

Good afternoon y buenas tardes.

Thank you. Gratitude is the way I start my day, every day. Each morning, I write down three things for which I am grateful. Sometimes it's simple things, like good strong coffee, the morning light or the quiet of a city that hasn't woken up yet.

There are some regular appearances: my wife Karen, my daughters Margot and Amelia, my friends.

Increasingly, it's the people of Allentown: our neighbors, our city employees, our businesspeople, and our kids.

Right now, I want to thank the Allentown Chamber of Commerce for bringing everyone here today.

I thank the businesses and employers that sponsored today's event and continue to invest in Allentown.

I thank Allentown City Council, our government, and non-profit partners, and most especially the more than eight hundred employees of the city of Allentown.

I thank those who serve our residents and businesses.

And I thank the people of Allentown. Gracias, shukran, thank you.

Almost twenty years ago, Karen and I got married in Charleston, South Carolina. It was a great night at the South Carolina Aquarium. You would have loved that party, no masks, lots of great food.

In our vows, we pledged to be open and honest with each other. That promise sticks with me, and it is a commitment that I make to you as Mayor of Allentown. I'm going to be open and honest with you, always.

So, this is going to be an honest look at where we are right now and where we're going.

Per the City's home rule charter, it's my duty as Mayor to inform City Council and the public each January of the financial and general condition of the City.

For the past year, I've been speaking with our city's stakeholders, listening intently, hearing concerns, and understanding why we all love this place so much.

The members of my cabinet are helping me to perform a comprehensive scan of our organization, assessing its ability to exceed the expectations of our residents and deliver good value for tax dollars paid.

I think that it's worth grounding ourselves before we dive into listening and scanning.

I'm a numbers guy, and I often look to the US Government's Census Bureau to provide historical context.

For this presentation, I made some comparisons between the 1970 Census, when Allentown had about one hundred nine thousand residents, to the recently released 2020 Census, which shows that we've grown to over one hundred twenty-five thousand residents.

I've lived in Allentown since 2004 and the City has seen a lot of ups and downs since that time.

At the end of Mayor Afflerbach's term, he signed a new police contract that resulted in the retirement of large numbers of our police department.

The ensuing years saw renewed investment in our city, including the construction of Coca-Cola Park in 2008: an up.

Then we had a big down, with the global financial crisis that wiped out wealth and employment for many of our residents.

Senator Pat Browne worked to deliver the Neighborhood Improvement Zone and the beginning of an unprecedented era of investment in our city that continues to this day.

But shortly after that, the FBI raided City Hall, culminating in Mayor Pawlowski going to prison. That's a down.

The region continued to thrive, and we saw businesses continue to move to downtown Allentown, including ADP in 2019. Huge up!

Then, of course, we had 2020. Mayor O'Connell worked hard to restore morale in Allentown and throughout City Hall following Mayor Pawlowski's sentencing, but the world has changed immeasurably in the face of COVID-19.

Long story short, it has been a rough go here in Allentown. But I'm optimistic about our future.

Let's start by talking about the top seven issues our residents are concerned about when it comes to the City of Allentown: housing, public safety, cleanliness, storefront vacancies, parking, health, and the school district.

In 2019, we prepared a ten-year plan for Community and Economic Development, titled Vision 2030. During that process, we heard from residents that affordable housing was a major concern.

What's the state of housing in Allentown right now? It's a struggle for our residents.

The good news is that people from across the region want to live in Allentown. The bad news is that we're struggling to keep up with that demand.

While excellent real estate developers like City Center Allentown have created hundreds of new units in our city, over forty percent of our housing units were built before 1940.

Our residents also pointed out the need for us to invest in safety to improve our quality of life.

The unlawful use of fireworks is a total nuisance and detriment to the peace. Our police department fields many complaints about teens on dirt bikes and ATVs roaring up and down residential streets and being driven illegally on the road.

We remain committed to addressing these issues through education, intelligence gathering, and enforcement. But a key component of reducing these activities is the information and collaboration with our residents.

A former mayor of Bethlehem used to say that running a city is easy: "keep it safe and keep it clean," he would say.

Our residents are deeply interested in a clean city; I have stood side by side with many of them as they've organized neighborhood cleanups.

But I've heard from many residents who are frustrated by illegal dumping, litter accumulating in high-traffic areas, and a seeming lack of interest on behalf of our city in dealing with the issue.

I've lived one block from Hamilton Street the entire time I've been here in Allentown.

When the Tuerk women and I lived at 11th and Linden, we'd take the kids to school going down Hamilton, get slices at Delicioso's and meet friends for beers at the Allentown Brew Works.

Now the kids are older, we live at 16th and Walnut, and I ride my bike or walk down Hamilton every day to get to work. You've probably seen me out there.

We're no longer in the era of the canopies, or of Hess's, but Hamilton between 5th and 12th is still the heart of the City and it needs some love.

While there are hundreds of new residents living on Hamilton Street, there are still vacant storefronts, deteriorated facades, and a sometime feeling of a lack of security.

One indication of the health of a place's economy is growth in new business formation.

Business license data in the City of Allentown shows an annual decline in the amount of business licenses that are issued.

There is no place in America where residents, business owners and visitors are happy about parking.

Allentown is no different. When I looked at the 1970 Census, I noticed that there were approximately forty-two thousand cars here in Allentown.

Maybe parking was great back then, but I suspect that it wasn't.

Today there are far more than fifty-five thousand cars in Allentown, and we have barely added any new parking over the past fifty years. I know that we're still cleaning the same four hundred twenty-one miles of streets.

Our parking authority is facing many of the same challenges that other organizations face, with rising costs, increased demand, and limited resources.

What is the state of our residents' health?

The fact of the matter is that the state of the health of our city is unknown and that is unacceptable.

Reliable data brought to the Allentown level is difficult and hard to come by due to antiquated state data systems.

COVID has impacted routine health care in the City as people have shied away from appointments during COVID or had other priorities.

That has resulted in over nine-hundred Allentown School District children remaining behind in routine childhood immunizations opening the door for vaccine preventable diseases like meningitis and pertussis to resurface.

Many citizens have postponed mammograms and other critical health screenings that can catch a variety of cancers at an early and treatable stage.

And on top of that, the temporary suspension of routine sexually transmitted disease testing clinics throughout the City during COVID has resulted in an increase in most STDs but especially syphilis where the City is seeing dramatic increases.

Perhaps the biggest issue we face in the City of Allentown is in many ways beyond our control. Over thirty percent of our residents are school age. This is a great thing for the future of a city. It represents a significant opportunity for growth, for new ideas, and for excellent outcomes.

Many of those kids will attend schools at the Allentown School District, which is frankly struggling. Their leadership faces a lot of headwinds, but there's reason for optimism.

ASD has great allies in Senator Pat Browne, and Representatives Peter Schweyer and Mike Schlossberg. Their new superintendent Dr. John Stanford is brilliant, thoughtful, and enthusiastic.

And those are the seven big issues that we're hearing.

Now we'll go into a department by department look at our City, and how we're looking to address some of those challenges.

Let's start with the Police Department. First, thank you, Chief Charles Roca.

Under his recent leadership, we've seen the Allentown Police Department grow to two hundred twenty-three sworn officers. That's about one point eight cops for every thousand residents of our city. The average for cities over one hundred thousand in population in the northeast is about two point six per thousand residents.

We should probably have eighty to eighty-five more sworn officers on our force.

Police like Detective Jim Stanko have played a key role in strengthening the relationship between APD and our community, and while Jim is no longer with us, his work will continue with the community outreach unit.

Chief Roca has a strong commitment to training our men and women to be the best, so that they can come home safe every night.

They'll begin training in earnest in 2022, especially in the areas of implicit bias, to better serve our diverse community.

The department has a commitment to data-driven policing, which has led to real decreases in serious crime, and understands that preserving public safety continues to change as our world changes.

We've already begun to invest in intelligent approaches to serving our residents in crisis, and I expect APD to be a model for other agencies around the country.

Thank you, Chief Freddy Agosto. He became our first Latino Fire Chief last year and brings a steady temperament and intelligence to the job, leading a group of just over one hundred thirty firefighters.

The Fire Department also houses emergency medical services, where a team of forty saw a record year for call volume in 2021, responding to seventeen thousand five hundred eleven calls for service and is already on pace to demolish that record in 2022.

Our fire trucks and ambulances are seeing more wear and tear and our current city garage does not have the specialists needed to repair those vehicles.

Additionally, our Central Fire Station, which was converted from a car dealership in 1956, desperately needs replacement.

Despite those circumstances, our fire department has taken innovative approaches to serving our residents and will become an even more visible presence in our city.

Chief Agosto reminds me that while buildings have become safer in recent years, the stuff inside is just as susceptible to flames. A tight housing market exacerbates these challenges.

I want to thank Craig Messinger and his team. Craig will insist that I talk about his amazing team, who are busy at work every day to make sure that our city continues to function properly.

In fact, most of your daily interactions with the City of Allentown are with something that public works does, covering almost eighteen square miles of land, and those more than four hundred miles of streets that I mentioned earlier.

This group of just one hundred sixty people fix the potholes, clean the streets, plow the snow, manage our stormwater system, review land development plans, and a ton more, twenty-four hours a day, seven days a week.

It's a lot to cover and the job can feel like whack-a-mole. Without a clear vision from the top, this type of work can result in a chaotic, cluttered environment in our city.

The team that manages public works is a talented group of people, who have done their best in trying circumstances.

I know that we can do better by establishing performance measures that will shift us away from focusing just on activity and into focusing on outcomes.

For instance, not just focusing on picking up forty tons of litter but focusing on clean streets.

I've made a distinction between things that have changed and things that have not changed since 1970.

The physical infrastructure of our city is largely the same, but the way that we use it is different. We must adjust the way we do things to meet the needs of our current residents.

I thank you, Leonard Lightner. Leonard leads the Department of Community and Economic Development, which has a breadth of responsibilities.

His years of service in the army, retiring as a command sergeant major, give him a unique ability to manage the operations of a complex service delivery organization.

Among the services performed by this group of forty employees is the inspection of our housing units and the enforcement of codes related to building construction.

Among a certain segment of Allentown's stakeholders, this is the greatest challenge for us to overcome.

The inspection process can feel random, our inspectors are still writing up inspections on paper, and our data is poor.

I can tell you that there are over twenty-seven thousand rental units in Allentown, and that they should be inspected every five years. But that's not happening.

We're incredibly excited about the arrival of Energov, a software tool that will allow our inspectors to do their work in the field and give greater visibility into the process.

It's coming this summer, but it won't be the end of the work. We still have room for improvement here.

Our planning team of twelve employees is in the middle of a major rewrite of our zoning code which will modernize the way that we permit various uses in our city.

One of our tasks will be to effectively communicate that code to reduce confusion.

This team has broad responsibility for the management of the ten-year plan Vision 2030, and we will deliver a progress report in March, now that we are over two years into that ten-year plan.

Our planners are attending neighborhood meetings that are beginning to build strength after nearly being wiped out by COVID and are embarking on a neighborhood engagement strategy that involves departments across the City of Allentown.

Which is where I would like to see our economic development efforts.

The Lehigh Valley has a tremendous asset in the Lehigh Valley Economic Development Corporation.

Allentown is lucky enough to have its own economic development corporation as well, and we will lean on those partners to help attract new investment to our city.

If we have an excellent operating environment, with the appropriate labor, friendly business climate, and good infrastructure, those organizations will have no problem bringing business.

That will let our folks in economic development focus on the neighborhood businesses that make our communities strong.

Business outreach is a core function of economic development, and if we don't do it nobody will.

Also, within what is now known as Community and Economic Development, we house the Allentown Health Bureau.

Everyone in our city government and across the region's health ecosystem knows Vicky Kistler as a hero.

The health bureau and its forty dedicated employees hosted the vaccine clinics where I got my COVID vaccine, where I got my flu vaccine, and where I got my COVID booster.

They're providing us with guidance to keep us safe during this pandemic and working like crazy to try to understand where our city stands. They have good relationships with all our key partners, and they have the tools that we need to be a healthy city.

Thank you to Karen El-Chaar who heads up Park and Recreation for the City. Our parks system is widely recognized as one of the crown jewels in the Queen City.

Our parks maintenance team of more than fifty does a spectacular job keeping our parks beautiful and lending a hand with snow clearance on the west end.

The parks team has opportunities to collaborate with the planning team to make sure that we are making improvements to our system in needed areas, including the construction of the new pool at Andre Reed Park and upgrades to Valania Park and the small parklet at Second and Hamilton.

Just two guys are right now managing all the recreation activities for the City, closely collaborating with dozens of youth sports organizations.

They have ambitious plans to expand their reach, and I think that a collaboration with the neighborhood development team is going to have a huge impact.

While the operational side of our city government is what most of you see and engage on a daily basis, the internal administrative side of city government is what makes it all work.

This is the invisible infrastructure that requires sound management and engaged leadership.

Thank you Meloney Sallie-Dosunmu for helping to hold this all together during a turbulent time in our city administration with a small crew of six in Human Resources.

According to the Society for Human Resources Management, an HR department should have one person per hundred so we're short.



Over the course of this overview, I've mentioned the numbers of people providing services to our residents.

More than eight hundred people work here and care a lot. Please never question their dedication to the job.

But our workplace is not what it can be. We're siloed and the workplace culture needs investment. We lack some basic policies that—once implemented—will help us improve customer service orientation and make the City of Allentown a truly great place to work.

Thank you, Matt Leibert, our Chief Information Officer who heads up the IT Department. I have an IT background, so probably like no other mayor in Allentown's history, I feel his pain.

When I first started at Allentown Economic Development Corporation back in 2008, our offices were in City Hall. One of the major complaints city employees had back then, were the limitations presented by the software backbone of city government.

There was work done at that point to get Allentown off of that system but fourteen years later, it's still in place.

In 2022, we don't have a digital ticketing system for customer service, we cannot accept digital payments, and there's limited digital citizen engagement.

Matt's seventeen people are more than equipped to change this, he just needs the support from the top to make sure that they can do it.

Thank you, Seth O'Neill. He and the nearly forty people working for Allentown's Finance Department quietly execute some of the most stressful tasks in our city and they've done so admirably.

Annually, Revenue and Audit processes over thirty-four thousand city real estate tax payments. We manage our city accounting using arcane software. And we prepare an annual city budget that is difficult for anyone to read and analyze.

Seth has begun planning on an overhaul of our capital planning and reconciliation process, which is procedurally deficient according to our charter, and is committed to a more transparent budgeting process.

He's one of the champions for a software upgrade, which will have a massive positive impact on the day-to-day functions of our finance department.

And from here, I want to transition to the financial condition of the City.

Let me start with revenue. This is the money coming into our city on an annual basis.

In Allentown, the largest share of our annual revenue comes from two sources, property tax and earned income tax, both paid by our residents.

Allentown residents have only seen two property tax rate increases in the past twenty years. The underlying assessed value of property in the City has increased just over four percent in the past ten years, mostly due to improvements like new buildings in our downtown.

The net result is that we have seen a fourteen million dollar increase in property tax collections from 2003 to 2021. During the same time, we've seen a substantial increase in the tax paid by our working residents.

Part of that is due to increases in the tax rate and the other part is due to more of our residents working and being paid higher wages.

What is particularly notable is that in 2022, we are likely to have more of our annual budget funded by an income tax than by a property tax. This is a concern as we look to our future.

The other side of the ledger is our expenses, the means by which we accomplish our governmental services. That is the business we are in. The service sector is a labor-intensive industry.

I've mentioned the fantastic people working in each of the departments; they total eight hundred and forty-one budgeted positions in the 2022 budget.

Twenty years ago, we had over one thousand employees to do much of the same work. We have seventeen fewer firefighters now than we did then.

The share of our annual budget that pays for our people is almost seventy three percent, ninety million out of a hundred- and twenty-four-million-dollar budget.

If you're in business, you know that it's getting harder and harder to find people to do the work that you need done.

You must appropriately incentivize people to come work for you. Part of that incentive is wages and benefits, and those will continue to increase here in Allentown.

But we've started 2022 in perhaps the best cash position we've seen in recent history.

One way of looking at it is in terms of days of cash on hand. Today, we have more than sixty days cash on hand, while we had only sixteen to seventeen days of cash after the sewer lease and during the great financial crisis of 2008.

That number is about right on with the recommendations of the Government Finance Officers Association. It has taken a lot of hard work to get us into this position, but it's wholly dependent on our ability to collect taxes and manage our expenses.

Another way of thinking about our cash position is to consider our annual debt service.

Currently, we have outstanding principal debt of about one hundred million dollars. That's high for a municipality of our size and with an economy like ours.

Our annual debt service, that's the amount that we pay in interest and principal repayments, will total to about nine million dollars in 2022. Again, as a function of cash, that's a little less than half of our starting cash reserves.

It's also about seven percent of our planned annual expenditures. Those are things that the credit rating agencies look at, which ends up influencing the cost of our borrowing. Right now, we're basically at A. It's great but we can do better. The goal would be to upgrade our city to a AA rating.

The factors that are holding the City back from a credit jump are its relatively stagnant underlying tax base, relatively high fixed costs, and substantial long-term liabilities, such as pension.

Our revenue growth is tied to the value of our property and the wages of our residents.

The county last reassessed property values in 2013. We continue to see improvements to property in the downtown, on our waterfront, and at the state hospital site. Incomes are climbing across all industries but that cuts both ways for Allentown.

The greatest share of our expenses is in paying people and taking care of their health and retirement. Those expenses will continue to rise as we prolong our lives after retirement.

This is the current high-level overview of the state of finances for the City. I want to end this section by highlighting the need for our administration to address the long-term financial sustainability of the City of Allentown.

¿Qué es lo que me falta decir? What else is left to say?

Well, let's talk about the people that make up our city. In 1970 there were about seven hundred fifty Latinos living in Allentown, less than one percent of the population.

Thirty years later, we elected our first Spanish speaking city councilperson, Julio Guridy, as the Latino population grew to almost twenty five percent.

Today, our majority Latino city has the option to shop at multiple Hispanic supermarkets, enjoy the Puerto Rican day parade and the Dominican festival, attend the Roberto Clemente Charter School, or worship at a Spanish language mass at Sacred Heart Church.

And it's not just about the City being fifty-four percent Latino. Allentown is diverse and made up of so many different communities that call the City home. And representation for those sometimes-marginalized communities is essential.

When it comes to leadership in Allentown, we have Madame Presidenta Afro-Latina Cynthia Mota leading City Council, Latino Fire and Police Chiefs, African American directors in Human Resources and Community and Economic Development - as well as our first Latino mayor.

Latinos and other marginalized communities will continue to have a voice in city government, and I'm committed to form advisory councils to ensure that Latinos, African Americans, and LGBTQ plus residents are appropriately served by our city government.

I want to close the State of the City by talking about our communications. Communications is a top priority for my administration because it's been such a weak point for years in the City of Allentown.

The employees that make up all these departments in Allentown are working hard for the benefit of our residents and it's important we communicate information like our policies, ordinances, programs, and future plans.

Aside from that basic communication need, we also have to understand that Allentown is home to many who don't see English as their first language. It's important that we communicate effectively in both English and in Spanish and to be as inclusive as possible for the benefit of the greatest number of our residents.

So, what can we do to help?

If you're here and you're committed to Allentown, you're probably asking that question right now. I ask it all the time. And I'll continue to ask you what we as a city can do to help you as a resident, as an investor, as a stakeholder.

But if you're asking yourself that question, here are some thoughts.

First, be patient with us. We've had a rough go of it lately. Our employees have weathered uncertainty about their job, a global pandemic, a general decline in civility across our country, and they work for a city that is not held in high regard by many people in our region.

But they have a huge heart. They love this place, and they are making sacrifices every day for Allentown. We're getting back on track, and we need your support right now.

I also need your support for some of the initiatives that the City will undertake to get better.

You met our department heads. I also want to point out Michaela Boyer and Connor Corpora who are the new mayor's office admins and Genesis Ortega who is my new Communications Manager.

I've already asked City Council to create a Chief Operating Officer position who will report to me and who will manage our police, fire, public works, parks, and development departments.

That person will need some additional support from a project manager. The administrative functions of our city government will continue to report to me for now. This is a more modern approach to management that is critically needed at this time.

Council Presidenta Mota, vamos a ser socios en este trabajo y te pido ayuda.

Finally, I want to challenge the private sector. You're invested in downtown. This is where your employees come to work every day and it's a reflection of your brand. We need to look better. We need to fix some of these façades, clean up some of these storefronts, and feel safe.

I'm asking for your help in coming up with a way to help address some of these problems. We'll do everything we can to help. Your success is our success. And our success is your success.

That wraps it up. I could keep going. A half an hour is not enough to talk about the City that I love.

But this won't be the last time you hear from me. And the next time I'm standing up here in 2023, things will be different. The story for the City of Allentown will be different then.

Thank you for listening. Gracias.