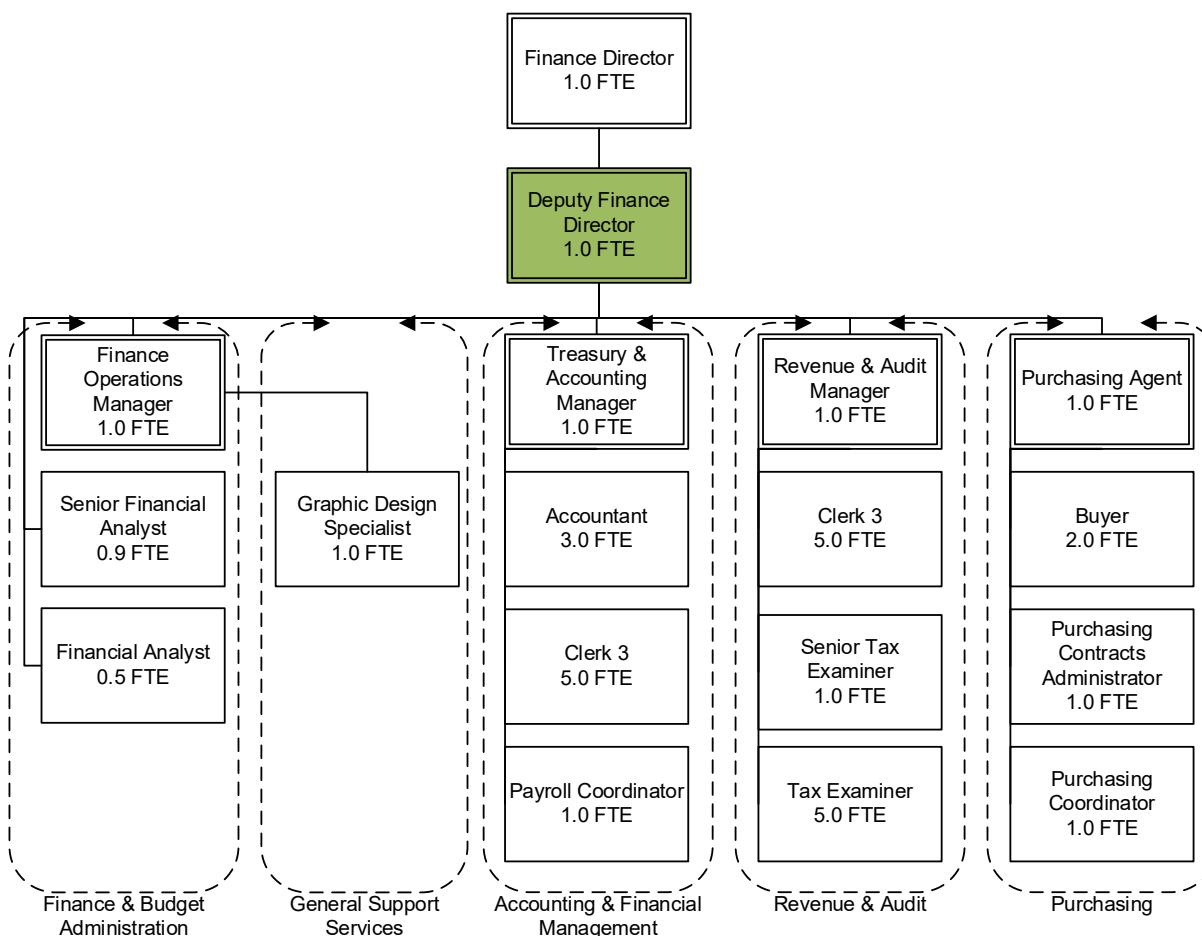


Figure 13: City of Allentown Finance Department Recommended Organizational Structure

Recommendation 13: Create cross-training in pension and payroll management.

The Finance Department is responsible for several core back-office functions that impact the livelihoods of Department personnel, retirees, and vendors. One of these important functions includes payroll and retirement check processing.

In the Accounting and Financial Management Division, one Payroll Coordinator is trained and capable of processing the bi-weekly payroll for all City employees and bi-weekly pension checks for current retirees.

This employee is also responsible for processing all payroll deductions for current employees and assisting in the development and submission of payroll-related reporting to the IRS, Commonwealth, and pension programs. No other employees in the Accounting and Financial Management division or anywhere else in the Department possess the training or experience to fill in for this employee during an absence, creating a single point of failure for a critical set of City functions.

Payroll is a critical function in the City, and it is unreasonable to continue operating with this single point of failure. If the current employee became seriously ill, retired, or left the organization for other reasons, the City would be unable to process payroll or pension checks in a timely fashion. The City should immediately create cross-training within the Finance Department in pension and payroll management.

The Accounting and Financial Management Division has three Accountant positions, one of which is responsible for the development and submission of recurring pension and payroll-related reporting for the IRS, Commonwealth, and pension programs. Cross-training this position to complete payroll and pension transactions would be a natural fit. However, it would be possible to cross-train two or more employees on the pension payments and payroll process separately if desired.

When cross-training critical functions such as payroll, it is important to not only provide the documentation and hands-on training that an employee needs to understand and perform the task but also to provide a regular opportunity for that employee to practice and maintain the skills. For the cross-trained employee(s) to develop and maintain the skills and knowledge necessary to perform the bi-weekly payroll and pension payment processes, it is recommended that they perform these tasks at least once per quarter.

Recommendation 14: Implement process improvements to the accounts payable process.

The current process for making payments to City vendors for goods and services is administered by the Finance Department's Accounting and Financial Management division, in conjunction with Purchasing, the City Controller, and City departments. The process begins with Purchasing procuring goods and services for City departments and maintaining digital records of purchase orders within the Eden financial accounting system. All invoices for goods and services are centrally received by the Accounting and Financial Management division staff then distributed to the City departments for their approval before payment. Once the Department signs off, the invoice is routed back to Accounting and Financial Management then processed for payment. After the payables are processed but before sending payment to vendors, the City Controller reviews the list of outgoing payments to evaluate the appropriateness of the expenditure(s) and whether they were posted to the appropriate account.

Staff report that the existing process creates delays that often result in late payments and financial penalties. To improve the efficiency of this process and reduce the potential for late fees, the City should streamline the accounts payable process. This can be accomplished by addressing delays that occur in two stages of the process.

The first stage of the process relates to the practice of physically routing invoices between Accounting and Financial Management and City departments. The current process exists to address Accounting and Financial Management's need to ensure that the goods and services invoiced were indeed received satisfactorily by the City departments. This physical routing of invoices can take several days after an invoice is received.

The capability exists within the Eden financial system for departments to electronically receipt or “e-receipt” goods and services on the associated purchase order when they are received. Implementing the e-receipting functionality would make it possible for Accounting and Financial Management staff to check the status of a purchase directly in Eden and only route invoices to the departments if there is no indicator in Eden that the goods and services were received satisfactorily.

The second area of the accounts payable process that can create delays is the City Controller’s practice of reviewing payables after they are processed but before sending the payments. The stated purpose of this review is to ensure that goods and services are coded to the appropriate accounts and that improper spending does not take place.

To ensure that the City Controller’s review of expenditures does not unduly delay the process or lead to late fees, the Finance Department, including both Purchasing and Accounting and Financial Management Divisions, as well as the City Controller, should collectively review the current accounts payable process and evaluate options for the City Controller’s role in reviewing expenditures. One option that could be considered is involving the Controller earlier in the purchasing process, before the purchase of goods or services, to ensure appropriate coding and expenditures of funds. Another option is creating an audit process for the City Controller to review expenditures after the payables are processed and sent to vendors.

By working together to identify the appropriate role and timing of the City Controller’s review of expenditures, the Finance Department’s Purchasing and Accounting and Financial Management divisions and the City Controller’s office can develop a shared understanding of the issues and concerns that this review addresses and reduce instances of improper coding or spending in a more proactive manner.

Human Resources Department

Highly functioning human resources departments provide a balance between professional human resources support to managers and employees and compliance management to ensure consistency and limit liability to the organization. There are two primary models of human resources service delivery: centralized and decentralized.

Under centralized models, an organization is staffed with a robust central human resources professional staff that provides a single conduit for the resolution of personnel issues or the coordination of human resources services, such as recruitment, organizational development and training, classification and compensation, performance management, recruitment, and retention. A decentralized model primarily relies on departments to manage human resources issues at the department level. Under this model, a small central human resources staff provides the policy structure and guidance for HR procedures and policies and offers support in the resolution of HR issues, but each department is responsible for individually interpreting and applying the organization’s HR practices.

The most effective human resources departments are those that provide a balance between centralized and decentralized service, providing professional human resources support and guidance when needed while also creating the structure and support system necessary to enable departments to effectively and consistently manage personnel issues. The recommendations detailed below are designed to enhance the Department’s ability to create a consistent application of policies and procedures throughout the organization, build the skill set of employees, and enhance effectiveness and efficiency.

Recommendation 15: Document current HR procedures and update documentation as procedures change.

The HR Department does not currently maintain written documentation regarding core HR procedures. New hires in the Department must independently determine how best to accomplish their assigned tasks, with little instruction regarding historical practices and Department norms. While the Department recognizes a need to improve available documentation about how to perform tasks, there is a need to document and describe critical job tasks involving other procedures and software.

Documenting job procedures is increasingly important for many organizations. As technologies change and personnel rotate more frequently through positions, preserving institutional knowledge about how core tasks are accomplished is key to successfully training new staff and providing seamless services. It is recommended that the HR Department establish a manual of procedures across all functions, including benefits administration, classification and compensation, labor and employee relations, recruitment and hiring, training, workforce development, and risk and safety management. Processes and procedures regarding key activities in each of these areas should be documented in an easily editable electronic format, and regularly updated as circumstances and procedures change.

There are several key ingredients for documenting procedures and workflow concisely and consistently. For each process, staff should compile a list of major milestones and provide a narrative description of the process at each milestone. Additionally, milestones should be accompanied by information about performance targets and expectations, such as turnaround deadlines and other requirements. Second, tasks associated with each milestone should be described in chronological order, including sufficient detail to enable a new trainee to accomplish the task with minimal oversight. These tasks may be represented as checklists to enable staff to more easily verify they have completed each step associated with a task. Additionally, it is often helpful to include process maps that illustrate milestones and indicate staff responsibilities for achieving each of them. This is particularly useful for processes that involve significant interactions with other departments, such as hiring and recruitment.

Process and procedure documentation should be reviewed by a supervisor to ensure the process is clearly and concisely described. The process should be retained in an electronic format and should be made available to staff as part of new hire orientation and cross-training efforts.

Creating and regularly updating this information will preserve the HR Department's institutional knowledge, allow new hires to rapidly acclimate to the Department's work practices, and help the Department ensure staff perform tasks in a consistent manner.

Recommendation 16: Create a formal organizational and workforce development program.

One of the opportunities to expand the role of the HR Department as a strategic partner in the organization is to develop a formal organizational training and development program. Though the Department offers several training programs throughout the year, there is no central training calendar that can be accessed by employees. More importantly, there is no broader organizational development policy and priority guidelines that determine what training is offered, when it is offered, and the expected outcomes linked to employee growth and development.

Organizational and workforce development is one of the most important functions of a central human resources department. The role of the Human Resources Department is to provide training and development support that allows each employee to thrive in their position and grow within the organization. To that end, it is appropriate to develop a proactive program to meet this need.

The first step in this effort is to develop a policy framework. The proposed policy should address the purpose and goals of the organizational and workforce development program. Additionally, it should clearly articulate the role of the HR Department, as well as the role of departments. This is especially important in a decentralized model whereby departments must be relied upon to lead many training efforts. Once this framework is established, the program can be further developed.

SHRM offers best practices guidance to organizations that are interested in growing their workforce training and development programs. In a recent article titled “7 Key Steps for Better Training and Development Programs,” SHRM describes aspects of systematic workforce development programming that should be adopted by the City of Allentown.²³

First, to create a more effective development and training program, the City must understand the full scope of its current offerings. This requires creating an inventory of recent and upcoming training programs, including the training topic, mode of delivery (e.g., online or in-person training), whether the training is offered by HR staff or external consultants, and frequency of training. Once completed, the Department will have a better indication of topic areas that drive its current workforce development efforts.

Next, it is important for the HR Department to evaluate and understand training needs and desires within the City organization. During fieldwork for this analysis, stakeholders indicated a need for training related to employee onboarding, supervisory/management issues, and policy interpretation. The HR Department should systematically evaluate stakeholder satisfaction with current training offerings and identify training topics desired by the organization that are not provided or that should be expanded to fulfill stakeholder needs. This could be accomplished through stakeholder surveys, interviews and focus groups with staff in other departments, and/or satisfaction surveys following training events.

Another way of identifying training needs in the organization is through the employee performance appraisal process. Effective performance appraisals identify an employee’s strengths and weaknesses, as well as opportunities for training and developing the employee’s skill set to better accomplish work goals. As supervisors and their employees create individual training and development plans, the HR Department should analyze the types of training included in each employee’s plan to determine appropriate technical, interpersonal, and specialized professional development opportunities. This analysis should be performed each year to ensure the HR Department’s proposed training goals adequately address employee needs.

After identifying current offerings and stakeholder training needs, the Department should develop a comprehensive list of desired training opportunities and determine whether these opportunities should be provided by in-house staff, external contractors, online systems, or other methods. The approximate cost of implementing this training program should be determined, and the HR Director should work with the administration to ensure appropriate funds are available to provide more in-depth professional development opportunities to City staff.

Once the training program is created, HR should creatively market training opportunities to City staff. At the same time, the HR Director and the Managing Director should work together to foster a management culture that supports and enables employees to participate in training offerings. One way to accomplish

²³ 7 Key Steps for Better Training and Development Programs. SHRM. 2016.

<https://www.shrm.org/resourcesandtools/hr-topics/organizational-and-employee-development/pages/key-steps-for-better-training-development-programs.aspx>

this is through a formal organizational training policy, which formalizes expectations and goals regarding the number of annual professional development training hours each employee is expected to complete.

Finally, the Department should accurately measure relevant outcomes, such as employee satisfaction with training sessions, the cost-effectiveness of training, and the occurrence of behaviors the training is designed to prevent or correct (such as sexual harassment incidents). The HR Department should leverage this information to adjust the workforce development program regularly by emphasizing training topics and issues that are currently relevant to the organization.

Effective workforce development programs are not stagnant; they meet the needs of stakeholders and continually adapt to support the organization's employees. A well-designed, effectively implemented workforce development program will provide staff with consistent information, utilize a variety of media and methods to creatively reach staff, ensure relevant and pertinent issues are addressed, and create opportunities for staff to take charge of their own professional development. With consistent management, creative oversight, and budgetary support, a comprehensive workforce development program will enhance the Department's efforts to communicate with staff and support Departmental efforts to develop employees and engage in succession planning efforts.

Recommendation 17: Create a comprehensive supervisory and management training program.

In addition to building a broader workforce development program, it is also important to build supervisory and management capacity to consistently and effectively manage employee relations and professional development in their departments and divisions. Though the City's organizational development and training policy is not formally articulated, the HR Department does provide a variety of training opportunities to City staff, including employee onboarding, computer training, and quarterly training to other departments on various topics. While the Human Resources Department occasionally offers management and supervisory training on specialized topics (e.g., EEO), a dedicated supervisory and management training program does not exist.

Management and supervisory training is a nuanced topic that requires significant knowledge and expertise. This training is a vital component of developing competent, informed managers who can build effective relationships with their employees. It must be tailored to fit specific considerations that affect different departments. As a best practice, good management training provides supervisors with a better understanding of their relationship to employees in the context of the work environment, the ethical considerations associated with supervising employees, strategies for understanding and effectively managing employee behaviors, and best practices for equitably evaluating employee performance.

It is recommended that the City contract with a third party to offer management and supervisory training to all Allentown management and supervisory employees, including those in Human Resources. Offering this training through a reputable outside consultant will help ensure that all departments and supervisory employees receive instruction that is current, consistent, and tailored to their specific needs. Additionally, outsourcing this training to a third party will provide a timely method to develop a training curriculum and approach that can then be carried forward regularly by Human Resources Department staff. This initiative will not only provide enhanced HR knowledge and expertise at the department level but potentially, over time, generate additional time and capacity in HR to focus on other strategic issues.

Outsourcing this training is not without precedent. According to industry surveys conducted by SHRM, approximately 46% of organizations outsource training and development programs partially or completely. Many organizations base decisions to outsource on available expertise and service level

expectations. Given the considerations described above, it is appropriate to outsource this management and supervisory training during the initial program development and delivery phase.

Recommendation 18: Implement a consistent performance review process.

The City does not currently utilize a consistent performance review process. While some staff reported receiving a performance review during their probationary period as a new hire, others could not recall receiving a performance review or reported that reviews had not been given for several years.

The lack of a formal performance review process creates two challenges for the City. First, the lack of regular performance reviews limits opportunities for supervisors to hold employees accountable for their work, provide staff with feedback, document outstanding and unsatisfactory performance, and provide staff with corrective instruction. Second, organizations commonly utilize performance reviews to establish goals for employees and to evaluate how well each employee achieves those goals. Without a formal review process, supervisors must assign goals on an ad-hoc basis, and it is difficult to evaluate whether staff activities effectively advance the City's strategic goals.

To enhance the City's ability to hold staff accountable and work toward strategic goals, it is important to implement a consistent performance review process. According to SHRM, effective performance review processes often utilize formal annual reviews as well as informal conversations and coaching sessions with employees. These review and check-in meetings follow these guidelines:

- Simple and focused on improving performance
- Flexible and allow employees and organizational units to link their work goals to broader organizational goals
- Emphasize performance measurement and avoid unnecessary documentation
- Emphasize the importance of management coaching and continuous feedback
- Utilize a variety of quantitative and qualitative information in employee-related decisions²⁴

These elements broadly encompass two practices that will help the City better understand and manage performance, including effective goal setting and creating regular feedback loops between managers and staff.

Effective goal setting involves establishing work plans and individual employee goals that directly support the City's strategic planning priorities. According to SHRM, these goals should be challenging yet attainable; specific, with reasonably short timelines; tailored to be achievable by individual employees; and flexible to accommodate real-world constraints and challenges. While many organizations engage in goal-setting as part of a formal annual review process, it is important to create an environment where goal-setting practices adapt as employees develop and circumstances change. This approach allows supervisors and employees to set and adjust goals as needed and avoids focusing on narrow, specific outcomes at the expense of new and innovative ideas. By establishing a formal goal-setting process and regularly evaluating progress, City staff can better understand how their work directly contributes to the City's strategic priorities and advances its mission.

²⁴ Dorsey, David PhD and Mueller-Hanson, Rose PhD. "Performance Management That Makes a Difference." SHRM Science-to-Practice Series. The Society for Human Resources Management (SHRM). 2017.
<https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Performance%20Management.pdf>

To create effective feedback among managers and staff, it is important to cultivate a working environment throughout the City organization where coaching and regular communication are norms. Effective managers engage employees regularly to offer advice and encouragement while empowering staff to solve their own problems. At the same time, they are receptive to feedback from employees and help them adapt and grow to more effectively provide service and achieve the City's strategic goals. To foster this communication, managers should regularly meet with staff using formal processes, such as an annual review, as well as informal processes like conversations that occur whenever feedback is needed. The City should also train personnel on effective methods for soliciting and giving appropriate feedback to support effective communication and build trust among supervisors and staff.

Establishing effective goals and cultivating regular feedback will empower the City to better understand how well it provides service and achieves its strategic priorities. However, it is important to emphasize that implementing a consistent performance review system will require continuous support from the organization's leadership and management staff. Without this support, the performance review system is likely to fragment and provide inconsistent results, impairing the City's ability to understand whether it is effectively achieving its priorities.

Recommendation 19: Implement a consistent safety program throughout the City.

Risk management activities are currently coordinated in the Finance Department and assigned to the Risk and Safety Manager and Claims Coordinator. The Risk Management Specialist reports to the HR Director and is responsible for procuring insurance policies, including health insurance, fiduciary liability (retirement plan) insurance, volunteer insurance, general liability and property coverage, and workers' compensation excess insurance, workers' compensation excess insurance audit, and line of duty insurance. The City is self-insured, which means that the City assumes financial risk for providing health care benefits and workers' compensation claims to its employees. In practical terms, self-insured employers pay for each out of pocket claim as they are incurred instead of paying a fixed premium to an insurance carrier.

In addition to these responsibilities, Risk Management staff are responsible for processing risk-related claims against the City and serve as a staff liaison to the City's Safety Committee. The Safety Committee is composed of representatives from several departments and divisions, including Public Works, Police, Fire, Human Resources, and Finance. The Safety Committee responds to safety complaints and inquiries from City staff and receives regular updates regarding workers' compensation claims and injuries from the Risk Management Specialist.

The City's Safety Committee also provides or coordinates safety training opportunities for City staff; responsibility for these training efforts falls largely to the Risk and Safety Manager and Claims Coordinator. However, these training opportunities are primarily developed as a response to an incident rather than as a preventive safety measure. Outside of these opportunities, there is a lack of centralized safety and risk-oriented training provided to City staff regularly. Furthermore, Departments have not developed and documented clear safety programs and practices that are specific to their departments.

Safety training is a critical component of educating staff and reducing the likelihood of workers' compensation incidents. To more effectively address the root causes of workers' compensation claims and reduce risks to the City and its employees, the Risk Management staff should create and deploy an annual training program designed to mitigate the primary causes of injury and risk in each department.

The goal of the centralized training program is to provide training that is applicable and useful to all City staff. At a minimum, this training program should consist of an injury prevention course designed to teach City employees about common injuries they may be exposed to in their lines of work. This training should be provided by the Risk and Safety Manager regularly, with the support of the departments, as appropriate. Other risk-related training may be provided by the City's third-party administrator for workers' compensation. As part of its existing contract with the third-party administrator, the City receives dedicated consultant time each year that may be applied to providing training for City employees.

It is also appropriate for departments to offer targeted safety training that concerns highly-specialized processes, activities, and environments that fall outside the scope of generally applicable risk management training. For example, it is not recommended that the Risk and Safety Manager provide training regarding the use of specialized Public Works equipment because this training is highly-specific to one department. Rather, department managers should determine specialized training needs for their staff and provide access to such training independent of Risk Management's centralized training program. However, these training plans should be developed in consultation with the HR Department; training progress should be reported to HR at least quarterly.

To successfully provide this training to City staff, it is critical for supervisors and managers in all departments to recognize the importance of regular risk management training and to make their staff available to attend such training regularly. It will be necessary for the Risk and Safety Manager to closely coordinate the timing and format of training events with each department to maximize attendance at risk-related training events.

Solicitor's Office

Recommendation 20: Develop a process for reviewing and updating Allentown's Charter and codified ordinances.

The City of Allentown is governed by its home rule charter, which was adopted in 1996. The charter provides three mechanisms for amendment. The citizens of Allentown can directly introduce an amendment by the initiative and referendum process; City Council can propose amendments to be approved by the voters; or a Government Study Commission, created in accordance with the Commonwealth's Home Rule Charter and Optional Plans Law, can propose amendments to be approved by the voters. Since its adoption in 1996, 23 amendments have been considered by Allentown's voters, and 13 were approved.

In May 2018, the City Council authorized the creation of a special sub-committee to review provisions of the Charter and make recommendations to the City Council. The City Council created this committee to consider several specific issues in the Charter, including changes to the City's budget introduction and adoption process as well as other procedural matters. In May 2019, the City Council approved two charter amendments to be placed on the November ballot for voter consideration.

To date, the changes that Allentown has made to its home rule charter have been in response to specific issues. No comprehensive review of the charter in its entirety has been performed since its adoption in 1996. Because it provides the overarching legal framework for City operations, a charter should be comprehensively reviewed periodically by a citizen committee to ensure that it reflects current law, practice, and community values. To that end, the City Solicitor should work with the City Council to develop a process for periodic review of the City's charter using the Government Study Commission framework authorized by Commonwealth law.

This Government Study Commission should closely examine the City's government and present charter, research the experience and charter provisions of peer communities, identify best practices and solutions appropriate for Allentown's unique characteristics, and draft charter amendments that would achieve them. Typically, commissions of this nature are made up of community residents who are not involved with a community's daily government operations, and consequently, can maintain objectivity and impartiality in its research and recommendations. In many jurisdictions, the charter itself specifies the frequency with which this charter review process should take place, commonly every five or 10 years.

In addition to developing a process for a comprehensive review of the City's charter, the City Solicitor should create a process for routinely reviewing existing City code to ensure that it is reflective of current practice and community values and consistent with the City charter and other applicable laws.

Recommendation 21: Engage outside legal counsel to represent the City in labor matters and union negotiations.

The City has historically negotiated its labor contracts without professional outside labor counsel. Over the years, this has contributed to the adoption of contract provisions that are advantageous to union membership and detrimental to the overall fiscal health of the City.

To ensure that future labor agreement provisions are fair and reasonable for both the members and the City's overall fiscal condition, the City should retain experienced public employment labor counsel for its labor relations activities. In addition to using the counsel for support throughout the collective bargaining process, the City should also use this counsel to review past practices that may unnecessarily increase the cost of operations and are permissible for bargaining. The City should provide a list of these practices as part of the bargaining process when each of the City's three collective bargaining agreements is renegotiated.

Since the City is a member of the Pennsylvania League of Cities and Municipalities, it has access to reduced hourly rates provided through the League's Public Employer Labor Relations Advisory Service (PELRAS). The PELRAS was created to assist local government officials in dealing with the increasingly complex issues associated with managing their workforces.

Information Services

Technology is a cornerstone of modern local governments, enabling staff across all departments and functions to perform their jobs as efficiently and effectively as possible. The Allentown IS Department manages and coordinates the City's technology services. However, the Department's ability to provide effective service has been affected by a recent malware attack, strained working relationships with customers, and difficulty prioritizing strategic initiatives and decisions. Collectively, these challenges create an opportunity for the IS Department to cultivate closer business partnerships with customers built upon clear strategic goals and governance practices, as discussed in the following recommendations.

Recommendation 22: Revive the City's Technology Steering Committee (TSC).

Although the IS Department is tasked with providing services to all City Departments, the effectiveness of those services is often dependent on the quality of communications and working relationships between customers and IS. According to staff interviewed for this assessment, relationships between IS and its customers are reportedly strained due to a variety of factors, including changing security practices, difficulties acquiring and implementing new technology, and unclear expectations regarding IS service delivery. Although staff in customer departments perceive these issues as challenges to working with IS, no formal mechanism is in place for customers and IS to meet and discuss these perceptions.

In previous years, the IS Department utilized a Technology Steering Committee composed of the Managing Director, Department Directors, the IS Manager, and the Deputy Finance Director. The purpose of this committee was to identify and discuss priority technology needs that impact the City organization. However, IS staff report that the Technology Steering Committee no longer meets regularly.

A TSC is one of the most effective tools an organization can utilize to create open lines of communication among customers and IS staff. Without this committee, senior City staff (such as Department Directors) communicate with IS on an ad-hoc basis, and opportunities to discuss comprehensive organizational technology issues are reduced.

It is recommended that the IS Department revive the City's TSC as a critical first step toward rebuilding relationships with customers and fostering open communication about the City's technology needs. At a minimum, the TSC should be staffed by senior personnel from departments that rely heavily on IS for services, including the Mayor's Office, Community and Economic Development, Fire/EMS, Police, and Public Works. The TSC should be led by the Chief Information Officer and should meet regularly (e.g., quarterly).

Reviving the TSC will create two significant opportunities to effect positive change in the City. First, it establishes a formal mechanism for key IS customers to discuss strategic and operational technology concerns openly and directly with the CIO. At the same time, the CIO will have an opportunity to provide customers with feedback and updates regarding specific technology initiatives. Fostering this dialogue positions the IS Department to more effectively understand how the business technology needs of its customers align across the organization, and it provides customer departments with some perspective on the need to prioritize technology-related projects across the entire City. Over time, this communication will help foster an environment where the CIO and members of the TSC can build collaborative relationships and rapport, particularly regarding City-wide technology issues.

Second, a revived TSC allows senior management staff the opportunity to participate in important technology strategic planning and governance processes, as discussed in the following recommendations. By leveraging the experience and perspectives of TSC members to inform these processes, the IS Department will be able to plan for and accommodate the organization's technology priorities more effectively.

Recommendation 23: Implement an Information Services Strategic Planning process and update the Information Services Strategy plan.

The IS Department currently utilizes an "Information Services Strategy" plan that was developed in 2012, and written to inform the Department's budget and operations from 2013 through 2015. This document contains many fundamental elements of effective strategic planning, including a vision statement, an overview of IS operating principles and governance procedures, and a description of core services provided by the Department. However, the Information Services Strategy plan has not been updated since it was drafted in 2012. Since then, the Department and the City have experienced significant challenges that fundamentally impact technology services.

First, municipalities across the country have struggled to combat highly-sophisticated malware programs that can infect systems and destroy sensitive data. In February 2018, the City of Allentown was infected by malware that caused approximately \$2.2 million in damage. According to the U.S. Conference of Mayors, at least 170 county, city, or state government systems have experienced a malware attack since

2013; of these, at least 22 have occurred in 2019.²⁵ The following table lists examples of communities that have experienced recent malware attacks at the time of this writing.

Table 15: Example Communities Impacted by Malware Attacks

Organization	Date of Attack	Estimated Cost Impact
City of Albany, New York	March 2019	\$17,000,000
City of Atlanta, Georgia	March 2018	\$2,600,000
City of Baltimore, Maryland	May 2019	\$18,000,000
City of Greenville, North Carolina	April 2019	Not Readily Available
City of Lake City, Florida	June 2019	\$460,000
City of Laredo, Texas	May 2019	Not Readily Available
City of New Bedford, Massachusetts	July 2019	Not Readily Available
City of Riviera Beach, Florida	May 2019	\$1,000,000

The prevalence of malware attacks in recent years has transformed the technology landscape for local governments nationwide and prompted a greater focus on security. As the City continues to recover from its 2018 malware attack, the IS Department has implemented fundamental changes in security practices that are not addressed by the 2012 Information Services Strategy plan.

A second technology challenge in Allentown relates to the age of technology systems. In particular, the City's enterprise resource planning (ERP) software, Eden by Tyler Technologies, was implemented in 2002 and is approaching the end of its service life. As the software ages, it is increasingly likely that Tyler Technologies will cease ongoing support for the Eden system in favor of newer ERP software. Older software systems are more difficult to patch, maintain, and configure, and continuing to utilize Eden after Tyler Technologies has ended support is likely to create significant coding, implementation, and security challenges for the City.

Finally, the IS Department has experienced challenges prioritizing customer requests in the context of the City's overall strategic goals and security concerns. In any IS operation, it is important to balance customer service demands while preserving appropriate security controls, fully leveraging existing technology assets, and ensuring that new technology will mesh appropriately with existing infrastructure and systems. While the 2012 Information Services Strategy plan provides some guidance regarding technology prioritization and project workflow, it does not contemplate the additional security concerns presented by the recent malware attack, nor does it address increasingly complex and mobile technology, such as police body cameras and mobile tablets for in-field code inspections. As a result, there is an opportunity to more explicitly define the City's technology priorities and describe how the IS Department should address technology needs across the organization.

To address these challenges, the CIO should revise and update the 2012 Information Services Strategy plan using a formal, recurring strategic planning process. While many approaches to IS strategic planning exist, the process utilized by Intel® represents a useful example that could guide efforts in Allentown. Intel's strategic planning process consists of six key phases, as described in a white paper entitled "Aligning

²⁵ http://legacy.usmayors.org/resolutions/87th_Conference/proposedcommittee-preview.asp?committee=Criminal%20and%20Social%20Justice

IS with Business Goals through Strategic Planning”.²⁶ Although Intel is a private-sector business with significantly different operations compared to Allentown’s Information Services, the phases and practices described in Intel’s strategic planning process reflect core best practices that Allentown should adapt to meet its specific needs. It is also important for Allentown’s Information Services to leverage the TSC to assist with strategic planning efforts and provide insights regarding the City’s technology environment. The following paragraphs describe core elements of the Intel strategic planning process and how Allentown can adapt them to develop an effective technology strategic plan.

Phase One

The first phase involves developing a two- to five-year outlook to identify drivers that could impact technology implementation and business practices. In the context of Allentown IS, this step should be accomplished by utilizing the TSC to consider future IS opportunities, challenges, and needs that impact key departments and the City as a whole. By identifying likely technology trends and how they will impact the City organization, the IS Department will be better able to adapt project implementation and work plans to proactively address anticipated needs.

Phase Two

The next phase includes “strategic deep dives” regarding key drivers from Phase One that are likely to have an outsized impact on technology or that require additional study to address effectively. Examples of issues that could merit a “deep dive” in the context of Allentown include preventive cybersecurity measures, the use of cloud computing solutions, and social media usage and management. Because these issues are likely to affect multiple departments and impact how IS supports the City’s strategic goals, it is important to define and understand them in some detail.

Phase Three

The third component of the strategic planning process involves current-state assessments. The IS Department’s existing strategic planning document already contains descriptive information about the services IS provides, how it structures those services, and how it deploys personnel to deliver service. When updating this information, it is important to capture not only the current state of service delivery but also to inventory the specific hardware and software systems supported by IS to identify areas of potential overlap and duplication. The resulting current-state assessment will present a comprehensive overview of the IS Department and its capabilities and obligations.

Phase Four

Once the Department has identified key future trends and examined its services and capabilities, it can take the next step of identifying specific strategic goals and initiatives that correspond to the City’s broader strategic objectives. IS strategic goals should be prioritized to effectively meet the organization’s most pressing needs over the next several years. Each goal should discuss specific initiatives, key milestones, and potential costs, which should be used to inform the Department’s budgeting process. For example, an initiative such as the implementation of a new City-wide ERP should receive high priority in the Department’s strategic plan and include preliminary estimates about how much funding will be required for each year of the project.

Other business-related needs should also be reviewed and prioritized as part of this phase. During the course of this assessment, The Novak Consulting Group received feedback from City staff regarding several opportunities to enhance IS services and infrastructure:

²⁶ <https://www.intel.com/content/dam/doc/white-paper/intel-it-aligning-it-with-business-goals-paper.pdf>

- Implementing a business development customer relationship management (CRM) system, particularly for Economic Development functions
- Implementing an Electronic Medical Records (EMR) system for Public Health functions
- Expanding opportunities for City inspectors and workers to complete inspections and work orders in the field using mobile technology
- Enhancing facility security needs, such as key card access systems

Each of the initiatives above is likely to intersect with one or more elements of the City-wide strategic plan and specific technology goals that arise from the IS strategic planning process.

The TSC should collectively discuss and prioritize all potential technology strategic goals and initiatives in this phase to inform the IS strategic plan. Utilizing the TSC is essential to provide key technology customers with important background information on technology priorities and allows those customers to assist with prioritizing implementation efforts. By reviewing and prioritizing initiatives using the TSC, the IS Department can ensure all key IS stakeholders are adequately informed about various IS initiatives and understand the context surrounding each initiative and how it was prioritized.

Phase Five

After the Department's specific technology goals and initiatives are identified, they should undergo a governance process to determine when and how they should be funded and implemented. The Department's 2012 strategic plan includes some discussion about how IS governance should occur in the City, including a description of IS stakeholders and an outline of decision-making processes related to IS projects. However, there is an opportunity to further refine and formalize governance expectations as part of the IS strategic plan.

Specifically, this phase of the strategic planning process should include a description of how priority technology projects identified in Phase Four will be implemented, along with an overview of the IS Department's process for prioritizing additional technology project requests that occur throughout the year. This will require creating more formal process requirements for customers to engage IS regarding project management functions, as described in the next recommendation. Once finalized, this phase of the strategic plan will result in a list of major initiatives to be accomplished over the next several years, as well as a description of how additional project requests will be adapted and prioritized by the IS Department.

Phase Six

The final element of the Intel strategic planning framework includes regular reviews of the strategic plan. While Intel reviews its strategic plan and measures progress toward strategic goals each month and at the end of each year, the IS Department should review the technology Strategy plan at least annually. During this review, the Department should evaluate progress toward achieving each IS strategic goal and initiative and use this analysis to inform the next strategic planning process.

Each of the phases described above should be formalized in writing as part of a comprehensive IS Strategy Plan. Developing this document will provide the IS Department with ample opportunities to engage City leaders, customer departments, and staff to communicate and develop technology priorities. The resulting IS Strategy Plan will serve as an invaluable communications tool for articulating IS's workload approach and for periodically assessing the Department's effectiveness.

Recommendation 24: Adopt a formal Information Services governance process for project management.

Implementing a regular strategic planning process, as described in this report, will allow the Department to effectively prioritize technology initiatives in the near- and medium-term. The resulting strategic plan will create a roadmap for how the Department will accomplish its work. However, there will be times when other projects not envisioned by the strategic plan will arise and demand attention from IS staff.

Currently, the IS Department does not utilize a formal governance process that describes how project requests should be managed and prioritized among IS customers. When customers perceive a need for major technology services like software customizations, new system acquisition, or investments in additional software, they frequently notify the CIO directly, open a Help Desk support ticket, or proceed with the project without the input of IS. Each of these approaches creates challenges for IS and the City organization. Designating the CIO as a focal point for project requests diverts the CIO's attention from major strategic challenges, such as ensuring the security and integrity of the City's data. Using the Help Desk system to initiate requests for highly involved technology projects and services inflates the number of support requests and dilutes IS's ability to address acute issues like break/fixes. Finally, when customer departments proceed with technology acquisition and initiatives without consulting IS, they risk investing in technology that is not compatible with the City's systems, creating security loopholes, duplicating technology functions, and unnecessarily spending monetary resources.

Because the IS Department is responsible for balancing the City's strategic technology priorities and day-to-day technology administration, it is essential to describe how the additional projects and major customer service requests will be prioritized. This is typically accomplished through the adoption of a formal governance process for project management. At a minimum, the IS Department should define a formal governance process that addresses the following questions:

- What constitutes a technology-related project? When must IS be involved in technology decisions?
- How should City departments contact IS with project needs and requests?
- What information should be provided by the customer when initiating a project request?
- Who in IS should receive project requests? How will they be assigned among IS staff?
- What communication milestones should occur between IS and the customer departments?
 - How will IS acknowledge receipt of the request?
 - Will/When will IS meet with the customer department to discuss the request?
 - What is the minimum turnaround expectation for communications to occur?
- How will the monetary costs of the project be covered?
- How will projects be prioritized in the context of the IS Department's strategic goals and daily workload?

Identifying answers to each of the questions above will create opportunities for the IS Department to engage customers regarding their experiences with technology project management and expectations for how technology services should be provided. At a minimum, the CIO should compose a draft governance strategy for project management and submit it to the TSC for review and feedback. This approach will allow the CIO to communicate the rationale behind the proposed governance framework and enable TSC members to provide feedback regarding aspects of technology project management that could be further streamlined.

Adopting a formal governance process for project management will benefit the IS Department and the City organization in two key ways. First, formalizing the approach to project management practices will communicate clear requirements and expectations to IS staff and customers throughout the organization. Second, the IS governance process will empower the IS Department to prioritize project requests in the context of strategic service delivery and day-to-day operations and provide the IS department with the tools it needs to effectively communicate how projects will be addressed.

Recommendation 25: Reclassify the vacant Application Developer and Senior Systems Analyst positions as Business Analysts responsible for supporting key IS customers.

While reviving the TSC and formalizing technology strategy and governance processes will help the Department more effectively identify and prioritize customer needs, there are additional opportunities to enhance and expand the Department's relationships with customers. It is important to emphasize that while IS supports all City departments, not all departments interact with IS to the same degree. For example, according to data from the IS Department's TrackIt® work order system, the Community Development, Police, and Public Works Departments combined generate nearly 46% of IS work orders, as illustrated in the following table.

Table 16: Information Services Work Orders by Department, 2017-2019 YTD

Department	2017	2018	2019 YTD	Total (2017-2019 YTD)	Percent of Total
Unassigned	1,021	1,057	852	2,930	21.5%
Community Development	784	961	812	2,557	18.7%
Police	781	806	714	2,301	16.8%
Public Works	420	507	457	1,384	10.1%
Finance	343	448	347	1,138	8.3%
Fire	309	409	285	1,003	7.3%
Information Services	347	213	134	694	5.1%
Human Resources	184	198	198	580	4.2%
Parks and Recreation	122	207	183	512	3.7%
Solicitor's Office	60	104	41	205	1.5%
Mayor's Office	77	71	51	199	1.5%
Controller	29	37	30	96	0.7%
City Clerk	19	19	18	56	0.4%
Outside Agency	0	1	1	2	0.0%
Total	4,496	5,038	4,123	13,657	100.0%

Notably, the IS Department currently utilizes a staff liaison in the Police Department to coordinate specific maintenance tasks, service requests, and system needs. While the liaison is a Police Department employee, this position attends IS Department meetings to learn more about technology processes and procedures and generally maintains close working relationships with IS staff.

The advantage of the liaison model is that it allows customer departments to exercise a greater degree of control and autonomy over technology systems and services because the liaison is empowered with authority to address customer needs. This reduces the need for customer departments to contact IS with

specific service requests. Because the liaison is an employee of the customer department, they are more likely to understand the customer's business process needs and how those needs intersect with available technology. However, one of the constraints of the liaison model is that it requires customer departments to devote staff capacity specifically to technology functions, which is not always feasible given the capacity and technical knowledge of available Department staff.

The IS Department does not utilize liaisons in any other customer department apart from Police. However, there are currently two authorized (but vacant) positions in the IS Department that could be reclassified to provide more direct support services to customers, including an Application Developer and a Senior Systems Analyst. Specifically, the vacant Application Developer and Senior Systems Analyst positions should be reclassified as Business Analyst positions responsible for addressing the support needs of key customer departments, including Community Development, Public Works, Finance, and Fire. The primary responsibility of the IS Business Analyst positions should be to formulate close working relationships with customer staff to understand their business needs, manage technology projects involving those departments, and assist with the diagnosis and troubleshooting of front-line support requests.

The benefit of creating dedicated IS Business Analyst positions is threefold. First, it allows the IS Department to understand systemic patterns and technology needs common to key customer departments. For example, the top five support tickets generated by Community Development, Public Works, Finance, and Fire relate to accounts and security, applications, and hardware support, as illustrated in the following table.

Table 17: Top Five Information Services Work Orders by Department and Type, 2017-2019 YTD

Work Order Type	Community Development	Public Works	Finance	Fire
Accounts/Security	139	98	97	115
Applications - Enterprise	185	60	133	40
Hardware	163	108	67	46
Applications - Desktop	108	96	56	42
Applications - Web	125	60	33	32

By understanding the specific application and hardware needs of each Department in greater detail, the IS Department will be able to more effectively address similar issues on an organization-wide basis.

Second, because Business Analyst positions will be dedicated to specific departments, they are uniquely positioned to help manage IS governance processes. For example, customer projects that involve technology could be assigned to the Business Analyst for review and coordination, creating a single point of contact who is responsible for working with the customer to ensure their project needs are met. The Business Analysts will also be able to proactively guide customers toward appropriate technology solutions and help prevent unwarranted technology expenditures.

Finally, Business Analysts provide key customers with a dedicated point of contact who can serve as a general technology advisor and help facilitate communication with other IS Department staff. This is particularly important for middle management and line staff who may not participate in the TSC process at an executive level. Utilizing both the TSC and dedicated Business Analysts creates multiple channels of

communication with customers and will help the IS Department more fully understand how technology impacts staff across the City organization.

Recommendation 26: Develop service level agreements with customer departments.

An additional step the IS Department can take to strengthen customer relationships and clarify service expectations involves developing service level agreements (SLAs) with customer departments. A service level agreement is a formal document similar to a contract that describes how a provider, like the IS Department, will offer service to its customers, such as other City departments and outside entities. Typically, SLAs also discuss customer responsibilities to the provider in exchange for service, including duties to appropriately utilize systems, notify IS when failures occur, and proactively communicate project requests.

SLAs are commonly utilized between municipalities and external organizations as well as within municipalities. In a 2016 presentation given at the annual conference of the GFOA, presenters identified seven key points that should be addressed by SLAs:²⁷

- Technical service level performance promises
- Descriptions of service quality
- Identification of roles and responsibilities
- Security responsibilities and notice requirements
- How disputes are discovered and addressed
- Remedies for performance failures
- Risk

Addressing these details in the SLA is important to ensure that the service provider (the IS Department) and its customers agree on specific details of service and share a mutual understanding of rights and obligations as part of the service arrangement. For example, the Los Angeles County Enterprise Geographic Information Systems (eGIS) Department utilizes a service level agreement for internal customers consisting of several key sections:²⁸

- **Overview:** a description of the eGIS Department and its operational goals
- **Purpose and Scope:** a description of the major topic areas and services covered by the SLA
- **Roles and Responsibilities:** definitions of specific roles, responsibilities, and obligations of the eGIS Department as well as customer departments
- **General Provisions:** discussion of processes and procedures associated with service delivery and related performance targets, such as hours of operation, typical response times, processes for requesting service, and what requests fall outside the scope of the SLA
- **Service Levels and Metrics:** detailed discussion of specific performance measures and targets that the eGIS Department will use to evaluate service delivery and performance
- **Service Level Review and Amendments:** discussion of how often the SLA will be reviewed and renewed, and how amendments to the SLA will be addressed
- **Approvals:** authorizing signatures of eGIS management and customers
- **Appendices:** directories of current eGIS staff and service pricing

²⁷ <https://www.gfoa.org/sites/default/files/ServiceLevelAgreementsForITSlides.pdf>

²⁸ https://egis3.lacounty.gov/eGIS/wp-content/uploads/2015/06/eGIS_SLA_v2_20170123.pdf

Although the size and scope of LA County's eGIS Department are significantly different from the Allentown IS Department, the essential components of service level agreements used by eGIS reflect industry best practices, such as those described by the GFOA. When designing and customizing SLAs for Allentown, the IS Department should include relevant discussion of core components similar to the bulleted list above in a standardized format. Specifically discussing these areas in the context of Allentown's services and capabilities will enable the IS Department to better clarify roles, responsibilities, communications practices, and expectations. In turn, this will help to ensure that IS delivers services that advance the City's strategic goals, the IS strategic plan, and the interests of its customers.

Developing SLAs with each customer department will create opportunities for IS to communicate its strategic planning and service goals and adapt its approach to meet each customer's business needs. This approach allows IS to demonstrate a greater understanding of customer support needs while also describing important expectations for how customers should interact with IS and request services. Formalizing this communication in an SLA provides a readily-available record of service expectations and will enable the Department to more accurately measure how well it provides services. In this way, SLAs will help the Department continue to forge deeper working relationships with customers, improve communication between IS and other departments, and enable IS to address the organization's technology needs more strategically.

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Community and Economic Development Department

The Allentown Department of Community and Economic Development (CED) is responsible for planning and zoning, plan review, permitting and inspections activity, economic and community development, housing, and public health. With a growing population and economic base, CED plays an important role in maintaining and improving the quality of life of those who live and work in Allentown.

This wide-range of services is overseen by the Director of Community and Economic Development, and the Department is organized into several functional areas and bureaus. These include Building Standards and Safety; Health; Planning and Zoning; and Community Development, as detailed in the following figure.

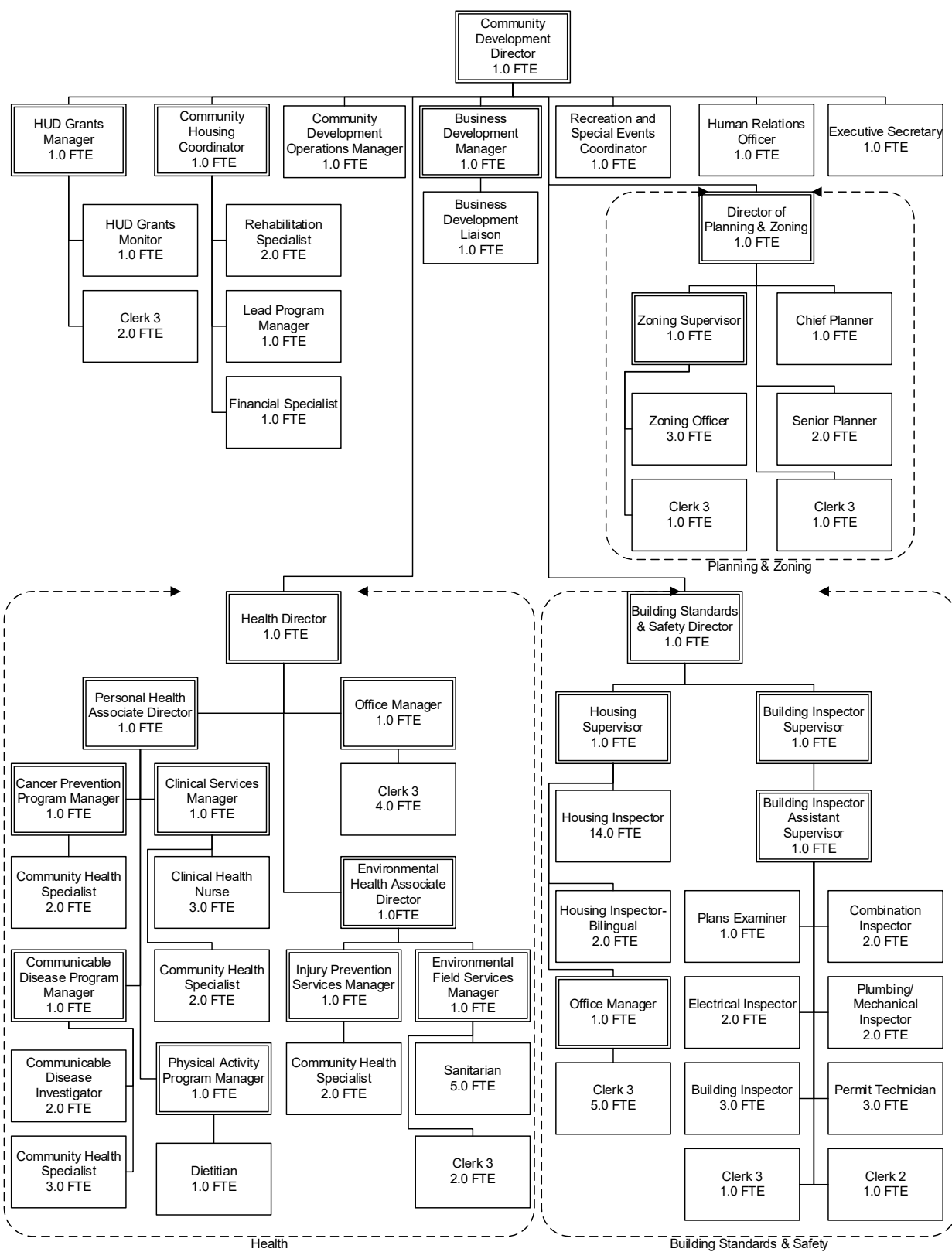


Figure 14: CED Organizational Structure, FY2019

Each of the Department's major functions is described in the following sections.

Building Standards and Safety

The mission of the Building Standards and Safety Bureau of CED is *"to provide a planned system that maximizes the development of suitable housing within all neighborhoods, to ensure an acceptable quality of life for all citizens."*²⁹ To accomplish this mission, this bureau is staffed by 41 FTEs and managed by the Building Standards and Safety Director. There are two functional divisions within the Bureau: Housing Inspections and Building Safety.

The Housing Inspections Division is responsible for performing inspections of all rental properties in the City on a five-year rotation, as well as conducting pre-sale inspections for all residential property sales within the City. This Division is led by a Housing Supervisor and includes authorized staffing of 16 Housing Inspectors, one Office Manager, and five Clerks. Four inspectors are responsible for pre-sale inspections, and the other 12 perform rental inspections. The clerical staff provide assistance with scheduling, maintain communication with property owners, and dispatch complaints to inspectors as appropriate.

The Building Safety Division is responsible for providing plan reviews, performing inspections for electrical, mechanical and plumbing permits, and issuing building permits and certificates of occupancy. Building Safety is led by the Building Inspector Supervisor, which is currently vacant. In the interim, this division is led by the Building Inspector Assistant Supervisor. The Division's authorized staffing includes a Plans Examiner, two Combination Inspectors, two Electrical Inspectors, two Plumbing/Mechanical Inspectors, three Building Inspectors, three Permit Technicians, and two Clerks.

Health

The Allentown Health Bureau was established in 1980 with a mission *"to prevent disease and injury and to protect the public's health."*³⁰ The Health Bureau functions as a local health department for the City of Allentown in accordance with Pennsylvania Act 315, the Local Health Administration Law. The Bureau is led by a Health Director and staffed by 36 FTEs. The Bureau is composed of three functional divisions: Administrative and Supportive Services, Environmental Health Services, and Personal Health Services.

The Administrative and Supportive Services Division is led by the Health Director and includes authorized staffing of an Office Manager and four Clerks. This Division provides executive oversight in the development and implementation of public health programs, develops and analyzes datasets and reporting for internal and external oversight, maintains patient health records, and performs third-party billing for clinical services.

The Environmental Health Services Division is responsible for state-mandated environmental health programs, including food protection, institutional sanitation and safety, and environmental control. This Division also provides grant-funded services related to injury prevention and emergency preparedness. It is led by an Environmental Health Associate Director and includes authorized staffing of 11 FTEs: an Environmental Field Services Manager, five Sanitarians, two Clerks, an Injury Prevention Services Manager, and two Community Health Specialists. The Sanitarians provide environmental health inspections based on geographic assignments, which are rotated every two to three years. The Clerks issue licenses for food and childcare facilities. The Injury Prevention Services Manager and Community Health Specialists provide grant-funded services that focus on home injury prevention for at-risk residents.

²⁹ City of Allentown, 2019 Final City Budget.

³⁰ City of Allentown, 2019 Final City Budget.

The Personal Health Services Division provides a range of services to serve the individual health needs of the public. It operates a public health clinic with a focus on cancer prevention programs, chronic disease management, chronic and communicable disease treatment, and maternal and child health programs. This Division is led by a Personal Health Associate Director who supervises a staff of 17 FTEs including a Cancer Prevention Program Manager, a Clinical Services Manager, a Communicable Disease Program Manager, a Physical Activity Program Manager, seven Community Health Specialists, three Clinical Health Nurses, two Communicable Disease Investigators, and a Dietician.

Planning and Zoning

The Planning and Zoning Bureau is led by a Director of Planning and Zoning and staffed with 10 FTEs. The Bureau provides guidance and management for the growth, preservation, and redevelopment of the City and is guided by this mission:

“To provide policy direction, effective management, and financial support systems through which the goals and objectives of the other City service areas can be achieved. To review greater Allentown planning, programming, and operational functions for significant improvements to human concerns, quality of life, City functional support systems and transportation, business and economic development and financial viability for specific projects.”³¹

The Bureau’s Planning Division regulates land use within the City and facilitates the development process. It is responsible for ensuring that approved development complies with applicable City plans. Additionally, Planning staff are in the process of finalizing a new comprehensive plan titled Allentown Vision: 2030. This Division includes authorized staffing of a Chief Planner, two Senior Planners, and a Clerk, all of whom report directly to the Director of Planning and Zoning.

The Bureau’s Zoning Division is responsible for enforcing the zoning ordinances of the City, reviewing permits and plans for zoning appropriateness, serving as staff liaison to the Zoning Board of Appeals, and investigating zoning complaints. This Division is led by a Zoning Supervisor and includes authorized staffing of three Zoning Officers and a Clerk.

Other Functions

The CED Department includes several additional staff and functions that, while not formally organized into a bureau, all report to the Director and work together to promote successful community development.

The Community Development Operations Manager is primarily responsible for oversight of the Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) program, overseeing progress on City-wide blight reduction projects, and providing informal supervision for business development staff.

Affordable housing programs in the City of Allentown are coordinated by the HUD Grants Manager, HUD Grants Monitor, and two Clerks. These programs include revitalizing low and moderate-income neighborhoods by rehabilitating existing housing stock through the HUD Community Development Block Grant (CDBG) program, expanding the available stock of affordable housing through the HUD HOME Investment Partnership Program, and improving the quality of existing emergency homeless shelters through the HUD Emergency Solutions Grant program.

³¹ City of Allentown, 2019 Final City Budget.

Inspection and remediation efforts for lead-based paint in Allentown homes are coordinated by the Community Housing Coordinator, along with two Rehabilitation Specialists and a Lead Program Manager. These efforts are funded by the U.S. Department of Housing and Urban Development (HUD) Lead-Based Paint Hazard Control program.

The business development team, made up of a Business Development Manager and a Business Development Liaison, function as a one-stop-shop for businesses looking to locate or expand in Allentown by serving as a clearinghouse for information and resources that will assist in their economic success.

City-sponsored events that promote community development and engagement are managed by the Recreation and Special Events Coordinator, who also oversees permitting for special events hosted by outside organizations in public areas.

Core Services Matrix

The following table provides an overview of core services and program activities that are performed by the Department. This list is not meant to be all-inclusive but rather to summarize key program areas and program activities.

Table 18: CED Core Services

Department Function	Program Area	Activities
Building Standards and Safety	Housing Inspections	<ul style="list-style-type: none"> Perform rental inspections and pre-sale inspections
	Building Safety	<ul style="list-style-type: none"> Conduct plan reviews Perform building inspections Issue building permits and certificates of occupancy
Health	Administrative and Supportive Services	<ul style="list-style-type: none"> Develop and implement public health programs Develop and analyze public health data and reporting Maintain patient health records Perform third-party billing for clinical services
	Environmental Health Services	<ul style="list-style-type: none"> Conduct food protection inspections Perform institutional sanitation and safety inspections Perform environmental control inspections Provide injury prevention inspections programming Coordinate emergency preparedness programs
	Personal Health Services	<ul style="list-style-type: none"> Coordinate cancer prevention programs Treat and monitor chronic diseases and communicable diseases Provide maternal and child health programs
Planning and Zoning	Planning	<ul style="list-style-type: none"> Regulate land use within the City Facilitate the development process Manage the comprehensive plan update process
	Zoning	<ul style="list-style-type: none"> Enforce the City's zoning ordinance Process zoning permit applications, site plans, and other materials submitted to the Department for approval

Department Function	Program Area	Activities
Community Development	Community Development Operations	<ul style="list-style-type: none"> Oversee the ANIZDA program Monitor progress on City-wide blight reduction projects
	Business Development	<ul style="list-style-type: none"> Engage businesses to foster growth and expansion Assist businesses looking to relocate to Allentown
	Lead-Based Paint Remediation	<ul style="list-style-type: none"> Monitor public health indicators for instances of elevated blood lead levels in children Coordinate inspections of homes suspected of having lead-based paint Coordinate lead abatement for homes with lead-based paint
	Community Housing Programs	<ul style="list-style-type: none"> Administer federal housing grant funds and grant agreements Issue and administer contracts for housing rehabilitation and development Develop and maintain a five-year Consolidated Plan and one-year Action Plans for affordable housing Facilitate public involvement in affordable housing plans
	Community Events	<ul style="list-style-type: none"> Plan and manage community-wide events Issue permits for special events held in public spaces

Staffing

The table below details authorized staffing levels for the CED from FY2015 through FY2019. Over this period, staffing levels have increased by 35.75 FTEs primarily due to the addition of Housing Inspectors in the Building Standards and Safety Bureau to support rental inspections as well as growth in community housing-related positions. In addition to these changes, in FY2019 the Department added a Human Relations Officer and a Recreation and Special Events Coordinator reporting directly to the Department Director.

Table 19: Authorized Community and Economic Development Staffing Levels, FY2015-FY2019

Staffing (FTE)	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Budget	Percent Change
Building Standards & Safety	16.65	31.30	34.00	28.00	41.00	146%
Health	35.50	35.00	35.00	36.00	36.00	1%
Planning & Zoning	10.00	10.00	10.00	10.00	10.00	0%
Other Functions	6.10	6.10	11.00	15.00	17.00	179%
Total	68.25	82.40	90.00	89.00	104.00	52%

Budget

The City of Allentown FY2019 Budget dedicates \$12,448,759 in General Fund expenditures to the Department of Community and Economic Development and an additional \$300,000 in the Housing Fund. The following table summarizes the historic expenditures of the Department. During the period from FY2015 to FY2019, total expenditures increased by 72%. The primary drivers of this increase include the

addition of 15.7 FTEs from FY2015 to FY2019 as well as increases to pension and health insurance expenses throughout the City. Additionally, expenditures for contract services increased significantly between FY2015 and FY2019 due to budgeted increases throughout the Department, including community events, the lead abatement program, a zoning ordinance plan, and emergency building services.

Table 20: CED Expenses – All Funds, FY2015 through FY2019

Expense Category	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budget	Percent Change
General Fund						
Personnel	\$6,823,284	\$6,838,751	\$7,818,691	\$8,219,350	\$9,983,034	46%
Materials and Supplies	\$91,796	\$107,737	\$183,817	\$148,918	\$276,478	201%
Services and Charges	\$445,384	\$728,334	\$716,312	\$1,028,916	\$2,125,033	377%
Capital Outlay	\$32,300	\$69,284	\$74,059	\$18,105	\$62,714	94%
Sundry	\$924	\$400	\$0	\$0	\$1,500	62%
General Fund Total	\$7,393,688	\$7,744,506	\$8,792,879	\$9,415,289	\$12,448,759	68%
Housing Fund						
Services and Charges	\$0	\$0	\$0	\$0	\$300,000	Not Applicable
Housing Fund Total	\$0	\$0	\$0	\$0	\$300,000	Not Applicable
Total	\$7,393,688	\$7,744,506	\$8,792,879	\$9,415,289	\$12,748,759	72%

Community and Economic Development Analysis and Recommendations

The CED Department provides a wide array of services that support many segments of the City's residential and business population. As the City grows, it is important to ensure that the Department continues to provide services in a manner that supports the City's strategic priorities and maximizes the use of available resources.

One of the most effective methods CED can utilize to maximize service efficiency is to leverage technology resources to the greatest extent possible. Specifically, there are opportunities to expand mobile technology solutions to streamline inspections, code enforcement activities, report writing, and related tasks in the field, rather than relying on staff to utilize paper documents and complete reports from central City offices. It will be critical for the Department to prioritize digital inspections and enforcement functions as a core method of maximizing effectiveness. However, it is important to emphasize that prioritizing and implementing CED's technology needs must occur in the context of the City's broader strategic technology goals and service level agreements, as described earlier in this report.

The following recommendations describe additional opportunities for the Department to more effectively manage its workload, fund its operations, and serve its customers.

Department Structure and Organization

Recommendation 27: Create a Community Development Bureau supervised by the Community Development Operations Manager.

The CED Department is one of the City's largest departments, with 104 full-time positions budgeted in FY2019. The Department currently utilizes three formally organized bureaus, including Building Standards and Safety; Health; and Planning and Zoning. Each of these bureaus has a robust hierarchy and formal reporting structure. In contrast, the Department's remaining functions are somewhat loosely organized. ANIZDA program oversight, business development, housing programs, and community event functions are currently performed by 12 FTEs in five functional groupings, each of which reports to the Director. While all of these functions focus on improving the vitality of the Allentown community, there is minimal coordination among staff in these groups.

This current arrangement is partially attributable to multiple Department reorganizations. In 2017 and 2018, several community housing and lead-based paint positions were moved out of the Building Standards and Safety Bureau to report directly to the Director. Additionally, the Recreation and Special Events Coordinator was reassigned to CED from Parks and Recreation in 2019. These changes have resulted in a significant span-of-control for the CED Director that consists of 10 direct reports, as illustrated in the following figure.

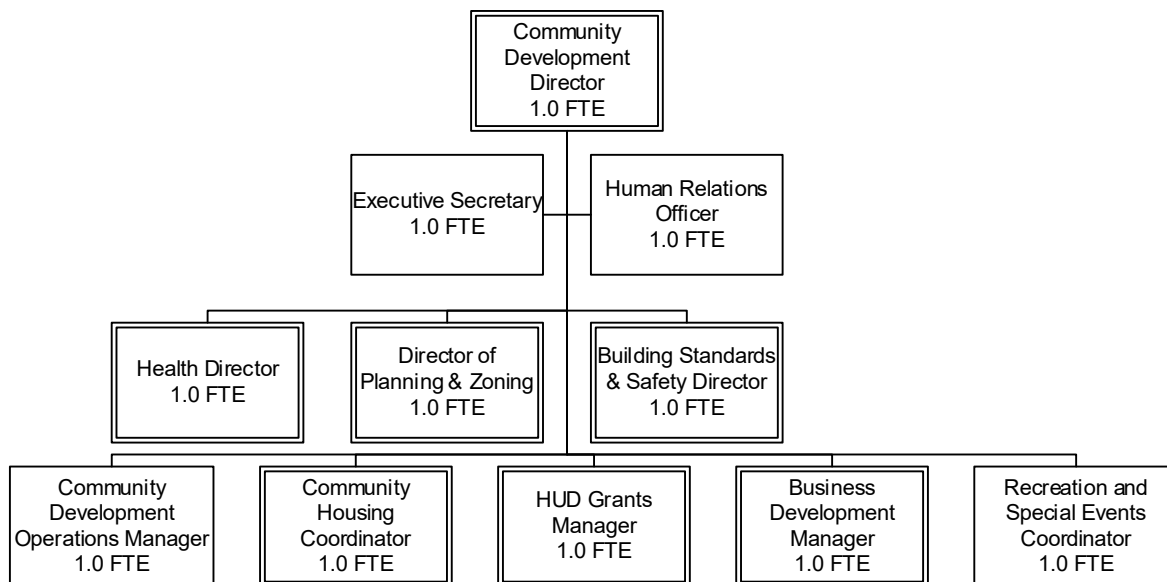


Figure 15: Current Director of Community and Economic Development Span of Control

In addition to providing oversight for these 10 direct reports and managing the daily operations of the CED Department, the Director of Community and Economic Development is responsible for representing the City and its interests by serving in leadership roles in numerous community and regional organizations. These include the Allentown Redevelopment Authority, Lehigh Valley Planning Commission, Lehigh Valley Economic Development Commission, Allentown Economic Development Corporation, and the Allentown Chamber of Commerce. In these roles, the Director can develop strategic partnerships to help advance the overall economic success of the City.

It is important to note that the span of control and scope of responsibilities assigned to the Director are significant. It is difficult to effectively engage in strategic, high-level decision-making while also fostering

relationships with community members and supervising the day-to-day activities of 10 staff. Additionally, the current organizational structure creates inefficiencies because existing middle management staff are not effectively utilized. Specifically, the Community Development Operations Manager is currently classified at the same level as the Director of Planning and Zoning and the Director of Building Standards and Safety, yet has no direct reports or direct supervisory duties.

To maximize the effectiveness of the Community Development Operations Manager position and enhance the ability of the Director to engage in strategic decision-making and community relations, the City should restructure the Community and Economic Development Department. The goal of this restructuring should be to group several smaller functions into a Community Development Bureau under the leadership of the Community Development Operations Manager, including Housing and Urban Development (HUD) grants and lead-based paint remediation, business development, community housing programs, and special events. The figure below represents the recommended structure and reporting for this bureau.

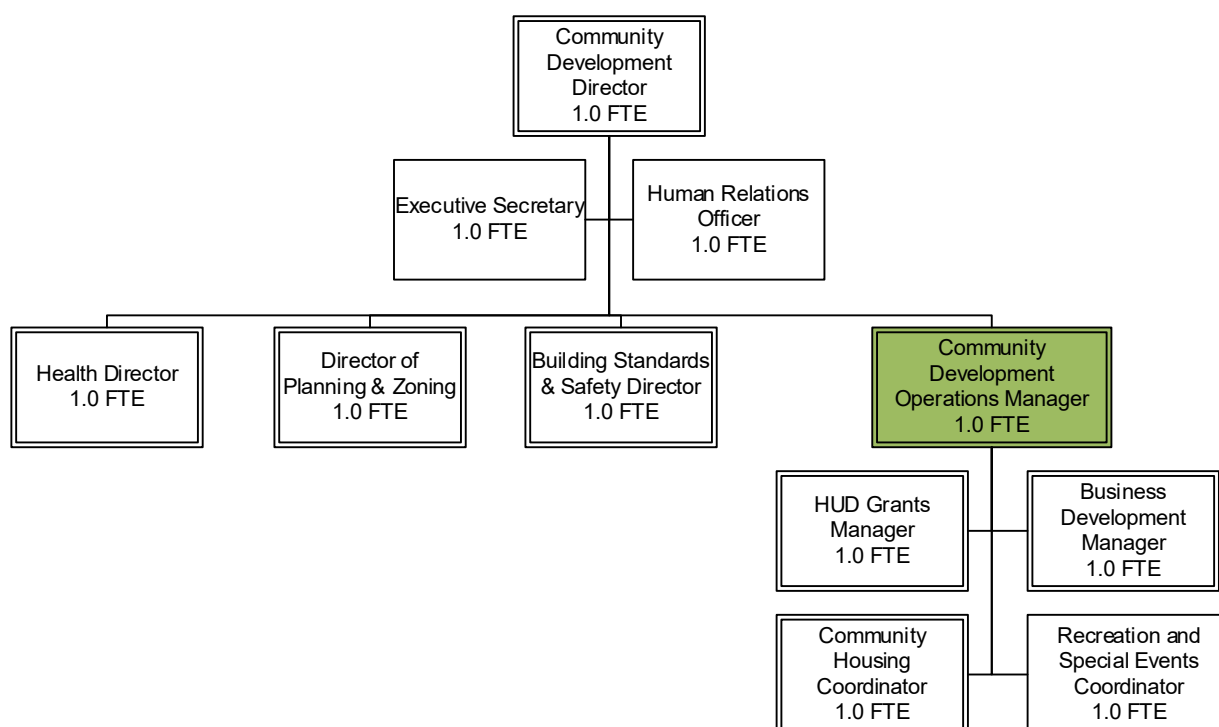


Figure 16: Recommended Structure with Community Development Bureau

Implementing this proposed reorganization has several benefits. First, it more effectively utilizes the Community Development Operations Manager position to manage day-to-day operations outside of the three existing Health, Planning, and Building Standards bureaus. In this role, the Community Development Operations Manager will be able to better coordinate resources and identify opportunities for cross-training and shared service delivery. For example, the Community Housing and Lead-based Paint Remediation programs currently administer federal grants provided by HUD, which involves grant applications, administration, accounting, and reporting. Assigning these functions to the Community Development Operations Manager creates opportunities to cross-train staff to assist one another during busy periods and to ensure that staff collaborates effectively with other Department and City personnel.

Similarly, creating a Community Development Bureau will streamline how businesses interact with and experience the Community and Economic Development Department. Interactions with the business community are currently split between the Community Development Operations Manager, who performs ANIZDA oversight, and Business Development program staff, who engage in business retention, attraction, and expansion efforts. Formalizing a supervisory relationship between these two functional areas would effectively increase the size of the business development team, creating additional opportunities for cross-training, outreach, and economic development.

Finally, the proposed restructuring will reduce the CED Director's span of control to six direct reports, providing the Director with additional capacity to participate more proactively in the strategic oversight of the Department and community outreach. This capacity is particularly important given Allentown's priority focus on improving its overall economic vitality and long-term financial sustainability, and it will be important for the Director to maintain some leadership capacity as the City continues to adopt and refine its strategic goals and the Allentown Vision: 2030 comprehensive plan.

Recommendation 28: Create a zoning cross-training program for Housing Inspectors.

The Building Standards and Services Bureau currently allocates four Housing Inspectors to conduct pre-sale inspections on properties in the City before they can be listed for sale. According to §1760.01 of the Allentown City Code, the purpose of the pre-sale inspection program is to "protect and improve the public health and safety by causing all residential properties and units to be inspected for compliance prior to transfer of title with the standards for basic safety and maintenance as found in the City of Allentown Property Rehabilitation and Maintenance Code and the allowable use designation according to the City of Allentown Zoning Ordinance."³²

During a pre-sale inspection, Housing Inspectors examine the property and structures for code violations, such as property maintenance deficiencies, life/health/safety violations, work occurring without permits, and zoning violations. Property owners must remedy any violations discovered during the pre-sale inspection before the property title can be transferred to a new buyer unless the new buyer agrees to remedy the violations.

While the pre-sale inspection process is effective at identifying and remediating building and property maintenance code issues, there are opportunities to increase the program's effectiveness at identifying potential zoning violations. It is important to emphasize that zoning inspections can become highly complex depending on the property being inspected, the date of construction, the property's location, whether the property was recently renovated, and a variety of other factors. Understanding when a property is in violation of the zoning code thus requires a comprehensive knowledge of the zoning ordinance as well as the history of the property being inspected. While many of the Department's Housing Inspectors are intimately familiar with property maintenance and building codes, not all Housing Inspectors have significant experience or familiarity with the City's zoning ordinance. As a result, if the Department's Housing Inspectors suspect that a zoning code violation may be present, they will commonly refer pre-sale inspections to Zoning Officers for additional review before finalizing the inspection.

Referring pre-sale inspections to Zoning Officers creates two inefficiencies for the Department and its customers. First, it creates additional work for Zoning Officers who must respond to pre-sale inspection requests as well as other zoning complaints and their usual duties. Second, referring pre-sale inspections

³² Allentown, Pennsylvania, Municipal Code. Article 1760.

<https://www.allentownpa.gov/Portals/0/files/CityCouncil/3%20PropRehab%20Art1741-1760.pdf>

for additional zoning follow-up can extend the inspections process and delay closing for property sales. While the Department does not currently track the number of pre-sale inspections referred to Zoning Officers, according to readily available data from the Department, the average number of days from the date a pre-sale inspection was created to the date the inspection was closed was approximately 157 days in 2016 and 2017. It is reasonable to assume that some of the delay associated with these inspections is attributable to zoning ordinance referrals.

To reduce these delays, it is recommended that the Department implement a cross-training program for Housing Inspectors to provide a basic familiarity with common zoning code requirements and violations. This program should be designed to equip Housing Inspectors with a foundational knowledge of zoning in Allentown and to teach Housing Inspectors how to effectively research a property's zoning history before performing inspections. Cultivating these skills among Housing Inspectors will increase the effectiveness of the zoning inspections they perform during the pre-sale inspections process and reduce the likelihood that zoning violations will be overlooked.

There are several options for developing and implementing this cross-training program. One approach is to assign Zoning Officers to accompany Housing Inspectors on pre-sale inspections to teach them about zoning requirements and violations in the field. This allows Zoning staff to demonstrate how Allentown's zoning ordinance is implemented on a case-by-case basis, and it creates opportunities for Zoning and Housing Inspectors to form closer working relationships. However, this approach also requires Zoning Officers to defer other assigned work to accompany Housing Inspectors on inspections, which potentially decreases their capacity to perform other zoning tasks.

An additional approach to cultivating knowledge of inspections involves requiring Housing Inspectors to achieve basic certifications or training in zoning practices. While this will increase each Housing Inspector's familiarity with the principles of zoning, the Department will need to ensure that Housing Inspectors are sufficiently familiarized with the City of Allentown's specific zoning ordinance and requirements. The advantage of this approach is that it could reduce the need for Zoning staff to directly accompany Housing Inspectors on inspections; however, it may require the Department to identify monetary resources to train Housing Inspectors.

At a minimum, it is advisable for the Department's Zoning staff to compile a reference guide or checklist for Housing Inspectors to help ensure Inspectors perform appropriate due diligence during pre-sales inspections. While this will require some time investment initially, it will result in a resource that can be widely disseminated among all Housing Inspectors and enhance their ability to understand zoning requirements in Allentown. Implementing this recommendation will help to maximize the efficiency of Housing Inspector staff and decrease the number of days involved in the pre-sale inspections process.

Grants and Revenue

Recommendation 29: Establish a formal grants policy for Community and Economic Development programs.

Several programs in the CED Department are grant-funded, including the Lead Program (for lead paint and lead exposure abatement), Community Development Block Grant (CDBG) program, the HOME Investment Partnerships Program (HOME), and Emergency Solutions Grants (ESG). The funding agencies, grant obligations, and reporting requirements for each grant program vary, and the City's participation in each grant program can result in varying impacts on the City budget from year to year.

One of the challenges of effective grant administration involves ensuring that the City's participation in a grant process does not create compliance burdens that outweigh the benefit of the grant. For example, in 2016, the City received nearly \$1.4 million in grant funds from the HUD Lead-Based Paint Hazard Control (LBPHC) grant program. This grant required the City to inspect and abate lead from approximately 50 residential structures within three years. Of the \$1.4 million awarded, 10% (\$140,000) could be used to support grant administration.

The 2016 grant represented the City's first time participating in the LBPHC grant program. Should the City choose to reapply for additional funding at the end of the current grant, it is likely that the requirements to inspect and abate properties will also increase. Increased abatement requirements will require additional Risk Assessors to conduct lead inspections, as well as additional construction contractors to perform remediations. Because only 10% of grant funds can be utilized for administrative purposes, opportunities to hire additional staff to conduct assessments, train existing staff to perform inspections, and contract for lead-related abatement work may be limited. In short, depending on the amount of funding received and the revised grant obligations, the City may lack sufficient staff to carry out the required inspections and abatements and may not be able to leverage grant funds to contract for services. It is important to ensure that the City's involvement with grant funding supports the organization's strategic priorities and enables the City to provide effective programs using available resources. To accomplish this, GFOA recommends that governments establish formal grants policies as a best practice.³³ At a minimum, GFOA recommends that grants policies contain the following elements:

- **Grants Identification.** The Community and Economic Development Department should provide advance notice to the Finance Department that it is seeking grants. This allows the Finance Department to better estimate and anticipate the effect of grants received on revenues, cash flow, and reporting requirements.
- **Strategic Alignment.** Grants sought by the Department should be assessed to determine whether they are consistent with the City's strategic vision, priorities, and goals. Grants that are not consistent with the City's strategic plan should not be pursued.
- **Funding Analysis.** Before accepting grants, the Department should perform a multi-year cost/benefit analysis to ensure that the grant's requirements do not outweigh its advantages. This analysis should contemplate requirements such as matching funds, the extent to which overhead costs are covered by the grant, other cost requirements, and cash flow associated with grant expenditures and disbursements.
- **Evaluation Prior to Renewal or Continuation.** Before renewing or continuing a grant, the Department should evaluate the actual costs, benefits, and impacts of the grant program using performance measurement data. If a grant has not produced desired benefits, it should not be renewed. Similarly, the Department should avoid renewing a grant if it creates additional financial obligations or if general revenues aligned with the grant would be better utilized on other City priorities.
- **Administrative and Operational Support.** For each grant received, the Department should develop detailed project plans and documentation regarding grant monitoring, training, and cost accounting.

Developing and adhering to a formal grants policy will help guide critical decisions about which grants to apply for and how those grants should be staffed and supported in future years. This is particularly

³³ <https://www.gfoa.org/establishing-effective-grants-policy>

important to ensure the Department's resources are aligned with the City's strategic plan and the outcomes of the priority-based budgeting process.

More specifically, implementing a grants policy and applying it to the LBPHC program will help the City evaluate how accepting grant funding will impact future operations. By calculating the overhead costs required to provide licensed Risk Assessors and Contractors for lead remediation and comparing these costs to the amount of administrative funding provided in the grants, the City can quickly determine whether accepting the LBPHC grant will require additional funding support or be fully offset by HUD funds. This information can help the City prioritize lead-based paint remediation as part of the priority-based budgeting process. Extending the formal grants policy analysis to all grants administered by CED will ensure that the Department's resources align with the City's strategic goals and advance its highest priorities in the near to medium term.

Recommendation 30: Conduct an annual review of all Community and Economic Development fees.

Fees for the various permits, licenses, and inspections provided by the Building Standards and Safety and Planning and Zoning Bureaus are established in Article 395 of the City of Allentown Codified Ordinances. Section 395.04 states that these fees should be recommended to City Council "from time-to-time" and be "sufficient to reimburse the City for costs involved in issuing permits, licenses and the inspections and administration thereof."³⁴ Despite this requirement in the municipal code, the CED Department does not have a current practice of comprehensively evaluating its fee structure regularly.

While some fee adjustments were implemented during each of the last two budget cycles, a comprehensive review of all Department fees and the cost of associated services has not been undertaken. To ensure that the fees charged by CED for licenses and permits adequately cover costs per the City Code, the Department should assess its fee structure annually and request adjustments to Article 395 accordingly. This will require the Department to consistently track workload data and capture cost recovery information.

In its best practice statement of Establishing Government Charges and Fees, the GFOA outlines several considerations for setting and maintaining effective charges and fees:

- Consider applicable laws and statutes before the implementation of specific fees and charges.
- Adopt formal policies regarding charges and fees. The policy should identify the factors to be considered when developing fees (affordability, pricing history, inflation, service delivery alternatives, and available efficiencies).
- Calculate the full cost of providing a service to provide a basis for setting the charge or fee and determine cost recovery goals for the Department.
- Review and update charges and fees periodically based on factors such as the impact of inflation, other cost increases, adequacy of cost recovery, use of services, and the competitiveness of current rates.
- Utilize long-term forecasting to ensure that charges and fees anticipate future costs in providing the service.
- Provide information on charges and fees to the public.³⁵

³⁴ Allentown, Pennsylvania, Municipal Code Part 3, Title Nine, Section 395.04

³⁵ Adapted from the Government Finance Officers Association, Best Practice on Establishing Government Charges and Fees, February 2014.

To ensure that the Department's fees are "sufficient to reimburse the City for costs involved in issuing permits, licenses and the inspections and administration thereof" as City Code requires,³⁶ the Department should develop a complete understanding of its overhead costs. For example, if permit fees are intended to recover costs associated with plan review and inspections as implied by the City Code, then the labor hours associated with these activities must first be calculated and averaged. Once the average amount of labor expended per permit is known, the Department can then apply a fully-burdened staff labor rate to estimate the total overhead cost associated with permit review and inspections services. Currently, the Department tracks several workload indicators, such as the number of inspections performed and permits issued for a variety of functions, but labor hours are not tracked. Gathering and evaluating this data as part of a comprehensive performance management system is critical to facilitating more effective fee calculations.

When performed consistently, annual fee reviews will allow the Department to gauge its competitiveness in the regional development market and provide opportunities to adjust fees in the event of changing conditions. As part of this process, Development staff should review the fees charged by neighboring jurisdictions to assess Allentown's competitive position. While the cost of development fees is only one factor in an applicant's decision to do business in the City, the City needs to understand whether its development fees price some developers out of the local market and place the City at a relative disadvantage for economic growth. It is important to note that the City's fees may be justifiably higher than those of its peers and neighboring jurisdictions; where this is the case, the Department should clearly communicate to customers the rationale behind development fees and explain the value of services provided in exchange for the fees.

Customer Service

Recommendation 31: Improve customer education tools regarding the City's development and permitting processes.

When new property development projects take place within the City, there are several types of approvals, licenses, and permits that the City requires. Navigating the development review process requires the applicant to coordinate with several bureaus within CED and throughout the City, depending on the characteristics of the project. These include Planning and Zoning; Building Standards and Safety; Health; the Department of Public Works; and the Finance Department. On its website, the Building Standards and Safety Bureau has started to create education tools for applicants to understand the steps required in navigating the various processes associated with development in the City.³⁷

This website serves as a good first step toward streamlining the experience that applicants have when they are considering property development projects in the City. However, the department still faces several challenges because its customers lack awareness of the City's processes for permits, inspections, and licenses.

Given the City's focus on promoting economic vitality and development, it is important to ensure that the City's development processes are well-understood and customers can find the resources and information required to successfully complete them. Particularly in light of the preceding recommendation to evaluate and increase Department fees as necessary, it is important that the customer experience be informed. In staff interviews and on the City's website, references to the creation of a one-stop-shop for property development projects were noted. This is a laudable long-term goal, but given the City's current physical

³⁶ Allentown, Pennsylvania, Municipal Code Part 3, Title Nine, Section 395.04

³⁷ <https://www.allentownpa.gov/Building-Standards-Safety/Building-Permit-Info>

and fiscal constraints, full implementation will take time. In the short-term, the Department should improve customer education tools for property development projects and common development transactions.

To achieve this recommendation, CED staff should focus on low-cost, incremental initiatives that will improve the overall customer experience, such as these suggested options:

- Ensuring the CED website is up-to-date
- Creating educational materials on the permitting and inspections processes and attaching these to permit requests
- Ensuring the Department's front counters are consistently staffed
- Simplifying signage near the Department's front counters to clarify where customers should wait
- Establishing performance measurement targets about how long customers have to wait
- Conducting customer surveys to identify improvement opportunities

Making incremental process improvements such as these will improve the Department's ability to provide quality service to its customers and its overall understanding of its customers' needs and expectations.

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Parks and Recreation Department

The Parks and Recreation Department's mission is *"to enhance the quality of life in our City by providing and maintaining quality parks, trails, and green spaces, and by offering enriching recreational activities and facilities for people of all ages and abilities."*³⁸ The Parks and Recreation Department maintains 26 parks comprising over 2,000 acres, 11 trails extending approximately 35 miles, six pools and aquatics facilities, 21 baseball fields, 18 playgrounds, and a municipal golf course. In addition to park maintenance, the Department coordinates a variety of recreational programs as well as special activities for the community, such as an annual Summer Playground Program, Summer Concert Series, Adventure Camp, and Basketball and Volleyball sports programs. These functions are carried out by a staff of approximately 60 FTEs led by the Parks, Recreation, and Trails Director, as illustrated in the following figure.

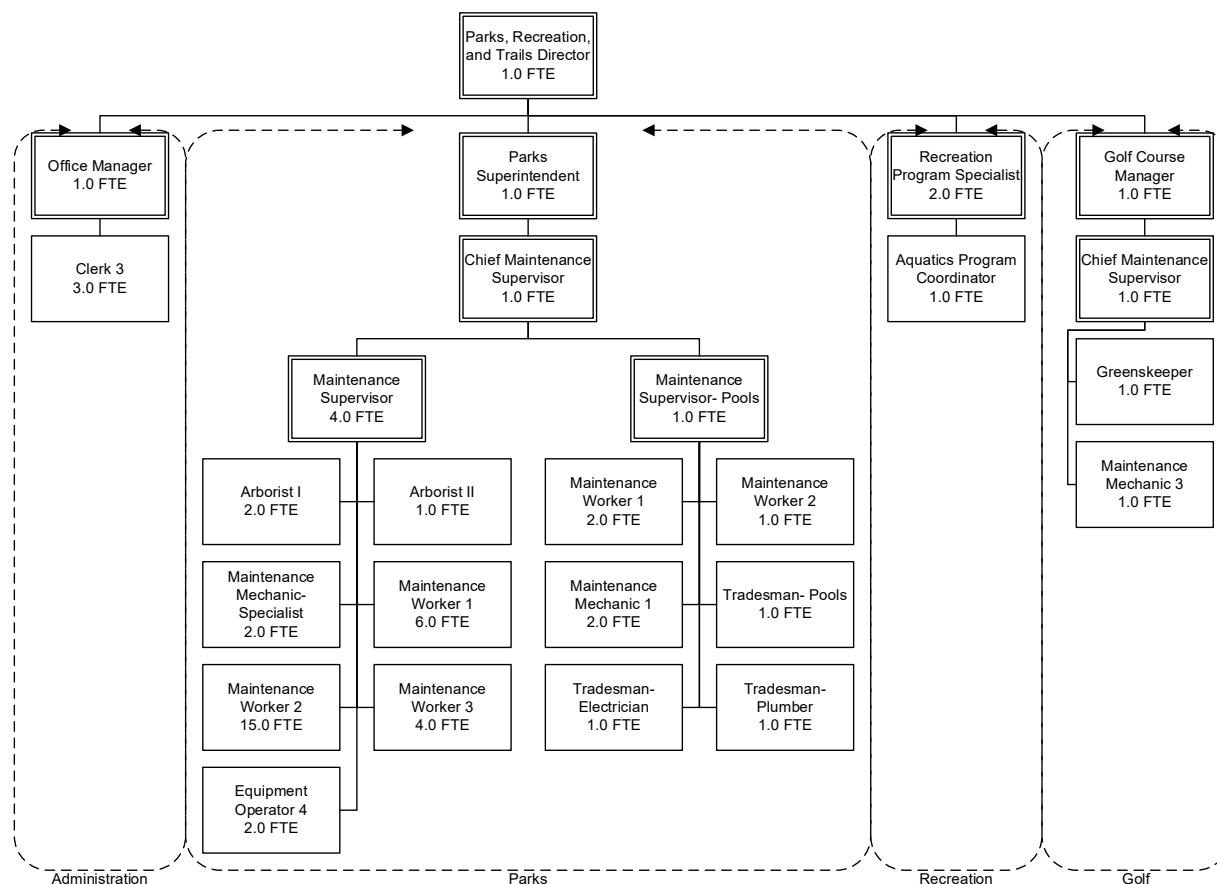


Figure 17: Parks and Recreation Department Organizational Structure, FY2018

The Parks, Recreation, and Trails Director is responsible for managing the Department and directly supervises five personnel, including the Office Manager, Parks Superintendent, two Recreation Program Specialists, and the Golf Course Manager. The Director also prepares the Department's annual budget and coordinates priority requests from elected officials and the public.

³⁸ City of Allentown. "2019 Final City Budget." Page 169.

<https://www.allentownpa.gov/Portals/0/files/Finance/budget/2019Final/09%20-%20Parks%20and%20Recreation.pdf>.

Administrative support, including answering inquiries, greeting guests, processing payments and invoices, processing payroll, and data entry, is provided by the Office Manager and three full-time Clerks. Each Clerk is designated to provide support for a specific bureau (i.e. Golf, Parks, and Recreation).

Parks

The mission of the Parks Bureau is *“to provide landscape management and development services within the parks and other City properties, providing varied, safe, attractive, and modern places for public recreation and a cleaner, more beautiful city.”*³⁹ The Parks Bureau consists of 47 FTEs and is led by the Parks Superintendent, who directly supervises one Chief Maintenance Supervisor. The Chief Maintenance Supervisor is responsible for coordinating assignments for five Maintenance Supervisors and their crews, organized into Parks Maintenance and Pool Maintenance groups.

Parks Maintenance is conducted by a group of four Maintenance Supervisors and 32 crew members. This staff is responsible for operations such as mowing, grounds and tree maintenance, park bathroom maintenance, garbage collection in parks and park facilities, creek management, detention pond cleaning, and small equipment maintenance.

The Pool Maintenance group consists of a Maintenance Supervisor and eight crew staff. This staff is responsible for maintaining the City’s six aquatics facilities, including pools, pumps, and related electrical/mechanical systems. Skilled trades workers in this group also assist other Parks staff with the maintenance of Parks-related facilities.

Both Parks Maintenance and Pool Maintenance staff support other seasonal and special activities, including snow plowing City streets and along sidewalks bordering City facilities, assisting with setup and teardown for City special events, and performing special projects as assigned.

Recreation

The mission of the Recreation Bureau is *“to provide and promote broad-based recreation opportunities to improve the quality of life for citizens and visitors of all ages and abilities.”*⁴⁰ The Bureau is staffed by three FTEs including two Recreation Program Specialists and the Aquatics Program Coordinator.

Recreation Program Specialists oversee all recreation programs, including aquatics, the Summer Playground Program, community events such as Movies in the Park, and sports program activities, including adult and youth basketball and volleyball. The City does not employ coaches or assign teams associated with sports programs; instead, teams in the community register with the City, which provides league rules, schedules meetings and games, tracks scores, and coordinates referees and timekeepers during the league season. Sports leagues typically include more than 80 children’s basketball teams in the summer, 35 children’s basketball teams in the winter, and adult volleyball leagues throughout the year.

The Aquatics Program Coordinator is responsible for operating the City’s aquatics facilities, including hiring seasonal workers and lifeguards, ensuring lifeguards receive adequate training and certifications, supervising staff, and developing aquatics programs. Additionally, this position coordinates with the Pool Maintenance Supervisor in the Parks Bureau to maintain pool infrastructure.

³⁹ Ibid.

⁴⁰ Ibid.

Golf

The mission of the Allentown Municipal Golf Course is “to provide an economically self-sustaining recreational activity for the local citizenry to enjoy.”⁴¹ Golf course operations consists of four FTEs, including a Golf Course Manager who oversees a Chief Maintenance Supervisor, Greenskeeper, and Maintenance Mechanic 3. This personnel is responsible for maintaining the 18-hole golf course facility and grounds, which are open to the public from February through December. The Golf Course is supported by a dedicated enterprise fund (the Golf Course Fund).

Core Services Matrix

The following table provides an overview of the Department’s core services by functional area. Rather than being an exhaustive list of responsibilities, this table illustrates activities that have a significant impact on staff time and financial resources.

Table 21: Parks and Recreation Department Core Services

Department Function/Division	Program Area	Activities
Administration	Capital Projects	<ul style="list-style-type: none"> Complete all parks-related capital project paperwork Coordinate funding for parks-related capital projects Manage contracts associated with Parks and Recreation Department projects
	Grant Administration	<ul style="list-style-type: none"> Prepare and submit state and federal grant applications Complete close-out paperwork for state and federal grants
	Office Support	<ul style="list-style-type: none"> Receive phone calls and walk-ins at the Parks and Recreation Department office Input data such as labor hours into Lucity bi-weekly Process invoices, payments, and requisitions Process payroll for the Parks and Recreation Department (Fridays and Mondays) Coordinate pavilion rentals Manage social media for the Parks and Recreation Department
Parks	Park Maintenance	<ul style="list-style-type: none"> Conduct plumbing, electric, and pool maintenance repairs in Parks properties as needed Perform minor cemetery maintenance including mowing and weeding Remove weeds in park garden beds daily Coordinate new/replacement concrete work on park property Conduct planned and unplanned waterline excavation repair and replacement on park property Conduct waterline flushing on park property as needed Collect trash and recycling on Park properties daily

⁴¹ City of Allentown. “2019 Final City Budget.” Page 169.

<https://www.allentownpa.gov/Portals/0/files/Finance/budget/2019Final/09%20-%20Parks%20and%20Recreation.pdf>.

Department Function/Division	Program Area	Activities
		<ul style="list-style-type: none"> Conduct leaf collection, guardrail installation, garbage can installation, and minor property rehabilitation each autumn Maintain park garden beds including mulching and planting as needed each spring/summer Perform athletic field maintenance including soil remediation and mowing as needed
	Mowing	<ul style="list-style-type: none"> Mow park properties to 3.5" as needed Trim and landscape park properties as needed Conduct roadside spraying and mowing throughout the entire City as requested
	Snow Removal	<ul style="list-style-type: none"> Plow all sidewalks around City facilities, all trails in the City, and all streets in District 4 (west side) as needed each winter
	Tree Maintenance	<ul style="list-style-type: none"> Maintain trees in the parkway and City rights-of-way Collect tree debris from City trees and in rights-of-way upon request
	Special Events	<ul style="list-style-type: none"> Coordinate set-up, maintenance, and tear down of the City's annual Lights in the Parkway exhibit (October-January)
	Creek Management	<ul style="list-style-type: none"> Inspect and clean creek channel runoff and debris on park property
	Detention Pond Cleaning	<ul style="list-style-type: none"> Remove sediment and trash from detention ponds in Trexler Park, Daddona Terrace, Lehigh Parkway, and Cedar Beach Park Conduct visual inspections of grates, structures, manholes, boxes, and pipes Maintain a log of work completed on each detention basin/pond
	Equipment Maintenance	<ul style="list-style-type: none"> Maintain hand-operated equipment Coordinate large equipment/vehicle maintenance with City Garage Manage and update equipment inventories
Recreation	Playlot Management	<ul style="list-style-type: none"> Coordinate and conduct playground inspections Spray pesticides and/or herbicides in playlot areas 3-4 times a year Conduct visual and physical inspections of playlots bi-weekly and log observations
	Swimming Pool	<ul style="list-style-type: none"> Manage daily operations of pool facilities such as coordinating staffing for lifeguards, operating concessions, and processing pool admissions Coordinate with Police to provide security for peak hours and weekend patrol for pools Track status of lifeguard certifications Conduct lifeguard training Register seasonal pool passes

Department Function/Division	Program Area	Activities
	Summer Playground Program	<ul style="list-style-type: none"> • Operate a free eight-week Summer Playground Program at 18 different park locations in the City • Coordinate field trips and activities for the Summer Playground Program • Provide updates via the hotline to parents of children participating in the Summer Playground Program regarding the status of program activities • Hire Summer Playground Program seasonal staff • Conduct performance evaluations for all seasonal staff hired for the Summer Playground Program annually • Maintain incident, accident, and first aid logs • Track playground attendance • Manage registrations for the Summer Playground Program • Coordinate with Human Resources to provide a three-day in-service training for seasonal hires
	Sports Programs	<ul style="list-style-type: none"> • Create, administer and manage all City of Allentown sports programs including children's basketball leagues and adult volleyball leagues • Coordinate scheduling, registering, staffing, timekeeping, scoring, recruiting, and advertising for City basketball and volleyball leagues • Secure Field Rangers to act as security for games • Conduct a free Queen of the Court program for young girls • Conduct a free week-long Adventure Camp program for children
	Special Events	<ul style="list-style-type: none"> • Coordinate staffing, rentals, cleaning, and on-site operations for special events hosted on park property • Conduct a free, weekly Summer Concert Series for the community (May-September)
	Budget Preparation	<ul style="list-style-type: none"> • Prepare the annual Department budget (July – August)
Allentown Municipal Golf Course	Golf Course Maintenance	<ul style="list-style-type: none"> • Coordinate groundskeeping and maintenance for golf driving ranges and parking lots • Schedule equipment maintenance in the winter
	Golf Course Operations	<ul style="list-style-type: none"> • Manage reservations, bookings, and season pass registrations daily • Coordinate staffing, customer service, advertising, and budgeting for the Municipal Golf Course • Produce marketing materials to advertise golf course amenities to the surrounding community

Staffing

The following table provides a breakdown of authorized staffing levels in the Parks and Recreation Department from FY2015 to FY2019.

Table 22: Authorized Parks and Recreation Staffing Levels, FY2015-FY2019

Parks and Recreation	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Budget	Percent Change
Park Maintenance	35.50	39.50	36.50	37.50	38.75	9%
Recreation	3.00	3.00	3.00	3.00	5.75	92%
Trexler Memorial Park	14.00	13.00	15.00	15.00	11.25	-20%
Municipal Golf Course	5.50	4.50	4.50	3.00	3.00	-45%
Total	58.00	60.00	59.00	58.50	58.75	1%

It is important to note that staff allocated to “Trexler Memorial Park” are supported by the Trexler Memorial Park fund, which provides monies for park maintenance services in Trexler Memorial Park. Although some administrative staff are supported by this fund, most of the staff allocated to the Trexler Memorial Fund function as Park Maintenance staff.

Park Maintenance and Recreation staff have grown overall as the result of additional positions, including 3.25 laborer and 2.75 clerk positions. Total authorized staffing has increased by 0.75 positions, or approximately 1%, since FY2015.

Budget

The following table provides a breakdown of the annual budget for the Parks and Recreation Department for the past five years.

Table 23: Parks and Recreation Development Department Expenditures, FY2015 through FY2019

Expenditure Type	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budgeted	Percent Change
Personnel	\$3,484,258	\$3,710,217	\$3,686,143	\$3,683,057	\$4,839,196	39%
Materials & Supplies	\$229,664	\$238,925	\$166,102	\$158,816	\$160,700	-30%
Services & Charges	\$424,781	\$442,080	\$413,064	\$359,954	\$256,401	-40%
Capital Outlay	\$66,263	\$51,025	\$21,327	\$16,454	\$17,000	-74%
Sundry	\$2,908	\$2,185	\$3,680	\$1,810	\$2,500	-14%
General Fund Total	\$4,207,874	\$4,444,432	\$4,290,316	\$4,220,091	\$5,275,797	25%
Personnel	\$658,016	\$655,253	\$659,479	\$658,522	\$682,761	4%
Materials & Supplies	\$122,119	\$141,106	\$149,506	\$162,263	\$153,000	25%
Services & Charges	\$132,726	\$135,235	\$204,618	\$187,897	\$194,612	47%
Capital Outlay	\$21,423	\$156,449	\$270,003	\$96,809	\$66,000	208%
Sundry	\$203,926	\$202,944	\$302,622	\$311,681	\$327,232	60%
Golf Course Total	\$1,138,210	\$1,290,987	\$1,586,228	\$1,417,172	\$1,423,605	25%
Personnel	\$1,133,142	\$1,174,594	\$1,429,502	\$1,429,816	\$1,233,459	9%
Materials & Supplies	\$48,266	\$126,883	\$144,033	\$133,518	\$224,152	364%
Services & Charges	\$37,753	\$87,836	\$77,741	\$94,676	\$92,887	146%
Capital Outlay	\$366,364	\$419,804	\$97,098	\$78,349	\$505,966	38%
Sundry	\$24,122	\$178,528	\$118,618	\$101,810	\$0	Not Applicable

Expenditure Type	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budgeted	Percent Change
<i>Trexler Memorial Fund Total</i>	<i>\$1,609,647</i>	<i>\$1,987,645</i>	<i>\$1,866,992</i>	<i>\$1,838,169</i>	<i>\$2,056,464</i>	<i>28%</i>
Grand Total	\$6,955,731	\$7,723,064	\$7,743,536	\$7,475,432	\$8,755,866	26%

The Parks and Recreation Department is funded through the General Fund, the Trexler Memorial Fund, and the Golf Course Fund. The Trexler Memorial Fund supports the upkeep of Trexler Memorial Park while the Golf Course Fund finances the operations and maintenance of the Municipal Golf Course. Overall, General Fund expenditures increased by 26% over the past five years, largely driven by increased Personnel costs and increased expenses for Trexler Memorial Park materials, supplies, services, and charges.

Parks and Recreation Analysis and Recommendations

The Parks and Recreation Department manages and maintains the entirety of the City's parks infrastructure and hosts several significant recreation programs and special events throughout the year. This workload is expansive, involving thousands of acres of greenspace and associated park trails, fields, facilities, and amenities, and the Department's recreation programming reaches more than 1,100 participants for sports leagues alone. While the Department's staff is responsible for providing the full scope of maintenance and programs described above, service level expectations for maintenance and program offerings have not been formalized, and many services currently provided by Parks Maintenance staff are highly similar to or duplicative of services provided by the Department of Public Works. To ensure that the Parks and Recreation Department maximizes the use of available resources in a way that supports the City's strategic goals, it is important to reallocate staff, create clear service and work plan expectations, and formalize cost recovery goals.

Recommendation 32: Transfer Parks functions and staff to the Public Works Department and retitle the Parks and Recreation Department to the Recreation Department.

The Parks Bureau maintains an annual work calendar that identifies 15 key service functions that must be performed each year:

- Aquatics Maintenance
- Bathroom Maintenance
- Carpentry Repairs
- Field/Court Maintenance
- Fish Hatchery Maintenance
- Garbage Collection
- Grounds Maintenance
- Turf Maintenance
- Mechanical Maintenance
- Park Events
- Playground Maintenance
- Plumbing Maintenance
- Snow Removal (Plowing and Sidewalks)
- Tree Work
- Electrical Maintenance

While the Department's annual work calendar represents an important foundational tool for work planning, it is important to note that there are no formal service level standards in place to guide decision-making on how to prioritize these maintenance activities. For example, during the summer months, Parks staff typically mow grounds on a seven-day cycle to a height of 3.5 inches, while rights-of-way are mowed monthly and riparian areas are cut twice per year. However, these practices largely reflect historical precedent, and there is no clear association between this mowing cycle and a formally articulated policy. Similarly, Parks staff are responsible for plowing snow in rights-of-way and along sidewalks bordering City properties; however, there is currently no minimum threshold for commencing plowing activities, and staff may be pulled from other tasks to engage in snow removal on an ad-hoc basis.

In addition to a lack of clear service expectations, several of the services currently performed by Parks Bureau staff are similar to or duplicative of services provided by the Department of Public Works. In particular, grounds maintenance (such as mowing and weed abatement in rights-of-way), snow removal, tree work, garbage collection, and trades work, including electrical, mechanical, and plumbing maintenance, are all examples of services that are also provided by Public Works staff.

This creates a twofold challenge for the City. First, it is difficult to determine the number of staff required to maintain park infrastructure and perform all requested services when service level expectations are unclear. Second, the City cannot easily determine whether staff are deployed in a manner that effectively achieves its strategic priorities given the overlapping workload between Parks and Public Works.

Typically, organizations will determine appropriate staffing levels for park maintenance by developing formal service level standards. This requires the governing body to articulate clear preferences for how infrastructure should be maintained to meet community expectations. Once the level of service is established, the City can calculate the number of labor hours and personnel needed to maintain assets and allocate sufficient personnel to complete the work.

To estimate Parks Bureau staffing needs based on scheduled work for 2019, The Novak Consulting Group aggregated major work tasks and scheduled labor hours based on information provided by the Parks Bureau. The following table illustrates major service activities and scheduled labor hours by month, the total amount of scheduled work hours each month among listed activities, and the estimated number of staff needed to provide services each month based on available work hours. According to this analysis, the number of Park Bureau employees needed to provide scheduled service ranges from 23 to 78 full-time positions per month, as illustrated in the following table.

Table 24: Parks Bureau Scheduled Labor Hours by Month, 2019

Service Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Aquatics Maintenance	480	480	600	480	624	576	720	576	504	600	480	480
Bathroom Maintenance	176	176	220	176	220	176	220	176	176	220	176	176
Field/Court Maintenance	0	0	200	160	200	160	200	160	160	200	160	0
Fish Hatchery	80	80	100	80	100	80	100	80	80	100	80	80
Garbage	352	352	440	352	440	352	440	352	352	440	352	352
Policing Litter	160	160	200	160	280	320	400	320	160	200	160	160
Night Watering	0	0	0	0	384	384	480	384	384	0	0	0

Service Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Leaf Removal	0	0	0	0	0	0	0	0	0	2,400	1,920	1,920
Mowing	0	0	0	3,040	3,840	3,040	3,840	3,040	3,040	3,840	0	0
Turf Maintenance	0	0	0	320	400	320	400	320	320	0	0	0
Mechanical Maintenance	320	320	400	320	400	320	400	320	320	400	320	320
Lights in the Parkway/Seasonal Decorations	2,240	1,920	0	0	0	0	0	0	0	1,920	1,616	672
Playground Maintenance	160	160	200	160	200	160	200	160	160	200	160	160
Plumbing Maintenance	160	160	200	160	200	160	200	160	160	200	160	160
Tree Work	480	480	600	480	680	640	800	640	480	600	480	480
Electrical Maintenance	160	160	200	160	200	160	200	160	160	200	160	160
Total Scheduled Work Hours	4,768	4,448	3,360	6,048	8,168	6,848	8,600	6,848	6,456	11,520	6,224	5,120
Regular Work Hours per Month	168	152	176	168	176	168	168	184	152	176	160	160
Estimated Number of Staff Needed	34	35	23	43	55	48	61	44	50	78	46	38

In the table above, the “Estimated Number of Staff Needed” is calculated by dividing the Total Scheduled Work Hours per month by the number of Regular Work Hours per Month and multiplying the result by a staffing factor to account for leave usage. Based on accrual rates specified in the City’s labor agreement with the SEIU, employees utilize approximately 312 sick, vacation, and personal leave hours on average each year. This means that even if employees are scheduled for 2,080 hours, they are likely to only be available for 1,768 hours after taking leave. As a consequence, for every position required to perform scheduled work, 1.17 personnel must be hired to ensure appropriate coverage.⁴²

It is important to emphasize that the scheduled labor hours included in the table above do not include all services and functions currently provided by Parks staff. For example, the only special event for which labor hours were readily available involved Lights in the Parkway. The Parks Bureau also performs setup and teardown for summer concerts, movies in the park, sporting events, and other special events for which labor information was not readily available. Similarly, labor hours associated with carpentry, snow removal, and other functions were not readily available. As a result, the number of staff required to provide services each month is likely understated.

The Parks Bureau is staffed by 48 FTEs. Based on the staffing analysis above, this staffing level is insufficient to perform scheduled maintenance tasks in May, July, September, and October each year. Because service level expectations are undefined, it is difficult to definitively determine whether existing staffing is appropriate. Additionally, because some of the services in the above analysis overlap with Public Works, staffing Parks functions as currently scheduled could contribute to duplicative staffing and inefficient allocation of personnel.

⁴² 2,080/1,768 = 1.17. This calculation is also known as a “staffing factor” calculation and is used to estimate required staffing levels.

In communities such as Allentown, where fiscal and personnel resources are constrained, it is essential to ensure that service delivery aligns with the City's available resources. Identifying available resources reflects the first, most critical step of priority-based budgeting, as discussed earlier in this report. Given the need to formalize service levels for Parks functions and to ensure that services are not duplicated with Public Works, the most effective method of aligning service delivery with available resources is to combine Parks and Public Works functions. This requires reallocating existing Parks Bureau staff to the Public Works Department and retitling the Parks and Recreation Department as the Recreation Department.

Reallocating this staff and functions represents a major change and a fundamental shift in how the City approaches service delivery. However, this shift is necessary to ensure the City properly aligns its available resources, particularly personnel, with its strategic priorities and service expectations. Consolidating Parks and Public Works staff will create three key opportunities that will position the City to more effectively achieve its strategic priorities and preserve resources in the future.

The first opportunity is to create a single general labor pool in Public Works, which can be utilized to provide comprehensive maintenance services across all City infrastructure assets, including parks, streets, and facilities. By consolidating staff with similar skill sets in these functions, the City will be able to more efficiently direct personnel, ensure crews are staffed to protect worker safety, and dedicate staff to high-priority work. Second, this proposed reorganization provides the City with an opportunity to develop comprehensive asset management inventories, condition assessments, and work plans as discussed in the Public Works section of this report. Implementing an asset management approach that combines Parks and Public Works functions will help the City prioritize maintenance tasks to advance its strategic priorities using available personnel. Finally, this reorganization creates opportunities to realize personnel savings by eliminating or reclassifying management positions and focusing on retaining or adding line staff to perform scheduled tasks.

It is important to emphasize that combining Parks and Public Works maintenance functions presents some operational challenges that must be proactively managed. Specifically, because Parks will be combined with Public Works, there is a danger that Parks functions will become secondary tasks in the overall context of City-wide maintenance and service obligations. Maintaining an appropriate emphasis on the importance of park maintenance is critical to ensure a seamless transition and continued quality service delivery to City residents. There are several steps City and Department leaders can take to ensure Parks functions are appropriately prioritized in the context of overall workload, including emphasizing the importance of parks to the City's strategic goals, defining specific and proactive parks maintenance tasks as part of an annual work plan, and measuring how often and how well park maintenance occurs after the proposed consolidation.

Implementing this recommendation will require significant preparation and management oversight. This transition will take dedicated attention and could impact existing relationships among staff in Parks and Public Works as well as between management and union employees. To ensure an effective transition, it will be important for the City to designate experienced management staff to oversee the proposed reorganization and facilitate the integration of Parks and Public Works cultures.

Additional information about the specific reallocation and incorporation of Parks staff into the Public Works Department is discussed in the Public Works section of this report.

Recommendation 33: Create an annual Recreation work plan.

While the Parks and Recreation Department engages in some scheduled work planning activities for park maintenance, it does not currently utilize a regular work plan to inform recreation functions. This challenges the Department's ability to understand how seasonal workload tasks impact staff and constrain the Department's ability to provide effective service.

To better understand how program assignments impact existing Recreation staff and inform future staffing and program planning efforts, the Department should create an annual Recreation work plan. The primary benefit of developing an annual work plan is that it allows the Department to visualize when specific activities associated with major programs need to occur, estimate labor hours associated with each activity, prioritize each activity in the context of other work, and track performance targets related to Recreation.

A useful recent example of Recreation work planning may be found in the City of Covington, Washington. In 2017, the City published a Parks and Recreation Action Plan, which includes a detailed work plan for each Recreation division.⁴³ The work plan lists specific activities to be performed by the division, the strategic goals and priorities supported by each activity, when the activity should be performed and at what priority, estimated labor hours associated with each activity, and specific performance targets that should be met upon completion.

A similar approach should be adopted by the Recreation Department to identify current programming responsibilities and allocate existing staff to maximize service delivery. Compiling a list of program responsibilities for Recreation Program Specialists and the Assistant Aquatics Manager will provide the Department with a comprehensive overview of its obligations throughout the year and help staff prioritize new service requests in the context of the existing workload. Additionally, by referring to the Recreation work plan and utilizing it to track and evaluate performance indicators, the Department will be able to more clearly evaluate how its activities support the City's strategic goals and priority-based budgeting efforts.

Recommendation 34: Expand volunteer opportunities for Recreation-related services.

The City relies on several seasonal staff to provide recreation services. For example, the Summer Playground program relies on 58 paid seasonal staff, and the City's sports league programming requires approximately 13 paid referees and timekeeping positions. While the cost of employing these seasonal personnel is not readily available, it is prudent to expand volunteer opportunities associated with Recreation to reduce expenditures and utilize existing resources as effectively as possible.

The use of volunteers also creates opportunities for the City to develop sustainable and meaningful engagements with residents to help supplement staffing needs. According to "In Focus," a journal publication of the International City/County Management Association (ICMA), establishing a volunteer program can ease the workload for services that are limited by funding shortfalls, drive economic recovery and growth, enhance City identity, and build a sense of shared purpose and collective action within the City. Municipalities commonly engage volunteers to assist staff at public libraries, local parks, neighborhood watches, sports leagues, and other specialized committees or councils. To attract a stable

⁴³ <https://www.covingtonwa.gov/2017%20Parks%20and%20Recreation%20Action%20Plan%20v04-02-2017.pdf>

pool of volunteers, municipalities also commonly collaborate with local businesses, non-profits, and educational institutions to attract interest in supporting local events, activities, and programs.⁴⁴

When launching new volunteer opportunities, ICMA recommends the following actions:

- Identify a project manager to facilitate communication and coordinate project logistics
- Provide one or more organizational representatives at service projects to coordinate on-site operations
- Administer a post-evaluation of the event to assess the impact of service
- Consistently highlight volunteer efforts and benefits through marketing techniques, such as a newsletter, social media posts, or featured articles on a municipal website
- Lead volunteer orientations through the municipality that promote volunteer opportunities and establish volunteer duty expectations⁴⁵

It is important to note that the Department already coordinates volunteer activities with Friends of the Allentown Parks, a nonprofit founded in 2008 to encourage greater use of the City's parks and recreation system. The organization is dedicated to promoting responsible care and use of the parks, providing advice and support for parks improvements, administering volunteer efforts, and promoting environmental responsibility and education.⁴⁶ Specific volunteer efforts managed by Friends of the Allentown Parks include the Remembrance Tree Program, park cleanup events, Adopt-a-Flowerbed, and Adopt-a-Park. According to City staff, there are approximately 3,000 volunteers associated with Friends of the Allentown Parks, and the organization has a robust working relationship with the City.

While it is important to continue utilizing volunteer programs like Friends of the Allentown Parks, there are additional opportunities to expand volunteerism into Recreation-specific programs, such as youth and adult sports leagues. While some volunteers associated with Friends of the Allentown Parks may be interested in these opportunities, it is likely that the Department will need to conduct additional volunteer outreach and coordination efforts to foster interest in and commitments to Recreation programs. Given the structural reorganization discussed in this section, it is appropriate to assign responsibility for cultivating Recreation volunteerism to the Recreation Director. As the leader of the Department, the Recreation Director is ideally suited to engage elected officials, community members, and existing volunteerism groups to create a dedicated pool of Recreation volunteers.

Developing a robust volunteer program for Recreation programs will require diligent outreach and recruitment efforts, as well as a process for screening, credentialing, and managing volunteer contacts. The National Recreation and Park Association (NRPA) publishes detailed guidelines regarding background screening and volunteer management best practices, which should be reviewed by the Recreation Director and Human Resources staff and incorporated into volunteer recruitment efforts.⁴⁷

⁴⁴ Nunn, M. (2010). Build a Successful Volunteer Program to Drive Growth and Recovery. *In Focus: Strategies and Solutions for Local Government Managers*, 42(2). Retrieved from <https://www.marc.org/Community/KC-Communities-for-All-Ages/PDFs/In-Focus-Build-a-Successful-Volunteer-Program.pdf>

⁴⁵ (Nunn, M. 2010)

⁴⁶ Friends of the Allentown Parks. "About Friends." <https://fotap.wordpress.com/about-friends/>

⁴⁷ https://www.nrpa.org/uploadedFiles/nrpaorg/Membership/Endorsed_Business_Provider/NRPA%20recommended%20guidelines%20-%20Final.pdf

Recommendation 35: Establish formal cost recovery goals for Recreation programs.

The Recreation Bureau offers a wide range of community programs from summer camps to sports leagues. Many of these programs and activities are offered free of charge, including the Summer Playground Program, Allentown Adventure Camp, Lively Lunches in the Park, Movies in the Park, and the Summer Concert Series. Other programs such as admission to the City's aquatics complexes and sports league registrations, require fees that vary based on whether participants are City residents, as illustrated in the following table.

Table 25: Recreation Bureau Fees

Program	Activity	Resident Fee	Non-Resident Fee
Pool Admission (Daily)	Infants (0-3 years old)	FREE	FREE
	Senior Citizens (60+ years old)	\$2	\$4
	Irving Pool Individual (4-59 years old)	\$2	\$4
	Jordan Pool Individual (4-59 years old)	\$4	\$8
	Mack Pool Individual (4-59 years old)	\$4	\$8
	Cedar Beach Pool Individual (4-59 years old)	\$6	\$12
Pool Admission (Season Pass)	Infants (0-3 years old)	FREE	FREE
	Individual (4-59 years old)	\$75	\$150
	Senior Citizens (60+ years old)	\$25	\$50
	Veterans & Active Military	\$25	\$50
	Family (up to 4 individuals)	\$200	\$400
	Up to 4 additional individuals may be added for	\$25 per person	\$50 per person
Basketball Team Registration	Youth	\$200	\$200
	Adult	\$325	\$450

While the Department utilizes a tiered rate structure that includes higher charges for non-City residents, there is no formal cost recovery policy in place, which creates several challenges for the City. First, without a formal cost recovery policy, the City cannot determine whether it is subsidizing programs appropriately. This makes it difficult to evaluate whether programs are effectively recouping their costs based on the City's strategic goals and priorities.

To ensure programs are priced appropriately and support future efforts to analyze the effectiveness of Recreation programming, it is recommended that the City adopt a formal cost recovery policy. Cost recovery is a strategic approach to generating revenue through user fees and other revenue sources relative to the total operational costs it takes to run each program. Realistically, the goal of cost recovery is not to recover the full cost of program operations but to establish a revenue target according to a variety of considerations, such as categories, target audience, and other factors that are important to the City Council, that may range from 0% to over 100% of direct costs.⁴⁸

For example, the City of Shoreline, Washington, developed a cost recovery plan using a 10 Year Financial Sustainability Plan (10YFSP) that identified alternate strategies to cover the cost of Shoreline core and

⁴⁸ San Luis Obispo County. "San Luis Obispo County Parks: Parks and Recreation Department Cost Recovery Methodology Report July 2018," slocountyparks.com. <https://slocountyparks.com/wp-content/uploads/2018/07/County-of-SLO-Cost-Recovery-Methodology-Final-Report.pdf>. Accessed October 1, 2019.

quality-of-life services based on a cost-recovery study. The City of Shoreline City Council formed a subcommittee that met to discuss, analyze, review, and develop cost recovery strategies that met the needs of their community and put these strategies together in the 10YFSP. City staff used this 10YFSP to develop a cost recovery implementation plan for the Parks, Recreation, and Cultural Services (PRCS) Department based on the highest priority strategies. PRCS coordinated with the Administrative Services Department (Budget Office) to develop a three-step approach that determined priority strategies for the City: review service costs, establish cost recovery goals, and determine price setting protocol.⁴⁹

Next, the City of Shoreline established cost recovery goals by using a tiered system based on the primary beneficiary of each recreation program. These cost recovery tiers include the following:

- I. **Community Benefit or Public Services (0-30%):** Services that are provided to the general public without restriction and/or benefit to the general public.
- II. **Community/Individual (25%-50%):** Programs and facilities that have some benefit exclusive to individuals or individual organizations but also have a significant benefit to the community and general public.
- III. **Individual/Community (40%-70%):** Programs or facilities that have strong benefits to both the community and the individual person or organization.
- IV. **Mostly Individual (60%-90%):** Programs and facilities that provide some level of benefit to the general community but most of the benefit is accrued to the individual.
- V. **Highly Individual or Private Services (80%-100%):** Programs and facility uses that have minuscule or no benefits for the general public and are almost exclusively for the benefit of the individual.

After determining cost recovery goals, the City of Shoreline established categories to guide staff in developing price proposals:⁵⁰

- I. **No Fee:** Community benefit is so significant that consideration of fees is not warranted.
- II. **Demand (Peak Load) Pricing:** Prices set to be higher during times of peak demand and use.
- III. **Market-Based (Comparative Rate) Pricing:** Price set based on what others in the marketplace are charging.
- IV. **Loyalty Program:** Price rewards frequent facility or program users by offering a reduced rate or “volume buying” discount.
- V. **Full Cost Recovery:** Price requires a calculation of the full (direct, indirect, and capital) costs of providing a service or facility and setting prices to recover those costs averaged across the anticipated users.
- VI. **Partial Cost Recovery:** Anything less than full cost recovery. This can be cost recovery for direct costs only, indirect costs only, or capital costs only.
- VII. **Social Benefit (Differential) Pricing:** Prices set differentially based on a set of social goals.
- VIII. **Tradition Pricing:** Prices are set based on tradition and historical precedent.
- IX. **Ability to Make Coin Change:** Fees set to allow the cashier to make coin change with few errors and increased speed (such as in whole dollar or \$0.25 increments).
- X. **Scholarship/Discount Pricing Option:** Prices set based on Full Recovery or are market-driven, yet scholarships or discounts are available to citizens who need reduced pricing alternatives.

⁴⁹ City of Shoreline. “City of Shoreline: Shoreline Parks, Recreation, and Cultural Services Cost Recovery/Fee Setting Framework.” Accessed October 1, 2019.

⁵⁰ City of Shoreline. “Parks, Recreation and Cultural Services/Tree Board.” June 25, 2015.
<http://www.shorelinewa.gov/Home/ShowDocument?id=21224>. Accessed October 1, 2019.

The City of Shoreline and the City of Allentown are similar in that they both rely on pool facilities and sports leagues to generate a substantial amount of revenue for recreation programs. Implementing formal cost recovery goals and applying these to all Recreation programs will allow the City to more clearly set revenue expectations and identify appropriate subsidy levels. This will help ensure the City generates sufficient revenue to support Recreation programming while providing another mechanism to evaluate the effectiveness of program performance. For example, if a program cannot consistently achieve its revenue goals, the City may evaluate whether to offer the program as part of the priority-based budgeting process and/or adjust the program's cost recovery goals.

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Public Works Department

The Department of Public Works (DPW) is responsible for maintaining streets, traffic lights, facilities, and stormwater infrastructure throughout the City of Allentown. It also oversees recycling, solid waste management, and animal control services and manages the City's capital projects. The Department is staffed by a total of 145.0 full-time positions and led by a Public Works Director, as illustrated in the following figure.

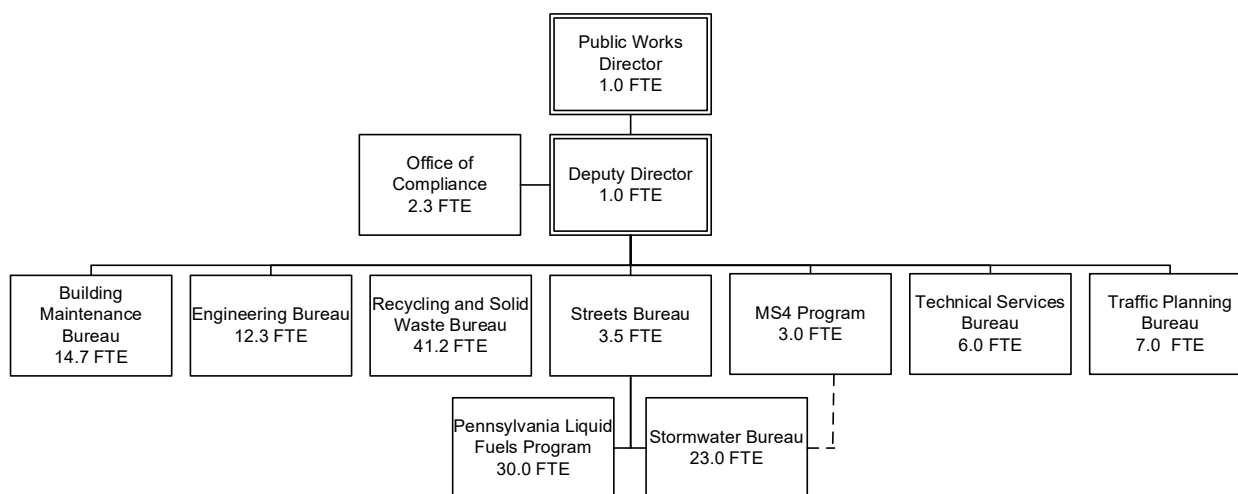


Figure 18: Public Works Department Organizational Structure, FY2019

It is important to note that in practice, the position of Director has been filled on an interim basis for more than five years by the Deputy Director. The Streets Superintendent currently serves as Acting Deputy Director. The following paragraphs summarize core Department functions and associated staff.

Office of Compliance

The Office of Compliance consists of 2.3 FTEs, including two Compliance Auditors and an Office Manager. In 2013, the City leased its water and wastewater systems to the Lehigh County Authority (LCA) for a 50-year period. The Office of Compliance is responsible for ensuring that the LCA adheres to the terms of the contract and keeps the water and wastewater treatment plants in compliance with state and federal regulations.

Building Maintenance Bureau

The Building Maintenance Bureau consists of 14.7 FTEs and is overseen by the Facilities Manager. The Bureau is responsible for conducting maintenance, repairs, and construction for 153 City-owned properties, including several historical homes within the City park system that are leased to private residents. It also provides custodial services to City facilities.

Engineering Bureau

The Engineering Bureau consists of 8.0 FTEs and is managed by the Senior Civil Engineer. The Bureau is responsible for designing and overseeing the Department's capital projects, as well as reviewing the design of capital projects pursued by other departments. It also conducts plan reviews of public and private developments and inspections of City streets, sidewalks, and street trees.

Recycling and Solid Waste Bureau

The Recycling and Solid Waste Bureau consists of 41.2 FTEs and is overseen by the Recycling and Solid Waste Manager. The Bureau is responsible for managing the City's third-party contract for residential waste and recycling. It also maintains recycling and yard waste drop-off sites and collects solid waste and recycling from City-owned receptacles. The Bureau also staffs the City's Solid Waste Education and Enforcement Program (SWEEP), which issues citations for some property maintenance code violations, including tall grass and improperly stored garbage receptacles.

This Bureau also includes the City's Animal Control Officer, who responds to animal-related complaints and coordinates the City's contract with the Lehigh County Human Society for shelter and animal cruelty investigation services.

Streets Bureau, including the Pennsylvania (PA) Liquid Fuels Program

The Streets Bureau, which includes the PA Liquid Fuels Program, is responsible for maintenance of City streets as well as the City-owned fleet. A total of 30.0 FTEs are assigned to the PA Liquid Fuels Program, and are responsible for maintaining and repairing approximately 400 lane miles of City-owned streets, as well as for plowing the streets during the winter. Most services are handled in-house, although microsurfacing is contracted out.⁵¹ The program is funded in part through PA Liquid Fuels funding, a State program that allocates road maintenance funding to municipalities. The Bureau also manages the City's contract for maintenance and repair of the City's fleet.

Stormwater Bureau and Municipal Separate Storm Sewer System (MS4) Program

The Stormwater Bureau consists of 23.0 FTEs and is overseen by a Stormwater Manager who reports to the Streets Superintendent. The Bureau is responsible for maintaining the City's stormwater infrastructure.

The MS4 Program consists of 3.0 FTEs overseen by an MS4 Coordinator. It is responsible for education, monitoring, and outreach related to the City's federal Municipal Separate Storm Sewer Systems (MS4) certification and related permits. The City's current MS4 permit dates back to 2004, and the City has been granted several extensions by the Pennsylvania Department of Environmental Protection. The goal of the MS4 Program, which began in 2018, is to update and expand the City's stormwater program to ensure continued certification.

Technical Services Bureau

The Technical Services Bureau consists of 6.0 FTEs supervised by the Operations Manager. The Bureau was transferred to DPW from the Police Department in 2016 and is responsible for maintaining the City-wide camera system, as well as for maintaining City-owned radios and other after-market electronics.

Traffic Planning Bureau

The Traffic Planning Bureau consists of 7.0 FTEs and is managed by the Traffic Control Superintendent. The Bureau maintains the City's street lights, traffic lights, and hazard lights. The Bureau is also responsible for programming traffic lights to effectively manage traffic patterns.

Core Services Matrix

The following table provides an overview of DPW's core services and is not meant to be all-inclusive.

⁵¹ Microsurfacing includes the practice of putting a thin layer of asphalt and crushed stone over a roadway to seal minor cracks and refresh the road's surface.

Table 26: Department of Public Works Core Services

Department Function/Division	Program Area	Activities
Office of Compliance	Compliance Auditing	<ul style="list-style-type: none"> • Manage lease of City water and sewer facilities • Review and approve major capital improvements at water and sewer facilities • Manages data collection and reporting related to federal permits
Building Maintenance Bureau	Facility Maintenance	<ul style="list-style-type: none"> • Complete routine maintenance and reactive repairs for a total of 153 facilities and areas • Perform custodial services to City facilities
Engineering Bureau	Capital Projects	<ul style="list-style-type: none"> • Design capital projects for the Public Works Department, such as bridge replacement, road improvements, street scaping, street lighting, and stormwater infrastructure • Review every City capital project
	Surveying	<ul style="list-style-type: none"> • Conduct initial surveying for capital projects • Maintain City base map in GIS • Map roads for the PA Liquid Fuels program
	Plan Review	<ul style="list-style-type: none"> • Review all subdivision and land development plans for compliance with City codes and wetlands, floodplain impact
	Utilities	<ul style="list-style-type: none"> • Respond to requests for information from the public • Issue permits for excavation to ensure that excavation does not impact water, sewer, or stormwater lines • Complete violation reports if utility lines are hit
	Streets and Sidewalks	<ul style="list-style-type: none"> • Inspect 263.5 City-owned miles of street (5-7 miles per year on average) for damage and overall quality • Inspect sidewalks and curbs for damage and overall quality • Issue permits for right-of-way encroachment for construction projects, such as construction of a new driveway • Manage and oversee Americans with Disabilities Act handicapped ramp installations
	Trees	<ul style="list-style-type: none"> • Inspect trees in City right-of-way for visibility and safety concerns, e.g., inspect for dead branches or trees blocking signage • Trim trees as needed to maintain safety and visibility
Recycling and Solid Waste Bureau	SWEEP Program	<ul style="list-style-type: none"> • Monitor the City for approximately 180 code violations, such as tall grass, waste outside of proper receptacles, etc. • Issue tickets as appropriate; 8,025 tickets were issued in 2018 • Adjudicate ticket appeals; approximately 15% of tickets appealed
	Recycling, Composting, and Solid Waste	<ul style="list-style-type: none"> • Manage contract for twice-weekly residential solid waste and recycling collection by a private hauler • Collect solid waste and recycling from City-owned receptacles when full

Department Function/Division	Program Area	Activities
		<ul style="list-style-type: none"> • Staff a yard waste site; provide compost to residents and paying customers • Staff a recycling drop-off site for regional residents • Clean up empty lots, abandoned properties • Clean up graffiti from public and private buildings
	Street Sweeping and Leaf Collection	<ul style="list-style-type: none"> • Sweep City-owned streets during spring, summer, fall months; 13,570 miles cleaned in 2018 • Perform residential leaf collection seasonally • Collect brush year-round
	Animal Control	<ul style="list-style-type: none"> • Trap stray domestic animals and deliver them to the area Humane Society Chapter • Respond to calls of dead, stray, or neglected animals • Manage contract with the Humane Society to house animals, backfill the Animal Control Officer position, and manage animal cruelty cases • Conduct public outreach and education on animal welfare and animal control issues
Stormwater Operations	Storm System Maintenance	<ul style="list-style-type: none"> • Install, replace, and repair storm sewers, inlets, and other stormwater infrastructure as needed
	MS4 Program	<ul style="list-style-type: none"> • Conduct data collection and reporting related to the City's federal MS4 stormwater certification, such as water quality data for City streams • Conduct outreach to regional residents and businesses on maintaining water quality and managing storm runoff • Assist area businesses in obtaining required permit attesting that they have appropriate stormwater mitigation programs in place • Conduct regular water and discharge testing • Respond to and mitigate spills that may impact the City water system
Streets Bureau	Streets Maintenance	<ul style="list-style-type: none"> • Pave, patch, and mill streets • Plow snow seasonally • Manage contracts for microsurfacing
	Fleet	<ul style="list-style-type: none"> • Manage the contract for maintenance and repair of City fleet
	PA Liquid Fuels	<ul style="list-style-type: none"> • Pave, patch, and mill streets • Plow snow seasonally • Process annual MS-965 Report on Use of State Funds
Technical Services Bureau	Technical Services	<ul style="list-style-type: none"> • Monitor and maintain City traffic camera system • Repair and replace City radios and other after-market electronics
Traffic Planning Bureau	Traffic Lights and Signs	<ul style="list-style-type: none"> • Repair, install, and maintain traffic lights (approximately 200) • Program traffic lights to maintain traffic flow • Maintain and replace approximately 110,000 street signs as needed

Department Function/Division	Program Area	Activities
	Streetlights	<ul style="list-style-type: none"> Oversee contract to convert approximately 8,100 streetlights to LED Repair and replace lights as needed

Staffing

The following chart shows the Department's authorized staffing levels for the last five fiscal years.

Table 27: Authorized Public Works Staffing Levels, FY2015-FY2019

Public Works	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Budget	Percent Change
Building Maintenance	15.00	15.00	14.70	14.70	14.70	-2%
Communications	0.00	0.00	3.50	3.50	6.00	Not Applicable
Director-Public Works (Administration)	0.90	0.90	0.90	0.60	0.60	-33%
Director-Public Works (Compliance)	3.30	3.30	3.30	2.50	2.50	-24%
Engineering	14.00	14.00	14.80	12.30	12.30	-12%
Liquid Fuels Fund	25.00	28.00	29.00	30.00	30.00	20%
Recycling and Solid Waste	38.00	38.00	41.00	42.00	42.00	11%
Stormwater	19.00	19.00	20.00	26.40	26.40	39%
Streets	10.80	7.80	4.80	4.50	3.50	-68%
Traffic Planning & Control	7.00	7.00	7.00	7.00	7.00	0%
Total	133.00	133.00	138.50	143.00	145.00	7%

The Department's authorized staffing level has increased by 7% over the past five years, mostly driven by increases in the number of full-time Stormwater staff. The City implemented a Stormwater fee in 2018 to fund stormwater maintenance and infrastructure improvements, and the revenue from the fee funded the staffing increase. The only other areas that have experienced a growth in authorized staffing include streets maintenance personnel allocated to the Liquid Fuels Fund and Recycling and Waste staff.

Budget

The Department is supported by several funds:

- General Fund
- Liquid Fuels Fund, financed through the State of Pennsylvania's Liquid Fuels Program based on a municipality's population and miles of roadway
- Solid Waste Fund, financed largely through recycling and solid waste fees
- Stormwater Fund, financed through a residential stormwater fee

The following table illustrates the Department's operating expenditures for the last five fiscal years.

Table 28: Department Expenses – All Funds, FY2015 through FY2019

Expense Category	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budgeted	Percent Change
Personnel Services	\$10,420,079	\$11,019,269	\$11,807,088	\$12,482,687	\$14,221,011	36%
Materials & Supplies	\$2,283,450	\$2,398,425	\$2,457,862	\$2,756,317	\$3,595,077	57%
Services and Charges	\$14,843,932	\$14,859,075	\$14,478,279	\$14,182,528	\$16,088,638	8%
Capital Outlays	\$426,486	\$351,646	\$726,563	\$1,292,185	\$1,223,860	187%
Sundry	\$799,495	\$5,488,024	\$1,121,832	\$2,014,921	\$2,349,694	194%
Total	\$28,773,442	\$34,116,439	\$30,591,624	\$32,728,638	\$37,478,280	30%

Overall expenditures have increased by 30% over the last five years. This is largely driven by stormwater expenditures following the implementation of the City's stormwater fee, as illustrated in the following chart.

Table 29: Department Expenses by Fund, FY2015 through FY2019

Fund	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budgeted	Percent Change
General Fund	\$10,984,992	\$11,480,626	\$12,048,438	\$10,394,018	\$11,724,784	7%
Liquid Fuels Fund	\$2,350,680	\$3,051,340	\$3,247,930	\$3,313,735	\$4,052,567	72%
Solid Waste Fund	\$15,437,770	\$19,584,473	\$15,295,256	\$15,017,911	\$16,533,514	7%
Stormwater Fund	\$0	\$0	\$0	\$4,002,974	\$5,167,415	Not Applicable
Total	\$28,773,442	\$34,116,439	\$30,591,624	\$32,728,638	\$37,478,280	30%

The Liquid Fuels Fund also experienced a significant increase in expenditures due to increased support from the State. The State's net allocation to Allentown was approximately \$1 million higher in FY2019 than it was in FY2015. Liquid Fuels funding is dedicated to the construction, maintenance, and repair of public roads.

Public Works Analysis and Recommendations

DPW, like other Departments across the City, manages operations with limited resources and prioritizes extensive data collection as a tool for enhancing effectiveness. The following recommendations build on the Department's current practices and strengths while also offering opportunities for greater efficiency and cost savings. In particular, there are opportunities to align staffing and workload functions in Parks and Public Works as well as to implement additional operational changes designed to maximize the effectiveness of existing staff, as described below.

Organizational Structure

Recommendation 36: Consolidate Parks maintenance and Public Works functions.

As described in the Parks and Recreation section of this report, there are several significant functional overlaps between Parks maintenance and Public Works, including grounds maintenance, mowing, snow removal, tree work, garbage collection, and trades. For many of these functions, the distinction between Parks and Public Works responsibilities is unclear or represents overlap. For example, Parks staff are responsible for snow removal in City streets and rights-of-way, not simply in City parks. Similarly, Parks

staff are involved in grounds and tree maintenance in rights-of-way along with Public Works crews. Although building maintenance and trades responsibilities are more distinct (Parks staff largely maintain pools and Parks-related facilities, while Public Works staff maintain other City facilities), the use of separate crews in multiple departments limits opportunities to coordinate and comprehensively prioritize work.

These overlapping responsibilities create barriers to effective operations. In practice, staff in both departments believe they are doing work that is actually the responsibility of the other Department. Furthermore, because the two departments operate as separate entities, there is limited opportunity to coordinate efforts and identify work that is redundant or at cross-purposes with work completed by the other department. As a result, it is difficult for the City to ensure staff are utilized effectively and to align staff resources with the organization's strategic priorities.

One of the most critical steps the City can take to enhance its operations is to align programs and service delivery with available resources. In the context of DPW and Parks, the most effective way to accomplish this alignment is to consolidate Parks maintenance functions and staff into Public Works. The following figure illustrates Parks positions impacted by the proposed consolidation; affected positions are highlighted in green.

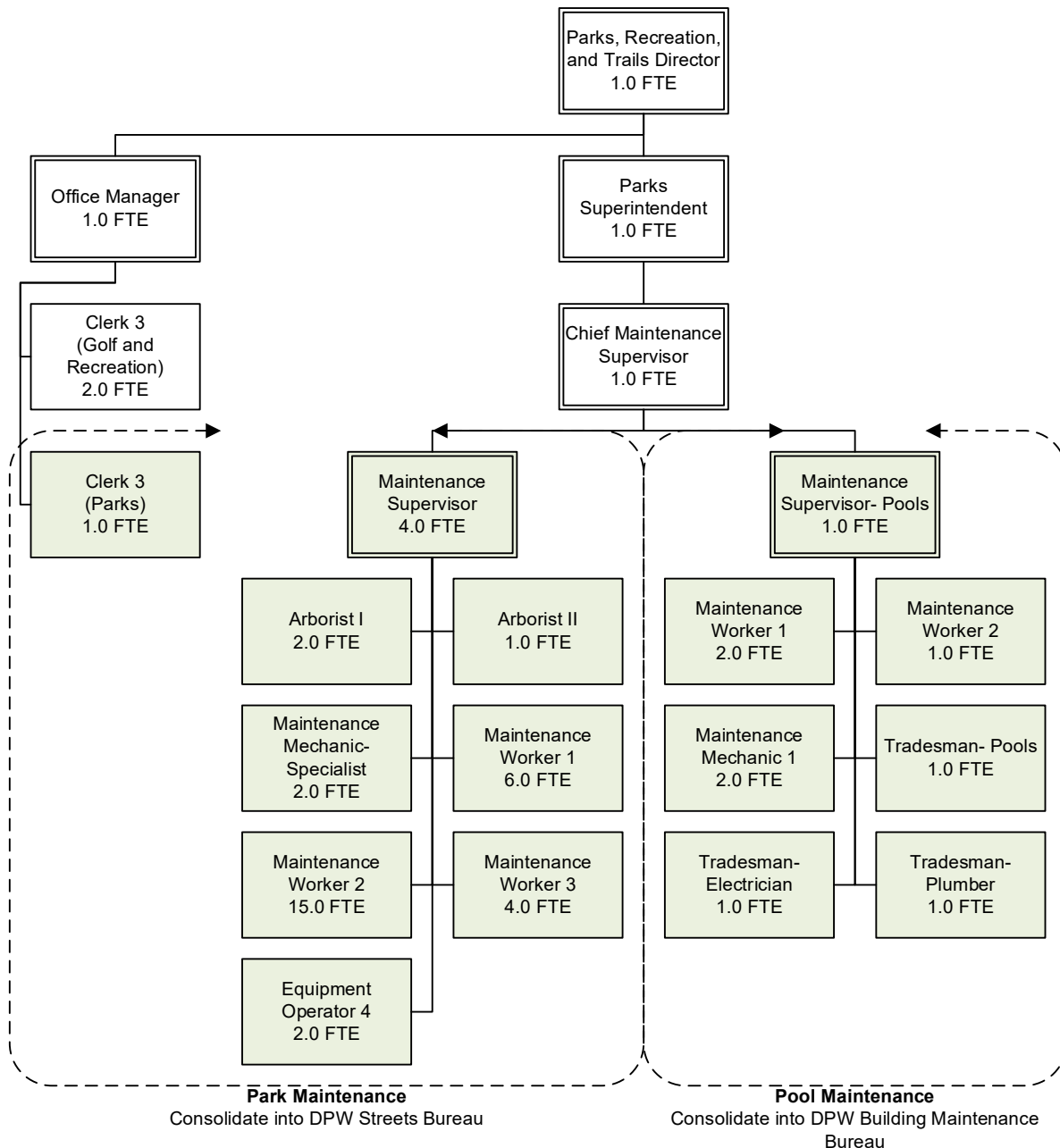


Figure 19: Parks Positions Affected by Consolidation with DPW

Although consolidating Parks Maintenance and DPW staff represents a significant departure from current practice, it will create several advantages for the City.

First, consolidation eliminates structural barriers created by using multiple departments with similar staff to accomplish similar work. By grouping staff with comparable talents, skills, and abilities together under a single department with a unified reporting structure, the City will be able to more efficiently develop workload assignments and compose crews based on available personnel and skills. This is particularly important in the context of the City's efforts to engage in strategic planning, priority-based budgeting, and effective asset management as discussed throughout this report. Centralizing personnel allows the

City to understand the full extent of its available resources and ensure that service expectations and work plans are appropriate given the size and capabilities of existing staff.

Creating a consolidated labor pool for Parks and DPW maintenance functions also increases opportunities to cross-train staff and enhance existing skill sets. As staff gain experience with a wider variety of tasks and functions, their ability to perform work will deepen, and the Department will be better equipped to accomplish high-priority work even if staff utilize leave or separate from the City organization. Additionally, rotating staff among work crews and functions creates opportunities for staff to develop closer working relationships and to learn from each other.

Finally, consolidating services creates opportunities for the City to realize some expenditure savings by eliminating or reclassifying middle management positions, including a Superintendent and two Chief Maintenance Supervisor positions. Based on the latest available salary and benefit information provided by the City, eliminating these positions could result in an estimated savings of approximately \$408,765, as illustrated in the following table.⁵²

Table 30: Estimated Cost of Middle Management Positions, FY2019

Position Title	Average Total Compensation per Position	Number of Positions	Estimated Total Personnel Costs
Superintendent	\$146,315	1	\$146,315
Chief Maintenance Supervisor	\$131,225	2	\$262,450
Total		3	\$408,765

Consolidating Parks and DPW maintenance functions will require several distinct steps, including creating a single general labor pool in the DPW Streets Bureau, consolidating Park Maintenance staff in the DPW Streets Bureau, and consolidating Pool Maintenance staff in the DPW Building Maintenance Bureau. Each of these steps is discussed in detail below.

Step 1: Create a single general labor pool in the DPW Streets Bureau.

Maintenance staff in the DPW Streets Bureau are divided between two Chief Maintenance Supervisors. The first Chief Maintenance Supervisor oversees three Maintenance Supervisors and a crew of 31 staff who perform a variety of public works maintenance functions, including street maintenance. A second Chief Maintenance Supervisor oversees a 10-person crew and specializes in streets maintenance work funded by the Liquid Fuels Program, as illustrated in the following figure.

⁵² Estimated total compensation based on current actual salaries, FICA costs estimated at 4.6% of current wages, pension costs estimated at 31.9% current wages, and fixed benefit (health, dental, vision) costs of \$33,187.44 per year, based on the City's budget ratios and latest available benefit rate sheets.

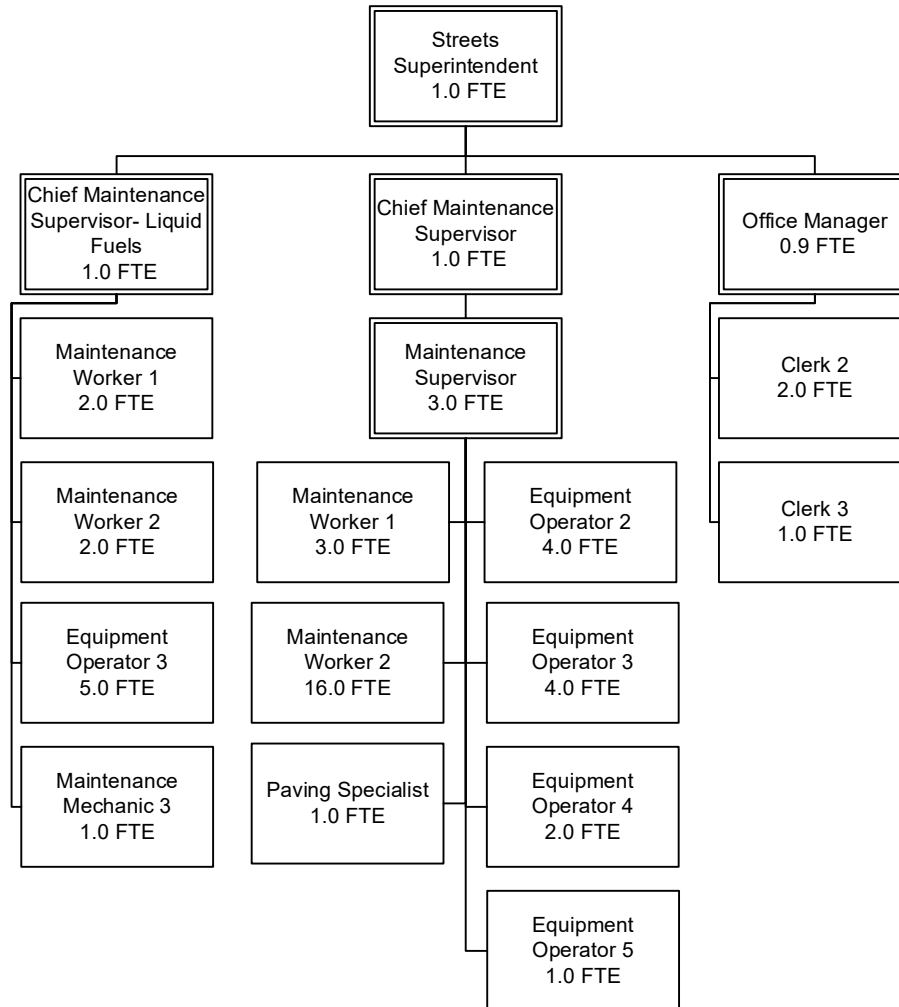


Figure 20: Current Structure of the Streets Bureau in DPW

Historically, the Department has utilized a dedicated Liquid Fuels crew to help ensure project costs supported by the Liquid Fuels program are billed appropriately. Liquid Fuels funding may only be used for street projects that are limited in scope and have received prior approval by a program representative. For example, Liquid Fuels funding cannot be used for general sidewalk repairs unless those repairs are part of a larger road or bridge realignment project that has been approved for funding.⁵³

However, in practice, the distinction between the Liquid Fuels crew and other Streets maintenance staff is less clear. The City currently bills some DPW positions to the Liquid Fuels Fund that are not included in the Liquid Fuels crew, and both Liquid Fuels and other Streets maintenance staff perform street repairs. While it is entirely appropriate to track personnel expenditures associated with Liquid Fuels projects for accounting purposes, there is little practical reason to utilize separate crews. Instead, the Department should continue to track labor hours related to Liquid Fuels projects and merge existing personnel into a single general labor pool for the Streets Bureau. This also creates an opportunity to eliminate a Chief

⁵³ "Policies and Procedures for the Administration of the County Liquid Fuels Tax Act of 1931 and Act 44 of 2007 and the Liquid Fuels Tax Act 655." Pennsylvania Department of Transportation.
<https://www.dot.state.pa.us/public/PubsForms/Publications/Pub%209.pdf>

Maintenance Supervisor and assign supervision of the entire labor pool to the remaining Chief Maintenance Supervisor, as illustrated in the following figure.

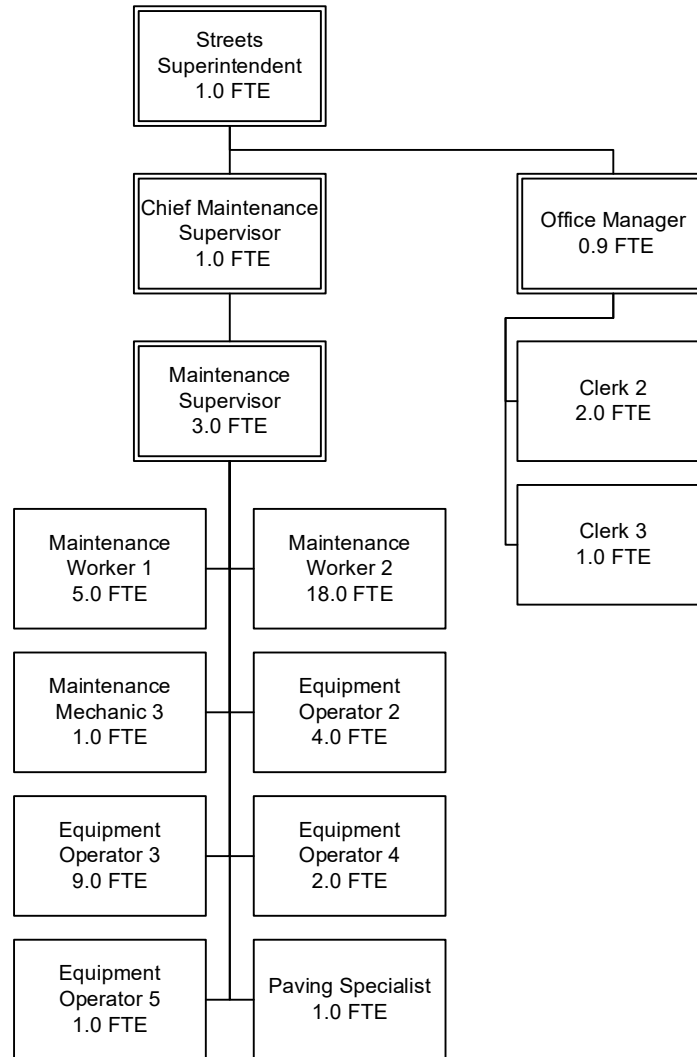


Figure 21: Proposed Structure of the Streets Bureau in DPW before Parks Consolidation

Creating a single labor pool will eliminate an unnecessary distinction between crews and allows the Department to more effectively allocate staff to projects and tasks. This will allow the Department to assign staff to priority work without being constrained by its reporting structure. It also facilitates the integration of Parks Maintenance staff into the DPW.

Step 2: Consolidate Parks Maintenance staff in the DPW Streets Bureau.

Once a single labor pool is created in DPW, four Parks Maintenance Supervisors, their crew staff, and a Clerk 3 position in the Parks and Recreation Department should be incorporated into the existing Streets Bureau structure. The Clerk 3 position currently supports work order entry, accounting, personnel, and customer service processes associated with Park Maintenance functions; this support will continue to be required after the Park Maintenance positions are incorporated into the Streets Bureau.

Incorporating this staff into the Streets Bureau will result in a general labor pool consisting of 82 maintenance staff, including a Chief Maintenance Supervisor, seven Maintenance Supervisors, and 73 line personnel. Additionally, the Bureau's administrative staff will increase from approximately four to five positions, preserving the Bureau's capacity to process work orders and administrative tasks. The following figure illustrates the proposed structure of the consolidated Streets Bureau. Positions that include transferred Parks staff are highlighted in green.

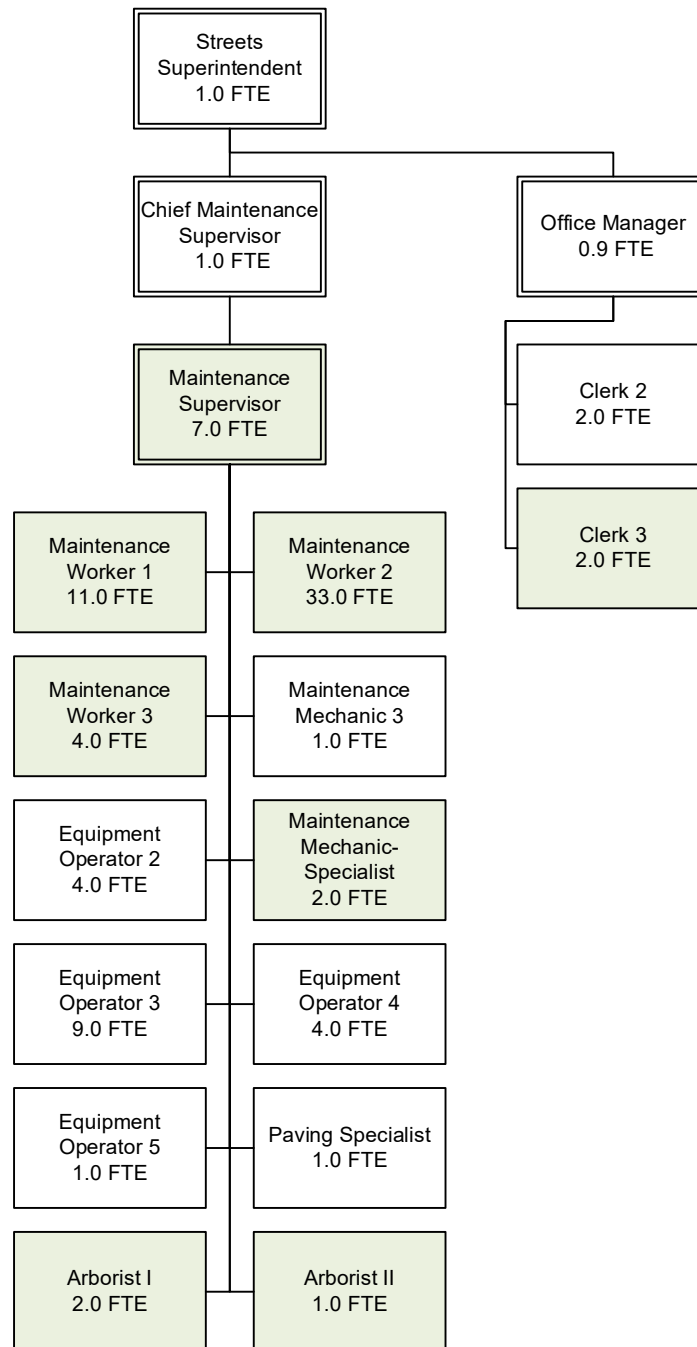


Figure 22: Proposed Consolidated DPW Streets Bureau Structure

Implementing the proposed structure will consolidate most Street and Parks Maintenance functions under a single organizational structure and enhance the City's ability to assign staff to priority maintenance tasks. Under this structure, the Streets Superintendent and Chief Maintenance Supervisor will be responsible for organizing and scheduling maintenance projects according to the City's strategic priorities and asset management needs. The Bureau's seven Maintenance Supervisors would then be responsible for managing work crews to carry out assigned tasks. The general labor pool reporting to Maintenance Supervisors will consist of approximately 73 authorized positions, meaning each Maintenance Supervisor will have a span of control of approximately 10 employees. This is similar to current supervisory spans of control in the DPW and Parks Departments.

Step 3: Consolidate Parks Pool Maintenance staff in the DPW Building Maintenance Bureau.

The DPW Building Maintenance Bureau is led by a Facility Manager who supervises a total of eight positions, including five Tradesmen, a Maintenance Worker 2, a Maintenance Foreperson, and an Office Manager, as illustrated in the following figure.

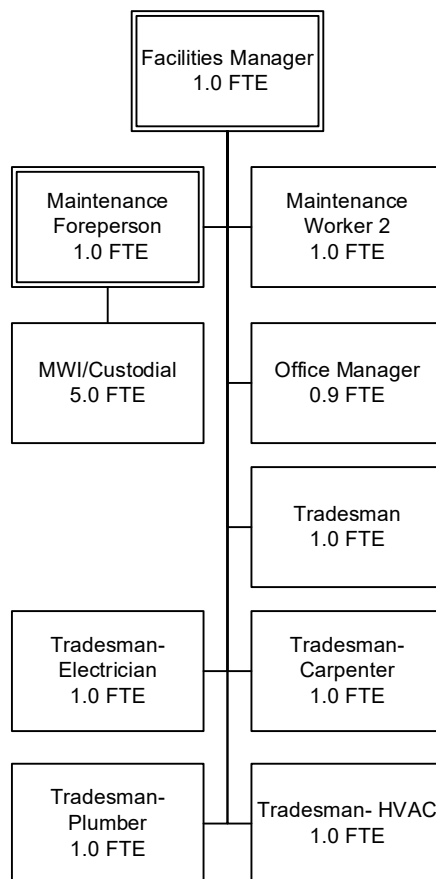


Figure 23: Current Structure of the Building Maintenance Bureau in DPW

Creating a single pool of trades and facility maintenance employees will require incorporating nine positions from Parks into the Building Maintenance Bureau, including the Maintenance Supervisor for Pools and eight crew staff. This will result in a structure consisting of 22.9 maintenance staff, including the Facilities Manager, Maintenance Supervisor, Maintenance Foreperson, and 19.9 line personnel.

Because this transfer will significantly increase the number of staff in the DPW Building Maintenance Bureau, it is appropriate to reassign supervisory roles after the consolidation. Specifically, the Maintenance Supervisor should be responsible for all Maintenance staff in the Bureau, while the Maintenance Foreperson should continue to supervise custodial staff. Trades personnel should report to the Facilities Manager, as illustrated in the following figure. Positions that include transferred Parks staff are highlighted in green.

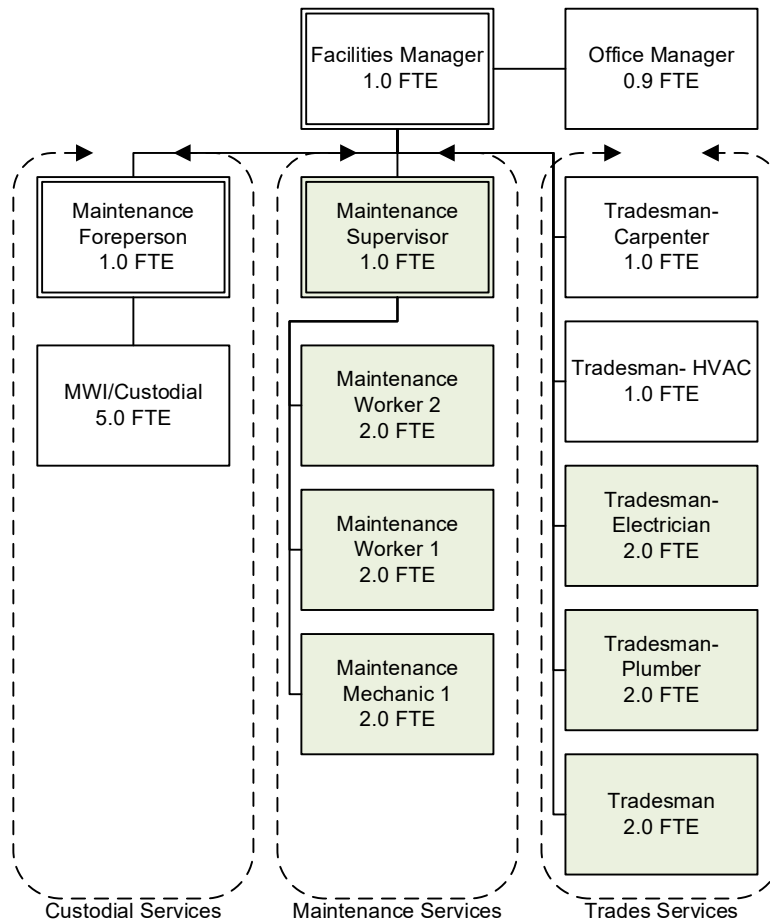


Figure 24: Proposed Structure of the Building Maintenance Bureau

This restructuring would increase the Facilities Manager's number of direct reports from eight to 11 personnel. This is a significant span of control, but the workload is feasible given that all of the Facilities Manager's direct reports are skilled professionals. However, should the proposed span of control prove too broad for the Facilities Manager to accommodate given other administrative priorities and responsibilities, it is appropriate to reclassify one of the existing Tradesman positions as Tradesman Supervisor responsible for overseeing trades-related functions and staff. This would reduce the Facilities Manager's number of direct reports significantly, giving him or her greater capacity for work planning and other management tasks. However, the Department would be responsible for the increased salary cost of the reclassified position.

Implementing these steps will result in a consolidated maintenance services function in DPW that spans all City assets including parks, facilities, and other infrastructure. While the proposed structure will enable the City to better deploy existing staff, it is important to recognize that this consolidation represents a

significant cultural and organizational change for DPW, Parks and Recreation, and the City organization. Successfully accomplishing this reorganization will require diligent management oversight, careful coordination with the City's unions, and experienced leadership to foster a truly collaborative working environment among maintenance staff.

Recommendation 37: Update DPW Superintendent and Chief Maintenance Supervisor job descriptions and competitively select qualified candidates to fill the positions.

Implementing the proposed reorganization described above requires one Street Superintendent and one Chief Maintenance Supervisor in the Streets Bureau. However, the City currently employs two Superintendents (a Streets Superintendent and a Parks Superintendent) and three Chief Maintenance Supervisors (two in the Streets Bureau and one in the Parks and Recreation Department). As a result, the proposed reorganization potentially allows the City to eliminate or reclassify three positions, including a Superintendent and two Chief Maintenance Supervisors.

Given the breadth and scope of the proposed reorganizations, it is important to ensure that the Streets Superintendent and Chief Maintenance Supervisor positions accurately reflect the scope of staff, services, and functions that will be carried out after consolidation occurs. This requires updating job descriptions for both positions to include supervisory responsibility for Parks Maintenance functions and processes, including asset management and work planning functions, as well as staff scheduling and crew management tasks.

Once the job descriptions and scope of responsibilities of the Streets Superintendent and Chief Maintenance Supervisor are finalized, the City should utilize an internal hiring process to select the best, most qualified candidate from among the pool of existing Superintendent and Chief Maintenance Supervisor staff to fill these positions. It is particularly important that the City select management candidates who can champion the consolidation process, build a sense of teamwork and camaraderie among staff, and communicate effectively with staff and the public.

Asset Management

Recommendation 38: Develop comprehensive asset inventories and condition assessments.

After consolidating Park Maintenance and DPW maintenance staff, the Department will have a more complete understanding of its staff capacity and ability to perform work. Effectively deploying staff to achieve the City's strategic goals requires the development and implementation of a comprehensive asset management program that includes all of the City's fixed assets, including parks and park infrastructure, streets and rights-of-way, and facilities.

The goal of effective asset management is to maximize the lifespan of existing assets by regularly evaluating their condition and performing preventive maintenance to avoid asset failure. Key aspects of a successful asset management program include an inventory of existing assets, a comprehensive and up-to-date assessment of each asset's condition, preventive maintenance schedules for each asset, and an electronic work order system.

DPW currently leverages Lucity asset management software to help administer its asset management program, particularly regarding inventory, work order, and preventive maintenance scheduling. For example, the Department tracks miles of pipe installed by the Stormwater Bureau and the number of potholes repaired by the Streets Bureau, as well as schedules for regular HVAC filter changes. While the Department's utilization of Lucity to build a foundation for asset management is commendable, not all

assets have been inventoried and included in the system, and there are additional opportunities to utilize Lucy to schedule proactive maintenance.

Because asset inventory, condition assessment, and preventive maintenance needs are not clearly defined, the Department cannot readily quantify its workload responsibilities or prioritize needed maintenance activities and repairs. This increases the likelihood that assets will fail or that their lifespans will be shortened due to insufficient maintenance and prevents the City from maximizing the value of its capital investments. Additionally, assets that fail unexpectedly frequently disrupt operations and divert staff's attention from other necessary work.

To maximize the Lucy system and better understand its maintenance obligations, the Department should develop comprehensive asset inventories and incorporate this information into the Lucy system to the greatest extent possible. This is particularly important in the context of the recommended consolidation between Parks Maintenance and DPW because all park assets owned by the City will become a DPW responsibility.

Once the full scope of park and DPW assets is inventoried, it is critical for the Department to understand the relative condition of each asset. This should be accomplished using a quantitative condition assessment methodology that “scores” each asset based on readily identifiable criteria, such as years in service/since construction, the presence of deterioration/wear, the likelihood that the asset will fail in the future, and potential impacts if the asset fails. Condition assessments should be tailored to each particular asset. For example, assessments of City facilities should include a review of each facility’s foundation, roof, electrical system, plumbing system, heating/cooling system, and other key components. Assessments of storm sewers should include an internal inspection to identify any potential points of failure. The results of these assessments should be logged in the City’s Lucy system.

Once the condition of each asset is scored, the Department should rank priority maintenance needs based on assets that are at greatest risk of failure. This information should inform the development of the Department’s annual work plan, as discussed in the following recommendation.

Recommendation 39: Develop an annual work plan for DPW maintenance activities.

Compiling asset inventory and condition assessment information, as described above, will enable the Department to prioritize asset maintenance tasks that will have the most immediate impact and avert imminent failure. While allocating staff to high-priority maintenance needs is important, it is critical to schedule and accomplish this work in the context of the City’s strategic goals, priority-based budgeting efforts, and regular preventive maintenance needs. To avoid a reactive approach and maximize the use of available staff and resources, the Department should develop an annual work plan that describes when routine maintenance will be performed and how staff will be deployed to perform maintenance.

The Department already does some work planning at the Bureau level. For example, the Engineering Bureau maintains an annual capital project schedule and tracks progress on the projects throughout the year. However, in other areas, there are no formal work plans in place. For example, the Traffic Bureau, does not follow a preventive maintenance work plan for traffic signals and instead focuses on reactive maintenance. The implementation of an asset management system, as well as the integration of parks functions into DPW, provides the opportunity to expand existing work plans into a comprehensive annual work plan for the Department.

As discussed in the Parks and Recreation Department section of this report, the Parks and Recreation Department currently maintains an annual work calendar that tracks deadlines for its key functions. Incorporating Parks functions into DPW creates opportunities for DPW to leverage and extend this work calendar to comprehensively address all maintenance functions provided by DPW. Specifically, DPW should first identify key maintenance needs for each asset under its control based on the condition assessments, manufacturer recommendations, grant agreements, and industry best practices. The Department should prioritize these tasks based on the risk of asset failure and the importance of the maintenance in maximizing the asset's reliability and usable life.

Once core maintenance tasks are identified, the Department should schedule tasks for completion throughout the year based on maintenance intervals and the estimated staff hours required to complete scheduled maintenance. This approach is similar to the current Parks Maintenance work calendar but will involve significantly expanded tasks and estimated staffing needs based on the City's preventive maintenance requirements. The resulting annual work calendar should be used to formulate monthly and weekly work plans for each DPW Bureau and to inform crew staffing assignments from week to week.

As staff accomplish assigned work, it is important to capture data regarding the number of labor hours required to complete tasks. This information is important because it will allow the Department to more precisely estimate staffing needs based on real-world experiences. To capture relevant labor hour information, the Department should utilize Lucity to track, complete, and evaluate work orders. The head of each Bureau should be responsible for tracking progress on the work plans and reporting regularly to the Deputy Director. If a Bureau is unable to complete its work plan while also responding to reactive requests promptly, the head of the Bureau should discuss options to reallocate staff or reprioritize tasks to ensure work is prioritized most effectively.

Creating these work plans will help the Department maximize the value of its assets by ensuring that preventive maintenance is completed in a timely manner. This will also reduce the staff capacity spent on repairs by addressing issues before they cause interruptions in service. Furthermore, creating work plans helps ensure that work is prioritized according to Department goals; this is an important step to ensure that the Department is deploying staff as efficiently and effectively as possible.

Contracting Opportunities and Enhancements

Recommendation 40: Issue RFPs to evaluate the cost-effectiveness of contracting for services.

The Department is currently responsible for several major services that involve significant staff and operational expenditures, including street sweeping, mowing, custodial services, animal control, and traffic signal maintenance. Communities across the country frequently contract these services to third-party providers to save costs compared to providing the services in-house.

Given the City's present financial condition and future financial obligations, it is prudent to ensure that the Department is effectively providing services by using in-house resources. Depending on local market conditions and the scope of services desired by the City, it is possible that third-party contractors can provide similar services at competitive rates compared to the City's in-house costs. The following table illustrates significant services provided by DPW that should be evaluated for contracting.

Table 31: Estimated Cost of Services, FY2019

Service	Estimated In-House Cost
Street Sweeping	\$1,674,197 ⁵⁴
Roadside Mowing	\$18,051 ⁵⁵
Custodial Services	\$290,000 ⁵⁶
Animal Control	\$90,000
Traffic Signal Maintenance	To Be Determined
Liquidation of Used Furniture and Equipment	To Be Determined

For most of the services above, the City should compare the cost of providing current services (including labor, equipment maintenance, other operating costs, and equipment replacement) to costs proposed by third-party contractors. This will require developing detailed scopes of work for each of the services illustrated above and incorporating these scopes into RFPs that can be issued to contractors or used to augment existing contract arrangements.

For example, it is important to note that the City currently contracts with the Lehigh County Humane Society for several services, including animal abuse investigations, shelter services, and animal control response after normal business hours and/or when the City's Animal Control Officer is unavailable. If the Lehigh County Humane Society (or another provider) can perform full-time animal control response services at a comparable rate to the City's costs for the Animal Control Officer position, it is prudent to contract for that service rather than retain in-house staff.

Similarly, due to a lack of staff capacity, the Department is currently unable to perform preventive traffic signal maintenance required as part of grants received from the State of Pennsylvania in 2014 and 2017. This potentially jeopardizes the City's ability to receive additional grant funding in the future. The Department has requested additional staff capacity for this function as part of the FY2020 budget. As part of the review of that request, the City should evaluate whether a contracted provider can provide similar services at a competitive rate.

Contracting for liquidation of used furniture and equipment is another opportunity to ensure the City makes the best use of its assets. The Building Maintenance facility houses a significant amount of used furniture, such as desks, chairs, and shelves, that was utilized in other City facilities. While the exact amount and type of furniture are currently unknown, Building Maintenance staff are in the process of cataloging existing inventory. However, the Building Maintenance Bureau has limited capacity and has been unable to devote staff time to cataloging the inventory. As a result, there is no defined timeline for when the furniture will be sold or repurposed. This creates an opportunity to outsource the disposition of surplus items like furniture to a third-party contractor.

Wherever comparable services can be provided at a cost that is less expensive than providing services in-house, the Department should strongly consider contracting. Contracting for service reduces the City's overhead costs and allows the City to more easily compare the cost of specific programs during the

⁵⁴ FY2018 Actual. The cost also includes street cleaning, leaf removal, and winter road maintenance costs, which may not be reduced through contracting.

⁵⁵ 2018 Roadside Work Task Cost Report.

⁵⁶ Based upon the hourly salaries of five custodial positions plus an additional 30% overhead to estimate the cost of benefits.

priority-based budgeting process. When considering contracting, the Department should also evaluate the impact of contracting these services on in-house staff capacity. When staff are in-house, rather than contracted, they can be assigned to other tasks other than their core responsibilities when their workload allows. Contracting these services will limit this flexibility, and this impact should be considered when evaluating these options.

Recommendation 41: Adjust solid waste practices to reduce costs.

The City contracts with a third-party solid waste provider for weekly recycling and twice-weekly solid waste collection at residential and commercial solid waste sites. Solid waste collection and recycling services are funded almost entirely through user fees; trash collection revenue totaled more than \$14 million in FY2018. In addition to contracting for curbside collection, the City provides other solid waste services in-house through the DPW Solid Waste Bureau. These services include operating two municipal solid waste drop-off sites (one for recyclables and another for yard waste) and collecting garbage from public trash receptacles (such as those in City parks). In FY2018, the City spent \$2,654,969 on in-house solid waste and recycling, including \$1,631,359 in personnel costs and \$1,023,610 in other operational expenditures.

There are two opportunities to streamline cost and service operations related to solid waste based on the City's current practice. The first option is to reduce the level of service provided by the City's solid waste contractor. In 2016, the City Council evaluated options for once-weekly and twice-weekly solid waste services. An analysis of bids received indicates that selecting the current service level of twice-weekly collection represents an additional cost of approximately \$600,000 compared to once-weekly. It is important to note that twice-weekly collection was chosen by the City in part to support the SWEEP program and reduce the amount of trash left on curbs. While this is an appropriate policy decision, it does create additional financial impacts compared to once-weekly collection.

Another opportunity for cost savings includes contracting out other solid waste and recycling services currently provided by City staff, including the operation of drop-off sites as well as trash collection from municipal receptacles. If the City's solid waste contractor or another qualified provider can offer these services at a competitive cost compared to the \$2.7 million the City currently spends, it is appropriate to contract out. Contracting eliminates the need for the City to maintain garbage trucks and other expensive heavy equipment and may allow the Department to reduce the number of staff devoted to solid waste functions.

To evaluate the option of contracting out these services, the City should first engage its current contractor regarding the provision of additional solid waste services, including operating drop-off sites and collecting garbage from municipal containers. If the current provider is unable or unwilling to provide these services, the City should issue RFPs and compare bids received to the total cost of in-house service delivery.

Recommendation 42: Enhance the MS4 contract to provide support for the implementation of the City's stormwater management plan.

The City's MS4 Coordinator is working with a third-party contractor on the development of a comprehensive MS4 program, including updates to the City's Stormwater Management Plan and associated policies and procedures, creating an MS4 service area map, developing a stormwater capital improvement plan, creating stormwater ordinances, and developing a strategy for coordinating efforts between the MS4 team and other Department staff.

The contract provides comprehensive assistance in building the framework of an MS4 plan; however, the logistics of implementing the plan have been a challenge. Many of the projects described in the stormwater management plan require engineering or other technical expertise, such as complete studies on the streams, installing treatment structures, and retrofitting detention basins. Several other programs required for the permit are not yet developed, such as a program monitoring industrial discharge from private property. Other aspects of the program, such as comprehensive SOPs, are in progress but not complete. These incomplete programs represent a significant backlog of work required for permit renewal and compliance.

The MS4 Program relies on support from the Department's Engineering Division for some of these projects, but that Division has its own set of workload priorities, which impacts how much staff capacity the Division can devote to MS4 tasks. The lack of dedicated Engineering and technical support within the MS4 Program impacts the timeliness of project implementation.

To help create additional capacity to implement technical stormwater programs, the City should engage its existing stormwater contractor to examine potential costs associated with implementation assistance. Specifically, if possible, the stormwater contractor should assist with setting up regular discharge testing and reporting programs and developing formal education and outreach programs related to stormwater management. If the current contractor is unable to provide this implementation support, the Department should issue an RFP for the service.

The ability to implement the stormwater plan is critical to the City's MS4 permitting efforts. The purpose of the MS4 permitting process is to ensure that the City is meeting standards set by the federal Clean Water Act of 1972 to protect the City's residents and the surrounding environment from harmful pollutants. The City's current MS4 permit was issued in 2004 by the Pennsylvania Department of Environmental Protection (DEP). If the City continues to utilize the same permit without renewing or updating it, there is a risk that the DEP will determine that the City is not in compliance with the Clean Water Act. Noncompliance could result in fines and other enforcement actions against the City and could leave the City vulnerable to lawsuits from impacted residents. Therefore, it is important that the City invest in the resources required to maintain its MS4 permit.

This contracted work will vary depending on its scope and duration but will represent an additional cost for the City. However, it is appropriate to invest resources at the beginning of program implementation to ensure that the program is designed as effectively as possible; this will increase its effectiveness in the long term.

Management and Communication

Recommendation 43: Create a Memorandum of Understanding between the MS4 Program and the Stormwater Bureau.

Increased support during the implementation phase will help ensure that the City's MS4 programs are set up to be as effective as possible. A successful MS4 program also depends on the City investing the appropriate staff capacity on an ongoing basis. The MS4 Coordinator is responsible for ensuring that the City meets requirements set by the MS4 permit, such as regular discharge testing and reporting, but to do so, this position must rely on the Stormwater Bureau for construction, cleaning, maintenance, and repair of stormwater infrastructure.

This relationship is complicated by the fact that MS4 and Stormwater are located in different places in the Department's management structure. The MS4 Coordinator reports directly to the Deputy Director, and

the Stormwater Manager reports to the Streets Superintendent. This structure can make coordination difficult; the MS4 Coordinator has stormwater priorities but has no authority to direct the Stormwater Crew's work. This relationship can create uncertainty about the division of labor and the scope of the Stormwater crew's responsibility for fulfilling the requirements of the MS4 permit.

The work of the MS4 Program and the Stormwater Crew should be closely coordinated to support the City's efforts to renew its MS4 permit. The best way to accomplish this is to develop a memorandum of understanding (MOU) outlining each program's responsibilities. The primary advantage of utilizing an MOU to describe stormwater service obligations is that it allows the Department to cohesively understand and assess stormwater-related maintenance tasks in the context of MS4 permitting requirements. While the annual work plan recommended elsewhere in this section will help the Department define and prioritize its workload, a formal MOU between the MS4 Program and the Stormwater Bureau will ensure that stormwater initiatives are prioritized based on the needs of both programs and effectively oriented toward preserving the City's permitted status.

The MOU should detail the responsibilities of MS4 staff as well as the Stormwater Bureau with respect to activities that will help the City meet its permit requirements. The MOU should be revised as necessary as the permit changes or as the MS4 program evolves. The MS4 Coordinator should then continually monitor progress on the MOU requirements to ensure that the Bureau is appropriately supporting the permit's requirements. If it is not, the Department Director should evaluate the situation and determine the work prioritization strategy appropriate for retaining MS4 certification.

Recommendation 44: Increase the capacity to recover past-due SWEEP fees.

The DPW Recycling and Solid Waste Bureau is in charge of the City's SWEEP program. SWEEP Officers patrol the City and issue tickets for certain ordinance violations, such as tall grass, garbage violations, and failure to recycle. The purpose of the program is to proactively enforce the City's neighborhood improvement ordinances to help keep the City clean and safe. The program is overseen by the SWEEP and Animal Control Manager, who supervises four SWEEP Officers. This staff is responsible for patrolling City neighborhoods and issuing tickets for violations.

Fines from SWEEP tickets are a significant source of revenue for the City, totaling \$254,437 in revenue in FY2018. However, staff estimate that the revenue collected amounts to approximately 50% of the total fines levied. One reason for this discrepancy is the appeals process. Recipients of a SWEEP ticket have the option to appeal the ticket to the City. Staff estimate that approximately 10-15% of SWEEP tickets are appealed, which in 2018, would translate to between 400 and 600 appeals per year.

Applications for appeal are reviewed by the City's SWEEP and Animal Control Manager, who is responsible for reviewing the context of every appeal; the length of the review can vary depending on the complexity of the case. Because the position is also responsible for managing other aspects of the SWEEP program, as well as the Animal Control program, the Manager's capacity to review appeals is limited. As a result, there is generally a backlog of appeals waiting to be reviewed, and staff report there is often a span of several months between when an appeal is requested and when a decision is made. Ticket recipients regularly relocate to new addresses before a decision is reached, making it difficult to recoup payment. Staff uses LexisNexis™ software to track individuals to new addresses, but even with this tool, locating those who owe fines is often beyond current staff capacity.

The discrepancy between fines levied and revenue recouped is a concern for several reasons. This represents a loss of revenue for the City of more than \$200,000 per year, based on staff's estimate of the

total fines levied. Additionally, failure to collect fines reduces the City's ability to protect the health and safety of residents and undermines the effectiveness of enforcing existing ordinances

The City should address these issues by increasing the capacity to collect SWEEP fines. This could be best achieved by allocating collections responsibilities to the Finance Department. The Finance Department's Revenue and Audit Division is responsible for collecting outstanding City fees and charges, including water, sewer, and solid waste fees. The staff in this Division have the management structure and expertise to effectively collect fee revenue; their rate of collection is approximately 96% based on the Division's records. Assigning responsibility for SWEEP collections to the Revenue and Audit Division would increase the efficiency and effectiveness of collections and improve program enforcement.

The City should evaluate the current workload of the Revenue and Audit Division and determine whether it would have the capacity to assume responsibility for SWEEP collections. If the Division lacks the capacity, an option would be to add a position to the Revenue and Audit Division, funded through the Solid Waste Fund and specifically dedicated to collecting unpaid SWEEP fines. This would be more effective than increasing staffing within the SWEEP function in DPW because this dedicated position could take advantage of the management systems and institutional knowledge in the Revenue and Audit Division to maximize the effectiveness of collections.

If it is not feasible to allocate SWEEP collections responsibilities to the Revenue and Audit Division, the City should issue an RFP for a collections agency to assume responsibility for collecting delinquent SWEEP fines. A collections agency would take a percentage of the fee revenue in exchange for its service. However, a collections agency would also likely be able to significantly increase the percentage of fines collected, thereby ultimately increasing the City's revenue and enforcement capacity.

Recommendation 45: Connect radios to the emergency call center.

Allentown used to operate its own 911 communications center, but in 2018, it merged with Lehigh County to form a regional 911 Center. Before the communications centers merged, Allentown DPW employees could connect to the emergency center directly via their radios. A red emergency button on staff radios connected them to a frequency monitored by dispatch, allowing staff to summon emergency services at the press of a button when needed.

This changed when the communications centers merged. The regional dispatch center does not monitor that emergency radio frequency. DPW staff still have the emergency button on their radios, but it no longer connects them to any services. If they need emergency assistance in the field, they must either use a phone to call 911 or rely on other staff to get help.

This is a concern because DPS staff face several security hazards in the course of everyday duties. Much of their work carries risk of accident or injury. Furthermore, staff often work alone, which can make them vulnerable to crime or other harassment. The emergency buttons on radios were an important tool to ensure that they could easily summon help whenever they needed it, without worrying about access to a phone. They also signaled to staff that the City prioritized their health and safety. Furthermore, at least one individual interviewed by The Novak Consulting Group was unaware that the red button no longer worked. If he or she had tried to use it in an emergency, there could have been serious consequences.

It is appropriate for the City to provide DPW staff with the ability to connect to emergency services quickly and easily. The City should work with the Lehigh County 911 Center to determine if there is an opportunity to reconnect the DPW radios to a monitored emergency frequency. If this is not possible, the Department

should reinforce emergency assistance request procedures for all Department staff to ensure that everyone understands that the red buttons do not work and to reiterate that employee safety is a top priority. When replacement radios are ultimately ordered, the Department should investigate whether there are any options to connect to emergency services.

Recommendation 46: Enhance internal communication opportunities throughout the Department.

The Department has extensive internal communication programs in place. Workload and performance metrics are tracked and reported for every program, helping staff at all levels understand the Department's accomplishments and opportunities for improvement. The Department also maintains a project tracking spreadsheet on its intranet site that is regularly updated by project managers for each program. The Department also works to ensure that all staff are informed about policies and procedures; the Department's policy manual is updated and reissued to staff on annually, and staff are required to sign an affidavit that they have read and agreed to the policies. Finally, each Bureau holds periodic all-staff meetings, and the Deputy Director holds monthly project meetings with staff leadership to discuss the status of projects and any ongoing or upcoming issues.

These communications efforts are important, but there is an opportunity to build on these efforts to maximize the efficacy of internal communications. In interviews, some staff expressed confusion about Department policies and positions; for example, some staff were unaware that the emergency communications button on radios no longer worked, as previously discussed. There are also conflicting understandings of the availability of ergonomic accommodations like standing desks; some staff stated they are available to anyone who can demonstrate need, while others believe that such enhancements are reserved solely for management staff.

These areas of confusion and miscommunication impact the Department in several ways. Robust internal communication is an important aspect of building a cohesive team. If staff do not feel that they are privy to the appropriate level of internal communication, it can impact employee morale and thus contribute to employee turnover. Furthermore, if staff are unclear on City or Department policies, or are receiving conflicting or inaccurate information, it can lead to staff inadvertently violating the policy and prevent staff from accessing important benefits. Finally, at times, lack of communication can present a serious safety risk, as in the case with the nonfunctioning emergency button on radios.

Addressing these communications concerns will be especially important when Parks staff are transferred into the Department; this staff will be unfamiliar with Department policies and practices, and it will be important to ensure that they have access to all relevant information.

To address these issues, the Department should implement a program to enhance internal communication at all staff levels, including protocols for how staff should be informed of Departmental news. This can be accomplished in several ways. For example, the Department could establish a weekly or monthly newsletter that is released to all staff and includes updates from each Bureau on current or upcoming initiatives. The newsletter would also be a way to inform the Department about job openings, upcoming policy or practice changes, or other news.

The Department should also establish an annual all-staff meeting. The purpose of an all-staff meeting is largely an opportunity for team building. The meeting should include updates from each Bureau Chief on events in their area and an opportunity for staff to discuss and offer input into upcoming or proposed Department initiatives. The meeting should also include opportunities for staff from different Bureaus to interact through teambuilding activities, group discussions, and other initiatives. The first Department-

wide meeting should take place shortly after the Department incorporates the Parks function to provide an opportunity for the new and existing staff to interact.

Training

Recommendation 47: Provide relevant staff with the opportunity to test and be trained on new equipment.

Fleet purchases for the City of Allentown are determined by a Fleet Committee made up of representatives from departments across the City. The Committee meets monthly to make determinations on vehicle purchases and allocation of vehicles to departments based on an informal set of criteria, including fleet conformity, price, equipment rating, department needs, safety ratings, and maintenance needs. Equipment rating is largely based on personal experience and the experience of others known to Committee members. Members of the Committee from DPW include the following:

- The DPW Director
- The Streets Superintendent
- The Facilities Manager
- The Solid Waste and Recycling Manager and Operations Manager from the Solid Waste and Recycling Bureau
- A representative from the contracted fleet maintenance provider
- A Construction Operations Manager in the Engineering Bureau
- An Operations Manager in the Technical Services Bureau
- A Chief Maintenance Supervisor and a Traffic Signal Technician from the Traffic Bureau

The considerations made by the Fleet Committee are appropriate; it is important to consider maintenance cost, safety rating, personal experience, and other factors when making equipment selections. However, all of these positions, except the Traffic Signal Technician, are supervisory staff. There is virtually no representation on the Committee by the line staff who, for the most part, are the individuals using that equipment on a day-to-day basis. By not allowing staff to test equipment or vehicles before purchase, the Department fails to consider potentially valuable insights from the staff who will interact with the equipment regularly and use that equipment to accomplish Department goals. Furthermore, not allowing staff to test equipment is a missed opportunity for Department leadership to demonstrate that employees' opinions and experience are valued.

Vendor training on new equipment is also limited. This training is generally offered to a small number of staff, and this staff is expected to pass along their knowledge to other employees who will use the equipment. The current system relies on staff training each other, but in practice, this does not always happen. Staff report that they are often expected to learn how to use a piece of equipment on the job, with minimal training or preparation beforehand. Lack of training limits an employee's effectiveness in using a piece of equipment and also increases safety risks.

The Department should address these concerns by allowing staff to test any major vehicles or other equipment before purchase, when feasible, and expanding the training offered for new equipment.

Staff input should be considered before making the final purchasing decision. If an opportunity to test the equipment is unavailable, the Department should communicate the specifications of the proposed equipment and ask for staff input. Offering this test period will help ensure that the Department is doing

its due diligence on any major purchase and that the equipment is a reliable and useful tool. It will also support staff engagement by giving them a voice in Department decisions.

The Department should also expand the opportunity for line staff to receive training on any new equipment. This may mean paying the vendor slightly more to extend the period in which they are available for training. However, allowing more staff to learn about equipment directly from the vendor will increase the overall level of expertise in that equipment and help ensure it is used as effectively and safely as possible. Alternatively, the Department may choose to limit the use of certain pieces of equipment to employees who have received training on its use.

Recommendation 48: Partner with local trade schools to provide hands-on training opportunities.

Many Department staff expressed concerns about the Department's ability to recruit skilled employees; individuals with technical skills are limited, and therefore, in high demand. Many of the individuals in skilled positions in the Department are also nearing retirement age, putting the Department at risk of significant loss of institutional knowledge in the near future.

The Department can address the lack of skilled staff and prepare for staff retirements by helping to cultivate a pool of individuals with the appropriate skills and background. The Department should partner with one or more trade schools in the region for a hands-on training program, where students at the school assist DPW staff with real-world tasks. There are several technical schools in the Allentown area that offer programs aligned with DPW responsibilities. For example, Lehigh Career and Technical Institute is located in the neighboring North Whitehall Township and offers mechanical, heavy equipment, and construction training.

The technical schools in the Allentown area present an opportunity for a mutually beneficial relationship. The students in those programs benefit from work experience, training, and mentorship from experienced professionals. The City of Allentown would benefit from additional staffing capacity for many of its programs. Student workers would require more oversight and onboarding than other employees due to a lack of experience, but in addition to adding staff capacity at a lower cost than more experienced staff, utilizing student workers would assist the students in gaining real-world experience. A partnership with a technical school would also be an opportunity to recruit graduates who were already familiar with City operations.

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Police Department

The Allentown Police Department is the primary law enforcement agency for the City of Allentown, responsible for all aspects of policing, including patrol, investigations, and support services. The Department's stated mission is *"to reduce crime and contribute to the safety of those we are sworn to serve and protect through collaboration with our diverse community. We will strive to be the most professional police organization, serving with honor and integrity, while adhering to the pillars of procedural justice."*⁵⁷

The structure of the Department is illustrated in the following organizational chart.

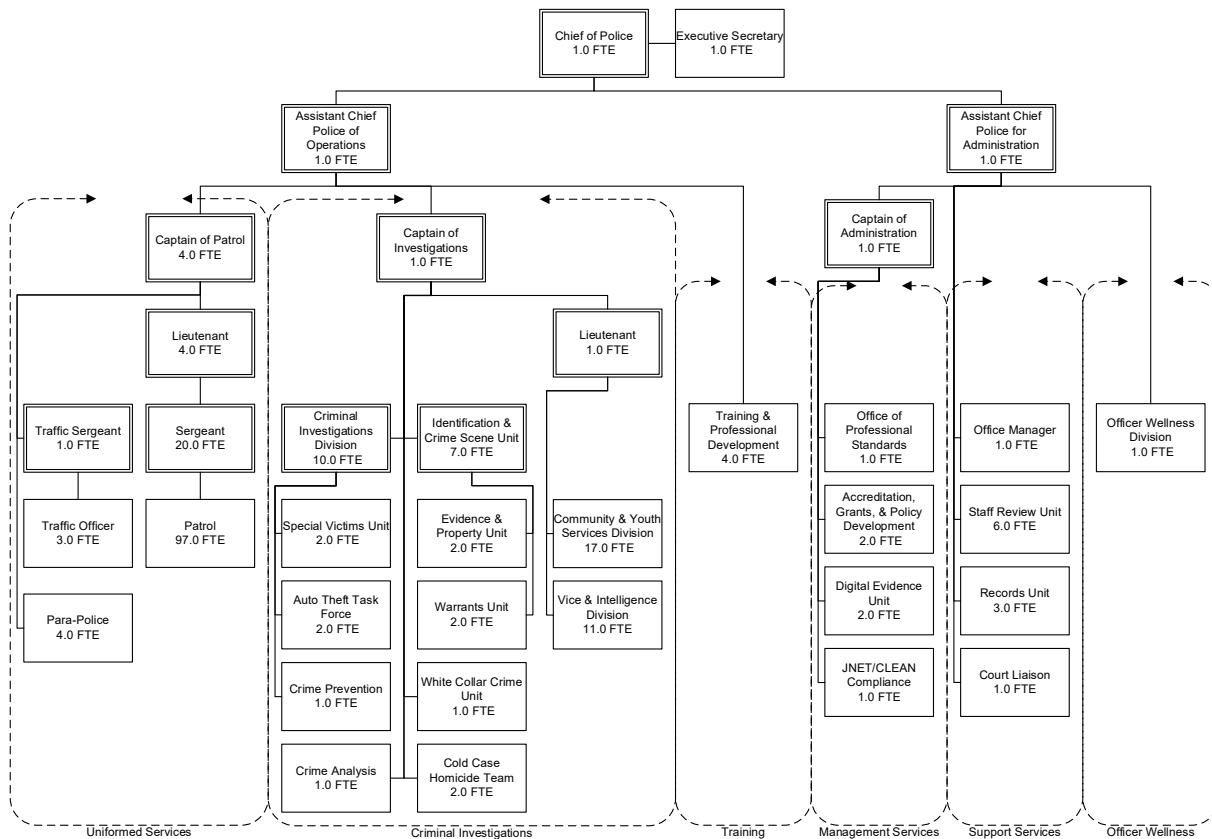


Figure 25: Police Department Organizational Structure, FY2019

The Department's authorized staffing is 222 sworn employees and 22 civilian employees. Sworn staff consist of one Chief of Police, two Assistant Chiefs, six Captains, five Lieutenants, 31 Sergeants, and 177 Police Officers.⁵⁸ Available staff is considerably lower; at the time of this report, 19 members were unavailable due to long-term illness, injury, or military deployment.⁵⁹ Non-sworn staff includes one Executive Secretary; one Office Manager; one Crime Analyst; 14 Clerks assigned to various units including Vice, the 10th Street Patrol Office, the Police Academy, the Criminal Investigations Division, the Juvenile

⁵⁷ <https://www.allentownpa.gov/Police/Mission-Statement>

⁵⁸ Current staffing as of September 25, 2019.

⁵⁹ Data as of July 29, 2019.

Unit, Records/Payroll, and Staff Review; four Para-Police, who perform clerical duties with the patrol platoons; and one Maintenance Worker.

The Police Chief is designated as the head of the Police Department pursuant to the Allentown City Code and is responsible “for all police-related activities and communications service.”⁶⁰ The Chief of Police is appointed by the Mayor, subject to approval by the City Council.⁶¹ The Chief has three direct reports: the Assistant Chief for Operations, the Assistant Chief for Administration, and the Executive Secretary.

The Assistant Chief for Operations is responsible for the Uniformed Services Division, which oversees patrol; the Criminal Investigations Division; the Officer Wellness Division; and Training and Professional Development. The Assistant Chief has eight direct reports: four Captains who oversee the Police Service Areas of the Patrol Division; one Captain who oversees the Investigative Services Division; two Sergeants assigned to the Police Academy; and the Fifth Platoon Sergeant.

The Assistant Chief for Administration is responsible for the Department’s administrative functions, including the Support Services Division and the Management Services Division. The Assistant Chief has two direct reports: the Captain of Administration and the Office Manager.

Responsibility for emergency communications, the 911 Public Safety Answering Point and dispatch functions, was assumed by the Lehigh County 911 Center in June 2019.

All permanent sworn employees except the Chief, the Assistant Chiefs, and the Captains are represented by the Fraternal Order of Police, Queen City Lodge No. 10, under a collective bargaining agreement that is in effect through December 31, 2022.⁶²

The Police Department provides services to the City through the units described below.

Operations

The Assistant Chief for Operations supervises approximately 180 of the Department’s 223 personnel, who are assigned to the Uniform Services Division, the Criminal Investigations Division, and Training and Professional Development.

Uniformed Services Division

The Uniform Services Division oversees the Department’s patrol function. The Division has a dual structure; it is supervised by Lieutenants, who oversee the daily operations of time-based platoons, and by Captains, who have responsibility for specific geographical Police Service Areas (PSAs) as well as administrative oversight of individual platoons.

Patrol personnel are assigned to one of five platoons. Lieutenants are assigned to the First, Second, Third, and Fourth Platoons, and are responsible for the direction of police operations throughout the City during the hours their platoon is working. The First, Second, and Third Platoons rotate between Day Shifts of 6:15 AM to 2:30 PM or 6:45 AM to 3:00 PM and Middle Shifts of 2:15 PM to 11:30 PM or 2:45 PM to 11:00 PM

⁶⁰ Allentown City Code §135.01

⁶¹ Allentown City Code §121.02 (A)

⁶² The collective bargaining agreement covering the period January 1, 2016 through December 31, 2018 was extended by Memorandum of Understanding executed on May 29, 2018.

on a rotation of five days on, two days off, five days on, and three days off. The Fourth Platoon works steady Night Shifts of 10:15 PM to 6:30 AM or 10:45 PM to 7:00 AM on the same rotation. It is divided into three squads to provide seven-day coverage. This schedule is specified in the collective bargaining agreement, which provides that any unilateral change in the schedule by the City is subject to the filing of a grievance or a charge with the Pennsylvania Labor Relations Board, and will be stayed until receipt of a decision in the litigation.⁶³

Three groups of patrol officers work outside the patrol duty schedule. The Fifth Platoon, supervised by a Sergeant, consists of eight Police Officers who work from 7:00 PM to 3:00 AM Tuesday through Saturday to provide additional staffing during hours of peak activity. One Sergeant and five Police Officers are assigned to the City Center Business District (CCBD), working Day Shifts and Middle Shifts, Monday through Friday, usually on bicycles. The Traffic Division consists of one Sergeant and three Police Officers who conduct targeted traffic enforcement in response to community complaints, investigate hit and run accidents, and perform accident reconstruction.⁶⁴ By law, only the Pennsylvania State Police are permitted to conduct radar speed enforcement in the Commonwealth of Pennsylvania; municipal agencies are limited to speed over distance measurement for speed enforcement. The unit also administers Pennsylvania Department of Transportation grant-funded DWI and aggressive driving enforcement. It is overseen by the PSA 1 Captain.

One Parapolice Officer is assigned to each of the four primary platoons. Parapolice Officers are non-sworn personnel who wear distinct uniforms and are typically assigned to the front desk area in the patrol building answering telephones, interacting with visitors, and performing clerical duties.

The number of personnel assigned to each platoon is shown in the table below.

Table 32: Assignment of Patrol Personnel by Platoon

Platoon	Lieutenant	Sergeant	Police Officer	Parapolice Officer
First	1	4	21	1
Second	1	4	22	1
Third	1	4	19	1
Fourth	1	6	28	1
Fifth	0	1	8	0
CCBD	0	1	5	0

One K9 Officer is assigned to each of the Second, Third, and Fourth Platoons, and is included in the above Police Officer numbers.

The City is divided into four Police Service Areas (PSAs). PSA 1 covers the Eastern portion of the City; PSA 2 covers the Western Portion; PSA 3 covers the South Side; and PSA 4 covers Central City. For dispatch and deployment purposes, the PSAs are further divided into 10 geographical beats.

The four Captains assigned to the PSAs do not have command responsibility in the traditional sense. Rather than a more traditional command position that places a ranking officer in charge of all operations

⁶³ Collective bargaining agreement, Article 11 (E).

⁶⁴ One officer is on limited duty.

of a unit covering a specific area of responsibility, the role of the Captains might best be described as bifurcated with ancillary responsibilities. Their role regarding the PSAs largely involves the community relations/community policing function within that geographical area. They are responsible for interaction with community groups within their assigned area and coordinating the use of police resources to address issues of concern. They are expected to attend community meetings and events since they primarily work during business hours. Although the number of groups and events varies to some degree among the PSAs, attendance at night and weekend events routinely involves hours well beyond the typical 40-hour workweek.

At the same time, each Captain has administrative responsibility for a platoon. Platoon assignments correspond to PSA numbers: the PSA 1 Captain is responsible for the First Platoon, the PSA 2 Captain is assigned to the Second Platoon, the PSA 3 Captain is responsible for the Third Platoon, and the PSA 4 Captain is responsible for the Fourth Platoon. The Captains are primarily responsible for personnel and disciplinary matters involving members of their assigned platoon, regardless of their PSA assignment. For example, a matter involving an officer on the Fourth Platoon whose daily assignment is to PSA 2 would be handled by the PSA 4 Captain even though the Captain normally works during the Day Shift and has somewhat limited interaction with the officer, who works steady overnight shifts.

Each Captain also has ancillary duties:

- **PSA 1:** Oversight of the Traffic Division; oversight of the Field Training Officer program; coordination of Project Lifesaver (tracking devices used for elderly or disabled people who wander); coordination with the railroad; coordination with Lehigh Valley International Airport.
- **PSA 2:** Oversight of Narcan distribution; liaison with certified recovery specialists regarding addiction intervention; oversight of mental health and community intervention services (Mental Health Liaisons are full-time employees who are attached to the Police Department); coordinating overtime assignments.
- **PSA 3:** Planning and oversight of special events; oversight of the K9 Unit; oversight of the Department's Honor Guard; oversight of the Mobile Field Force (civil disorder response training).
- **PSA 4:** Oversight of the Center City Business District Squad; coordination of the Department's exposure control/bloodborne pathogen program; coordination of details at the PPL Center hockey arena; liaison to the City's Parking Authority; liaison to the LANTA Public Transit Center; coordination of homeless outreach; review of use of force incidents; liaison to the Human Relations Committee.

An on-call Captain is available at all times to respond to major incidents. Captains are not represented by a union and do not receive overtime compensation. The Department has reported an average of 107,358 calls annually for the past three years. The following table lists metrics regarding activity during the past three years.

Table 33: Selected Activity Indicators 2016 - 2018

Year	Calls for service	Arrests	Vehicle stops	Traffic citations issued	Walking patrols	Business patrols
2016	110,259	5,367	10,198	3,735	10,653	14,118
2017	113,751	5,021	11,290	9,578	11,290	16,896
2018	98,063	4,506	7,374	3,941	8,926	13,493

Criminal Investigations Division

The Criminal Investigations Division (CID) is supervised by the Captain of Investigations. It is subdivided into multiple units.

Criminal Investigations Division/General Investigations: Two teams of Detectives, each normally staffed by four Detectives and one Sergeant (although one team currently has only three Detectives) handle general investigations, including homicide and most serious crimes. They work Day Shifts and Middle Shifts, Monday through Friday; staff is on call to respond to incidents occurring after hours. Current staffing reflects a reduction from two teams of six Detectives each. The CID also conducts background investigations regarding candidates for employment as police officers.

Cold Case Homicide Team: Two Detectives are assigned to a Cold Case Homicide Team. Their mission is to review unsolved homicide investigations and to re-evaluate missing persons and death investigations deemed suspicious in nature. They are supervised by one of the CID team Sergeants.

Special Victims Unit: Two Detectives are assigned to the Special Victims Unit, which investigates sex crimes, physical abuse or neglect of children, and other extremely sensitive cases. They are supervised by one of the CID team Sergeants.

Auto Theft Task Force: Two Detectives are assigned to the Lehigh County Auto Theft Task Force, which investigates all aspects of auto theft, provides assistance and expertise to regional law enforcement agencies, and promotes awareness through local public events and training, such as the Combat Auto Theft (CAT) vehicle identification program. One Detective specializes in auto theft investigation and the other in insurance fraud investigation. They are supervised by one of the CID team Sergeants.

White Collar Crime Unit: One Detective is assigned to work closely with the Secret Service regarding fraud and financial crimes.

Youth and Community Services Division: One Lieutenant oversees the Youth and Community Services Division, as well as the Vice and Intelligence Division. The Youth and Community Services Division includes four Detectives who investigate crimes committed by juveniles; 11 School Resource Officers, who handle 16,000 students in 24 schools; and one Community Relations Officer, in addition to a Sergeant. The Division handles investigations involving juveniles and is tasked with addressing youth issues through the development and implementation of programs designed to prevent and control delinquent and criminal behavior.

Vice and Intelligence Unit: The aforementioned Lieutenant also oversees the Vice and Intelligence Unit, which consists of two Sergeants and nine Detectives. The unit investigates the illegal distribution, sale, and use of narcotics; gambling; prostitution; and illegal operation of liquor establishments. It maintains and disseminates criminal intelligence information related to narcotics; coordinates the Department's asset forfeiture program; and provides narcotics enforcement training to the Department. The unit works closely in a task force setting with representatives of the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Department of Homeland Security.

Identification and Crime Scene Unit: One Sergeant supervises six officers assigned to the unit, which is responsible for identifying, collecting, documenting, and processing evidence from crime scenes. Members of the unit are trained Crime Scene investigators, with knowledge and certification in fingerprint and DNA collection, blood spatter analysis, photography, mapping, recovery of video evidence, and the

operation of analytical equipment. The Sergeant is also responsible for the Evidence and Property Unit and the Warrants Unit.

Evidence and Property: Two officers are assigned to the Evidence and Property Unit, which is responsible for the intake, storage, safekeeping, release, and disposal of evidence and property coming into the custody of the Department.

Warrants Unit: Two officers are assigned to the Warrants Unit, which is responsible for serving warrants for traffic and non-traffic summary cases and criminal offenses; transporting prisoners for judicial proceedings; and assisting the District Attorney's Office with extradition and other transportation of out-of-state prisoners.

Crime Prevention: One officer, under the supervision of one of the CID team Sergeants, is a certified Crime Prevention Officer, available to assist residents, business owners, and community organizations in personal safety, senior citizen safety, prevention of workplace violence, robbery prevention, drug abuse education, and home and business security.

Crime Analysis: One non-sworn member is assigned as the Department's Crime Analyst, responsible for tracking and disseminating information regarding crime trends, patterns, and items of concern. At the time of this report, the Crime Analyst was on extended military deployment.

While there is no strict guideline regarding the referral of cases for further investigation by Detectives, patrol officers are encouraged to investigate cases to the fullest extent possible within the limitations of response to calls for service and staffing constraints. Serious crimes such as robberies and burglaries are referred to Detectives, and cases involving juveniles are referred to the Youth Division. An average of 2,698 cases was referred to the Criminal Investigations Division annually during the past three years, as illustrated in the following table.

Table 34: Cases Referred to Criminal Investigations Division 2016 - 2018

Year	Cases Referred
2016	2,925
2017	2,641
2018	2,527

Training and Professional Development

The Training and Professional Development section consists of the Allentown Police Academy and the Career Tracking Unit, staffed by two Sergeants and two Police Officers. The Assistant Chief for Operations is the School Director of the Police Academy, and one of the Sergeants serves as the Assistant Director.

The Police Academy conducts two Pennsylvania Act 120 Basic Recruit Training Programs annually, beginning in January and July. The Basic Course is a 919-hour training program covering 20 subject areas. The Academy also provides or coordinates off-site training to meet the Municipal Police Officers Education and Training Commission's (MPOETC) in-service training requirements. All sworn officers are required to attend 32 hours of training annually, including 16 hours of MPOETC Municipal Police Officer training and 16 hours of firearms, first aid, Taser, and additional training and certification. In addition, members of the Emergency Response Team receive a minimum of 24 in-service training days per year; K9 Officers receive

24 days of in-service training and a yearly certification; the Crisis Negotiation Team receives 12 training days per year.

Field Training Officers are assigned to the patrol platoons; they are certified through a program presented by Pennsylvania State University. The Field Training Program is a structured curriculum providing daily objectives and requiring weekly and monthly assessment reports; training is a minimum of 10 weeks and typically lasts 15 weeks.

Specialized Units

The following specialized units report to the Assistant Chief for Operations. Each of these units is staffed on a part-time basis and assembled as needed.

Emergency Response Team (ERT): The ERT is the Department's Special Weapons and Tactics (SWAT) Team and is composed of 21 sworn members, four EMS medics, and one physician. A Detective serves as the Team Commander. Members attend Basic SWAT Operator and Firearms Instructor training before assignment; the unit trains for one week per year and two days per month. Team activity is shown in the following table.

Table 35: Annual Emergency Response Team Activity, 2016 - 2018

Year	Callouts
2016	31
2017	35
2018	20

Crisis Negotiation Team: Working as part of the Emergency Response Team, the Crisis Negotiation Team consists of eight members under the supervision of a Sergeant.

Honor Guard: The Honor Guard performs ceremonial duties, such as the presentation of colors at City ceremonies, and represents the Department at funerals for fallen law enforcement officers. Members train approximately six to eight days annually.

Administration/Support Services

The Assistant Chief for Administration oversees the Management Services Division, the Digital Evidence Unit, the Support Services Division, and the Officer Wellness Division.

Management Services Division

The Management Services Division includes the Office of Professional Standards; the Accreditation, Grants, and Policy Development Unit; the Digital Evidence Unit; and JNET/CLEAN Compliance.

Office of Professional Standards: Internal investigations are conducted by the Office of Professional Standards, which is responsible for establishing a prompt, fair, thorough, and impartial process for investigation of complaints or allegations of misconduct against Department personnel. The Office also recommends changes in policy and procedure when deficiencies are identified. One Sergeant is assigned.

Accreditation, Grants, and Policy Development: The Department is accredited by the Pennsylvania Law Enforcement Accreditation Commission, which verifies the Department's compliance with 135 standards to ensure that all aspects of the agency are operating per industry best practices. In addition to managing

the Department's accreditation program, this office manages the Department's portfolio of grants and develops and updates policies and procedures to ensure that they reflect the current state of the law and best practices. Several years ago, a thorough review of the Department's policies and procedures was initiated; it is still underway and is expected to continue since policies require ongoing review to keep pace with developments in policing. One Sergeant and one Police Officer are assigned.

Digital Evidence Unit: The Digital Evidence Unit is supervised by the Administrative Captain and staffed by two police officers who perform additional duties within the Management Services Division. The existence of the unit demonstrates the impact of the growth in digital evidence on police agencies, particularly body camera, vehicle camera, street camera, and building video recording systems.

JNET/CLEAN Compliance: One Police Officer manages the Department's compliance with security and administrative requirements of the Pennsylvania Justice Network (JNET) and the Commonwealth Law Enforcement Assistance Network (CLEAN), which is the conduit to federal crime information databases for municipal law enforcement agencies in the Commonwealth. Both systems have extensive monitoring, access control, training, and auditing requirements.

Support Services Division

The Support Services Division includes several functions that provide essential support to the operational units of the Department.

Staff Review: The Staff Review Unit performs the Department's recordkeeping and report processing functions. It processes, classifies, distributes, and files all reports generated by the Department. It responds to requests for statistics and copies of reports received from the public, other governmental and law enforcement agencies, insurance companies, and members of the Department. It maintains and produces records in accordance with relevant statutes, such as the Municipal Records Act, the Freedom of Information Act, and the Criminal History Record Information Act. It is responsible for the expungement and disposal of records per relevant guidelines and conducting periodic audits. The Unit also processes Special Event permits and Block Party permits. The Unit is staffed by one Police Officer and three civilian clerks who handle general police records, and two clerks who handle traffic records.

Records Unit: The Records Unit is essentially the Department's Payroll office. It is staffed by three civilian clerks.

Court Liaison: One Police Officer, who is also responsible for JNET/CLEAN compliance, serves as the Department's Court Liaison, processing subpoenas and requests for officers' appearance and attempting to schedule them in a way that is least disruptive to Department operations and officers' schedules. The officer also serves as liaison to the District Attorney's Office, assists with the processing of requests for digital evidence, and is a polygraph examiner.

Technology: Although technology services are managed by the City's IS Department, the Captain of Administration and two Police Officers serve as the Department's in-house technology resources and liaisons to the IT Department coordinating services.

Fleet Management: Although Fleet Management falls under the purview of the Support Services Division, it is handled primarily by the Assistant Chief.

Right to Know: The processing of Freedom of Information requests is handled primarily by the Captain of Administration and the Staff Review Officer.

Budget: Budget preparation and monitoring are handled primarily by the Assistant Chief for Administration and the Office Manager, a non-sworn member who reports to the Assistant Chief. The Office Manager also handles the Department's purchasing and invoicing, including invoicing for fees associated with special events; the School District for expenses associated with School Resource Officers and the assignment of officers to special details at the schools; alarm violation fees; and fees paid by attendees for the Police Academy training.

The Support Services Division is also responsible for several miscellaneous functions, most of which are handled by the Assistant Chief:

- Recruitment
- Hiring and background investigations; investigations are performed by Criminal Investigations Division personnel and coordinated by the Assistant Chief
- Promotion testing
- Labor relations

Officer Wellness Division

The recently created Officer Wellness Division and Critical Incident Stress Management Unit were instituted to proactively address the need for stress management in the wake of critical incidents, as well as to monitor the overall well-being of police personnel and provide them with a confidential opportunity for counseling or other assistance when necessary. Trained members of the team set up debriefings for involved personnel within 48 hours of a traumatic incident; all discussion is treated under doctor/patient privilege. The unit is run in conjunction with the FOP; because of its confidential nature, operational involvement by the Department is minimal. It is staffed by one Police Officer.

Facilities and Equipment

The Department operates from multiple facilities:

- The Office of the Chief, the Criminal Investigations Division, and most of the Department's administrative units are located in the Department's Headquarters at the Public Safety Building adjacent to City Hall at 425 Hamilton Street.
- Patrol operates from a separate Patrol Station located at 1005 Hamilton Street.
- The Police Academy is located at 2110 Park Drive. It includes a classroom building, gymnasium, firing range, and Emergency Response Team training house.
- The Special Victims Unit is located in an office at Lehigh Valley Hospital at 1627 W. Chew Street, where forensic counselors and County Detectives are also stationed.
- The Auto Theft Squad works with the County Task Force at the District Attorney's Office.
- The Vice Unit and the Evidence and Property Unit are housed at a separate City-owned building, the address of which is confidential due to the nature of the Vice Unit's work.
- The Department also has a property and evidence storage area located at 2605 Fish Hatchery Road.

The Department operates a fleet of 92 vehicles, of which 45 are marked patrol cruisers. In addition, it has 30 nondescript vehicles assigned to the Vice Unit, all of which were obtained through asset forfeiture at

no cost to the City. They are used for undercover operations. Vehicle maintenance is performed by the City garage.

Core Services Matrix

The following table provides an overview of the Police Department's core services. This list reflects major tasks and activities performed by the Department and is not meant to be all-inclusive.

Table 36: Police Department Core Services

Department Function/Division	Program Area	Activities
Operations	Patrol	<ul style="list-style-type: none"> • Conduct regular patrols of PSAs 24 hours per day, 7 days per week, year-round • Respond to calls for service 24 hours per day, 7 days per week, year-round • Conduct traffic enforcement operations as needed • Provide DWI enforcement as needed
	Community Engagement	<ul style="list-style-type: none"> • Attend and assist with community meetings and events as needed • Provide liaison services with certified recovery and mental health specialists, Parking Authority, LANTA Public Transit Center, and Human Relations Committee as needed • Coordinate the Department's bloodborne pathogen program as needed • Coordinate homeless outreach as needed
	Investigations	<ul style="list-style-type: none"> • Investigate crimes, including but not limited to general cases, homicides/major crimes, cold cases, auto theft, white collar crime, sex crimes, vice crimes, and juvenile crimes • Provide Youth Police Academies to eligible youths • Identify, collect, and process evidence as needed • Store and dispose of property as needed and according to applicable laws and regulations • Provide community crime prevention services as requested • Conduct crime analysis as needed
Training and Professional Development	Recruitment	<ul style="list-style-type: none"> • Conduct two training academies annually (January and July)
	Training	<ul style="list-style-type: none"> • Facilitate and coordinate regular officer training (32 hours per officer) as well as officer training for special assignments including Emergency Response Team, K9, and Crisis Negotiations • Coordinate Field Training Officer program to train new Department recruits as needed
Office Wellness	Wellness and Critical Incident Stress Management	<ul style="list-style-type: none"> • Provide police personnel with counseling and stress management services within 48 hours of a traumatic incident

Department Function/Division	Program Area	Activities
Management Services	Professional Standards	<ul style="list-style-type: none"> Conduct internal investigations as needed Recommend changes in policy/procedure as needed
	Policy and Accreditation	<ul style="list-style-type: none"> Review and verify Department compliance with 135 accreditation standards Update policies and procedures on an ongoing basis
	Grants	<ul style="list-style-type: none"> Manage grant applications, administration, and funding as needed
	Digital Evidence	<ul style="list-style-type: none"> Process, categorize, store, and manage digital evidence in compliance with applicable laws and regulations
Support Services	Records	<ul style="list-style-type: none"> Processes, classify, distribute, and file all Department reports Respond to records requests within required timeframes Ensure Department compliance with recordkeeping laws and regulations Expunge and dispose of eligible records as needed
	Court Compliance	<ul style="list-style-type: none"> Process and schedule subpoenas and requests for officers to appear at court as needed Assist with digital evidence processing requests Administer polygraph examinations as requested
	Technology	<ul style="list-style-type: none"> Coordinate technology services with the IS Department and police technology vendors Administer Police database systems Write custom reports and queries as needed
	Fleet	<ul style="list-style-type: none"> Coordinate with fleet management regarding police vehicle maintenance and replacement
	Budget and Payroll	<ul style="list-style-type: none"> Prepare and compile the Department's annual budget Process procurement requests as needed Process Department payroll as needed

Staffing

The following table shows the full-time budgeted position history of the Department for the last five reported fiscal years.

Table 37: Police Department FTEs by Function, FY2015 through FY2019

Function	FY2015 Budget	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Budget	Percent Change
Academy	5.00	5.00	5.00	5.00	6.00	20%
Emergency Communications	33.30	33.30	30.50	30.50	0.00	-100%
Operations	242.00	240.00	239.00	239.00	238.00	-2%
Technical Services	3.10	3.10	0.00	0.00	0.00	-100%
Telephones	0.60	0.60	0.00	0.00	0.00	-100%
Total	284.00	282.00	274.50	274.50	244.00	-14%

Budget

The following table shows the Department's operating expenditures for the last five fiscal years. The Department is funded through the General Fund as well as through the E-911 Fund, which is largely financed through State transfers and service charges. Expenditures increased by 22% even though E-911 expenditures decreased due to the establishment of a regional emergency communications center. Increased expenditures were largely driven by increased personnel costs.

Table 38: Police Department Expenditures, FY2015 through FY2019

Expenditure Type	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budgeted	Percent Change
Personnel	\$28,715,739	\$30,832,646	\$31,381,449	\$34,629,557	\$36,990,963	29%
Materials & Supplies	\$451,300	\$542,679	\$432,828	\$353,748	\$587,563	30%
Services & Charges	\$874,508	\$1,106,069	\$1,114,073	\$1,067,890	\$1,028,090	18%
Capital Outlay	\$199,544	\$348,359	\$298,334	\$111,623	\$405,922	103%
Sundry	\$60	\$0	\$2,542	\$0	\$6,000	9900%
General Fund Total	\$30,241,151	\$32,829,753	\$33,229,226	\$36,162,818	\$39,018,538	29%
Personnel	\$2,541,229	\$2,688,994	\$2,614,812	\$2,530,902	\$39,922	-98%
Materials & Supplies	\$4,369	\$3,906	\$1,314	\$3,767	\$2,000	-54%
Services & Charges	\$298,524	\$300,120	\$297,981	\$234,836	\$1,159,665	288%
Capital Outlay	\$1,184	\$1,745	\$1,001,186	\$1,437	\$1,000	-16%
Sundry	\$4,035	\$0	\$0	\$0	\$0	-100%
E-911 Fund Total	\$2,849,341	\$2,994,765	\$3,915,293	\$2,770,942	\$1,202,587	-58%
Total	\$33,090,492	\$35,824,518	\$37,144,519	\$38,933,760	\$40,221,125	22%

Police Analysis and Recommendations

There are many metrics by which to measure a Police Department's performance, but perhaps the most basic is its success – or lack of success – in reducing and deterring crime. Despite a recent surge of shootings and homicides (clearly the most serious of crimes and a natural cause for concern among residents), the Allentown Police Department has been highly successful in reducing crime. As shown in the table below, the FBI's Unified Crime Reports for the past five years (2014 through 2018) show consistent decreases in all major crime categories except one. From 2014 to 2018, violent crime decreased by 33%, and property crime decreased by 26%. In the shorter term, from 2017 to 2018, violent crime decreased by 26%, and property crime decreased by 15%. The only increase was in homicide, which decreased by 31% from 2017 to 2018 but increased by 22% over the longer term from 2014 to 2018. That percentage represents a numerical increase of two crimes: 11 in 2018 versus nine in 2014.

Table 39: City of Allentown Crime Statistics, 2014 through 2018

Type of Crime	2014	2015	2016	2017	2018	Percent Change 2014-2018	Percent Change 2017-2018
Murder	9	9	10	16	11	+22%	-31%
Rape	66	57	55	70	49	-26%	-30%
Robbery	312	259	274	269	183	-41%	-32%
Aggravated Assault	224	200	213	202	169	-25%	-16%
Violent Crimes	611	525	552	557	412	-33%	-26%
Burglary	940	670	668	634	463	-51%	-27%
Theft	2,608	2,302	2,387	2,362	2,100	-19%	-11%
Motor Vehicle Theft	273	226	282	306	258	-5%	-16%
Arson	13	19	18	13	9	-31%	-31%
Property Crimes⁶⁵	3,834	3,217	3,355	3,315	2,830	-26%	-15%

Every human life is precious, and an increase in homicides and shootings is never to be taken lightly. All possible resources and effort must be put into reducing that number. However, overall, from 2014 through 2018, the Department performed well in its core mission of reducing crime.

In general terms, the Department's success has continued into 2019; although FBI statistics have not been published, the Pennsylvania State Police Uniform Crime Reporting System reports an overall 25.03% decrease in crime and a reduction in Part One crimes, the more serious category of offenses, of 21.47% for the year to date.⁶⁶ However, several important categories have experienced increases; although homicides are actually 41.67% lower, 7 incidents compared with 12 the prior year, Assault with a Firearm increased 159.26%, from 27 incidents to 70, and Rape showed an increase of 30.30%, reflecting 10 additional incidents.

Consequently, although the City of Allentown has, in fact, experienced significant reductions in crime, there has been a troubling spike in the most serious categories of violent crime. There has also been a lengthy period of transition within the Department. The City has recently appointed its fifth Chief of Police since 2013. The ability to assess operations in the course of this Early Intervention Plan affords the City the opportunity not only to strengthen its financial position but to provide a roadmap for the incoming Chief that will assist in establishing a period of stable leadership that will enhance the performance of a well-functioning Department.

Patrol Staffing, Scheduling, and Operations

Recommendation 49: Adopt a proactive policing standard and adjust minimum staffing levels to meet proactive needs.

Determining an appropriate staffing level for a municipality is challenging. Staffing levels should be based on calls for service and community expectations for enforcement, which may be impacted by traffic patterns, business versus residential concentration, population, density, socioeconomic character, daytime population increase, cultural institutions, and planned development. Municipal leaders face the challenge of ensuring that their public safety agencies are staffed, equipped, and trained to respond to

⁶⁵ FBI totals for Violent Crime and Property Crime do not include arson.

⁶⁶ https://ucr.psp.state.pa.us/ibi_apps/WFServlet October, 2019.

any contingency while funding them within the locality's ability to pay, and in a way that ensures the future affordability of government services.

The core responsibility of a police department is the work done by its patrol staff: basic patrol and response to emergency calls for service, traffic enforcement, preliminary investigation, and suppression of crime. Every community handles these core functions in a slightly different way. There are a wide variety of shift schedules, minimum staffing goals, and deployment schemes.

The goal in analyzing patrol staffing is to identify staffing levels and deployment practices that provide adequate coverage for the response to calls for service while also enabling officers to engage in the level of proactive policing desired by the community. In other words, to be proactive as well as reactive. Proactive policing allows an agency to strategically deploy personnel to focus on identified trends and high crime areas, thereby preventing and reducing crime. Whether it is referred to as Community Policing, Problem Solving Policing, Data-Driven Policing, or by some other term, the goal is largely the same: provide sufficient time for Patrol Officers to identify problem areas or conditions; develop and implement strategies to address those conditions; establish relationships with members of the community to partner in developing long-term solutions to issues; gather intelligence; and show police presence through interaction with residents and businesses as well as team-led enforcement initiatives. It includes targeted patrols, narcotics enforcement, traffic enforcement, and community outreach.

While a community's proactive policing level of service standard is a policy decision, the International Association of Chiefs of Police recommends allocating at least 33% of an officer's time to proactive policing; the remaining two-thirds is divided equally between response to calls for service and administrative duties. Put differently, an officer should, in theory, spend 20 minutes of each hour on calls for service, 20 minutes on the resulting administrative tasks (preparation of reports, etc.), and 20 minutes on proactive policing. However, while the IACP sets a guideline target of 33% proactive, some communities may wish to establish an alternative service level.

To identify the current proactive policing service level provided by the Department, The Novak Consulting Group requested and received detailed Dispatched Calls for Service (DCFS) data for calendar year 2018 from the Department's records management system. Raw DCFS data for previous years was not readily available. This data was analyzed and evaluated to assess the volume of calls received as well as the average amount of time officers spend on calls in the field. Additionally, The Novak Consulting Group worked with the Department to categorize DCFS call types into three categories: Administrative calls (such as prisoner transports), Proactive calls (such as wellness checks), and Reactive calls (such as response to emergencies). In total, the Department received approximately 99,223 calls for service in 2018. Of these, approximately 64% were associated with reactive calls, as illustrated in the following table.

Table 40: Police Department DCFS by Call Type, 2018

Call Type	City-Wide Call Volume	Percent of Total Calls
Administrative	3,096	3%
Proactive	33,061	33%
Reactive	63,066	64%
Total	99,223	100%

Next, The Novak Consulting Group analyzed when reactive calls were received by the Department. On average, through the year, the number of calls received during a typical day increases from approximately 6:00 AM to approximately 4:00 PM throughout the week. Call volume on weekdays (Monday through Thursday) then declines from 4:00 PM until about 6:00 AM; however, on weekends (Friday through Sunday) call volume remains relatively steady from 4:00 PM to midnight, before declining between midnight and 6:00 AM. This trend is illustrated in the following figure.

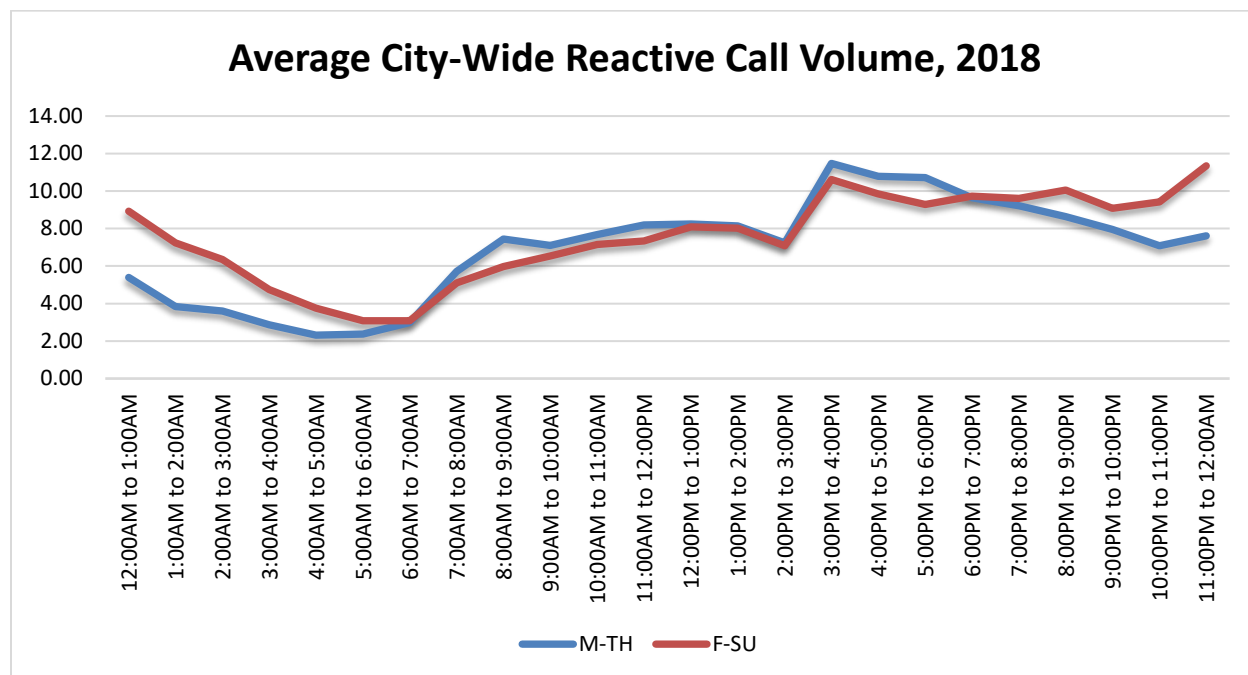


Figure 26: Average Time Spend on Reactive Call Volume, CY2019

While the number of calls is important, it is essential to understand how much time officers spend on reactive calls during the day. This information helps a police department estimate the number of officers needed to respond to DCFS to meet service demands while maintaining capacity for proactive policing. According to the data provided by the City, the amount of time officers spend responding to reactive calls roughly corresponds with overall call volume. However, calls received from 9:00 AM to 5:00 PM during weekdays typically consume more time than calls received during the same times on weekends. Similarly, calls received from 11:00 PM to 6:00 AM on weekends typically consume more time than calls received during the same period on weekdays, as illustrated in the following figure.

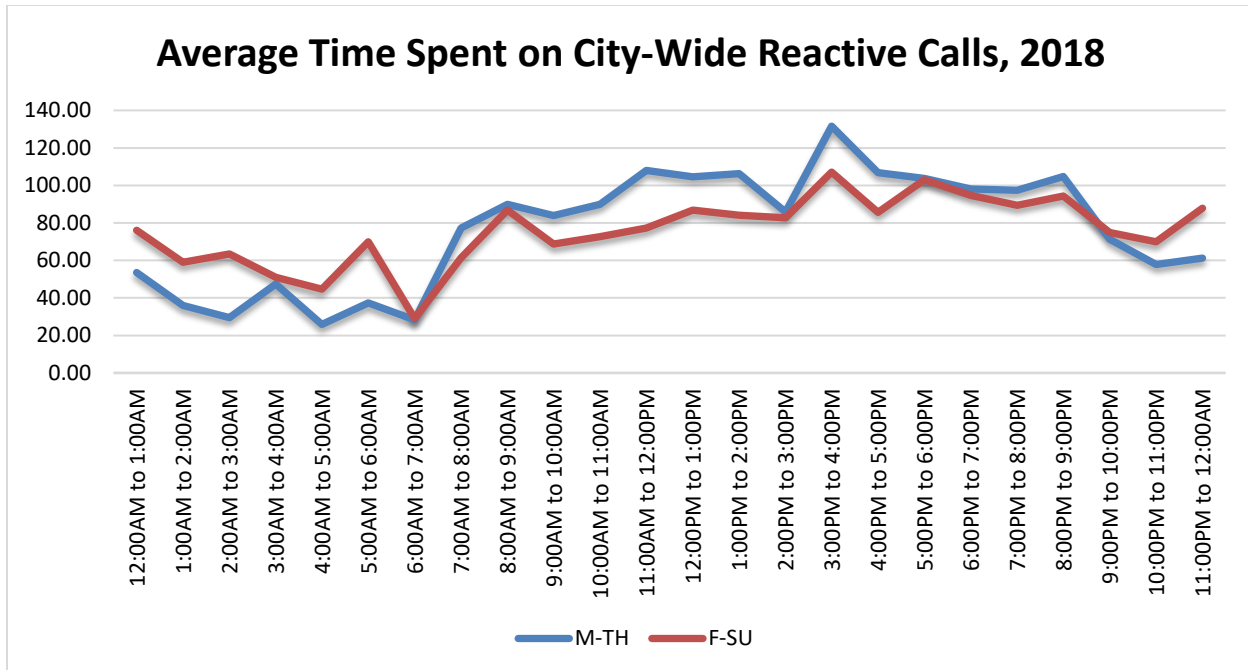


Figure 27: Average Time Spent on Reactive Call Volume, CY2018

To calculate the estimated number of staff needed to respond to reactive DCFS, the average amount of minutes spent responding to calls each hour of each day is divided by 20 (20 minutes represents 33% of one hour and reflects the IACP's proactivity standard). The result is rounded up to ensure that enough officers will be present to respond to reactive calls. For example, if a given hour requires 65 minutes of reactive call time on average, four officers would be needed ($65/20=3.25$; three officers at this time would be insufficient to handle DCFS, so four officers are required). The following table illustrates the estimated number of officers needed to respond to DCFS in Allentown on average during each hour of the day and day of the week.

Table 41: Estimated Officers Needed to Respond to City-Wide DCFS, 2018

Hour	Mon	Tue	Wed	Thu	Fri	Sat	Sun
12:00AM to 1:00AM	3.00	3.00	3.00	3.00	3.00	5.00	5.00
1:00AM to 2:00AM	3.00	2.00	2.00	2.00	3.00	4.00	4.00
2:00AM to 3:00AM	2.00	2.00	2.00	2.00	3.00	3.00	5.00
3:00AM to 4:00AM	6.00	2.00	2.00	2.00	3.00	3.00	3.00
4:00AM to 5:00AM	2.00	2.00	1.00	2.00	2.00	4.00	3.00
5:00AM to 6:00AM	2.00	4.00	2.00	2.00	8.00	2.00	2.00
6:00AM to 7:00AM	2.00	2.00	2.00	2.00	2.00	2.00	2.00
7:00AM to 8:00AM	4.00	4.00	6.00	4.00	6.00	3.00	2.00
8:00AM to 9:00AM	5.00	5.00	6.00	5.00	7.00	3.00	4.00
9:00AM to 10:00AM	4.00	5.00	5.00	4.00	5.00	4.00	3.00
10:00AM to 11:00AM	4.00	5.00	6.00	5.00	6.00	3.00	4.00
11:00AM to 12:00PM	5.00	7.00	7.00	5.00	5.00	4.00	4.00
12:00PM to 1:00PM	5.00	6.00	6.00	6.00	6.00	4.00	4.00

Hour	Mon	Tue	Wed	Thu	Fri	Sat	Sun
1:00PM to 2:00PM	5.00	8.00	5.00	5.00	6.00	4.00	4.00
2:00PM to 3:00PM	6.00	5.00	4.00	4.00	6.00	4.00	3.00
3:00PM to 4:00PM	7.00	6.00	7.00	9.00	6.00	6.00	5.00
4:00PM to 5:00PM	6.00	7.00	5.00	6.00	6.00	4.00	4.00
5:00PM to 6:00PM	6.00	6.00	6.00	6.00	6.00	6.00	4.00
6:00PM to 7:00PM	5.00	5.00	6.00	6.00	5.00	6.00	5.00
7:00PM to 8:00PM	5.00	6.00	6.00	5.00	5.00	5.00	5.00
8:00PM to 9:00PM	4.00	4.00	9.00	5.00	6.00	5.00	4.00
9:00PM to 10:00PM	4.00	4.00	4.00	4.00	4.00	4.00	4.00
10:00PM to 11:00PM	3.00	3.00	3.00	3.00	4.00	5.00	3.00
11:00PM to 12:00AM	4.00	3.00	4.00	3.00	5.00	5.00	4.00

According to the data provided, on average, two to nine patrol officers are required to meet reactive DCFS demands across the City. This staffing level provides enough capacity to ensure that officers spend no more than 33% of their time on reactive calls. This result is then compared to the typical minimum staffing level used to assign officers in the field. As a practice, the Department typically assigns 14 officers to patrol duties each shift among the City's four PSAs, as illustrated in the following table.

Table 42: Typical Patrol Deployment by PSA per Shift

Police Service Area	Officers/Cars Assigned
PSA 1	3
PSA 2	4
PSA 3	3
PSA 4	4
Total	14

In addition to these 14 officers, the Fifth Platoon provides an additional eight officers Tuesday through Saturday from 7:00 PM to 3:00 AM, increasing total available personnel to 22 officers during this period. Comparing officers assigned (14 to 22) to the number of officers needed to respond to reactive calls while achieving a 33% proactivity standard (nine during peak periods) indicates that the Department's current staffing level is sufficient to meet the IACP standard based on the data provided. However, two factors complicate the staffing analysis above and reduce its reliability in assessing the Department's staffing levels.

First, the data above represents only one complete year of call data. Because crime and call trends can fluctuate from year to year, it is important to analyze several years of call data to obtain a more thorough understanding of patrol DCFS demands and response needs. Because only data from calendar year 2018 was readily available in a format that enabled precise analysis, it is unclear whether this year is typical of the Department's operations and experience.

Second, it is unclear whether the data captured by the Department's record system accurately reflects actual time spent on calls. Specifically, the average amount of time spent on calls (from the time the call is dispatched to the time the call is cleared) for certain categories appears understated relative to typical

field practices and other police department data. The Novak Consulting Group compared call data from Allentown to other communities, including Aurora, Colorado, and Charlottesville, Virginia, and found that Allentown call times were significantly lower than call times for these communities in several categories. The following table illustrates examples of the average number of minutes spent on calls in Allentown compared to Aurora and Charlottesville.

Table 43: Average Minutes Spent per Call Type Among Comparison Communities

Call Type	Allentown	Aurora	Charlottesville
Disturbance/Disorder	10.3	131.7	44.1
Gunshot Complaint/Shots Fired	11.2	60.2	43.4
Motor Vehicle Accident	10.3	97.0	61.2
Robbery	18.1	307.9	129.1
Suspicious Activity	9.9	49.6	28.8

Many factors impact total time spent on a call, including geography, proximity of the responding officer to the scene, traffic, circumstances present when the officer arrives on-scene, and the need to debrief victims. However, it is notable that while significant calls in other communities may take several hours to resolve (such as motor vehicle accidents and robberies), the average time spent on these calls in Allentown is less than 20 minutes according to available data. Due to Allentown's size, geography, and population, rapid call clearance times like those indicated in the data likely do not represent an accurate reflection of the City's demand for police services.

It is important to note that in June 2019, the City began utilizing the Lehigh County 911 Center for dispatch services. This represents an important opportunity to strengthen the quality of the Department's data-gathering efforts (particularly for time spent on reactive DCFS) and to utilize this data to adopt a proactive policing standard. Although the IACP guidelines call for a target of 33% proactive time, many communities choose to staff to a higher level to allow for greater community interaction, quicker response time, or additional patrol capacity, such as business district foot patrol. Additionally, the community's geography and traffic constraints should be considered when establishing a proactivity standard. Although a certain number of officers may be sufficient to meet the average calls for service workload, additional officers may be required to provide adequate coverage, visibility, backup, and availability for emergency response. Policy determinations regarding staffing should account for sufficient personnel to ensure that adequate and timely backup is available, given the size of the community and the presence of any geographical barriers.

Whether the City chooses to utilize the 33% proactivity standard identified by the IACP or a different standard, it should perform a staffing analysis similar to the one conducted above after one or two years of utilizing the County system. The goal of this staffing analysis should be to determine whether the Department's present staffing levels and shift configuration adequately and efficiently meet the community's needs and financial constraints. This analysis will require the City to examine detailed records from the County's communication system, including the number and type of calls received, units dispatched per call, time the call was dispatched, and time the call was cleared. By comparing the number of officers required to meet proactivity standards to the number of officers deployed each shift, the Department will be able to more effectively determine where and how to deploy its existing staff.

Investigations

Recommendation 50: Prioritize Investigations staffing within operational constraints.

The determination of the appropriate staffing and configuration of investigative units presents a different challenge. Patrol staffing can largely be determined based on the workload generated by calls for service viewed against recognized national standards. Staffing levels for investigative units do not lend themselves to the same sort of analysis. Caseload and clearance rates are frequently used as valid metrics, although they cannot be used as raw numbers without further scrutiny. The workload of a detective specializing in the investigation of violent crimes may show a relatively small number of cases, but each is a labor-intensive major investigation. Conversely, some property crimes with no significant leads may be routinely closed based on a quick telephone call to the victim, so a higher caseload may not reflect a significantly higher workload. However, other factors impact even that analogy. For example, property crime investigations have become more numerous and complex with the advent of identity theft and cybercrime. In addition, the increasing availability of surveillance video and digital evidence from computers and cell phones has increased both the solvability and the scope of investigations. Computer forensic examination – tracking information on cell phones, laptops, and social media – has become almost a routine part of the investigative process. When members of an investigative unit are primarily generalists, assessment of staffing levels is complicated by the fact that investigators' caseloads may be a mix of complex, labor-intensive cases, such as homicides and straightforward property cases.

The standard of customer service set by the agency and expected by the community also impacts the workload by raising or lowering the criteria for accepting cases for investigation and determining when they are to be closed. The assignment of cases is essentially a triage process that evaluates several factors: the level of the crime; the presence of a willing complainant; the availability of evidence or witnesses; the extent to which the suspect is or can be identified; and the availability of investigative resources. The public profile of a case also affects the level of investigation it demands. Cases may draw increased attention from the media or the public or raise particular interest or concern in the community. Additionally, there are often distinctions among cases that are not amenable to successful investigation and should be closed, cases that clearly merit further investigation, and cases that might be solvable if additional resources were available but must be closed based on a cost-benefit analysis. A case may take on a high profile as a result of the nature of the crime; the notoriety of the victim or perpetrator; or the location in which it occurs.

As cited previously, during the past three years, an average of 2,698 cases were referred to the Criminal Investigations Division annually. However, that is not the number of cases that were assigned to Detectives for investigation. That number is slightly lower, as shown in the tables below, which is a normal result of the aforementioned case assessment process.

Table 44: Cases Assigned to Criminal Investigations Division Detectives 2016 - 2018

Year	Cases assigned	Available Detectives	Annual Average per Detective	Monthly Average per Detective
2016	1,709	8	213	17.75
2017	1,736	8	217	18.08
2018	1,792	8	224	18.67

Table 45: Cases Assigned to Special Victims Unit Detectives 2016 - 2018

Year	Cases assigned	Available Detectives	Annual Average per Detective	Monthly Average per Detective
2016	394	2	197	16.42
2017	526	2	263	21.92
2018	531	2	265	22.08

As noted, there are no clearly established guidelines for investigative caseload. However, ranges are often cited as optimal workloads for Detectives, ranging from five open cases for homicide investigators, five to 10 cases for violent crimes investigators, and 12 to 20 cases for property crimes investigators. Some guidance can be found in a 2018 response prepared by the New York City Police Department in response to an audit of its Special Victims Division. It cited an annual caseload of 93 cases for its Special Victims Division and 150 to 175 cases annually for general investigators assigned to Precinct Detective Squads; it also discussed theories on investigative caseload.⁶⁷

Aside from the general averages provided for Allentown's investigative personnel, more detailed caseload information is unavailable at this time. However, based on even the most general of guidelines, it appears that the workload of Detectives, particularly those assigned to handle sensitive and complex cases typically assigned to the Special Victims Unit, is above optimal levels.

Because the efficiency of the Department's patrol staffing cannot be positively determined as discussed above, it is inappropriate to recommend additional full-time positions to supplement investigations. Rather, the Department should prioritize supplementing investigations staffing within the context of its existing operational constraints. To accomplish this, it should fill the two existing vacancies in the Criminal Investigations Division for general investigations and, wherever possible and practical, reassign two additional staff to support the Special Victims Unit as investigators. While it may be feasible to reassign some patrol staff to investigations, it must be recognized that patrol operations are a core police function and should be highly prioritized.

Increasing available general investigations staff from eight up to the authorized staffing level of 10 positions will result in an annual average caseload per Detective of 179 cases, and a monthly average intake of 15 cases. Similarly, increasing staffing for the Special Victims unit from two investigators to four will result in an average annual caseload of 133 cases, with a monthly intake of 11.06 cases. In the absence of sufficient data regarding the Department's patrol operations, filling vacancies and potentially reassigning other staff recognizes the City's financial condition while moving staffing toward a level that will provide a more manageable workload and consequently, better quality investigations.

Recommendation 51: Enhance data collection regarding Criminal Investigations Division workload indicators.

Data regarding basic indicators such as investigative caseload and clearance rates is invaluable when properly interpreted. It provides police and municipal administrators an empirical basis for evaluating performance, making staffing and deployment decisions, and submitting budget, grant, and other funding requests that are supported by facts. It enables elected officials and other decision-makers to make informed choices and validates to residents and businesses the return on their investment of tax dollars.

⁶⁷ https://www1.nyc.gov/assets/nypd/downloads/pdf/public_information/oig-report-on-svd-response.pdf

Two measures generally used to assess investigative work are clearance rates and caseload. The clearance rate – essentially the percentage of cases that are solved -- reflects individual performance, as well as the overall performance of a unit in successfully completing investigations. Caseload is a measurement that provides a snapshot of the workload of a detective at a given point in time: the number of open cases for which he or she is responsible. Both indicators should be immediately available and reviewed on both monthly and annually to track short-term needs for adjustment of deployment, long-term staffing needs, and overall performance.

Although these are basic measurements, the amount of effort required by a particular case or category of investigation can vary widely. For example, a complicated investigation such as a serious assault can require numerous interviews and canvasses, invoicing of evidence, surveillance, multiple search warrants, coordination with outside agencies, repeated conferrals with prosecutors, and production of witnesses for multiple hearings. A simple theft case may require little beyond an interview with the victim and perhaps review of security video. As a result, a single-digit caseload for one detective may be equally or more demanding than another detective's caseload that numbers in the dozens. Statistics regarding investigative workload must be viewed in context.

Caseload is a widely used method of measuring an investigator's workload, although it must be considered in light of the factors previously mentioned: pure numbers do not always represent the workload associated with different categories of cases. Caseload tracks the number of cases currently assigned to each detective. It is a floating number that changes monthly or even daily as cases are assigned and closed. It is essentially a balance sheet of debits and credits, reflecting the net of newly assigned cases and cases that have been closed. Annual figures do not provide sufficient information since cases are often opened in one year and closed in another.

For example, a Detective who begins a month with 16 assigned cases may be assigned seven cases during the month, close 11, and finish the month carrying 12. This provides a snapshot of the daily workload of the Bureau and should be monitored, in addition to the total number of cases assigned over the long term. It should be interpreted based on the type of cases assigned to the investigator.

The Department should work with the IS Department and its software vendor to update its records management system to ensure that it provides ready access, in a user-friendly manner, to up-to-date case closure and caseload statistics, and that it accounts for the time invested in investigations by Detectives. Access to that information on both a daily snapshot basis and annually would assist in the assessment of both short-term and long-term staffing and deployment needs. This data will enable the Department to perform ongoing reliable assessment of Criminal Investigations Division staffing needs in the future.

It is important to acknowledge that the investigative process is not linear; cases are not received, investigated, and closed in an assembly line fashion. Based on workload, witness availability, and the occurrence of priority incidents, Detectives work on cases as time allows, frequently touching on multiple cases during a shift. Detectives do not do interviews or apprehend suspects alone; although every case is assigned to one Detective, several others may be involved in the investigation, and that time is not necessarily reflected in their own caseloads. Precise accounting for every minute of a Detective's time is virtually impossible; however, a reasonable estimate of investigators' activity in a user-friendly system can yield valuable results that will inform decisions regarding performance, staffing, and allocation of resources. It will also assist in documenting time spent assisting cases that are officially assigned to other Detectives, which can consume a substantial portion of an investigator's time. Even periodic samplings,

in which Detectives closely track their time for fixed periods, provide valuable benchmarks with which to evaluate the effectiveness of staffing levels and assignments.

Recommendation 52: Implement a system for referring cases electronically.

When reports of criminal offenses are recorded by patrol personnel, they are reviewed by patrol supervisors then forwarded to the Staff Review Unit for processing and filing. Cases referred for further investigation are forwarded on paper to the Criminal Investigations Division. That process typically takes more than three days.

Timeliness is a significant factor in the success of an investigation. Although investigators' workload may preclude immediate action on a particular case, it is important that the case is referred promptly so that urgent action may be taken when necessary to ensure that evidence is preserved and that victims or witnesses can be interviewed while their memories of the incident are still fresh. More importantly, it provides the opportunity to identify emerging crime trends or patterns and to link cases when necessary. The Department should work with the IS Department and software vendors to implement a process for streamlined electronic referral of cases.

Administration/Management Systems

Recommendation 53: Implement an information-led, proactive policing strategy.

Although the Department previously utilized a CompStat-style program to guide its crime-reduction efforts, that program was abandoned. To address the recent increases in certain areas and to continue its overall success in achieving across-the-board crime reduction, the Department should return to an information-led strategy. The Department is of sufficient size to warrant a structured means of sharing intelligence information, ensuring that its multiple divisions, bureaus, and units are collaborating effectively, and that communication across the agency is seamless.

The way this is achieved must be tailored to the size, structure, and culture of the organization. Many municipalities have adopted and found success with the CompStat model. There is a great deal of room for innovation in this area. Whether the program is CompStat or a completely different initiative designed to fit the needs of a particular jurisdiction, the basic CompStat principles are a foundation for effective policing, collaboration, and assessment of the progress of virtually any initiative:

- Timely and accurate intelligence
- Effective tactics
- Rapid and effective deployment
- Relentless follow-up and assessment

The implementation of these concepts can differ significantly in each jurisdiction, but the basic components of the process are the same: efficient collection and analysis of crime statistics or other performance indicators; dissemination of relevant information to supervisors and line personnel to form the basis for personnel deployment and enforcement initiatives; and assessment, often in the form of command-level meetings that ensure that appropriate information has been shared, that all units within the agency are coordinating their efforts and providing necessary support, and that all members of the agency are actively engaged in its mission. A publication by the Police Executive Research Forum (PERF) summarized the impact of CompStat: *"...instead of merely responding to calls and investigating crimes after they were committed, police gathered accurate, timely information to identify emerging crime trends, held regular meetings to discuss countermeasures, and deployed resources to break up crime patterns and prevent crimes. (And they succeeded; the national violent crime rate in 1994 was 66% higher*

than the comparable figure for 2009; and the property crime rate was 53% higher in 1994 than in 2009, according to the FBI.)⁶⁸

An information-driven program should include not only analysis of crime statistics, but processes for monitoring data that tracks patrol and investigative performance, as well as community outreach efforts. Community outreach plays as important a role in the crime reduction process as does enforcement, particularly in developing information about conditions of concern to the residents. It must be recognized equally, and subject to the same level of accountability and analysis, as traditional enforcement. The Department's positive relationship with the community it serves will be an asset in this area.

It is recommended that the Police Department implement a proactive, information-led crime reduction strategy based on the principles originated by the CompStat model that includes the following:

- A formal crime analysis component to identify crime trends and put relevant intelligence into the hands of the staff who can apply it in the field through deployment of personnel and enforcement initiatives
- Assessment, in the form of periodic command-level meetings or other methods most suitable to the needs of the Department, to ensure that appropriate information has been shared and that all units within the agency are coordinating their efforts and providing necessary support
- Accountability to ensure that all members of the agency are actively engaged in its mission

As part of this process, it is necessary to assign personnel with appropriate rank and position within the agency to coordinate the implementation of strategies and accountability for the performance of personnel and cooperation between units, as well as personnel capable of assembling the necessary data. Although this will likely require the addition of administrative staff, this is a tested method of targeting resources to reduce violent crime, which provides the additional benefit of monitoring metrics and assessing performance in specified administrative functions as well as the critically important area of community engagement.

Recommendation 54: Develop additional capacity for crime analysis.

Crime analysis is an essential function for a police department, particularly one of substantial size that contends with significant crime issues. Crime analysis provides a basis for informed decisions regarding staffing and schedule adjustments, deployment of personnel, and developing targeted enforcement strategies to address crime patterns and trends. It provides the basis for a CompStat-based crime reduction program, as discussed elsewhere in this report. A Department's Crime Analyst develops, analyzes, and disseminates criminal intelligence information to both patrol and investigative personnel to enhance their effectiveness.

The Department currently has one Crime Analyst and no additional capacity in this key area. The Crime Analyst has been on extended military deployment, which has limited the Department's ability to mine data and perform statistical analysis. Its Crime View Dashboard has very limited utility as a result of data entry delays, as well as limited ability of staff to access or update it. Responses to requests for crime statistics such as Clery Act statistics required by local colleges⁶⁹ have been delayed. It is important that

⁶⁸ Police Executive Research Forum, "*Subject to Debate*," Vol. 25, No. 2, March/April 2011

⁶⁹ The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act is a federal statute requiring colleges and universities participating in federal financial aid programs to maintain and disclose campus crime statistics and security information.

the Department develop backup capability in this area, either by hiring additional personnel or cross-training existing staff to perform the function.

Recommendation 55: Enhance internal Information Technology capacity.

As noted previously, the Department has only one employee assigned to Crime Analysis duties, and that person has been on extended military deployment. As a result of this person's absence, the Department's ability to extract information from various systems, including its Computer-Aided Dispatch (CAD) system, has been extremely limited, leaving it largely unable to utilize data regarding crime trends, response times, utilization rates, call volume, and similar metrics that can assist in staffing and deployment decisions and assessment of their effectiveness.

That limited capacity applies throughout the Department's IT functions. Although IT services are provided by the City-wide IS Department, a Police Department's IT needs are significantly different from those of other City departments. As a 24-hour per day operation, the Police Department needs uninterrupted access to multiple federal and state databases, as well as its own Records Management System and other internal systems. Without technology, a modern law enforcement agency's operations essentially come to a halt. Members of the Department expressed widespread dissatisfaction with the current state of technology, including inadequate hardware, limited software licenses, which restrict access to programs, slow performance of frequently used systems, and limited availability of technical support from the IS Department.

As it is currently structured, a Captain has overall responsibility for the Department's technology function, among other responsibilities. One officer is formally designated as the Department's liaison to the IS Department, and a second assists and assumes the role in the primary officer's absence. They focus largely on the Department's camera systems and handling of digital evidence from the Department's body-worn cameras and building cameras, and both have additional duties. The Liaison Officer meets with the IS Department weekly. However, the ability of Department staff to address technology issues independent of the IS staff is restricted by their limited access to the systems, including the Department's Crime View Dashboard. In the wake of an extensive malware attack on the City's systems, they are not provided with access codes to many of them; consequently, their ability to troubleshoot issues is limited, particularly after business hours when IS Department staff is unavailable.

Considerable progress has reportedly been made following a recent transition in the IS Department and contract vendors. However, there remains a need to build internal IT capacity and redundancy to ensure minimally interrupted service and the ability to utilize data to advance the Department's mission. The Police Department should discuss the best way of developing this capacity with the IS Department as part of a formal process to define service-level agreements and establish a more proactive business partnership with IS, as discussed in the Information Services section of this report.

Recommendation 56: Monitor staffing needs for the processing of digital evidence.

One officer is assigned to the management of digital evidence with a second officer who assists with other duties and assumes duties in the primary officer's absence. The scope of responsibility includes managing data recorded by approximately 200 body-worn cameras, approximately 180 cameras deployed on City streets, in-vehicle cameras, and building cameras.⁷⁰

⁷⁰ Body-worn cameras were obtained through grant funding, which required the assignment of a sworn officer to manage the recorded evidence due to its evidentiary nature.

The demand for digital evidence has become a significant burden to police departments nationwide. This demand continues to grow, largely as a result of the increasing demand for body-worn camera footage, which is a relatively recent development in policing. Body-worn cameras were essentially unheard of before 2005. Usage of the devices grew rather slowly until 2014 when several controversial incidents triggered national debate about their widespread deployment. In 2013, 75% of police departments reported that they did not use body-worn cameras.⁷¹ By 2016, 95% of major police departments across the country either were using them or had committed to their implementation.⁷²

Planning for implementation of body-worn cameras has typically focused on the expense associated with the purchase, maintenance of the devices, and the storage of recorded data. However, in many cases, the greater impact on staffing has been the personnel cost associated with managing recorded video. Videos must be filed with associated call data in a way that facilitates retrieval. Records requests for recordings can take a significant amount of time to retrieve, review, and process for distribution. In addition, prosecutors have been known to expect that investigating detectives review all video associated with a case and that officers review videos before offering testimony. All of this can consume considerable staff hours, which must be evaluated as a potential future need.

The Allentown Police Department has been progressive in its adoption of body-worn cameras and is currently converting existing cameras to an improved model. However, the current staffing level is likely insufficient to keep up with the future workload. The labor hours associated with digital evidence review and processing should be routinely evaluated to ensure that sufficient staffing is allocated since delay in processing, inadvertent destruction, or inefficiency in the production for trial of digital evidence has the potential to impede the prosecution of cases and damage the Department's image at a time when the public demands transparency in law enforcement.

Recommendation 57: Address salary compression at the rank of Captain.

All uniformed members of the Department below the rank of Captain are represented by the Fraternal Order of Police and are eligible for overtime compensation for hours worked in excess of eight hours per day or 40 hours per week. Salary compression has affected the rank of Captain as collective bargaining agreements have increased the salary of Lieutenants. Captains routinely work more than 40 hours per week attending community meetings or public events, handling operational issues, or responding to major incidents while on call. They are currently not compensated for those hours. Lieutenants' compensation and potential retirement benefits will reportedly equal or exceed that of Captains in about one year, and they are eligible for overtime for excess hours. This is likely to be a disincentive for members of the Department to accept promotion to the rank of Captain and to assume command staff responsibilities. The City should review the compensation levels of Captains and above to ensure that they are on pace with those of comparable jurisdictions and that they provide an equitable level of compensation for the duties performed by the command staff. Although it is important for the City to be prudent in controlling personnel expenses, it is also important for an organization to attract the highest quality candidates for its most critical leadership positions. Salary compression at the rank of Captain may discourage talented leaders from seeking advancement to the Department's highest ranks with a long-term effect of limiting the ability of the Department and the City to select the best future leaders.

⁷¹ <https://www.nij.gov/topics/law-enforcement/technology/pages/body-worn-cameras.aspx>

⁷² <http://www.governing.com/topics/public-justice-safety/gov-police-body-camera-survey.html>

Recommendation 58: Revise False Alarm Prevention Program structure.

Allentown, like most municipalities, responds to a large volume of false alarms and has implemented an alarm fee process to address it. In 2018, the Department responded to 4,057 alarm calls, of which 3,541 were burglar alarms. While the incidence of false alarms was not readily available, burglary alarms traditionally involve a high incidence of false alarms.

Under the City's current alarm program,⁷³ property owners are invoiced for \$100 upon the third false alarm during a 30-day period. The time resets 30 days from the date of the original alarm. Consequently, a resident can have two false alarms requiring police response every 30 days without penalty. Because the 30-day period is a rolling window, it is possible for residents to repeatedly generate false alarms while avoiding false alarm fees.

Most municipal alarm fee programs are based on a longer period before the violation period resets; for example, fees or fines are imposed after the third false alarm in a calendar year. By imposing a higher level of accountability, such programs, at least in theory, heighten alarm users' attention to the maintenance and proper usage of their alarm systems. Consequently, the false alarm response workload on the Police Department is reduced, allowing the redeployment of officers to more pressing duties. There is also a revenue aspect of the false alarm program; currently, fees are billed quarterly and produce annual revenue of approximately \$25,000. While the reduction of false alarms and, therefore, the more efficient use of police resources should be the principal aim of the program, there is a potential for increased revenue.

The City should review its alarm ordinance with the goal of better utilizing police resources by lengthening the time frame during which alarm penalties are imposed before being cleared.

Recommendation 59: Renegotiate the process for authorizing Personal Time.

Effective July 1, 2016, the collective bargaining agreement grants employees 40 hours of Personal Time annually.⁷⁴ Personal Time must be used in the calendar year in which it is earned and must be requested no later than 30 minutes before the start of the employee's shift unless an emergency makes it impractical to do so. Most significantly, "full days and late starts can be used on an emergency basis, without having to be scheduled through the shift commander."

Based on this language and the practice of the Department, officers essentially are guaranteed approval for up to five days off each year without prior notice. Although this is a valuable benefit to the employee, it has the potential to seriously impact shift staffing. Although a given shift may be adequately staffed, a rash of emergency leave requests can, with little notice, leave the shift below optimal staffing levels with inadequate patrol coverage. It also has an impact on overtime, since it results in unplanned shift vacancies that frequently must be filled with overtime.

The City should renegotiate this provision to include reasonable limitations that will protect the potential scheduling disruptions associated with it. For example, automatic approval of Personal Time might be limited to a certain percentage of the officers scheduled for a given shift and granted on a first-come, first-served basis. Alternatively, officers might be granted the right of automatic approval for a certain number of shifts, such as two out of the five days authorized annually. The goal is not to deny employees time off,

⁷³ Allentown Codified Ordinances, Title 7, Article 1781, *Police and Fire Emergency Alarm Systems*

⁷⁴ Collective bargaining agreement 2016-2018, Article 26.

but to provide a more equitable balance between their right to be excused without prior notice and the Department's need to maintain adequate shift staffing levels and control expenses.

Recommendation 60: Enhance telephone communication with staff.

Feedback from Department staff indicates that the Department's automated telephone information system, commonly known as a "phone tree," is not well-regarded by the community. Complaints center on difficulty in reaching individual officers to follow up on crime or vehicle accident reports.

The use of a phone tree is intended to improve the ability of members of the community to quickly identify and contact the department, unit, or person with whom they wish to speak. Such communication has traditionally been important to the public, which values personal attention and the ability to speak with officers involved in their matters of concern. However, when such a system does not work properly, it can have the opposite effect.

The Department should direct its vendor to review the operation of the system to ensure that it provides callers with the ability to contact the appropriate parties, and the Department should also ensure that personnel are aware of the importance of monitoring voice mail and returning calls promptly.

Facility and Fleet

Recommendation 61: Conduct a space needs assessment of Headquarters and Patrol facilities.

Both the Public Safety Building and the Patrol Station appear to be fully utilized. In light of the City's current financial position, it is unlikely that any major construction will be feasible in the foreseeable future. However, it is important to assess facility needs periodically to ensure that space and configuration are adequate for their intended purposes and to be aware of impending expenses so that they can be considered in the long-term budget process. The City should complete a facilities space and needs assessment to plan adequately for the future.

Recommendation 62: Delineate standards for vehicle replacement and incorporate Police Department input.

Without serviceable vehicles, police officers cannot do their jobs. Vehicles serve as officers' workplaces during their tours of duty, and it is imperative that they are maintained in safe condition to enable officers to respond quickly to emergencies. Since they are basic tools that enable police staff to work, vehicles must be replaced on a routine basis to ensure safety and avoid downtime.

The Department's operating fleet currently consists of 92 vehicles, including 45 marked patrol cars. The Department typically requests the replacement of 12 patrol cars, two sport utility vehicles, two Detective sedans, and one van annually to maintain the fleet in good condition. However, decisions are frequently made elsewhere in the organization based not only on which vehicles to remove from service due to age and condition but on the type of vehicles to purchase.

The purchase of police vehicles differs from other fleet vehicles. Police vehicles are typically purpose-built as such, equipped with a "police package" of heavy-duty suspension, and engine, cooling, and electrical systems to support emergency/pursuit driving and to increase the vehicles' durability since they often idle for extended periods, run 24 hours a day, and are used by multiple operators. They need to be sized properly to comfortably accommodate officers who are typically wearing body armor as well as utility belts carrying increasing amounts of equipment and must accommodate the equipment utilized by officers on patrol. Emergency equipment and the placement of controls must be consistent and ergonomically suited to use under stressful conditions. Essentially, it is important that Police Department

staff has input into the selection and purchase of vehicles and equipment. Reportedly, decisions about vehicles and equipment have often been made in other areas of City government with limited input from the Department.

Under ideal circumstances, vehicle purchasing and equipment decisions should be a joint effort, combining the mechanical expertise and working knowledge of vehicle systems with the subject matter knowledge of police staff to select vehicles that are durable, reasonably priced, and responsive to officers' needs. The City should implement a set of standards to serve as guidelines for vehicle acquisition and replacement that recognizes these factors and utilizes police input.

Fire and EMS Department

The Fire Department is responsible for fire prevention, fire suppression, and Emergency Medical Services (EMS) for the City of Allentown. The Department's Mission Statement is as follows:

"It is the mission of the Allentown Fire Department to provide an environment and social framework in which the lives of the citizens and the property of individuals and business establishments are protected from harm or damage through Fire Prevention, Inspections, Fire Education activities and aggressive firefighting performances in conjunction with upgraded fire equipment, ameliorated training and command enhancements. The department personnel will perform as first responders to both medical and hazardous material incidents. They will carry out duties equivalent to their training in both fields. The department will also provide assistance wherever possible with any other emergency situation that may arise."

The Department has a total of 161.0 FTEs, overseen by a Fire Chief, as illustrated in the following chart.

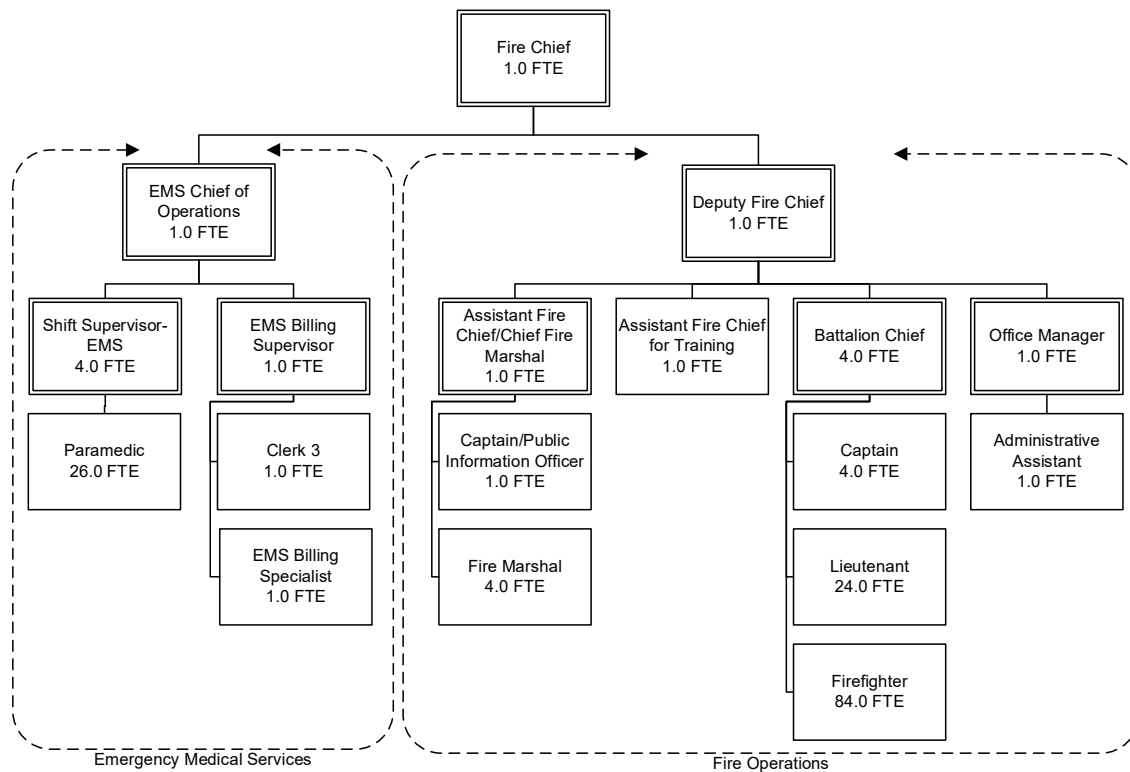


Figure 28: Fire and EMS Department Organizational Structure, FY2019

The Department is separated into two Divisions: Fire Operations and EMS. The following sections provide a brief overview of the Department's overall command structure, followed by a review of each Division's operations.

Administration

The Department is managed by a Fire Chief who oversees Fire and EMS operations. The Fire Chief is responsible for general oversight of the Department, as well as for managing Department financials and representing the Department at meetings and public events.

Day-to-day Fire operations are overseen by a Deputy Fire Chief, who reports to the Fire Chief. The Deputy Fire Chief is also responsible for personnel management for the Fire Operations function, as well as oversight of Fire Operations' fleet and facilities. The position oversees the rest of the command structure for Fire Operations.

Administrative Support for Fire Operations is provided by an Office Manager and an Administrative Assistant. The positions manage payroll, requisitions, and invoices for the Department as well as other administrative tasks. Administrative support is limited; these two positions are the only administrative positions for a staff of 127. However, the general structure of the positions and their location within the organization is appropriate.

Fire Prevention

An Assistant Fire Chief/Chief Fire Marshal manages the Fire Prevention function and serves as the Public Information Officer (PIO). The Prevention Unit is staffed with four Fire Marshals. Fire Marshals are responsible for completing fire code inspections for high-risk existing occupancies, including schools, high rises, healthcare facilities, daycares, and hazardous materials (HAZMAT) facilities. Fire Marshals also review building plans to ensure compliance with the fire code and provide structural inspections during the construction process. These inspections are necessary for a property owner to receive a certificate of occupancy. Fire Marshals are also responsible for developing and maintaining pre-plans. According to the National Fire Protection Association (NFPA), a pre-plan is a document developed by gathering general and detailed data that is used by responding personnel in effectively managing emergencies for the protection of occupants, responding personnel, property, and the environment. The Department currently maintains pre-plans for hazardous materials sites.

The following table illustrates the occupancy inspection and building plan/permit review workload over the last three years.

Table 46: Fire Prevention Workload Indicators

Indicator	2016	2017	2018
Total Certificate of Occupancy Inspections	95	72	97
Total Plan Reviews	75	90	132
Total Fire Permits Issued	604	644	632
Total Special Use Permits Issued	46	58	34

Training

The Assistant Chief of Training is responsible for overseeing the Department's training programs, including a Fire Academy for new recruits and ongoing equipment and skills training. The Assistant Chief of Training also oversees the Department's public communications function.

The position manages the Department's Fire Academy, which is offered to new hires of the Allentown Fire Department as well as of the nearby Bethlehem and Easton Fire Departments. Completion of the Academy

is required before a new hire can serve as a Firefighter. The Academy runs for 20 weeks per course. Frequency varies depending on the timing of new hires, but the Academy is offered at least once per year. Space for the Academy is limited; the Department used to have five classrooms devoted to the Academy, but the Department lost the use of four classrooms in 2013 due to facility realignment. The Department makes use of space at local community colleges and other venues when available and feasible, but space remains constrained.

A second responsibility of the Assistant Fire Chief is to oversee ongoing training for existing staff. The Department provided 40.5 class hours of Department-wide training to Firefighters in 2017 (the most recent data available). Classes offered Department-wide included skills training, such as hazardous materials operations and medical response techniques, as well as equipment orientation and procedure reviews. The Department also provided 38.5 class hours of company-based training classes, including live fire drills, rope rescue, and other technical training, as well as pre-plan development training.

Finally, the Assistant Fire Chief also manages a Captain position that serves as the Department's Public Information Officer (PIO). The PIO coordinates public messaging for the Department and conducts public outreach to businesses, community groups, and other stakeholders. The position also assists the Fire Prevention staff in inspecting high-risk buildings, such as schools, healthcare facilities, and high rises.

Fire Suppression

The Deputy Fire Chief provides overall management of the fire suppression function with the support of Four Battalion Chiefs who oversee day-to-day fire operations. Firefighters are divided into four Platoons, each overseen by one Battalion Chief, one Captain, and six Lieutenants. All Battalion Chiefs and Captains are based out of the Department's Central Fire Station. One Lieutenant per Battalion is assigned to each of the Department's six fire stations. Each station also has at least one Driver and one Pipeman assigned per Battalion.⁷⁵ Firefighters are assigned to engines based on availability and need and work a 10/14 shift schedule. Under this schedule, Firefighters work four, 10-hour day shifts followed by four days off. They then work four 14-hour night shifts followed by four days off.

The Fire Department deploys fire suppression personnel from six fire stations assigned to six engine companies and one ladder company. The Central Fire Station houses the Battalion Chief and two Engine companies. The West End Station, Mack South Station, The Fearless Station, and East Side Station each house one engine company. The Hibernia Station houses an engine company and a ladder truck company. The Battalion Chief deploys to fire events using a command vehicle and is accompanied by a Firefighter/Driver.

Each engine company is assigned one company officer (a Captain or a Lieutenant) and at least two Firefighters, though staff report this can be reduced to two total fighters (a company officer and a Firefighter) during low staffing periods or periods of peak workload when additional apparatus need to be activated. The City's contract with the International Association of Firefighters Local 302, the union representing Firefighters, requires that the City schedule a minimum of 25 Firefighters per shift, including command staff. There is no minimum staffing level however; if Firefighters do not report for duty due to illness or any other reason, the number of Firefighters on shift can drop below 25.⁷⁶ The Department also maintains certain special teams trained to respond to specific situations, including a hazardous materials

⁷⁵ The Pipeman is responsible for operating the fire hose.

⁷⁶ Agreement with International Association of Firefighters Local 302, Section 26.B

response team, a high angle rescue team, an underwater recovery team, a technical rescue team, and a bomb squad. These teams are staffed with specially trained Firefighters from each platoon.

In addition to active apparatus, the Department maintains several additional support and reserve vehicles and apparatus. The following table shows vehicles by fire station.

Table 47: Vehicles by Station

Station	Vehicles
Central Station	<ul style="list-style-type: none"> • Engine 4 • Engine 8 • Engine 9 • Engine 10 • Two general utility pickup trucks
East Side Station	<ul style="list-style-type: none"> • Engine 13 • Battalion Chief vehicle • Fire Marshal vehicle • General utility pickup truck • Rescue boat and trailer
Fearless Station	<ul style="list-style-type: none"> • Truck 1 • Engine 14
Hibernia Station	<ul style="list-style-type: none"> • Truck 2 (ladder truck) • Engine 6 • Engine 12 • General utility pickup truck
Mack South Station	<ul style="list-style-type: none"> • Truck 3 • Engine 11 • General utility pickup truck • Bomb disposal truck • Dive unit truck • Hazardous materials truck
West End Station	<ul style="list-style-type: none"> • Engine 5 • Engine 15

In 2018, the Department responded to a total of 9,930 requests for assistance, which translates to 27.2 per day. Each operation was categorized between one alarm, which is the lowest priority, and three alarms, which is the highest priority. All but seven of the 9,930 operations were one-alarm; of the remaining calls, five were two-alarm operations, and two were three-alarm. The most common category of call was medical assistance; Firefighters are routinely called to assist Paramedics in the EMS Division with medical emergencies. In 2018, 4,174 calls, or 42%, were for medical assistance. Other common calls include calls canceled en route (15%), alarm or smoke detector activations (11%), and calls for assistance for an invalid person (4%).

However, an analysis of the total number of calls over the past three years, as shown below, indicates that the overall workload may be lessening over time. Total calls decreased by 14%, or more than 1,500 calls, between 2016 and 2018.

Table 48: Fire Operations Calls by Type, 2016-2018

Call Time	Total Calls, 2016	Total Calls, 2017	Total Calls, 2018	Average Calls, 2016-2018	Percent Change, 2016-2018
One-Alarm Calls	11,483	10,437	9,923	10,614	-14%
Two-Alarm Calls	12	7	5	8	-58%
Three-Alarm Calls	2	1	2	2	0%
Total	11,497	10,445	9,930	10,624	-14%

Emergency Medical Services

The EMS Division is responsible for responding to emergency medical calls in the City of Allentown. The EMS Division is overseen by the EMS Chief of Operations, reporting to the Fire Chief. There are two command positions under the EMS Chief: Shift Supervisor and EMS Billing Supervisor. The four Shift Supervisors are responsible for managing the Paramedics on staff and overseeing the Department's emergency response operations. The EMS Division is staffed with Paramedics. The EMS Billing Supervisor oversees billing and administrative support for the EMS function.

A staff of 26.0 FTE Paramedics operate on 12-hour shifts in teams of two and respond to calls for service 24/7. The Division received 15,458 calls for service in 2018, which translates to more than 42 calls per day. The average time between when the Paramedics are first dispatched and when they arrive on the scene is 7.12 minutes. Paramedics also participate on several special teams, including a Bike Team used at 5Ks and other athletic events, an Emergency Response Team with tactical response training, a technical rescue team, a bomb squad, and a dive team.

The Division is also supported by an EMS Billing Supervisor, who oversees a Clerk and a Billing Specialist. The EMS Billing staff are responsible for processing the bills of customers who have used EMS services, for collecting revenue, and for providing general customer service. The Clerk is responsible for providing general administrative support for the office, such as processing payroll and assisting with records management.

Core Services Matrix

The following table provides an overview of the Fire Department's core services and is not meant to be all-inclusive.

Table 49: Department Core Services

Department Function/Division	Program Area	Service Levels
	Administration	<ul style="list-style-type: none"> Oversee Department administration and operations Maintain community relations Provide strategic guidance to the Department
Fire	Fire Prevention	<ul style="list-style-type: none"> Educate adults, children, and businesses on fire safety Conduct Certificate of Occupancy inspections Complete annual occupancy inspections of places of public assembly, daycares, hazardous materials facilities, and other high-risk buildings

Department Function/Division	Program Area	Service Levels
		<ul style="list-style-type: none"> Review building plans for fire suppression elements, e.g., alarms, sprinklers, hoods Create pre-plans for certain high-risk buildings
	Fire Suppression	<ul style="list-style-type: none"> Respond to fire alarms and other fire and emergency calls for the City of Allentown Assist with large fires and other emergencies in a mutual aid capacity Provide special rescue services within the community
	Training	<ul style="list-style-type: none"> Conduct regular Fire Academy classes for Allentown and other participating municipalities; 20-week courses at least once per year Conduct and coordinate continuous training throughout the year Serve as public information point of contact for the department
EMS	Emergency Medical Services	<ul style="list-style-type: none"> Respond to emergency calls for medical service Proactively attend high-risk events, such as sports events

Staffing

The following chart shows the Department's authorized staffing levels for the last five fiscal years.

Table 50: Fire and EMS Department Staffing, FY2015 through FY2019

Function	FY2015 Authorized	FY2016 Authorized	FY2017 Authorized	FY2018 Authorized	FY2019 Authorized	Percent Change
Fire	126.0	126.0	127.0	127.0	127.0	1%
EMS	32.0	34.0	34.0	34.0	34.0	6%
Total	158.0	160.0	161.0	161.0	161.0	2%

Overall staffing increased by 3.0 FTEs, or 2%, between FY2015 and FY2019. Two more Paramedic positions were added in FY2016, and an Administrative Assistant was added to the Fire Division in FY2017 to support the Department's Assistant Fire Chief/Fire Marshal.

Budget

The following table illustrates the Department's operating expenditures for the last five fiscal years. The Department is funded entirely through the General Fund.

Table 51: Department Expenses – All Funds, FY2015 through FY2019

Expense Category	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Budgeted	Percent Change
Personnel Services	\$17,627,110	\$19,887,940	\$20,996,361	\$21,914,229	\$22,694,747	29%
Materials & Supplies	\$231,891	\$336,750	\$237,826	\$475,732	\$471,411	103%
Services and Charges	\$257,098	\$300,598	\$303,351	\$258,957	\$370,640	44%
Capital Outlays	\$62,524	\$146,195	\$71,155	\$218,014	\$458,913	634%
Sundry	\$279	\$1,082	\$0	\$2,580	\$3,800	1262%
Total	\$18,178,902	\$20,672,565	\$21,608,693	\$22,869,512	\$23,999,511	32%

Department expenditures have gone up by more than \$5 million, or 32%, over the last five years. This is largely due to increased personnel costs; the cost of the Department's pension program increased by 161%, or \$2.6 million, between FY2015 and FY2019.

Fire and EMS Analysis and Recommendations

The Allentown Fire Department provides comprehensive fire and EMS response, fire prevention, and public education services to the residents, visitors, and workers in the City of Allentown. The Novak Consulting Group's review of the Fire and EMS Division's protocols, practices, and culture indicate that the Department operates effectively within the context of available resources. The Division's core organizational structure and deployment model is reasonable when compared to the workload profile, and the Division operates under comprehensive policies and protocols.

The Novak Consulting Group has developed a series of recommendations designed to enhance capacity through staffing additions, training improvements, and management system improvements. These recommendations are designed to maximize the utilization of existing personnel, identify where additional personnel is warranted, and provide personnel with greater access to tools and information that reinforce a culture focused on outcomes and service impact.

Recommendation 63: Fully integrate Fire and EMS operations and management.

Fire Operations and EMS are both based out of the Fire Department, but in practice, they largely operate as two separate entities. The EMS Director of Operations reports to the Fire Chief, but the Fire Chief does not provide significant oversight or guidance on everyday operations. Training and operations are not coordinated between the two Divisions, and staff in the two Divisions are represented by two separate unions. Division operations are also managed under separate budgets. The EMS Division has moved between several Departments in recent years. It was previously based out of the Police Department, but in FY2012, it was transferred to the Office of the Managing Director for one year, after which it was transferred to the Fire Department where it has remained.

Even though there is a divide between the two Divisions, there is a significant overlap in the daily operations between the two Divisions; in 2018 more than 40% of the Fire Operations calls, 4,174 in total, were calls to assist EMS staff with a medical emergency. This represents 21% of EMS's total calls for

2018.⁷⁷ EMS staff also serve on special teams with Firefighters, such as the hazardous materials and technical rescue teams. EMS provides medical support to the Firefighters on these teams and assists with any associated injuries or illnesses. For example, Paramedics serve on the Department's dive team as tenders; Firefighters perform the actual dives, and Paramedics check divers' equipment and monitor the dives from the surface.

This divide creates several challenges for the Department. Managing the Divisions as two separate entities means that the Department loses out on opportunities for cross-training and efficiencies that may be gained from beginning to cross-staff engine companies. Cross-staffing would provide a mechanism for the Department to develop one pool of firefighter/paramedics who would be trained and capable of serving on either fire or EMS apparatus. However, the Department is not in a position to implement cross-staffing in the short-term. There are several challenges that impede the possibility of cross-staffing. First, significant effort would need to be made to train paramedics and firefighters to serve multiple functions. This could likely only occur over a phased period of time whereby the job tasks for new hires are expanded to include both paramedic and firefighting functions. This step would also need to be preceded by the integration of fire and EMS staff under the same union. Though the goal of cross-staffing should be pursued in the long-term, short-term effort should be made to better integrate the fire and EMS functions at the management and operations level.

Integration can be achieved by facilitating closer communications throughout the Department at every level. The process of integrating operations should start at the leadership level, with the Fire Chief, EMS Operations Chief, and Assistant Chiefs meeting regularly to discuss current operations and future plans. Battalion Chiefs and Captains should also meet regularly with the EMS Shift Supervisor to discuss coordination of efforts and any opportunities to clarify or better coordinate dispatch of Paramedics and Firefighters to calls. Fire and EMS personnel should be integrated into the management team and the company shift briefing meeting structure to generate cohesiveness among the two functions and build stronger working relationships.

These regular meetings will help facilitate a strong working relationship between the leadership of both divisions and a sense that all staff are part of the same team. This should be supplemented with teambuilding efforts among Firefighters and Paramedics. All-staff meetings, joint training events, and staff appreciation events are opportunities for the staff from the two divisions to begin to form a cohesive unit that will work together as effectively as possible when responding to emergencies.

Staffing

Recommendation 64: Consider adding Firefighter positions to the Fire Suppression function.

Firefighters work an eight-day rotation, with four days on followed by four days off. Firefighters rotate between 10-hour day shifts from 8:00 AM to 6:00 PM and 14-hour night shifts from 6:00 PM to 8:00 AM. The Department has a minimum staffing threshold of 25 Firefighters per shift, as agreed upon in the City's contract with the International Association of Firefighters, Local 302. This 25-staff threshold includes Battalion Chiefs, Captains, and Lieutenants, and staffing can fall below that number if any scheduled staff are absent unexpectedly. For example, if 25 Firefighters are scheduled to work a particular shift but two call in sick, under the union contract it is acceptable to have only 23 Firefighters assigned to that shift.

Although the Department tracks its call volume by type, data on the number of calls per hour and the staff time spent responding to each call is unavailable. Since workload data is unavailable, to determine

⁷⁷ EMS responded to 15,458 calls in 2018, per Department records.

appropriate staffing levels, The Novak Consulting Group analyzed whether the Department is adequately staffed to meet its 25-Firefighters-per-shift threshold. The Department has a total of 116 Firefighters assigned to Fire Suppression, including four Battalion Chiefs, four Captains, 24 Lieutenants, and 84 Firefighters. Half of this staff will be off work at any given time, based on the Department's four days on, four days off rotation. This means that the Department has 59 staff on duty per day to meet that 50-staff threshold.

However, not all of these 59 staff will be available for duty each day. Staff are regularly absent due to illness, vacation, or other factors. Department staff accrue approximately 192 hours of vacation per year.⁷⁸ If an employee uses all of this time, they work a total of 1,992 hours out of the 2,184 for which they are scheduled.⁷⁹ Therefore, one employee is equivalent to 0.9 FTEs. This means that to staff one shift with one position, 365 days of the year, the Department must hire 2.2 staff.

Based on this calculation, it is possible to estimate the total number of staff required to meet the 25-Firefighters-per-shift threshold. If 2.2 staff are required to staff one shift every day of the year, a total of 112 Firefighters are necessary to meet the 25-staff threshold for every shift. The Department has 116 positions on staff, so this calculation indicates that the Department is adequately staffed.

However, this calculation does not take into account whether the 25-person threshold is adequate to meet demand. The Department's overtime costs indicate that the current staffing level may not be appropriate to meet workload without significant expenditures for overtime. The Department logged a total of 28,766 hours of overtime in 2018, for a total cost of \$1.4 million. Of these overtime hours, 80% were used to meet general staffing needs. This translates to a cost of more than \$1.1 million dollars. Because this overtime was used to meet general staffing needs, rather than to respond to emergencies, it suggests that the current staffing level cannot meet routine needs without significant use of overtime.

The following table reports 2018 overtime hours by category.

Table 52: Overtime Hours and Cost by Category, 2018

Category	Total Hours	Total Cost	Percent of Annual Hours	Percent of Annual Cost
Emergency Calls	1,868	\$86,364	6%	7%
Non-Emergency Calls	3,676	\$174,798	13%	13%
General Staffing	22,787	\$1,117,735	80%	79%
Training	84	\$4,346	0%	0%
Other	351	\$16,826	1%	1%
Grand Total	28,766	\$1,400,069	100%	100%

Based on this information, The Novak Consulting Group also evaluated the staffing that would be required to meet the 25-person minimum for all shifts without allowing that minimum to dip below 25 for unexpected absences. This evaluation involves taking sick time into account, as well as vacation time.

⁷⁸ Based on a Firefighter who has been employed for five years, per the City's agreement with International Association of Firefighters Local 302.

⁷⁹ Sick days are not considered at this stage of the analysis because unscheduled absences do not impact the 25-Firefighter threshold.

Firefighters accrue approximately 252 hours of sick time per year.⁸⁰ If a Firefighter uses this sick time and takes 192 hours of vacation time, as previously discussed, he or she is working 1,740 hours per year out of the scheduled 2,184. This means that a full-time Firefighter's capacity is equivalent to 0.8 FTEs. When sick time is considered, to staff one shift with one position 365 days of the year, the Department must hire 2.5 staff.

Based on this calculation, the Department would require 126 total staff to meet the 25-staff-per-shift threshold. Assuming that the number of Battalion Chiefs, Captains, and Lieutenants remains constant, this would mean that the Department would require a total of 94 Firefighters, 10 more than its current complement of 84. Based on the latest available bargaining agreement and employer cost information provided by the City, the estimated total compensation of each new firefighter position is approximately \$103,575 per year.⁸¹ This results in a total estimated cost of \$1,035,750 for all 10 positions. This is a significant expenditure; however, it is less than the total general staffing overtime cost in 2018. Adding these positions would reduce the need for overtime pay, and the cost savings from this reduction would mitigate the cost of the new positions. Adding staff capacity to the Department will also reduce the time each Firefighter is spending on reactive calls, increasing capacity for training, equipment maintenance, administrative tasks, and other duties.

The Department should evaluate its use of overtime and estimate the capacity of additional positions to reduce overtime costs. Based on this evaluation the Department should work with City Administration to determine if it is financially feasible to increase the number of Firefighters to meet minimum staffing.

Recommendation 65: Consider hiring one additional Paramedic position in the EMS Division.

The Department currently employs 26 Paramedics who work in teams of two. Paramedics work 12-hour shifts in an eight-day rotation, four days on followed by four days off. The number of teams of Paramedics on shift varies between two and four, depending on the call volume. The following chart illustrates the number of Paramedics on shift versus the average call volume per hour in 2018.⁸²

⁸⁰ Based on a Firefighter who has been employed for five years, per the City's agreement with International Association of Firefighters Local 302.

⁸¹ Estimated total compensation based on a starting salary of \$51,566, as specified in the latest bargaining agreement, plus FICA costs estimated at 4.6% of current wages, pension costs estimated at 31.9% of current wages, and fixed benefit (health, dental, vision) costs of \$33,187.44 per year, based on the City's budget ratios and latest available benefit rate sheets.

⁸² Total annual call volume per hour obtained from City records. Total call volume is divided by 365 to get the average call volume per day.

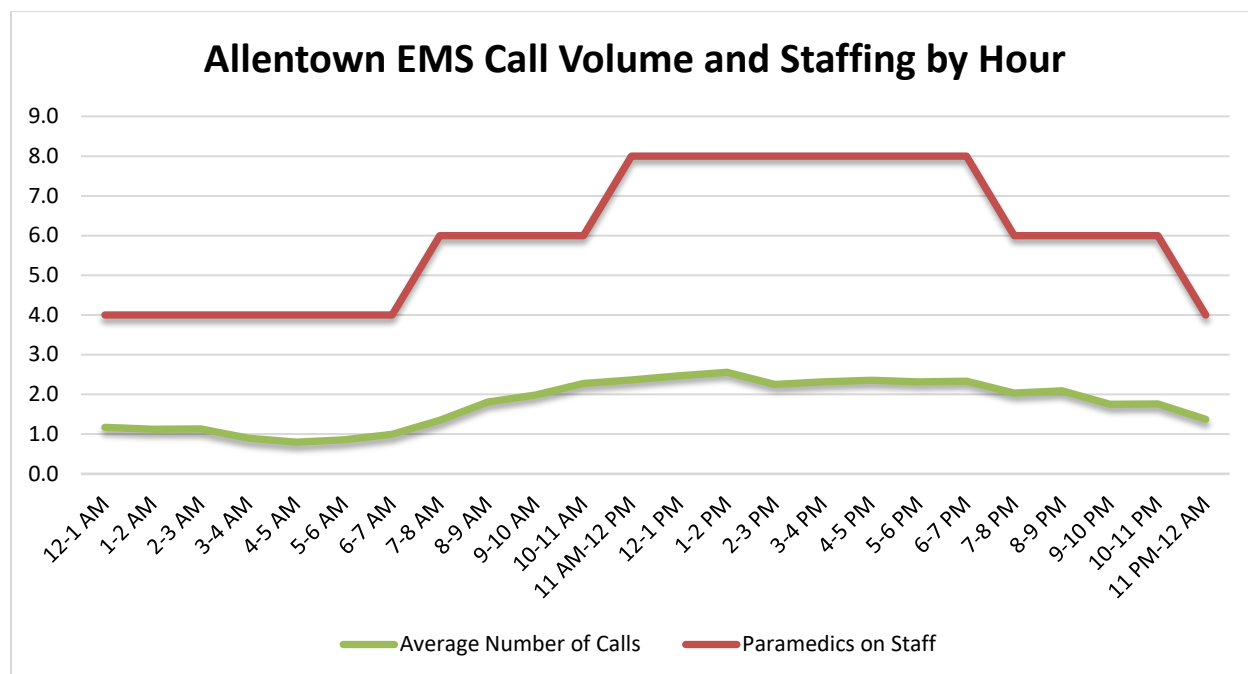


Figure 29: Paramedic Staffing and Call Volume by Hour, 2018

The City reports that the average “occupied” time per emergency call, meaning the time between when a team is dispatched and when that team becomes available for other calls, is 39.78 minutes. This is significantly below the Department’s established performance threshold of 71 minutes per call. The EMS Division is meeting all of its performance goals for timeliness, as illustrated below.

Table 53: EMS Performance Measures, Based on Calls from January 2014 through August 2019

Category	Average Time (Minutes)	Performance Goal	Meeting Goal?
Time Dispatched to Time En Route	1.76	3 minutes or less	Yes
Time En Route to Arrive at Scene	5.36	8 minutes or less	Yes
Scene Time	9.32	20 minutes or less	Yes
Transport Time	7.72	20 minutes or less	Yes
Time to Available	15.62	20 minutes or less	Yes
Total Occupied Time per Hour per Unit	39.78	71 minutes or less	Yes

The Department does not report call time per hour but based on the call volume and the average call time, it is possible to estimate the average “occupied” time per hour for Paramedics, as illustrated in the following chart.

Table 54: Average Occupied Time

Hour	Average Number of Calls	Average Minutes of “Occupied” Time	Paramedic Teams on Duty	Calls per Team
12-1 AM	1.2	46.6	2	0.6
1-2 AM	1.1	44.6	2	0.6

Hour	Average Number of Calls	Average Minutes of "Occupied" Time	Paramedic Teams on Duty	Calls per Team
2-3 AM	1.1	45.0	2	0.6
3-4 AM	0.9	35.6	2	0.4
4-5 AM	0.8	31.7	2	0.4
5-6 AM	0.9	34.2	2	0.4
6-7 AM	1.0	39.5	2	0.5
7-8 AM	1.3	53.6	3	0.4
8-9 AM	1.8	71.8	3	0.6
9-10 AM	2.0	79.0	3	0.7
10-11 AM	2.3	90.6	3	0.8
11 AM-12 PM	2.4	94.2	4	0.6
12-1 PM	2.5	98.1	4	0.6
1-2 PM	2.6	101.7	4	0.6
2-3 PM	2.3	89.6	4	0.6
3-4 PM	2.3	92.2	4	0.6
4-5 PM	2.4	93.6	4	0.6
5-6 PM	2.3	92.0	4	0.6
6-7 PM	2.3	92.6	4	0.6
7-8 PM	2.0	81.0	3	0.7
8-9 PM	2.1	83.2	3	0.7
9-10 PM	1.8	69.6	3	0.6
10-11 PM	1.8	70.0	3	0.6
11 PM-12 AM	1.4	54.7	2	0.7
Hour	Average Number of Calls	Average Minutes of "Occupied" Time	Paramedic Teams on Duty	Calls per Team
12-1 AM	1.2	46.6	2	0.6
1-2 AM	1.1	44.6	2	0.6
2-3 AM	1.1	45.0	2	0.6
3-4 AM	0.9	35.6	2	0.4
4-5 AM	0.8	31.7	2	0.4
5-6 AM	0.9	34.2	2	0.4
6-7 AM	1.0	39.5	2	0.5
7-8 AM	1.3	53.6	3	0.4
8-9 AM	1.8	71.8	3	0.6
9-10 AM	2.0	79.0	3	0.7
10-11 AM	2.3	90.6	3	0.8
11 AM-12 PM	2.4	94.2	4	0.6
12-1 PM	2.5	98.1	4	0.6
1-2 PM	2.6	101.7	4	0.6
2-3 PM	2.3	89.6	4	0.6
3-4 PM	2.3	92.2	4	0.6
4-5 PM	2.4	93.6	4	0.6
5-6 PM	2.3	92.0	4	0.6

Hour	Average Number of Calls	Average Minutes of "Occupied" Time	Paramedic Teams on Duty	Calls per Team
6-7 PM	2.3	92.6	4	0.6
7-8 PM	2.0	81.0	3	0.7
8-9 PM	2.1	83.2	3	0.7
9-10 PM	1.8	69.6	3	0.6
10-11 PM	1.8	70.0	3	0.6
11 PM-12 AM	1.4	54.7	2	0.7

Though the average minutes of occupied time is a useful metric to demonstrate fluctuations in workload, it also important to evaluate individual EMS Unit Hour Utilization, or UHU, in Allentown. EMS Unit Hour Utilization rate is the percent of time each active EMS unit is absorbed in calls for service. A unit hour is equal to one hour of service by a fully equipped and staffed ambulance available for dispatch or assigned to a call. Utilization is a measure of productivity, which compares the available resources (i.e., unit hours) with the actual amount of time those units are being utilized for patient treatment, transport, or productive activity. This is measured by the amount of time absorbed in calls for service from the point a unit is dispatched to the point that unit reports itself as available to field additional calls for service. This measurement is calculated to determine the percentage of unit hours actually consumed in direct service delivery compared with the total staffed unit-hours available. The following summarizes general guidelines with respect to EMS UHU.

- .55 - .45 – Optimal Utilization**
- .45 - .35 – Above Average Utilization**
- .35 - .25 – Average Utilization**
- .25 - .15 – Below Average Utilization**
- .15 - .01 – Poor Utilization**

The City of Allentown EMS Operations Division averages a UHU rate of 0.55 over a 24-hour period, but also experiences several periods where UHU exceeds 0.60. Specifically, UHU often exceeds 0.60 between the hours of 8:00 am and 11:00 am, 6:00 pm and 9:00 pm, and between 10:00 pm and 11:00 pm. The following figure illustrates average EMS UHU in calendar year 2018.

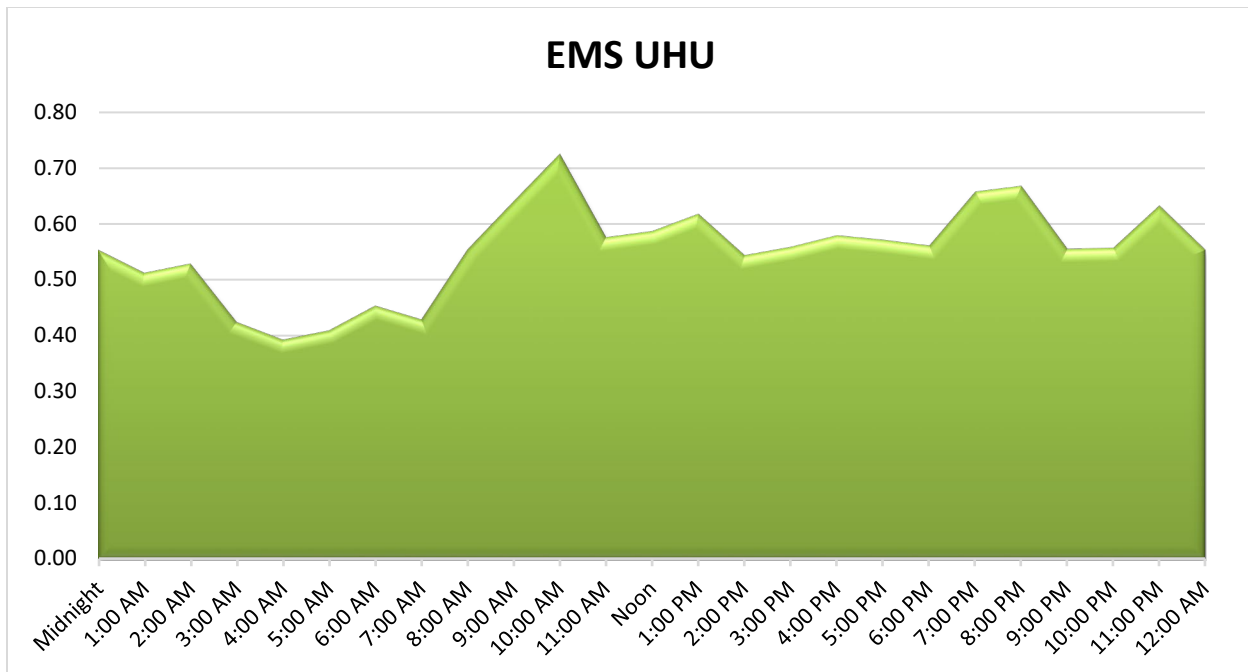


Figure 30: EMS Unit Hour Utilization Rates, 2018

This data indicates that the Department's EMS units are operating effiently and, in some cases, are exceeding optimal utilization rates. To that end, it will be important for the City to monitor the need to add an EMS Unit should UHU rise beyond current levels.

However, beyond these staffing considerations, it is also important to consider whether the Department is staffed appropriately to be able to staff existing scheduled crews. To have six crews on duty per day, as in the current schedule, the Department requires 12 crews total to allow crews to rotate off duty. Since each crew is composed of two paramedics, this translates to 24 staff positions. Paramedics accrue approximately 256 hours of vacation and sick time per year.⁸³ If they use all of this time, they are effectively working 1,928 hours per year, instead of the full 2,184 hours for which they are scheduled. Each Paramedic has the capacity of approximately 0.9 FTEs. The Department has 26 Paramedics on staff, which translates to 23.0 FTEs of actual staff time; the Department's schedule requires 24 FTEs on duty. Based on this analysis, the Department is 1.0 FTE short from being able to effectively meet its current staffing schedule.

This analysis is corroborated by the Division's use of overtime. In 2018, paramedics worked nearly 12,000 hours of overtime, based on Department records, for a total cost of more than \$500,000. Overtime is not tracked by category, but based on the analysis of sick time and vacation time, it is likely that a portion of this overtime is paid to staff filling in on shifts for absent colleagues.

The Department is meeting performance thresholds for timeliness, as previously discussed. However, an additional FTE may be able to decrease the Department's overtime costs by reducing the need for staff to

⁸³ Based on the accrual for a Paramedic with five years of service, per the City's agreement with the Service Employees International Union Local 32BJ.

fill in extra shifts during a colleague's absence. Based on the latest available bargaining agreement and employer cost information provided by the City, the estimated total compensation for a new Paramedic position is approximately \$108,488 per year.⁸⁴ This is less than 15% of the total overtime cost for the Department in 2018.

Training and Development

Recommendation 66: Develop an annual training plan and standardize training across shifts.

Currently, Battalion Chiefs attempt to set aside a set time for fire company training daily with the goal of maintaining skills. However, there is not a clear training plan that defines annual training goals based on call type frequency, and little coordination occurs across shifts. Typically, the content of training that does occur is determined by the Battalion Chief leading each shift. Though it is important to maintain this flexibility, it is also important to have broader training goals.

The Department should create an annual Training Plan that includes both internal and external training opportunities as well as estimates of the cost of training and associated equipment. Maintaining a Department-wide training schedule not only ensures that all of these areas are covered but that Firefighters across all shifts have the same base level of knowledge, allowing them to more effectively support each other.

The Plan should be developed by the Assistant Chief of Training with the support of Battalion Chiefs. In addition to ensuring that there is standardization across shifts, a training plan also ensures that training requirements are met. It also helps the Department understand what needs exist beyond the minimum requirements.

To develop the Training Plan, Department leadership should first develop a list of all potential training sessions that could occur in the following year, divided into the following categories:

- Priority One: training required to keep first responders safe in the field
- Priority Two: training required to meet State and Federal mandates
- Priority Three: training required to meet City or Department standards
- Priority Four: additional training that would benefit the Department and/or advance professional development

Priority One and Two training sessions should be considered the minimum level of training for the year, and they should be scheduled before time or resources are allocated to other training sessions.

For each potential training session, the group should first determine whether the training can be provided internally or whether it would require the services of an outside vendor. For internally provided training, the group should develop an estimate of the required training hours. Based on these estimates, an annual schedule can be developed for monthly training sessions. Each Battalion Chief should be responsible for overseeing the lesson plans for each training session to be conducted on their Platoon.

⁸⁴ Estimated total compensation based on a starting salary of \$55,165 per year (the median annual salary for a Grade 31 position), plus FICA costs estimated at 4.6% of current wages, pension costs estimated at 31.9% current wages, and fixed benefit (health, dental, vision) costs of \$33,187.44 per year, based on the City's budget ratios and latest available benefit rate sheets.

For each externally-provided training session, the group should develop an estimate of how many people would receive the training, the cost (including the cost of any associated equipment), and required training hours. These estimates should then be used to determine the resources needed for required training (Priorities One, Two, and Three) for the year, and the availability of funding for additional training beyond minimum requirements.

If resources are available for Priority Four training in the year, the Assistant Chief of Training should prioritize allocation of funds based on training that will advance the Department's goals, impact its performance metrics, and/or address perceived deficiencies. A portion of the funding should also be reserved for individual professional development training. The plan should also include opportunities for joint training between shifts and with EMS personnel. Regular joint training across the company and with EMS personnel provides the best opportunity to create a cohesive working group.

Recommendation 67: Develop a set schedule for multi-company, live fire training drills to build practical firefighting and scene management skills.

The majority of Department training is lecture-based, done on a Department-wide basis rather than at the platoon level. In 2017, the year with the most recently available data, the Department expended 2,156.5 staff hours on Department-based programs and only 320 staff hours on multi-company training and drills. There is also no set schedule for regular live fire drills with multiple companies. The drills that do occur are organized at a battalion level, but staff report problems in conducting the drills regularly due to lack of staff capacity and the difficulty of coordinating times with other companies.

Department-based learning is an important aspect of a fire training program, but it has limitations. In interviews, several staff expressed concern about a lack of opportunity for hands-on training with their platoons. Much of the Department's work occurs in the field, and it is vital that staff have hands-on experience with the techniques, equipment, and scenarios they will use while on duty.

Live fire drills are important tools to gain familiarity and to develop the capacity for a coordinated response. Extensive training in the field, and in situations as close as possible to what Firefighters will encounter on-duty, helps ensure that Divisions are as well-equipped as possible to respond to any emergency safely and effectively. They help Firefighters train to fight fires as well as on general scene management. They are also important tools for command staff to practice commanding a crew in a live fire situation and to evaluate staff's capacity to respond effectively in an emergency situation.

The primary barrier to more frequent, regular live fire drills seems to be scheduling difficulties. Battalion Chiefs are responsible for scheduling training for their platoons, and they report difficulties coordinating scheduling across companies. Staff also report difficulty scheduling training for when equipment is available to conduct the drills; often the equipment is in use at the time of the drill.

This scheduling issue can be addressed by creating an annual schedule for live fire drills each year rather than scheduling them on a case-by-case basis. Scheduling them early, with time to prepare, allows the Department to designate time for these important training sessions before other day-to-day considerations get in the way. It also allows the Department to plan other operations around these training sessions to ensure that they do not result in an interruption of service.

Battalion Chiefs should coordinate with the Assistant Chief in charge of Training to develop an annual drill schedule. Developing this schedule in advance will not only reduce the difficulty of scheduling individual events throughout the year but will help the Department anticipate and plan for the staff time and

equipment needs involved in organizing and attending the training, as well as the resource requirements to fund the drills. The training schedule should also identify the equipment and space needs for each training and identify a strategy for securing that space and equipment. The City should make use of partnerships with regional jurisdictions to secure equipment and space when the Department lacks adequate space itself.

Fire Prevention

Recommendation 68: Develop electronic pre-plans for all high-risk facilities within five years.

In the fire service, a pre-incident planning (pre-plan) process is the practice of completing a building reconnaissance for high-risk structures so that Firefighters can be prepared for emergency incidents that might occur in a structure. The pre-plan usually includes a physical drawing and description of key structural features, such as address, floor and roof assembly construction, live and dead loads, as well as obvious signs of deterioration or structural weakening.

The responsibility of developing and updating preplans for buildings in the City of Allentown falls to the Department's four Fire Marshals. The Marshals currently only create pre-plans for hazardous materials sites, updated annually. These plans are paper-based and stored in Department offices; the Department does not use any software with the capacity to create and store electronic pre-plans.

The Department's current pre-plan practices raise several concerns. The Department appropriately prioritizes hazardous materials sites, as emergency incidents at these locations could have significant risk to the public, the environment, and Firefighters. It is also appropriate to update such plans annually to ensure that they are up-to-date if needed. However, there are other facilities in the City that do not contain hazardous materials but pose a significant risk; if these buildings are not addressed with pre-plans, the Department will not be prepared to address emergencies at those locations as efficiently and safely as possible. Allentown has several high-rise apartment and office buildings in its downtown area, which are large complex structures where an emergency could represent a significant loss of life.

Furthermore, the fact that the plans are paper-based limits their ability to be used effectively. Paper-based plans stored at the office cannot be consulted when in the field, so they cannot be easily used to inform actions when at one of the sites. Furthermore, paper-based plans cannot be integrated into the Department's records management system or coordinated with the City's GIS system.

The Department should address these concerns by expanding the scope of its pre-plans and making the plans available in an electronic form on apparatus' mobile data terminals.

The first step is to identify the properties for which the Department should develop pre-plans. Properties should be classified as high-risk, and therefore eligible for a pre-plan, if they have high levels of occupancy, such as a school, prison, or high-rises, or if they are commercial facilities. Categories of high-risk properties include the following:

- Places of public assembly, such as churches or theaters
- Educational facilities
- Healthcare facilities
- Jails, prisons, and other detention centers
- Multi-family residential properties
- Stores

- Office buildings
- Factories and other industrial facilities
- Storage facilities

After the list of properties is identified, the Department should develop a schedule for creating pre-plans for all high-risk properties. The Assistant Chief for Fire Prevention should rank them from the highest to the least level of potential hazard. High-hazard properties should be prioritized when developing pre-plans.

The NFPA recommends considering the following factors when developing a pre-incident planning program:⁸⁵

- Potential safety hazards for the public and emergency responders
- Size and complexity of the structure
- Economic impact of a potential incident
- Importance of the structure to the community
- Location of the structure and any seasonal variations in access
- Presence of hazardous materials
- Susceptibility of the structure to natural disaster

The Department should prioritize the creation of basic plans for all properties, with data on access points and notable hazards. The Department can then build on these plans, over time and as capacity allows, to include other relevant information, such as location of water and gas shutoffs and building security features. Plans should be as clear and concise as possible while still containing relevant information. Completed plans should also be reviewed at least every two years to ensure that they are up-to-date.

Pre-plans should be completed in an electronic format and available to Firefighters on apparatus, if possible. The apparatus currently have mobile data terminals but no access to the Department's records management system. The Department should work with the City's Information Technology staff to develop a method to ensure that staff will have access to this important information in the field.

NFPA also recommends tying pre-plans to the GIS coordinates of each facility to help ensure that they are accessible on the site and to provide enhanced special analysis. GIS capabilities at the Department are limited, but the Department should prepare for the potential to eventually integrate the pre-plans with the GIS system through the creation of a dedicated map layer that can be accessed in the field.

Administrative Capacity

Recommendation 69: Assign administrative specializations to Battalion Chiefs.

The Fire Chief and Deputy Fire Chief provide oversight of the Department as a whole. The responsibility for administering individual programs is allocated across various command and supervisory staff. The Deputy Chief is responsible for managing the Department's fleet. The Assistant Chief of Training is the sole position dedicated to training coordination and management. The Assistant Chief of Fire Prevention manages the Fire Prevention Program.

⁸⁵ "NFPA 1620: Standard for Pre-Incident Planning." NFPA. <https://www.nfpa.org/codes-and-standards/all-codes-and-standards/list-of-codes-and-standards/detail?code=1620>.

Battalion Chiefs are responsible for leading teams of Firefighters in fire suppression and emergency response activities. Each of the four Battalion Chiefs commands one platoon of Firefighters and command staff. During shifts the Battalion Chiefs coordinate Firefighter operations and response. They lead the response to fires and other emergencies and assure smooth operations of the Fire operations, including ensuring that equipment works properly and that staff have the requisite training experience to do their jobs effectively. They are also responsible for ensuring that the policies and practices set by the Chief and Deputy Chief are implemented in the platoon. Two of the Battalion Chiefs have additional duties: one oversees the Department's tool room, and a second manages the Department's supply room. Otherwise, the Battalion Chiefs have no specializations.

Though it is important to ensure that the Assistant Chiefs and Deputy Chief maintain responsibility for core administrative and management duties, there is an opportunity to create greater administrative capacity in the Department while also expanding professional development opportunities for Battalion Chiefs. As such, it is appropriate for the Department to assign administrative specializations to the Battalion Chief positions. Each Battalion Chief should be tasked with managing core elements of the Department's training program and coordinating with the Assistant Chief of Training on program implementation. One Battalion Chief should be assigned responsibility for spearheading the development of pre-plans for appropriate occupancies across all shifts; this will require coordination with the Assistant Chief of Fire Prevention. The current function of supply and inventory management should be consolidated under the direction and oversight of one Battalion Chief and, finally, a fourth Battalion Chief should be assigned oversight of fleet operations. Two of the four positions should be responsible for training, supporting the Assistant Chief in charge of training, and two should be responsible for fire prevention, supporting the Assistant Chief/Fire Marshal. Battalion Chiefs can also help address staff shortages and preserve institutional knowledge by supporting the Assistant Chiefs' fire prevention and training initiatives. With some training, the Battalion Chiefs would be able to assist with developing pre-plans, developing training programs, reviewing incident reports, and other tasks.

By creating this capacity at the shift level, the Department will be better equipped to integrate the work and direction of the Chief, Deputy Chief, and Assistant Chiefs into 24-hour operations. It will also provide a structure to create consistency in training and operations and create the necessary conditions to foster enhanced coordination across shifts. Not only will this structure ensure that these vital areas receive focused oversight and attention, but it will free additional capacity for the senior command staff to focus on the strategic direction of the Department. Lastly, this structure will provide a needed pathway for professional development and succession planning in the Department and will enhance the administrative and communication skill sets of the Department's Battalion Chiefs.

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Conclusion

The purpose of the Early Intervention Program is to establish short-term and long-term financial and managerial objectives that will strengthen the fiscal capacity of the City of Allentown government. The City is fortunate to have a solid foundation upon which to develop additional best practices and strategic priorities to maintain its firm footing.

It is important to note that the City government is to be commended for the significant value that it has delivered to City residents under constrained budgets and the steady reduction of staffing resources. Staff involved in this review were committed to providing quality service to the residents and business owners of the community, and that commitment shows in the work that they perform daily.

The government performs well in many areas across the City. The fact that the City decided to undertake this study represents a strong commitment to learning and improving. Using this report as a guide, Allentown can now further improve its operations and services.

The recommendations included in this report were developed to build on the City's foundation of service to the community and further enhance the level of service and the efficiency and effectiveness of operations. Implementation of these recommendations will take time and hard work to be successful. The challenge to the City is to make the decision to implement needed changes and to complete the implementation. Given the City's resource constraints, prioritization of these recommendations and thoughtful, planned implementation are needed to ensure resources are expended prudently.

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Attachment A: Performance Measures

The following table illustrates an example of workload, efficiency, and outcome measures that should be implemented as part of the City's performance management program.

Table 55: Example Performance Measures by Department

Department	Workload	Efficiency	Outcome
Administrative and Internal Services			
City Council (City Clerk's Office)	<ul style="list-style-type: none"> Number of agendas prepared Number of meetings staffed 	<ul style="list-style-type: none"> Average staff time spent preparing each agenda item 	<ul style="list-style-type: none"> Percentage of Council packets published on time Citizen complaint rate per capita
City Controller's Office	<ul style="list-style-type: none"> Number of audits completed or assisted with 	<ul style="list-style-type: none"> Staff time per audit 	<ul style="list-style-type: none"> Percentage change in the number of audit findings received year over year
Office of the Mayor	<ul style="list-style-type: none"> Number of grant applications submitted Number of grants managed Number of calls/emails from the public Number of letters drafted on behalf of the Mayor 	<ul style="list-style-type: none"> Staff hours per \$1,000 in grants managed Operating budget per capita Staff time per phone call 	<ul style="list-style-type: none"> City bond rating Average response time to public records request Community survey responses; level of resident satisfaction Page views of the City website per capita
Finance	<ul style="list-style-type: none"> Total All Funds Revenue Total All Funds Expenses 	<ul style="list-style-type: none"> Financial administration cost per thousand dollars managed 	<ul style="list-style-type: none"> Bond rating Percentage of audit findings addressed Debt service ratio Fund balance as a percentage of total expense by fund Percentage of budgeted revenue and expense to actuals
Human Resources	<ul style="list-style-type: none"> Total City employees Number of training hours provided/coordinated 	<ul style="list-style-type: none"> HR FTEs per City-wide FTEs Staff hours per complaint investigated Staff hours spent per contract negotiation 	<ul style="list-style-type: none"> Results of internal staff surveys Total negotiation time Staff turnover and vacancy rates

Department	Workload	Efficiency	Outcome
	<ul style="list-style-type: none"> Number of complaints investigated Number of union contracts negotiated Number of employees hired 	<ul style="list-style-type: none"> Staff hours spent per hour of training provided Staff hours per employee hired Staff hours per payroll cycle 	<ul style="list-style-type: none"> Response rate per job posting Number of payroll errors per year
Information Systems	<ul style="list-style-type: none"> Number of help desk calls received Number of projects managed 	<ul style="list-style-type: none"> Total staff time per help desk call Cost per project managed 	<ul style="list-style-type: none"> Help desk tickets resolved within target timeframes Percentage of projects completed on-time and within budget
City Solicitor's Office	<ul style="list-style-type: none"> Number of litigation claims against the City 	<ul style="list-style-type: none"> Cost per litigation claim (in-house and contract) Cost of contract services per case litigated 	<ul style="list-style-type: none"> Percentage of challenged lawsuits won by City
Community Development			
Building Standards & Safety	<ul style="list-style-type: none"> Number of inspections performed, by type Number of permits issued, by type 	<ul style="list-style-type: none"> Labor hours per inspection Labor hours per permit issued 	<ul style="list-style-type: none"> Percentage of permits and inspections completed on time Total valuation of permits, by type
Health	<ul style="list-style-type: none"> Number of public health education events held Number of environmental health inspections performed Number of public health clinic visits 	<ul style="list-style-type: none"> Cost per public health education event Labor hours per environmental health inspection Cost per public health clinic visit 	<ul style="list-style-type: none"> Percentage of environmental health inspections passing on first attempt Percentage reduction in chronic and communicable disease rates
Planning & Zoning	<ul style="list-style-type: none"> Number of plans and studies updated or completed Number of zoning enforcement inspections 	<ul style="list-style-type: none"> Number of plans and studies updated or completed per FTE Cost per zoning enforcement inspection 	<ul style="list-style-type: none"> Percentage of plans and studies updated or completed as scheduled Percentage of zoning violations corrected through voluntary compliance

Department	Workload	Efficiency	Outcome
Community Development	<ul style="list-style-type: none"> Number of blighted properties Number of business development contacts Number of grants received and grant amounts awarded Number of housing and lead rehab projects completed by type 	<ul style="list-style-type: none"> Number of businesses contacted per FTE Labor hours associated with grant administration and overhead Average cost per housing and lead rehab project 	<ul style="list-style-type: none"> Percentage change in the number of blighted properties Percentage change in the number of new jobs added within the City Proportion of grants that achieved desired goals Percentage change in the number of housing and lead rehab projects completed
Recreation			
Recreation	<ul style="list-style-type: none"> Number of special events conducted Number of recreation program attendees Number of parks and aquatics patrons per year 	<ul style="list-style-type: none"> Labor hours per special event Labor hours per recreation program Recreation program cost per attendee 	<ul style="list-style-type: none"> Percentage of programs that meet attendance goals Percentage of programs that meet cost recovery goals
Public Works			
General Maintenance	<ul style="list-style-type: none"> Number of preventive and reactive tasks completed by location and type 	<ul style="list-style-type: none"> Staff hours per maintenance task by type 	<ul style="list-style-type: none"> Average number of calendar days to complete a work order by type Percentage of proactive maintenance tasks completed on time, by type
Building Maintenance	<ul style="list-style-type: none"> Number of facilities maintained and square footage Acres maintained 	<ul style="list-style-type: none"> Staff hours per facility/campus Energy cost per facility 	<ul style="list-style-type: none"> Percentage change in the number and cost of repairs at each facility by year
Engineering	<ul style="list-style-type: none"> Total plans reviewed by type Total inspections completed by type Total number of capital projects managed 	<ul style="list-style-type: none"> Staff hours per plan review, by type Staff hours per inspection, by type Staff hours per \$1,000 in capital projects 	<ul style="list-style-type: none"> Average number of calendar days to complete one round of plan review Percentage of capital projects milestones

Department	Workload	Efficiency	Outcome
			completed on schedule
MS4	<ul style="list-style-type: none"> Number of tests completed, by type Number of outreach programs offered, by type Number of mitigation projects completed, by type 	<ul style="list-style-type: none"> Cost per test Staff hours per hour of outreach Staff hours per mitigation project 	<ul style="list-style-type: none"> Number of businesses with the required stormwater permit Percentage of streams tested Response time to spills
Office of Compliance	<ul style="list-style-type: none"> Number of reports reviewed 	<ul style="list-style-type: none"> Staff hours per report reviewed 	<ul style="list-style-type: none"> Results of resident satisfaction surveys on water and wastewater systems
Recycling and Solid Waste	<ul style="list-style-type: none"> Total number of receptacles maintained Number of SWEEP tickets appealed Number of Animal Control education events 	<ul style="list-style-type: none"> Staff hours per ton of waste collected Staff hours per SWEEP ticket issued Staff hours per SWEEP ticket appealed Staff hours per Animal Control education event 	<ul style="list-style-type: none"> Residential and municipal diversion rate Percentage of SWEEP tickets with appeals upheld Ratio of SWEEP tickets issued to fee revenue collected
Stormwater	<ul style="list-style-type: none"> Number of stormwater inlets, culverts, etc. maintained Miles of pipe maintained 	<ul style="list-style-type: none"> Cost per culvert, inlet, etc. Cost per linear foot of pipe maintained 	<ul style="list-style-type: none"> Percentage change in water quality testing year over year
Streets	<ul style="list-style-type: none"> Miles of streets, sidewalks, curb maintained Acres of right-of-way maintained Number of snow events 	<ul style="list-style-type: none"> Staff hours per mile of street maintained Material cost per mile of street maintained Staff hours per acre of right-of-way Staff hours per snow event 	<ul style="list-style-type: none"> Percentage of streets cleared within 24 hours of a snow event Percentage of City streets rated below "Good" on the pavement condition index
Technical Services	<ul style="list-style-type: none"> Number of pieces of equipment maintained by type 	<ul style="list-style-type: none"> Staff hours and cost per piece of equipment by type 	<ul style="list-style-type: none"> Frequency of repair requests by type of equipment Time between when a repair is requested and when completed

Department	Workload	Efficiency	Outcome
Traffic Planning	<ul style="list-style-type: none"> Number of traffic lights maintained 	<ul style="list-style-type: none"> Staff hours per traffic light Expenditures per traffic light 	<ul style="list-style-type: none"> Average response time to a report of an outage Percentage change in the number of traffic accidents per capita, year over year
Police			
Operations	<ul style="list-style-type: none"> Number of calls for service by type 	<ul style="list-style-type: none"> Average number of minutes spent on reactive calls per service by hour of the day and day of the week 	<ul style="list-style-type: none"> Percentage of calls for service where response time meets expected timeframes
Investigations	<ul style="list-style-type: none"> Number of cases referred for investigation by type 	<ul style="list-style-type: none"> Average labor hours per investigation by type 	<ul style="list-style-type: none"> Percentage of cases successfully closed (case clearance rate) Percentage of cases closed within target timeframes Cold case rate
Management Services	<ul style="list-style-type: none"> Number of accreditation standards reviewed Volume of digital evidence records processed 	<ul style="list-style-type: none"> Labor hours associated with accreditation activities (such as policy review) Labor hours associated with processing digital evidence by evidence type (e.g., body camera, dash camera, etc.) 	<ul style="list-style-type: none"> Percentage of accreditation goals achieved Proportion of digital evidence processed within target timeframes
Support Services	<ul style="list-style-type: none"> Number of public records requests received and processed 	<ul style="list-style-type: none"> Labor hours associated with processing records requests 	<ul style="list-style-type: none"> Percentage of records requests processed within target timeframes
Fire			
Fire Prevention	<ul style="list-style-type: none"> Number of occupancy inspections by type Number of building plans reviewed Number of pre-plans 	<ul style="list-style-type: none"> Cost per occupancy inspection Cost per building project completed (plan review and inspection) 	<ul style="list-style-type: none"> Percentage of target facilities with valid pre-plans Percentage of high-risk occupancies inspected per year, by occupancy type
Fire Suppression	<ul style="list-style-type: none"> Number of Fire Calls 	<ul style="list-style-type: none"> Cost per fire and EMS call 	<ul style="list-style-type: none"> 90th percentile response time

Department	Workload	Efficiency	Outcome
	<ul style="list-style-type: none"> Number of EMS calls that received a fire company response Number of False alarms 		<ul style="list-style-type: none"> Average response time (turnout, 4-man on scene, 7-man on scene, and full firefighting complement)
EMS	<ul style="list-style-type: none"> Number of EMS calls 	<ul style="list-style-type: none"> EMS fee collection rate EMS utilization rate per shift 	<ul style="list-style-type: none"> 90th percentile response time Average response time Percentage of patients in VFIB who arrive at hospital with an active heart rate
Training	<ul style="list-style-type: none"> Number of training programs offered, by type Number of training hours (company training and classroom) Number of fire academy cadets trained 	<ul style="list-style-type: none"> Cost per training hour delivered 	<ul style="list-style-type: none"> Percentage of cadets who enter Fire Academy and make the hiring list Percentage of training plan completed