Data Assumptions

- Focus on General Fund
- Close consultation with Public Financial Management on likely revenue and expenditure trends to 2021, along with cost projections for payroll and benefit costs
- Incorporation of 2017 Proposed Budget as baseline
- No change assumed in City employment during the plan period

Data Assumptions: Expenditures

- Permanent wages increases annually by 2.5 percent
- Historic vacancy factor incorporated
- Health insurance costs increase annually by 7 percent
- Pension costs assume 2016 increased base and then a 1.3 percent annual increase (Timely repayment of pension obligation bond included)
- 2018-21 contract baseline grows from 2012-17 average
- Electric and fuel costs increase 5 to 8 percent/year
- Equipment costs increase 0.4 percent/year
- All other cost categories increased by 2 percent/year

Data Assumptions: Revenues

- Anticipated revenue growth from tax ratables to increase annually by 2 percent
- Anticipated revenue growth from fee income to increase annually by 1 percent
- Grants unchanged from current revenue level
- Solid Waste Fund loan repayment included in model
- Stormwater Management Fund proposed to begin in 2018
- Annual $500,000 royalty fee from Lehigh County Authority is included in the model
- Act 205 State Aid for Pension increased 3 percent annually and casino revenue increased 2 percent annually from 2017 base

Strategies for Financial Stability

- 0.35 percent increase in resident EIT equalizes anticipated General Fund revenue and expenditures during the five-year period
- No significant expenditure reductions can occur without decreased staffing and/or decreased provision of public services
- **The 2017 Proposed Budget puts the city on solid fiscal footing for years to come and ensures that solid cash reserves are maintained and that <u>no tax increases will be needed for multiple years for the continuation of city services</u>.**

CITY OF ALLENTOWN 5-YEAR OPERATIONAL PLAN

		2017 Mayor's Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected
REVENUES						
Taxes						
Real Estate Tax						
2901	Current	29,650,000	30,243,000	30,847,860	31,464,817	32,094,114
2903	Prior	1,450,000	1,464,790	1,479,731	1,494,824	1,510,071
2904	Lehigh Co. Tax Claims	500	500	500	500	500
Act 511 Taxes						
2907	Deed Transfer	1,650,000	1,683,000	1,716,660	1,750,993	1,786,013
2906	Earned Income	25,056,522	27,140,869	27,683,687	28,237,361	28,802,108
2900	Earned Income - Act 205	4,000,000	4,080,000	4,161,600	4,244,832	4,329,729
6171	Earned Income Escrow - Prior Years	0	0	0	0	0
2909	Business Privilege	6,850,000	6,987,000	7,126,740	7,269,275	7,414,660
2908	Occupational Privilege	0	0	0	0	0
2905	Local Service Tax/EMST-2006	1,900,000	1,938,000	1,976,760	2,016,295	2,056,621
2910	Amusement/Devices	11,000	11,220	11,444	11,673	11,907
2911	Per Capita - Residence (Prior Years)	0	0	0	0	0
2912	Per Capita Tax	0	0	0	0	0
Total Taxes		***70,568,022***	***73,548,379***	***75,004,982***	***76,490,570***	***78,005,722***
Permits & Licenses						
2913	Business License	425,000	429,250	433,543	437,878	442,257
2914	Liquor Licenses	60,000	60,600	61,206	61,818	62,436
2916	Building Permits & Licenses	600,000	606,000	612,060	618,181	624,362
2918	Plumbing Permits & Licenses	110,000	111,100	112,211	113,333	114,466
2920	Electrical Permits & Licenses	230,200	232,502	234,827	237,175	239,547
2921	Sheet Metal Tech License Fees (2yr Lic)	15,800	15,958	16,118	16,279	16,442
2922	Billboard & Sign Permit/Licenses	8,500	8,585	8,671	8,758	8,845
2924	Zoning Permits & Fees	75,000	75,750	76,508	77,273	78,045
2926	Health Bureau Permits & Licenses	240,000	242,400	244,824	247,272	249,745
2928	Fire Dept Inspection Fees	90,000	90,900	91,809	92,727	93,654
2930	Other Permits and Licenses	380,450	384,255	388,097	391,978	395,898
2931	CATV Franchise Fees	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
2932	Rental/Sales Unit Inspections	1,975,000	2,004,625	2,034,694	2,065,215	2,096,193
2933	Presales Inspections	160,000	162,400	164,836	167,309	169,818
2940	Shade Tree Permits and Fees	2,000	2,020	2,040	2,061	2,081
Total Permits & Licenses		***5,671,950***	***5,726,345***	***5,781,443***	***5,837,255***	***5,893,790***

CITY OF ALLENTOWN 5-YEAR OPERATIONAL PLAN

		2017 Mayor's Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Charges for Services						
Departmental Earnings						
3101	Tax Certifications	143,000	144,430	145,874	147,333	148,806
3102	Municipal Certifications	10,000	10,000	10,000	10,000	10,000
3103	A.S.D. Tax Billing/Reimbursement	0	0	0	0	0
3106	Printing & Copier Fees	75,000	75,750	76,508	77,273	78,045
3204	Street Excavation/Rest.	60,000	60,600	61,206	61,818	62,436
3205	Warrants of Survey	15,000	15,150	15,302	15,455	15,609
3208	Towing Agreements	262,500	265,125	267,776	270,454	273,159
3410	Health Bureau Reimbursement	122,900	124,129	125,370	126,624	127,890
3417	EMS Transit Fees	3,670,000	3,743,400	3,818,268	3,894,633	3,972,526
3495	Other Charges for Services	30,000	30,600	31,212	31,836	32,473
3497	Police Extra Duty Jobs	600,000	600,000	616,560	633,577	651,064
Total Departmental Earnings		***4,988,400***	***5,069,184***	***5,168,076***	***5,269,003***	***5,372,009***
Municipal Recreation & Other GF Charges						
3430	Swimming Pool	225,000	229,500	234,090	238,772	243,547
3435	Recreation	93,000	94,860	96,757	98,692	100,666
3490	General Fund Service Charges	1,380,582	1,449,611	1,522,092	1,598,196	1,678,106
Total Charges for Services		***1,698,582***	***1,773,971***	***1,852,939***	***1,935,660***	***2,022,319***
Fines & Forfeits						
4110	District Court	310,000	310,000	310,000	310,000	310,000
4112	Fines and Restitution	145,000	145,000	145,000	145,000	145,000
4113	Parking Authority Reimbursement	1,025,000	1,025,000	1,025,000	1,025,000	1,025,000
Total Fines & Forfeits		***1,480,000***	***1,480,000***	***1,480,000***	***1,480,000***	***1,480,000***
Intergovernmental Revenue						
5213	State Health Grants - Acts 315 & 12	1,750	1,750	1,750	1,750	1,750
5215	State grant - Health Categorical	2,055,070	2,055,070	2,055,070	2,055,070	2,055,070
5229	Fire Training	12,000	12,000	12,000	12,000	12,000
5230	Police Training	200,000	200,000	200,000	200,000	200,000
5231	Police Grants - Reimbursements from other govt's	248,900	248,900	248,900	248,900	248,900
5232	Forfeiture Receipts	0	0	0	0	0
5211,20,28	State Grants- Other	0	0	0	0	0
5218,40	Other Grants- Miscellaneous	306,279	306,279	306,279	306,279	306,279
5233	Police Reimbursements	535,000	585,000	585,000	585,000	585,000
5241	State Aid for Pension	4,000,000	4,120,000	4,243,600	4,370,908	4,502,035
Total Intergovernmental Revenue		***7,358,999***	***7,528,999***	***7,652,599***	***7,779,907***	***7,911,034***

CITY OF ALLENTOWN 5-YEAR OPERATIONAL PLAN

		2017 Mayor's Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Investment Income						
6141	Investment Income	11,000	11,110	11,221	11,333	11,447
Total Investment Income		***11,000***	***11,110***	***11,221***	***11,333***	***11,447***
Other Income						
6100	Pennsylvania Utility Realty Tax	70,000	71,400	72,828	74,285	75,770
6110	Allentown Housing Authority PILOT	110,000	112,200	114,444	116,733	119,068
6120	Parking Garage Rents	0	0	0	0	0
6130	Rental of City Property	245,000	245,000	245,000	245,000	245,000
6139	Marketing/Advertising	130,000	130,000	130,000	130,000	130,000
6140	Contributions	50,000	51,000	52,020	53,060	54,122
6161	Sale of City Property	160,000	160,000	160,000	160,000	160,000
6165,6170	Health Miscellaneous/Miscellaneous	797,750	797,750	797,750	797,750	797,750
6173	Portnoff Fees	5,000	5,000	5,000	5,000	5,000
6177	Fire Dept Miscellaneous	12,700	12,700	12,700	12,700	12,700
6180	Damage to City Property	25,000	25,000	25,000	25,000	25,000
6191,92	Lights in the Parkway	170,000	170,000	170,000	170,000	170,000
6194	Special Events/DCED	0	0	0	0	0
6193	Recreation/Special Events	23,750	24,225	24,710	25,204	25,708
6195	Casino Fee	3,900,000	3,978,000	4,057,560	4,138,711	4,221,485
Total Other Income		***5,699,200***	***5,782,275***	***5,867,012***	***5,953,443***	***6,041,603***
Other Financing Sources						
7100	2008 Bond Proceeds	0	0	0	0	0
7199	Operating Transfers In	0	0	0	0	0
7112	CDBG Reimbursements	489,933	489,933	489,933	489,933	489,933
7113	Trexler Maintenance Grant	0	0	0	0	0
7115	ADIDA	0	0	0	0	0
7120	Water/Sewer Proceeds	500,000	500,000	500,000	500,000	500,000
7118	Golf Course Contract Revenue	0	0	0	0	0
7116	Sewage Capacity Sales	0	0	0	0	0
7121	Transfer from Solid Waste	0	0	0	0	0
7122	Transfer from AO Fund (Escrow)	217,239	0	0	0	0
3491	Homeland Security for Water/Sewer	0	0	0	0	0
3999	W/S Prior	350,000	350,000	350,000	350,000	350,000
3206	Stormwater	0	0	0	0	0
Total Other Financing Sources		***1,557,172***	***1,339,933***	***1,339,933***	***1,339,933***	***1,339,933***
TOTAL REVENUE		***99,033,325***	***102,260,196***	***104,158,204***	***106,097,105***	***108,077,857***

CITY OF ALLENTOWN 5-YEAR OPERATIONAL PLAN

		2017 Mayor's Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected
EXPENDITURES						
	Personnel					
02	Permanent Wages	41,036,160	40,926,812	41,949,982	42,998,732	44,073,700
03	Holiday Pay	1,351,998	1,385,798	1,420,443	1,455,954	1,492,353
04	Temporary Wages	947,048	978,640	1,003,106	1,028,184	1,053,889
05	Education Pay	133,750	137,094	140,521	144,034	147,635
06	Premium Pay	3,505,838	3,408,984	3,494,209	3,581,564	3,671,103
07	Extra Duty Pay	601,028	616,054	631,455	647,241	663,422
08	Longevity	646,672	649,523	665,761	682,405	699,465
09	Uniform Allowance	168,100	168,100	168,100	168,100	168,100
11	Shift Differential	298,526	296,559	303,973	311,572	319,362
12	FICA	1,967,975	1,922,918	1,970,991	2,020,266	2,070,773
14	Pension	10,653,859	10,767,502	10,736,246	10,907,595	11,081,680
16	Insurance - Employee Group	15,360,550	16,110,488	17,238,222	18,444,898	19,736,041
	Total Personnel	76,671,504	77,368,472	79,723,010	82,390,546	85,177,522
	Services & Charges					
20	Electric	1,159,500	1,217,475	1,278,349	1,342,266	1,409,379
22	Telephone	268,100	273,462	278,931	284,510	290,200
24	Postage & Shipping	171,450	174,879	178,377	181,944	185,583
26	Printing	65,808	67,124	68,467	69,836	71,233
28	Mileage	12,520	12,566	12,818	13,074	13,336
30	Rentals	313,102	304,064	310,145	316,348	322,675
32	Publications & Memberships	165,545	167,749	171,104	174,526	178,017
34	Training & Professional Development	308,895	304,363	310,450	316,659	322,992
38	Insurance - Other Employee	110,000	117,700	125,939	134,755	144,188
40	Civic Expenses	96,180	98,104	100,066	102,067	104,108
41	Arts Expenses	50,000	50,000	50,000	50,000	50,000
42	Repairs & Maintenance	1,007,169	1,020,172	1,040,576	1,061,387	1,082,615
44	Professional Service Fees	0	0	0	0	0
46	Other Contract Services	5,864,145	4,917,664	5,016,017	5,116,337	5,218,664
48	Grant, Non-City Charges	5,500	5,610	5,722	5,837	5,953
49	Grant Administrative Charges	0	0	0	0	0
50	Other Services & Charges	486,036	495,757	505,672	515,785	526,101
	Total Services & Charges	10,083,950	9,226,689	9,452,632	9,685,332	9,925,044

CITY OF ALLENTOWN 5-YEAR OPERATIONAL PLAN

		2017 Mayor's Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected
	Materials & Supplies					
54	Repair & Maintenance Supplies	649,200	584,664	596,357	608,284	620,450
56	Uniforms	392,392	382,823	390,480	398,289	406,255
58	Office Supplies	0	0	0	0	0
60	Vehicle Parts	0	0	0	0	0
62	Fuels, Oils & Lubricants	1,036,582	1,119,509	1,209,069	1,305,795	1,410,258
64	Pipe & Fittings	92,000	27,540	28,091	28,653	29,226
66	Chemicals	264,430	264,629	269,921	275,320	280,826
68	Operating Materials & Supplies	891,304	898,063	916,024	934,345	953,032
	Total Materials & Supplies	3,325,908	3,277,228	3,409,943	3,550,686	3,700,047
	Capital Outlays					
71	Machinery & Equipment	0	0	0	0	0
72	Equipment	754,264	507,627	511,616	515,684	519,785
76	Construction Contracts	0	0	0	0	0
	Total Capital Outlays	754,264	507,627	511,616	515,684	519,785
	Sundry					
84	Capital Fund Contribution	0	0	0	0	0
87	Unfunded Pension Liability	0	0	0	0	0
88	Debt Service and Interfund Transfers	11,142,466	11,015,897	11,051,133	9,710,055	8,541,772
89	Pension - Additional POB	2,500,000	500,000	0	0	0
90	Refunds	268,300	273,666	279,139	284,722	290,417
99	Prior Years Commitments/Reserve for Encumbrances	0	0	0	0	0
	Total Sundry	13,910,766	11,789,563	11,330,272	9,994,777	8,832,188
	TOTAL EXPENDITURES	**104,746,392**	**102,169,579**	**104,427,472**	**106,137,025**	**108,154,587**
	TOTAL REVENUES	**99,033,325**	**102,260,196**	**104,158,204**	**106,097,105**	**108,077,857**
	TOTAL ENDING FUND BALANCE	**18,267,341**	**18,357,958**	**18,088,690**	**18,048,770**	**17,972,040**

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