

**CITY OF ALLENTOWN
2009 BUDGET
TABLE OF CONTENTS**

■ **Mayor's Budget Message**

■ **Organizational Chart**

■ **General Fund**

<i>Fund Summary</i>	GF 1	-	GF 3
<i>Bureau Resource Summary</i>	GF 4	-	GF 6
<u>Program Detail and Resource Requirements</u>			
Non-Departmental Summary.....	GF 7	-	GF 8
City Council	GF 9	-	GF 12
Mayor	GF 13	-	GF 16
City Controller	GF 17	-	GF 20
Law	GF 21	-	GF 24
General and Civic	GF 25	-	GF 28
Department of Management Systems Department			
Managing Director and Information Services	GF 29	-	GF 34
Department of Finance			
Finance	GF 35	-	GF 52
Department of Human Resources			
Human Resources	GF 53	-	GF 60
Department of Public Works			
Summary	GF 61	-	GF 63
Director's Office	GF 64	-	GF 65
Engineering	GF 66	-	GF 67
Fleet Maintenance	GF 68	-	GF 69
Building Maintenance	GF 70	-	GF 71
Streets	GF 72	-	GF 73
Traffic Planning and Control	GF 74	-	GF 75
Street Lighting	GF 76	-	GF 78
Department of Parks and Recreation			
Summary	GF 79	-	GF 81
Park Maintenance	GF 82	-	GF 87
Recreation	GF 88	-	GF 97
Swimming Pools	GF 98	-	GF 100
Department of Police			
Summary	GF 101	-	GF 103
Police	GF 104	-	GF 119
Emergency Medical Services	GF 120	-	GF 121
Communications	GF 122	-	GF 128

■ **General Fund Continued**

Department of Fire				
Fire Command	GF	129	-	GF 136
Department of Community Development				
Summary	GF	137	-	GF 138
Director's Office	GF	139	-	GF 158
Planning	GF	159	-	GF 168
Building Standards & Safety	GF	169	-	GF 180
Health	GF	181	-	GF 212

■ **Equipment Fund**

Fund Summary	EF	1	-	EF 3
Program Detail and Resource Requirements	EF	4	-	EF 8

■ **Water Fund**

Fund Summary	WF	1	-	WF 3
Debt Service Schedule	WF	4	-	WF 6
<u>Program Detail and Resource Requirements</u>				
Water Administration	WF	7	-	WF 9
Filtration Plant and Pumping Station	WF	10	-	WF 11
Water Distribution	WF	12	-	WF 13
Water Shed	WF	14	-	WF 18

■ **Sewer Fund**

Fund Summary	SF	1	-	SF 3
Debt Service Schedule	SF	4	-	WF 5
<u>Program Detail and Resource Requirements</u>				
Sewer Administration	SF	6	-	SF 9
Sewer Line Maintenance	SF	10	-	SF 11
Waste Water Treatment	SF	12	-	SF 20

■ **Liquid Fuels Fund**

Fund Summary	LF	1	-	LF 3
Program Detail and Resource Requirements	LF	4	-	LF 6

■ **Trexler Fund**

Fund Summary	TF	1	-	TF 3
Program Detail and Resource Requirements	TF	4	-	TF 6

■ **Risk Management Fund**

Fund Summary	RM	1	-	RM 3
Program Detail and Resource Requirements	RM	4	-	RM 10

■ Debt Service			
Fund Summary	DO	1	- DO 2
Program Detail and Resource Requirements	DO	3	- DO 12
■ Solid Waste Fund			
Fund Summary	SW	1	- SW 3
Program Detail and Resource Requirements	SW	4	- SW 14
■ Golf Course Fund			
Fund Summary	GC	1	- GC 3
Program Detail and Resource Requirements	GC	4	- GC 10
■ E 9-1-1 Fund			
Fund Summary	ED	1	- ED 3
Project Detail	ED	4	- ED 6
■ Federal Grants Fund			
Activity Name and Description	FG	1	- FG 5
Line Item Presentation	FG	6	- FG 9
BEDI Grant			FG 10
■ Capital Projects Fund			
Expenditure Summary			CF 1
Project Detail	CF	2	- CF 18
■ Appendix			
Pertinent Facts About The City			A 1
Glossary of Budget Terms	A	2	- A 5
Standard Accounts Description	A	6	- A 9
Employee Position Totals			A 10
Non-Bargaining Employee Position Class & Salary Schedule ..	A	11	- A 16
Municipal Employee Position Class & Salary Schedule	A	17	- A 22
F.O.P. Salary Schedules	A	23	- A 25
I.A.F.F. Salary Schedules	A	26	- A 29
Budget Laws	A	30	- A 46

THIS PAGE INTENTIONALLY LEFT BLANK



Ed Pawlowski, Mayor
610.437.7546 Fax 610.437.8730
pawlowski@allentowncity.org

To: President Michael D'Amore and Members of City Council

From: Ed Pawlowski, Mayor

Date: November 1, 2008

Subject: **2009 City of Allentown Proposed Budget and Program of Services**

In accordance with the provisions of the Home Rule Charter adopted by the voters of the City of Allentown on April 23, 1996, I, Ed Pawlowski, acting in my capacity as Mayor, herewith present to City Council and the residents of the City of Allentown a proposed Budget and Program of Services for the fiscal year 2009. As required by ordinance, I verify the 2006 reserve fund account is on deposit and not impacted by this budget.

Budget Overview

During fiscal year 2008, thanks to the legislative support of City Council and the hard work of the City of Allentown's department directors, bureau managers, and employees, the City is able to project a fiscal year 2008 financial result that preserves the very hard work begun in fiscal years 2006 and 2007.

The approved City budget for 2008 was balanced with a modestly positive operating general fund variance. The City's operating results, however, are expected to be essentially in balance with revenue and expense about equal. This was achieved in spite of very significant revenue shortfalls and rising fuel costs. The decline in the housing market resulted in an approximately 43% decline in transfer tax revenue. The spike in fuel costs had an unfavorable budgetary impact of about \$400,000. The City of Allentown's managers and employees were asked to cut costs to overcome the unfavorable revenue and fuel impact. With the cost savings and a delay in filling vacant positions, the 2008 budget is projected to be in balance.



The proposed 2009 Budget and Program of Services is a bare bones budget maintaining essential city services while reducing costs where appropriate. It calls for \$80,458 million in spending and revenues of \$78.666 million. This results in an unbalanced budget of \$1,792 million, requiring the City of Allentown to utilize the reserve balance to fund the shortfall, using less than 17% of the fund balance. This same situation prevails in nearly all municipalities. Locally, both Lehigh and Northampton counties are using reserves to deal with this economic situation. Lehigh County is using \$12 million or about 26% of its unrestricted reserves. Northampton County is using \$14 million or about 23% of its unrestricted reserves. Other municipalities, such as Easton and Reading, are substantially increasing taxes.

The impact on the City of Allentown's fiscal status is principally due to the overall economic climate resulting from the global financial crisis. The administration is doing and will continue to do everything possible to restrict spending and weather this situation. The City of Allentown will try to expand its revenue base, as well. A spirit of cooperation between the Administration and City Council will work to preserve city services at the lowest cost possible.

As always, the City of Allentown and public and private partners, most notably the Commonwealth of Pennsylvania, the Greater Lehigh Valley Chamber of Commerce and its Downtown Business Council; Lehigh Valley Economic Development Corporation; and the County of Lehigh will buckle down to work through this situation.

Progress Reflects Hard Work, Cooperation

The quest to financial stability has begun. Major milestones include: three years of balanced budgets, the restoration of appropriate balances in the general and risk funds, and a leveling of the future debt service requirement.

The proposed budget for 2009 is hopefully a short term situation. Accordingly, the drive to financial stability will require diligence and innovative planning in managing costs in each budget. Jointly, the Administration and City Council will have to make hard decisions to sustain the recent financial progress and meet the needs of the City.

Economic Development Signals Renewed Confidence

More than \$500 million in on-going development is underway or planned across the City of Allentown. It signals a renewed confidence in the direction of the city from property and business owners and economic development experts who recognize the Administration's on-going efforts to stabilize and improve the City's fiscal base.

That \$500 million includes but is not limited to completion of several important projects. P&P Mill Luxury Apartments opened on North 3rd Street. The more than \$7 million project converted an old silk mill into 64 spacious two bedroom apartments. St. Luke's Hospital opened the first phase of its \$75 million, 213,000 square foot expansion of its Allentown campus. More than 600,000 fans attended Lehigh Valley Iron Pigs games at the brand new \$50 million Coca-Cola Park. America on Wheels opened in April, and



design and site preparation is well underway for a multi-million dollar development on 42 acres along the Lehigh River.

Nic Zawarski and Sons is currently in the design stage and plans on beginning construction on the redevelopment of the Schoen's Building by the second quarter of next year. Zawarski and Sons will also add 18 new town homes as part of the Phase II development for the Townes at Trexler Square bringing the total to 32 units.

Construction is underway on The Cosmopolitan, a four story restaurant on North 6th Street. Numerous smaller commercial, industrial and residential development projects are currently underway throughout the city.

The Arts Park on Fifth Street and the proposed expansion of the Allentown Art Museum are further indications of renewed confidence in the city's ability to rebuild its inner core, attract new investment and provide for its long term growth and prosperity.

In addition, the completion and occupation of several smaller business and residential properties throughout the downtown business district and across the City of Allentown over the past 12 months will guarantee continued distribution of the property tax burden for the foreseeable future.

Public Safety Remains Top Priority

Substantial progress in the areas of fiscal stability and economic development allowed the Administration to move its focus to another priority identified by my administration: Improving public safety and reducing the negative perception of the City of Allentown. The City has worked hard to reduce the crime rate, which has fallen in each of the last two years.

According to the FBI's Preliminary Uniform Crime Report for 2007 released in June, violent crime in the city fell more than 19 percent from 2006 to 2007 while falling just 1.4 percent nationally during the same period. Violent crime includes the crimes of murder, rape, robbery and aggravated assault. Property crime in Allentown dropped 12 percent in 2007 compared to 2.1 percent across the country. Property crime includes burglary, theft, motor vehicle theft and arson.

The 2009 budget continues the rebuilding process in the department by adding four more police officers and four additional firefighters. The city will also purchase ten new police patrol cars.

The City has installed 44 video surveillance cameras at key intersections. The cameras are another piece of the city's overall crime prevention strategy. In all, more than 80 cameras are planned across the city. The city continues to work with other strategic business partners on camera and equipment locations.

The police department has begun implementation of the community policing program. The goal is to impact crime, disorder and fear of crime in Allentown's neighborhoods. The strategy reflects the current best practice in American policing.



Recovery Underway, But Far From Finished

However, despite the pronounced progress in the City's fiscal state, difficult times lie ahead and recovering from years of questionable budget decisions will continue to pervade the City of Allentown for several more years.

Contracted labor costs, increasing health benefit rates and energy expenses all make it difficult to project into the future, but it is expected that 2009 will be an extremely difficult year for the City of Allentown. These factors will force the City to continue its austere spending and employment practices, as witnessed in the proposed 2009 Budget and Program of Services.

In rough fiscal times like these, the city is proposing no new taxes. This proposed budget holds the composite property tax rate at a total of 17.53 mills. The Business Privilege Tax also remains stable, as does the Earned Income Tax, and the \$52 Local Services Tax. No change is proposed for water or sewer rates.

Responding to Concerns of Residents, Property and Business Owners

The proposed expenses plan included herein reflects the need to maintain strict spending limits for the foreseeable future, and new proposals will be developed in the upcoming year to increase budget savings and cost reductions. But it likewise reflects a need to seek new solutions to continued problems with a priority on Quality of Life issues that direct resources to areas and neighborhoods that present the most challenges, and a continued focus on public safety and economic development.

Responding to inquiries and concerns from residents, property and business owners, Community and Economic Development initiatives for the 2008 fiscal year included the addition of a new housing inspector for a pre-inspection certificate of occupancy program.

The Department will continue to work with the Operation Weed & Seed program to improve conditions in the urban core, and the Recreation Bureau will be developing programs aimed particularly at Center City youth.

The Allentown Fire Department will continue to hire new firefighters to bring the department to a contractually mandated complement. The return to full staffing levels in the department is expected to reduce overtime costs experienced in recent years.

Our Human Resources department will be implementing new employee training programs to assure the continued deliverance of top-grade services to our constituents. Our I-T Department will continue to upgrade our processes.

We are adding an animal control officer in our Bureau of Recycling & Solid Waste to free the police department from responding to calls during the middle shift.



Finally, a concerted effort is also being made to improve our quality of life, with increased funding to improve our parks and to rebuild our streets and water department infrastructure.

Conclusion

The attached Budget and Program of Services respectfully submitted to City Council represents a challenge in the fiscal state of the City of Allentown. It is a challenge faced by most other municipalities and counties in the current economy. Through a concentrated effort by the Administration with the cooperation of City Council and numerous public and private entities, we will steer through this period of concern. Working with careful and deliberate focus on the future, the Administration has implemented many new organization, process and systems changes created to guarantee continued financial improvement, provide new and quality services to constituents, and restore the long-standing pride of the City of Allentown. With these many changes, Allentown is well on its way to becoming an even greater city where people live, work, play and invest.



City of Allentown

2009 Organizational Chart

