

Thank you, and good afternoon.

It is my pleasure to have the opportunity to speak to you about what we have accomplished in 2018 and what we are setting out to do in 2019.

I'm sure most of you have heard the joke about the new CEO who gets one last piece of advice from his predecessor. It goes like this. There are three sealed envelopes in the top desk drawer. The first time things aren't going well, open the first sealed envelope. So when that day comes, the new mayor opens the envelope and the message inside reads, "blame it on the other guy." When the next bad day comes, the new mayor reaches into the top drawer and opens envelope number two. The message reads, "blame it on the other guy." When the third bad day comes, the new mayor reaches into the top drawer and opens envelope number three. This time the message inside reads, "prepare three envelopes."

I am not here this afternoon to blame it on the other guy. I am here to deliver the annual State of the City address. A state of the city from the mayor is required by the Home Rule Charter.

A city's budget is in effect a statement of priorities. I have said on many occasions that public safety is my top priority and it is reflected in the city budget. Fifty-three percent of our General Fund resources is spent in the police and fire departments and in emergency medical services.

The police department under the direction of interim chief Tony Alsleben is working from a new civil service list of 228 persons from an original field of more than 600 applicants to hire new officers to reach its authorized compliment of 222 sworn officers.

The serious crime rate in the city is falling and the number of homicides fell dramatically from 2017.

The department created a Financial Crimes Unit in 2018. It made 91 arrests in just six months of operation. Two of the cases have been adopted by the Secret Service and two cases are pending adoption by the federal government.

The department's body cameras have been instrumental in ensuring transparency. They have also reduced the number of citizen allegations of officer misconduct from 39 in 2016 to just 19 in 2018.

The department deployed a new Electronic Non-Radar Device and scales in 2018.

The department will be getting new service weapons. By working out a trade-in/exchange program, APD is replacing its current duty pistols with new Glock 19s at a cost of approximately \$23,000. That is \$200,000 less than doing a straight purchase. The Glocks have a reduced maintenance requirement and exhibit fewer malfunction issues. The \$23,000 includes ammunition and holsters.

You will soon be hearing more about a fifth platoon. It is focused on areas of the city experiencing an elevation of crimes and quality of life issues. We are increasing the number of uniform officers on the street by 50% during the peak times these issues occur. This platoon will fall under the Patrol Division and will report directly to the Assistant Chief of Operations.

Interim Fire Chief Jim Wehr and the Allentown Fire Department are taking delivery of four new fire trucks; two rescue/pumper engines, one pumper engine and one hazmat response engine. The oldest front line fire truck will then be a 2009.

The department will be filling two long-standing firefighter vacancies in 2019. It is a priority of mine to increase our number of firefighters which once reached 146.

In 2018, the department installed more than 300 smoke detectors on the city's East Side and the 6<sup>th</sup> Ward in a joint venture with the Red Cross.

The Fire Prevention office has started a program that has translated fire prevention documents into Spanish. The effort is already paying dividends. This has assisted our department in helping to reduce the number of cooking related fires in the city.

Calendar year 2018 saw the continuation of the department's public relations and education programs via the 13<sup>th</sup> year of the Ride to School Program. This program rewarded two students per school (both Public and Charter Schools in the city) for being role models and leaders to other students.

The department reached more than 13,000 adults and children with Fire Safety classes and community outreach programs such as Daycare classes, Career Day events, and fire extinguisher classes.

Allentown EMS reached its full complement of 26 full-time paramedics and responded to 15,800 calls for service in 2018. Nothing against E-M-Ts, but paramedics are the best trained.

For the third consecutive year, they received the American Heart Association Mission Lifeline Gold Plus Award for the treatment of heart attack patients.

We all benefit when we use our resources wisely. Under a program initiated by Chief of Operations Eric Gratz, EMS reduced the amount of calls that do not meet medical necessity by 74% from 2017.

In 2019, EMS will see arrival of a new Horton ambulance to continue its commitment to fleet replacement. It will also upgrade all patient cots to a state-of-the-art power cot and power loading system to enhance patient comfort, safety, and reduced paramedic injuries.

I could easily focus 30 minutes on Public Works which has 160 full-and-part-time employees and works with a more than \$37 million budget from the Liquid Fuels, Solid Waste, Stormwater and General Funds under the direction of Craig Messinger.

In 2018, streets completed **eight miles** of oil-chip or fog sealing to extend the life of the road. They repaired **18,900** potholes and collected 39,000 cubic yards of leaves. They purchased a new milling machine and will be taking delivery of a new sweeper.

Traffic Planning & Control completed more than 100 traffic and lighting reviews. They installed continental crosswalks on Seventh Street from the city line to Turner Street to improve pedestrian safety and replaced all school crosswalks. Among other things, they prepared RFPs for downtown traffic signal design and permitting and L-E-D street light installation. New school flashers were installed at Executive Academy Charter School on Union Boulevard.

The city's stormwater bureau is tasked with managing our program to ensure compliance with the Pennsylvania Clean Streams Law and federal Clean Water Act. It lined 3,000 feet of pipe on existing stormwater infrastructure. Crews installed 500-feet of new stormwater piping, repaired and rebuilt 314 inlets and televised more than 26,000 feet of stormwater pipe. Crews cleaned and vacuumed debris from more than 500 storm inlets and installed one new outfall and inspected more than 50 outfalls to rivers and streams for DEP compliance.

Engineering performed multiple subdivision and land development reviews for ongoing citywide development; such as the waterfront. They provided design and permitting for the Second Street future bridge replacement; review and design for the Riverside Drive project, and assisted with the final design for the Gordon Street future bridge replacement.

The Office of Compliance provides management and financial oversight of \$7 million in major ongoing capital projects. The office assesses LCA's compliance with

state/federal regulations, the Concession Lease Agreement and city ordinances and reviewed city regulatory permits for PaDEP approval.

The Bureau of Building Maintenance replaced five of the eight rooftop HVAC units at Bridgeworks and remediated asbestos and remodeled the third floor of Central Fire Station.

The Bureau of Technical Services coordinated and planned installation of a \$3.5-million-dollar radio system upgrade.

The Bureau of Recycling & Solid Waste received two grant awards totaling nearly \$550,000. More than 1,000 persons and 18 vendors participated in recycling's first Earth Day in the Park event this past April.

I would venture to say that most of you have heard Allentown's parks referred to as "the gem of the city." General Harry C. Trexler began the parks system and supported the city's recreation programs during his lifetime. That support is continued through the Harry C. Trexler Trust.

The department opened Cedar Beach Pool for the 2018 Summer Season to record attendance and revenue figures.

The department received various grants totaling \$396,000 with most of the funds earmarked for the Jordan and Keck Park Skate Parks and for Bogert's Bridge.

Parks & Recreation was honored for Excellence in Recreational Programming from the PA Recreation and Park Society for its annual Fishing & Fun in the Park event.

Our popular and successful Movies in the Park program was extended to three new locations: East Side Memorial Little League, Bucky Boyle Park and Overlook Park.

Our youth basketball programs are wildly successful. The Queen of the Court program saw record average attendance this fall and the summer girls' basketball league was expanded to include more than 30 teams.

In late 2018, Karen El-Chaar came on board as director of parks and recreation.

We have plans for new basketball equipment at Keck Park and new basketball and playground equipment at Valania Park. We are reaching out to the Lehigh Valley IronPigs to hold a baseball summit in an effort to revive youth baseball.

You will see in 2019 the continuation of the park signage plan project at various locations. New signs were installed in 2018 at Keck, Percy Ruhe and West parks.

The New Year is bringing expansion to our aquatics programming to include year round indoor offerings, expanding learn to swim and lifeguard training opportunities for Allentown residents.

We have positioned ourselves to be a more attractive summer employment opportunity through more competitive compensation and recruitment methods.

All of the programs and services I have described to you thus far come with costs; that's why there is a finance department.

Headed by Brent Hartzell, the finance department is the straw that stirs the drink. The city operates on a general fund budget of \$118.2 million. Various enterprise funds are utilized to separate finances; for example the golf course and stormwater infrastructure.

In 2018, the department, through the revenue and audit bureau headed by Tricia Dickert, accomplished record collection of delinquent taxes. Business privilege tax collection exceeded its budget target by nearly 10 percent.

The city's books are in order. The city received a clean opinion from auditors on the city's 2017 financial statements.

We have been working diligently to reconcile monthly bank statements on a timelier basis.

The department watches over incoming revenue and the expenditures of all departments. It is finance that keeps an eye on the total picture, and in 2018, the department strengthened its overall oversight with regular interaction between finance and other departments.

American journalist and author Fulton Oursler said, "We crucify ourselves between two thieves: regret for yesterday and fear of tomorrow."

Primarily, the city's fiscal outlook needed an overhaul that I felt had to be addressed.

City budgets from 2015 through 2018 were balanced by tapping cash reserves to the tune of \$8.4 million and taking a \$4.5 million repayable loan from the Solid Waste Fund.

Our reserves, outside of the \$5.2 million held in the “lockbox,” amount to less than two percent of the General Fund.

Those decisions caught the eyes of the bond ratings agencies. Moody’s and Standard & Poor’s have downgraded the city’s financial outlook, with the latter agency reducing the city’s bond rating by one notch in October 2018. Both agencies have indicated the need for Allentown to match recurring expenditures with recurring revenues in order to stabilize and improve this outlook in the coming years.

We cannot continue the practice of tapping reserves to balance annual operating budgets.

Despite the rhetoric you hear in Harrisburg and Washington, no political party and no elected official likes to raise taxes, but the 2019 city budget left me no choice but to include a property tax increase to stop the hemorrhaging. It establishes a dependable fiscal foundation for the coming years. Cash reserves are not utilized and are in fact slightly supplemented, demonstrating the city’s commitment to fiscal responsibility going forward.

The Department of Community & Economic Development encompasses several bureaus with which many of you are familiar. Leonard Lightner was confirmed this year in 2018 as the department’s director.

Building Standards performed nearly 2200 pre-sale inspections in 2018, an increase of 17 percent. They responded to 923 rental unit complaints. They issued 5,700 building permits and performed 6,700 building inspections.

A 2019 goal is to establish an online application permitting process.

DCED re-established the Redevelopment Authority in 2018, and the Authority brought 30 properties into the blight process and cleared-up more than 30 property and title issues.

The Authority has a 2019 goal of rehabbing for occupancy 15 properties that have been on the books for over five years.

Three-hundred-fifty-thousand dollars was spent to remediate lead conditions in housing units in the city.

The Health Bureau made nearly 700 injury prevention visits & provided training and made more than 2,500 environmental inspections. More than 7,000 clinical service activities were performed at Alliance Hall.

With US Department of Housing and Urban Development monies, the city continues to fund about 45 different activities per year allocating more than \$2.8 million. One of our more significant projects is rapid rehousing. Funding provided immediate housing to 53 families over the last year. The department has the additional responsibility of completing and adopting the 2020-2025 Consolidated Plan as well as an analysis of impediments.

Planning and Zoning is hard at work with our consultants on completing an update to the city's comprehensive plan, Vision 2030, by the end of 2019, and also in preparation for a zoning ordinance change.

The Planning Bureau granted approvals to 51 projects in 2018 and conducted 35 environmental reviews. There was a nearly fourfold increase in 2018 in the number of historic district violations investigated.

Nearly \$3 million in projects in the 500 block of Hamilton Street and the Hamilton Street connector and the \$53 million SVN (Seven Square) will be under review this year.

Care to guess how many new businesses opened in the city in 2018???

The correct answer is 410 and we have received inquiries about opening or relocating a business from 400 more.

Special Events, formerly housed in Parks & Recreation, is now a part of DCED. Lights in the Parkway is one of its responsibilities, which generates 15,000 vehicle visits to the city and more than \$200,000 in revenue.

Look for new city sponsored and organized special events in 2019.

The city's information systems were infected with an Emotet Virus in February of last year. The city had protective measures, but they were inadequate to thwart the attack. The containment and eradication of the virus and the necessary design and rebuild of our central I-T management systems to prevent a future attack was time consuming and costly. The effort to sit at a keyboard and invade and steal is the new battlefield. Implementing necessary precautions is expensive, but so is leaving yourself vulnerable. The city is increasing its I-T staff under the direction of Manager Matt Leibert in 2019 as an additional prevention measure.

In 2018, I-T installed a new phone system and has already made it operational for police. I-T will make the new system operational for all departments this year.

The focus on system recovery and security in 2018 delayed upgrades and rebuilds of many business systems. Those projects will be completed in 2019 to give our workforce the latest technology tools needed to do their work.

As mayor of the city, I have gotten a much better understanding of the solicitor's office and the legal team we have working for the city.

Allentown is a \$115 million business. That makes us a deep pocket for the myriad of individuals, businesses and organizations that take issue with something that we do or don't do.

It takes a talented legal team to represent the city and we are very fortunate to have them.

In 2018, the solicitor's office protected the city's interests by making appearances in the Lehigh County Court of Common Pleas, the Commonwealth Court and the Pennsylvania Supreme Court.

The office responded to **842** Right to Know requests. I should note that none of the city's determinations was appealed to the state Office of Open Records or the District Attorney's Office.

The solicitor's office protected the city by processing 256 contracts and Encroachment Agreements.

They are also called upon at a moment's notice to provide legal counsel to the administration and to city council.

In 2018, Meloney Sallie-Dosunmu came on board as our director of human resources. We are a city government of 765 active, full-time employees.

H-R planned and executed the strategy for the recently accomplished transfer of the city's 911 Communications Center employees to Lehigh County as mandated by state law.

You might think that after all these years of hearing reports of sexual harassment in workplaces across the country, training would not be necessary, but it is. H-R updated the city's sexual harassment AIMS and developed and scheduled sexual harassment training in 2018.



H-R has developed its first training and wellness calendar for 2019. It is upgrading the onboarding process and created a standard benefits packet for new hire onboarding and employee retirements.

Risk & Safety instituted its first annual Safety & Wellness Day and has prepared and installed driver accident kits in all city vehicles. In 2019 Risk & Safety will implement a continuous improvement team to reduce safety incidents and potential risks.

We hear all the criticism, I have gotten calls about lousy snow plowing, overzealous inspectors, garbage on the streets, park maintenance, exorbitant fees and high taxes. But the fact of the matter is that on the whole the employees of the city of Allentown are a caring and dedicated bunch. They have been through a lot in the last three years, but they know that I have their back. I have spent the last 30 minutes going over their record of accomplishment. Allentonians are getting great bang for their buck.

The relationship between the city administration and members of City Council has improved immensely. We all want to do what is best for the city and its residents. We may have different ideas on how to get there. When we disagree, we do so with respect and courtesy to each other.

When I took this job, I promised members of city council and the public that we would be always moving forward. So what is the state our city? It is progressing.

Outside of city government you see the development. More people are coming into the city of Allentown to live and to work. In 2010, Allentown was the fastest growing city in Pennsylvania. We expect similar results from the 2020 Census.

Every other week I meet with the heads of all the bureaus and some other members of the administration for a report card. We get a progress report of what is going on from every bureau in every department. These folks have a handle on their jobs and so do the employees who report to them. They make me proud to be the mayor of Allentown, and it has been my pleasure to represent them and report to you on the state of the city this afternoon.

Thank you for your kind attention.