

Five-Year Operating Plan for the City of Allentown, 2020-2024

Ray O'Connell, Mayor

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Data Assumptions for General Fund

- 2020 Proposed City Budget incorporated as baseline assumption
- Revenue and expense projections of 2019 assumption model held steady for 2020
- City government employment held steady during plan timeline

Data Assumptions: Expenditures

- Wages in all categories increase annually by 3 percent
- 2020 position vacancy factor incorporated (\$2.0 million)
- Health insurance costs increase annually by 7 percent from 2020 base
- Pension costs assume 2020 budgeted base and then hold steady in 2022-24
- 2021-24 annual professional services budget kept steady at \$6 million
- Electric, fuel and equipment costs increase 1.5 percent per year
- Solid Waste Fund loan repayment through 2023
- No new long-term debt service occurs through 2021, but 2018 short-term debt for fleet and equipment needs is factored into debt service

Data Assumptions: Revenues

- Real estate taxes increased annually by 1.5 percent, earned income tax by 2.5 percent, business privilege tax by 3 percent
- Most fees and grants increased annually by 1 percent
- Most inspection, license and permit fees increased annually by 3 percent
- Continued Act 205 eligibility to assess non-resident earned income tax is assumed
- Annual \$500,000 royalty fee from Lehigh County Authority (adjusted for inflation) is included in the model
- Act 205 State Aid for Pension increased 3 percent annually and casino revenue increased 3 percent annually from 2020 budget base

Key Findings

- ▶ **2020 budget and subsequent four years result in steady but small decline in General Fund cash balance**
- ▶ **Labor costs primarily drive continuing expenditure increases, which are unavoidable if desiring to maintain current workforce and current citizen service delivery levels**

5 YR PLAN-GENERAL FUND (pg. 1)

2020 Proposed Budget	2021 Projected	2022 Projected	2023 Projected	2024 Projected
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REVENUES

Taxes

Real Estate Tax

2901	Current	37,500,000	38,062,500	38,633,438	39,212,939	39,801,133
2903	Prior	1,250,000	1,268,750	1,287,781	1,307,098	1,326,704
2904	Lehigh Co. Tax Claims	0	0	0	0	0

Act 511 Taxes

2907	Deed Transfer	1,900,000	1,947,500	1,996,188	2,046,092	2,097,244
2906	Earned Income	31,250,000	32,031,250	32,832,031	33,652,832	34,494,153
2900	Earned Income - Act 205	4,200,000	4,305,000	4,412,625	4,522,941	4,636,014
6171	Earned Income Escrow - Prior Years	0	0	0	0	0
2909	Business Privilege	8,300,000	8,549,000	8,805,470	9,069,634	9,341,723
2908	Occupational Privilege	0	0	0	0	0
2905	Local Service Tax/EMST-2006	1,800,000	1,818,000	1,836,180	1,854,542	1,873,087
2910	Amusement/Devices	10,000	10,100	10,201	10,303	10,406
2911	Per Capita - Residence (Prior Years)	0	0	0	0	0
2912	Per Capita Tax	0	0	0	0	0

Total Taxes		86,210,000	87,992,100	89,813,914	91,676,381	93,580,465
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Permits & Licenses

2913	Business License	625,000	433,500	442,170	451,013	460,034
2914	Liquor Licenses	60,000	61,200	62,424	63,672	64,946
2916	Building Permits & Licenses	1,350,000	1,390,500	1,432,215	1,475,181	1,519,437
2918	Plumbing Permits & Licenses	210,000	216,300	222,789	229,473	236,357
2920	Electrical Permits & Licenses	430,000	442,900	456,187	469,873	483,969
2921	Sheet Metal Tech License Fees (2yr Lic)	45,000	46,350	47,741	49,173	50,648
2922	Billboard & Sign Permit/Licenses	10,000	10,300	10,609	10,927	11,255
2924	Zoning Permits & Fees	300,000	309,000	318,270	327,818	337,653
2926	Health Bureau Permits & Licenses	255,000	262,650	270,530	278,645	287,005
2928	Fire Dept Inspection Fees	120,000	123,600	127,308	131,127	135,061
2929	Police Permits	1,500	1,545	1,591	1,639	1,688
2930	Other Permits and Licenses	200,000	206,000	212,180	218,545	225,102
2931	CATV Franchise Fees	1,470,000	1,499,400	1,529,388	1,559,976	1,591,175
2933	Presales Inspections	250,000	257,500	265,225	273,182	281,377
2934	Vacant Property Registration	225,000	231,750	238,703	245,864	253,239
2940	Shade Tree Permits and Fees	5,000	5,150	5,305	5,464	5,628

Total Permits & Licenses		5,556,500	5,497,645	5,642,633	5,791,573	5,944,573
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5 YR PLAN-GENERAL FUND (pg. 2)

	2020 Proposed Budget	2021 Projected	2022 Projected	2023 Projected	2024 Projected
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Charges for Services

Departmental Earnings

3101	Tax Certifications	143,000	145,860	148,777	151,753	154,788
3102	Municipal Certifications	15,000	15,000	15,000	15,000	15,000
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.	90,000	91,800	93,636	95,509	97,419
3205	Warrants of Survey	40,000	40,400	40,804	41,212	41,624
3208	Towing Agreements	300,000	312,000	324,480	337,459	350,958
3410	Health Bureau Reimbursement	108,130	109,211	110,303	111,406	112,521
3417	EMS Transit Fees	4,180,000	4,305,400	4,434,562	4,567,599	4,704,627
3495	Other Charges for Services	30,000	30,600	31,212	31,836	32,473
3497	Police Extra Duty Jobs	475,000	475,000	475,000	475,000	475,000
Total Departmental Earnings		5,456,130	5,601,021	5,750,282	5,904,047	6,062,454

Municipal Recreation & Other GF Charges

3430	Swimming Pool	310,000	316,200	322,524	328,974	335,554
3435	Recreation	87,500	89,250	91,035	92,856	94,713
3490	General Fund Service Charges	2,135,098	2,241,853	2,353,946	2,471,643	2,595,225
Total Charges for Services		2,532,598	2,647,303	2,767,505	2,893,473	3,025,492

Fines & Forfeits

4110	District Court	250,000	255,000	260,100	265,302	270,608
4112	Fines and Restitution	145,000	147,900	150,858	153,875	156,953
4113	Parking Authority Reimbursement	300,000	306,000	312,120	318,362	324,730
Total Fines & Forfeits		695,000	708,900	723,078	737,540	752,290

Intergovernmental Revenue

5213	State Health Grants - Acts 315 & 12	1,750	1,768	1,785	1,803	1,821
5215	State grant - Health Categorical	2,203,457	2,225,492	2,247,746	2,270,224	2,292,926
5229	Fire Training	50,000	50,000	50,000	50,000	50,000
5230	Police Training	300,000	300,000	300,000	300,000	300,000
5231	Police Grants - Reimbursements from other govt's	0	0	0	0	0
5232	Forfeiture Receipts	0	0	0	0	0
5211,20,28	State Grants- Other	0	0	0	0	0
5218,40	Other Grants- Miscellaneous	458,461	463,046	467,676	472,353	477,076
5233	Police Reimbursements	530,000	530,000	530,000	530,000	530,000
5241	State Aid for Pension	5,101,809	5,254,863	5,412,509	5,574,884	5,742,131
Total Intergovernmental Revenue		8,645,477	8,825,168	9,009,717	9,199,264	9,393,955

Investment Income

6141	Investment Income	180,000	183,600	187,272	191,017	194,838
Total Investment Income		180,000	183,600	187,272	191,017	194,838

5 YR PLAN-GENERAL FUND (pg. 3)

		2020	2021	2022	2023	2024
		Proposed Budget	Projected	Projected	Projected	Projected
Other Income						
6100	Pennsylvania Utility Realty Tax	75,000	76,500	78,030	79,591	81,182
6110	Allentown Housing Authority PILOT	129,937	132,536	135,186	137,890	140,648
6120	Parking Garage Rents	0	0	0	0	0
6130	Rental of City Property	175,000	175,000	175,000	175,000	175,000
6139	Marketing/Advertising	250,000	255,000	260,100	265,302	270,608
6140	Contributions	100,000	102,000	104,040	106,121	108,243
6142	Gain/Loss on Investments	80,000	81,600	83,232	84,897	86,595
6155	ANIZDA	365,000	375,950	387,229	398,845	410,811
6161	Sale of City Property	150,000	150,000	150,000	150,000	150,000
6165,6170	Health Miscellaneous/Miscellaneous	611,000	611,000	611,000	611,000	611,000
6172	Muni Claim Recovery	250,000	257,500	265,225	273,182	281,377
6173	Portnoff Fees	1,000	1,000	1,000	1,000	1,000
6177	Fire Dept Miscellaneous	10,000	10,000	10,000	10,000	10,000
6180	Damage to City Property	0	0	0	0	0
6191,92	Lights in the Parkway	212,500	216,750	221,085	225,507	230,017
6194	Special Events/DCED	0	0	0	0	0
6193	Recreation/Special Events	34,000	34,680	35,374	36,081	36,803
6196	Arts Commission	0	0	0	0	0
6195	Casino Fee	3,900,000	4,017,000	4,137,510	4,261,635	4,389,484
Total Other Income		6,343,437	6,496,516	6,654,011	6,816,050	6,982,768
Other Financing Sources						
7100	2008 Bond Proceeds	0	0	0	0	0
2660, 7199	Operating Transfers In	0	0	0	0	0
7112	CDBG Reimbursements	0	0	0	0	0
7113	Trexler Maintenance Grant	0	0	0	0	0
7115	ADIDA	0	0	0	0	0
7120	Water/Sewer Proceeds	535,000	545,700	556,614	567,746	579,101
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)	217,210	0	0	0	0
3491	Homeland Security for Water/Sewer	0	0	0	0	0
3999	W/S Prior	200,000	80,000	76,000	72,200	68,590
3206	Stormwater	0	0	0	0	0
Total Other Financing Sources		952,210	625,700	632,614	639,946	647,691
TOTAL REVENUE		116,571,352	118,577,953	121,181,025	123,849,291	126,584,526

5 YR PLAN-GENERAL FUND (pg. 4)

2020 Proposed Budget	2021 Projected	2022 Projected	2023 Projected	2024 Projected
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EXPENDITURES

Personnel

02	Permanent Wages (NET of Vacancy Factor)	44,064,550	45,386,487	46,748,081	48,150,524	49,595,039
03	Holiday Pay	1,681,947	1,732,405	1,784,378	1,837,909	1,893,046
04	Temporary Wages	1,337,728	1,377,860	1,419,196	1,461,772	1,505,625
05	Education Pay	135,400	139,462	143,646	147,955	152,394
06	Premium Pay	3,750,897	3,863,424	3,979,327	4,098,706	4,221,668
07	Extra Duty Pay	450,000	463,500	477,405	491,727	506,479
08	Longevity	693,593	714,401	735,833	757,908	780,645
09	Uniform Allowance	168,700	173,761	178,974	184,343	189,873
11	Shift Differential	273,255	281,453	289,896	298,593	307,551
12	FICA	2,099,636	2,162,625	2,227,504	2,294,329	2,363,159
14	Pension	15,155,493	15,300,000	15,300,000	15,300,000	15,300,000
15, 16	Insurance - Employee Group	16,703,803	17,873,069	19,124,184	20,462,877	21,895,278
Total Personnel		86,515,002	89,468,446	92,408,423	95,486,643	98,710,757

Services & Charges

20	Electric	1,051,908	1,067,687	1,083,702	1,099,957	1,116,457
22	Telephone	251,920	255,699	259,534	263,427	267,379
24	Postage & Shipping	152,400	154,686	157,006	159,361	161,752
26	Printing	170,092	172,643	175,233	177,862	180,529
28	Mileage	10,865	11,028	11,193	11,361	11,532
30	Rentals	770,321	781,876	793,604	805,508	817,591
32	Publications & Memberships	169,629	172,173	174,756	177,377	180,038
34	Training & Professional Development	398,071	404,042	410,103	416,254	422,498
40	Civic Expenses	198,600	201,579	204,603	207,672	210,787
41	Arts Expenses	100,000	100,000	100,000	100,000	100,000
42	Repairs & Maintenance	1,702,506	1,728,044	1,753,964	1,780,274	1,806,978
44	Professional Service Fees	296,750	301,201	305,719	310,305	314,960
46	Other Contract Services	5,780,109	6,000,000	6,000,000	6,000,000	6,000,000
48	Grant, Non-City Charges	0	0	0	0	0
49	Grant Administrative Charges	0	0	0	0	0
50	Other Services & Charges	694,926	705,350	715,930	726,669	737,569
Total Services & Charges		11,748,097	12,056,008	12,145,348	12,236,028	12,328,069

5 YR PLAN-GENERAL FUND (pg. 5)

	2020 Proposed Budget	2021 Projected	2022 Projected	2023 Projected	2024 Projected
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Materials & Supplies

54	Repair & Maintenance Supplies	950,090	964,341	978,806	993,489	1,008,391
55	Property Repairs	40,000	40,600	41,209	41,827	42,455
56	Uniforms	532,781	540,773	548,884	557,118	565,474
58	Office Supplies	0	0	0	0	0
60	Vehicle Parts	0	0	0	0	0
62	Fuels, Oils & Lubricants	1,024,244	1,039,608	1,055,202	1,071,030	1,087,095
64	Pipe & Fittings	22,000	22,330	22,665	23,005	23,350
66	Chemicals	204,290	207,354	210,465	213,622	216,826
68	Operating Materials & Supplies	986,848	1,001,651	1,016,675	1,031,926	1,047,404
Total Materials & Supplies		3,760,253	3,816,657	3,873,907	3,932,015	3,990,995

Capital Outlays

71	Machinery & Equipment	0	0	0	0	0
72	Equipment	634,776	644,298	653,962	663,772	673,728
76	Construction Contracts	0	0	0	0	0
Total Capital Outlays		634,776	644,298	653,962	663,772	673,728

Sundry

78	Contingencies	150,000	150,000	150,000	150,000	150,000
84	Capital Fund Contribution	833,000	(2,400,000)	0	0	0
87	Unfunded Pension Liability	0	0	0	0	0
88	Debt Service & Interfund Transfers	15,159,781	15,000,000	13,000,000	12,000,000	11,400,000
89	Pension - Additional POB	0	0	0	0	0
90	Refunds	170,800	174,216	177,700	181,254	184,879
99	Prior Year Commitments/Encumbrance Reserve	0	0	0	0	0
Total Sundry		16,313,581	12,924,216	13,327,700	12,331,254	11,734,879

TOTAL EXPENDITURES	118,971,709	118,909,625	122,409,340	124,649,712	127,438,429
TOTAL REVENUES	116,571,352	118,577,953	121,181,025	123,849,291	126,584,526
FY SURPLUS/DEFICIT	(2,400,357)	(331,672)	(1,228,315)	(800,421)	(853,902)
AVAILABLE YEAR END CASH BALANCE	8,460,910	8,129,238	6,900,924	6,100,503	5,246,601