

January 31, 2020
2020 State of the City Address
East Side Youth Center

Thank you, and good afternoon.

It is my pleasure to speak to you about what we have accomplished in 2019 and what we are setting out to do in 2020 from those of us serving as the administration portion of the government of the City of Allentown.

The annual State of the City address is a requirement of the Home Rule Charter. It is an opportunity for me to tell you where we are, how we got there, and where we are going.

Last year, I spoke for about 40 minutes. The Youth Center staff advised me that I have to do better than that this year because they've got bingo scheduled for 1 o'clock and we have to get out of here.

First, as mayor and a former city councilperson of eight years, I want to welcome our two new faces on City Council. Ce-Ce Gerlach and Joshua Siegel were elected to four-year terms in November. As with all deliberative bodies, although we will agree on the vast number of items that will come before us, there will be times when we will disagree. You have my word that you will always be treated with the dignity and the respect that comes with your office.

Allow me to spend a little time on some jobs that we do every year, but don't get much notoriety. I am going to do it by the numbers.

Take the Allentown Health Bureau under the direction of Vicky Kistler for instance. Among their many tasks is to conduct food service inspections. In most municipalities, that is handled by the state, but Allentown has a health bureau and we did 16-hundred of them in 2019.

The Health Bureau managed 69 children for childhood lead poisoning. Incidentally, we remediated lead in more than 30 homes resulting from a nearly \$1.4 million U.S. Department of Housing & Urban Development Lead Based Paint Hazard Control Grant at an average cost of \$15,000, including relocation.

The bureau served 34,000 summer meals to city children at different locations. We expanded that program to Mack Pool, to 20 city schools and St. Luke's Sacred Heart Campus along with Hibernia Fire Station, the location for the city's Firehouse Fridays program during the school year. Under that program children age 18 and under can get a free meal at the Hibernia Fire Station every Friday from 3:00pm to 4:00pm. The program is a partnership of the Allentown

Health Bureau, the National League of Cities, Greater Valley YMCA and International Association of Fire Fighters Local 302.

We sponsored a statewide conference on hunger.

Under Parks & Recreation Director Karen El-Chaar, we saw increased participation in Recreation Bureau youth sports programs in 2019 including: Summer Basketball Leagues with 84 teams and Winter Basketball League with 29 teams reaching a total of more than 1350 youth participants.

We solved a staffing issue and opened our pools on a full schedule, and we addressed a flooding issue that had prematurely forced the closing of Cedar Beach Pool in 2018. It was a very wet summer, but preventative measures kept flood waters out of the pool.

Our Queen of the Court middle school basketball program in the spring and fall at South Mountain Middle School encourages middle school girls to learn basketball in addition to life skills. The program also serves as a feeder for ASD sports programs as well as bureau basketball league teams. It was recently honored with a Pennsylvania State House citation on the occasion of its tenth anniversary.

I mentioned something along these lines last year, but it is worth noting because it requires thousands of manhours. Our Streets Bureau removed nearly 16,000 cubic yards of leaves and filled more than 9500 potholes.

The Stormwater Bureau in our Public Works Department under the direction of Craig Messinger video inspected 56,000 of storm lines and lined 1300 feet of 15-inch storm pipe and 1700 feet of 18-inch storm pipe. That is preventative maintenance.

Our contract with Waste Management through our Bureau of Recycling & Solid Waste managed by Ann Saurman resulted in the curbside collection of more than 39,000 tons of trash. We collected more than 8100 tons of single stream recyclables and 2400 tons of curbside yard waste. We collected 107 tons of electronic waste. You get the idea; we are keeping a lot out of the waste stream. That keeps our disposal costs down.

In March we learned that the U.S. Environmental Protection Agency found a proposed regional sewage flow management strategy acceptable, putting to rest Administrative Orders dating back to 2007.

In a letter written to the City of Allentown and Lehigh County Authority (LCA), the EPA finds that the city, LCA and area municipalities with wastewater flowing to the treatment plant on Allentown's Kline's Island have completed the requirements of two administrative orders to remedy an issue with sewage flowing into local waterways during heavy rain storms.

The city, LCA and the municipalities submitted a plan to the EPA in August 2018 to find and stop leaks and to manage flows through the sanitary sewer system. The acceptable plan is expected to save the city as much as \$11 million over a previously submitted plan.

The city successfully defended itself against a \$5.8 million arbitration case filed by LCA.

While on the subject of legal matters, I will remind you that Matt Kloiber is now the full-time city solicitor. Having that full-time person in charge of the office gives us better oversight of City legal matters and planning.

The solicitor's office assisted the administration and city council in stepped up efforts to refine and improve the Home Rule Charter and our City ordinances and the office reviewed and addressed approximately 860 Right to Know requests.

The second half of 2019 saw a spike in shots fired calls across the city. Rival gangs exchanged shots outside Déjà vu nightclub in mid-June. Ten persons were wounded.

Rest assured that Chief Glenn Granitz and the Allentown Police Department are working hard to prevent crime and to solve those crimes that do occur and bring the perpetrators to justice.

Despite the increase in shootings, the city's number of Part I crimes fell again in 2019. Let me repeat that, the number of Part I crimes fell again in 2019.

Next month APD will renew its commitment to middle-school mentoring, known as the "LIFE Program." Officer Jim Stanko originated this Mentoring/Explorer Post-like program years ago and is re-establishing it thanks to an increase in Upside Allentown funding. This year's focus will be on Harrison Morton Middle School.

We are currently taking the K9 Unit from two active dogs to a full complement of five active dogs. Two of these new dogs are patrol/narcotics dogs and they have been purchased with the

help of donations. These dogs will arrive in April and are enrolled in training in Ohio and they will return for active duty in June 2020.

The third dog will be the city's full-time explosives K9. This new dog is already on duty with APD, however he is currently in training and we also expect his extensive training to be completed by June 2020.

The numbers don't lie. The city has become a much safer place over the past decade and a half.

When I sought election to this office, I promised that public safety would be my top priority. I have not wavered from that commitment.

We will continue to hire police officers until we reach our budgeted compliment of 228. We are increasing the number of firefighters and by March we expect to have our third overnight ambulance staffed in our EMS unit.

Chief Jim Wehr will be hiring four additional firefighters that will allow our department to place Truck 1 back in service on July 1. It has been out of service since August 2012. This will allow for a more evenly based aerial response coverage that will better serve our citizens. It also gives the department another aerial device that is need for larger high-rise fires and rescue operations.

Those hires are in addition to two long-standing fire vacancies we filled in 2019.

The fire department's four specialty teams Hazmat, Technical Rescue, Water Recovery and Bomb Team will benefit from a \$100,000 state grant. This money will be used to upgrade and purchase the specialty equipment needed for each team to safely and efficiently perform their designated functions.

Our look into the future must begin with Allentown Vision 2030; the city's Comprehensive & Economic Development Plan. It is nearly 250-pages and is available electronically by clicking on an icon on the home page of the city website at www.allentownpa.gov.

Department of Community & Economic Development Director Leonard Lightner is tasked with using the Vision 2030 Plan as our guiding framework over the next 10 years.

The Plan provides a coordinated and collaborative approach for City Departments and Bureaus, our public, private, nonprofit, and institutional partners to work together on Plan implementation.

Partnerships are critical to the success of Allentown Vision 2030 and are the foundation of the Plan. We are committed to cultivating our existing partnerships and exploring new and innovative ways to work together as we implement Allentown Vision 2030.

Allentown Vision 2030 is a community-led plan. We are incredibly thankful for the engagement of our many community members who attend Community Collaboration Meetings, participated in focus groups, took the Community Survey and stopped by the Community Engagement Hub to help create the Allentown Vision 2030 recommendations.

The vision of an Allentown for All focuses in four areas: economic inclusivity, the city as a steward, diversity and inclusion and community empowerment and collaboration.

The great news, and immediate success drawn from this plan is the volunteers.

We have over 60 community members that have committed to being Community Ambassadors; Ambassadors to represent the City of Allentown and their neighborhoods, agreeing to be part of neighborhood planning working in conjunction with the bureau of planning on neighborhood planning, and the implementation of projects within their neighborhoods.

Allentown is growing more diverse. While the Hispanic population has grown in recent years, there are many diverse cultures in Allentown. According to the US Census Bureau, more than 6,000 households in Allentown speak a language that is not English or Spanish.

People from different backgrounds see the world differently. New insights can lead to vibrant arts and culture, innovative entrepreneurial businesses and one-of-a-kind experiences that are uniquely Allentown.

The *Allentown Vision 2030* Plan recommendations cover five ‘Urban Systems’: Economic Development, Housing, Accessibility and Connectivity, Services and Amenities, and Living Systems. Each has a list of principles or goals.

The plan recommends “Catalytic Actions” described as broad, structural programs or policies that will impact multiple Urban Systems. There are two Catalytic Actions that are foundational for the implementation of Allentown Vision 2030 and will be underway in early 2020. They are a Zoning Code Update and creation of a Neighborhood Planning Framework.

We will select a technical consultant to assist the city in the review and update of the Zoning Code.

We aim to learn from best practices and develop innovative tools to promote affordable housing, residential and commercial density and mixed-use development.

Neighborhood planning will be a strategic analysis of the quadrants of the city as potential areas for economic growth, community redevelopment, transit-oriented development, and arts and entertainment.

DCED is also heavily involved in our plans for the 2020 Census.

More than 170 federal programs incorporate census population data into formulas that determine the range and level of funding available for cities.

Allentown had an estimated 30% undercount during the 2010 census; this population is referred to as the hard to count population.

At the very least, we want to reduce that number significantly. At best, however, we want everyone counted. The city receives nearly 21-hundred-dollars for every resident counted.

The focus is for each household to take ownership and make a conscious decision to participate.

Through our non-profit partners, we have set up 17 Census Hubs all over the city, where residents can go to obtain information about the coming Census Day 2020 or the census in general.

During the Self-Response Period, these 17 Census Hubs will also act as internet hotspots where residents – who have no internet at home – can go to respond to their census questionnaires.

As well, the city has committed \$100,000 to raise public awareness and participation in the census. We have made arrangements with another partner to hire 4 Census Ambassadors – who are local residents -- to oversee the Census Hubs and help in public engagement.

I cannot emphasize enough that participation by all city residents is vital.

Together with our partners and community leaders, we will strive to make this important national activity successful.

What are we looking forward to in 2020?

There are two larger scale parks projects on our 2020 agenda.

The Valania Park renovation project is receiving a \$250,000 boost from the Commonwealth of Pennsylvania.

BL Companies of King of Prussia has been contracted to re-design the park, to include removal of the current volleyball court; paving and new structures for the basketball court; removal of unstable pavilion structure; removal and replacement of old, dead/overgrown trees; construction and relocation of a new pavilion with bathrooms and storage facility; removal and reconstruction of a walking path; ADA compliance; and implementation of best management practices to address significant stormwater issues.

Demolition is expected to get underway before the end of the year.

Work should begin on the skatepark at Jordan Park where a \$300,000 state grant was received in late 2018 and a Tony Hawk Foundation grant of \$10,000 was awarded in 2019.

Work will include construction of an ADA accessible skate park, pedestrian walkways, stormwater management measures, landscaping and other site improvements. Fencing and signage will also be installed.

Design for the skate park is being done by Grindline Skateparks of Seattle, WA.

We will be taking a serious look at the recommendations contained in the 175-page study from Novak Consulting. We owe that to the city's taxpayers who bear the costs of government.

Novak anticipates that expense growth is going to outpace revenue growth. The report is most concerned over the growing health costs, forecasting continued 8.5% average annual hikes in health insurance costs over the next five years.

According to Novak, our health care plans cost more than other local governments in the Mid-Atlantic region. Our premiums are more expensive than average, and our employees pay less than the typical share.

According to Novak, "The anticipated expenditure growth in health care costs... cannot be sustained without significant revenue increases or reduction in core services. Unfortunately, there are limited options available to control health care cost inflation without increasing employee contributions and/or adjusting plan design to incentivize health care cost-saving measures on the part of employees."

Novak's expenditure and revenue estimates would lead to a \$13 million annual deficit by 2024.

We will not find all the answers or reach unanimous agreement overnight, but some tough decisions are ahead of us in the not too distant future.

I was stopped by someone today with an issue about a ticket from the Parking Authority and someone else who has had an on-going issue with Children & Youth.

You would be surprised by how many people show up, or call, or email City Hall with issues that are part of the core functions of the county, state or federal governments.

I want to invite everyone who is interested in learning more about how city government operates to consider registering for the next “Inside Allentown” class. It is a free 10-week program offered by Promise Neighborhoods Lehigh Valley and the city where you get a better understanding of the workings of city government. You will learn who we are and who we aren’t.

Each of the departments and bureaus that I mentioned here today take part in one of the sessions over the ten-week period. I have heard from a number of residents who were quite pleased with the program.

We are in the market for a new finance director. The department has been in the capable hands of Brent Hartzell for about 4-and-a-half-years. Brent has been lured away by the County of Galveston, Texas.

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

Business privilege tax collection has increased nearly 20 percent in three years largely due to more thorough compliance oversight, with help from a strong economy.

According to Revenue & Audit, 486 new businesses opened in the city in 2019, an increase of 18-and-a-half-percent over 2018.

Vendor participation in city procurement offerings is increasing significantly. That means we get better prices and get more bang for the city’s buck.

I am very happy to report that the city is on track for a second consecutive year of General Fund surplus as 2019 ends. Although the final independently audited numbers won’t be available for several months, I am extremely confident in that statement.

Just last month, we got great news regarding the city’s credit outlook.

Moody’s Investors Service has revised the city’s credit rating outlook to stable from negative.

In revising the outlook Moody's cited the city's "demonstrated willingness to increase tax revenue rather than rely on one-time cash inflows to support ongoing operations." At the time we were credited for increasing our general fund balance by about 40% from 2017.

In November, voters approved Home Rule Charter amendments to refine the budget introduction and approval process. We are now required to submit the budget by October 15th and city council will have until December 31st to approve it. The default budget is no longer an option. The final product, in whatever form, will have to be approved by a majority of city council.

Twice a month 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.

I have been observing the staff for 21 months. I am very pleased with the jobs they perform, and you should be too. They have a handle on their jobs and so do the employees who report to them. We are fortunate to have them.

So, what is the state our city? It is dynamic.

We have a compelling story to tell. Earlier this month, the New York Times wrote a story featuring the economic renaissance of the Lehigh Valley. More businesses are opening, more jobs are coming into the city. We are beginning to implement the Vision 2030 Plan which charts our course for the next ten years. We look forward to the Census which we expect will show that Allentown is growing when many cities are showing population declines.

I am very proud of having served the people of this city for more than 48 years as a teacher and school district administrator, as a city council member and now as mayor. I again want to thank the members of city council who displayed confidence in me when they appointed me interim mayor, and I am grateful to the voters who elected me to a two-year term last November.

It has been my pleasure report to you on the state of the city this afternoon.

Thank you for your kind attention.