

STATE OF THE CITY 2017 Salvatore J. Panto, Jr. Mayor, City of Easton PA

Thank City Council and staff

It is an honor to serve as your Mayor. Every day I have the opportunity to maximize the potential of our great city, to protect its past, guide its future, and make a positive impact in the lives of all our community members – young, old, Easton born or those here a short time.

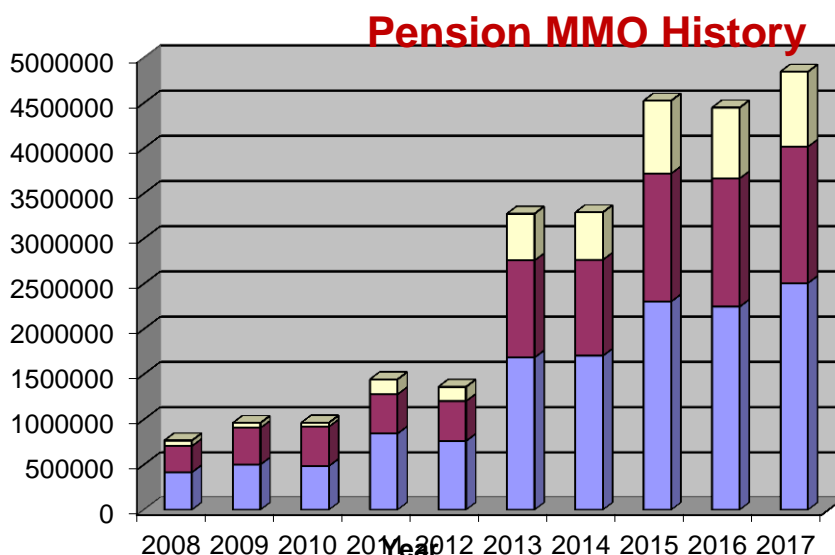
As we reflect on the growth and development that our community is experiencing, I hope that you are as excited as I am about what lies ahead for our great city. Each of us has a role to play, and I thank you all for contributing to our collective quality of life and our vitality as a city. Our future has never been brighter.

So, it is with an eye to the future that I review the past year in order to build upon our success, and build a city that is inclusive of all people, regardless of their race, ethnic background, socio-economic status in life or religion.

Like any business, our Administration has, and will continue to be, about the numbers. Our community can rest assured that we will continue to practice the same fiscal discipline we have for the last nine years. Our residents, businesses and investors place their faith in us to be good stewards of their tax dollars.

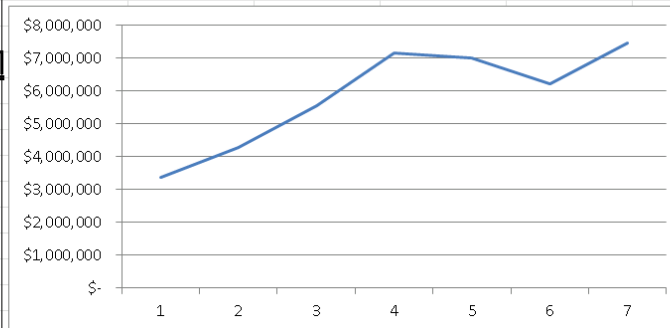
When we took office in 2008 we faced some harsh financial realities. Today we have a strong financial foundation that we can build upon. No increase in real estate taxes in nine years, no sewer or trash increases in 8 years and an A+ bond rating and a budget surplus every year.

Make no mistake; we still face tremendous financial challenges – primarily the unfunded pension liabilities and salary and benefit expenses that outpace revenue growth. Our annual pension legacy contribution has increased by more than an additional \$5 million, but it doesn't help. The math doesn't work. Without state legislature pension reform our city, other municipalities and our Commonwealth will never correct the inequities that continues to kick the debt on to future generations. We have also addressed our healthcare costs.



Through good management, some department reorganizations, investing in efficiencies and a thoughtful, involved Council budget process, our reserve fund today has increased from a deficit to more than \$7 million. We reached our goal in all funds but for healthcare. It was not an easy or painless process. Amazingly we did this without raising taxes or forced layoffs.

City of Easton								
Select Year-End Fund Balances								
		2009	2010	2011	2012	2013	2014	2015
Fund	Fund Title	2009	2010	2011	2012	2013	2014	2015
		2009	2010	2011	2012	2013	2014	2015
131	DEBT SERVICE FUND	\$ 51,211	\$ 74,452	\$ 70,852	\$ 309,344	\$ 59,312	\$ 113,153	\$ 136,930
151	REVOLVING CAPITAL FUND	\$ -	\$ 109,508	\$ 108,886	\$ 376,666	\$ 219,721	\$ 96,928	\$ 164,122
160	REVOLVING LOAN FUND	\$ -	\$ -	\$ -	\$ -	\$ 6,455	\$ 22,789	\$ 51,468
202	RECREATION FUND	\$ 15,848	\$ 60,079	\$ 75,149	\$ 72,751	\$ 118,006	\$ 99,137	\$ 147,113
203	CITY HALL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
252	HEALTH BENEFITS FUND	\$ 888,930	\$ 1,557,690	\$ 2,247,859	\$ 2,759,747	\$ 2,647,843	\$ 938,427	\$ 24,714
253	INSURANCE/CASUALTY/PROPTY	\$ 159,471	\$ 246,859	\$ 201,293	\$ 550,811	\$ 687,961	\$ 832,996	\$ 972,612
254	UNEMPLOYMENT INSURANCE	\$ 4,354	\$ 9,201	\$ 14,422	\$ 23,687	\$ 13,178	\$ 27,916	\$ 53,405
255	WORKERS COMPENSATION FUND	\$ -	\$ -	\$ -	\$ 173,300	\$ 297,974	\$ 219,090	\$ 398,961
260	WASTEWATER OPERATING FUND	\$ 42,568	\$ 42,568	\$ 42,568	\$ 45,755	\$ 45,755	\$ 45,755	\$ (102,351)
901	EASTON PARKING AUTHORITY	\$ 154,745	\$ 104,944	\$ 150,024	\$ 103,770	\$ 58,715	\$ 14,961	\$ 80,643
	TOTAL	\$ 3,350,106	\$ 4,281,501	\$ 5,530,203	\$ 7,142,028	\$ 6,985,210	\$ 6,206,196	\$ 7,443,289



The IT department is increasing efficiencies through technology continues. We implemented new financial, Utility Billing, and Real Estate Software; new online payments with credit/debit cards or checking and savings options for utility, parking fines and real estate; a remote payroll application Police / Fire Time Entry Batch; custom designed Attendance System; Digital scanning and storage; facility wide Accounts Payable scanning - Digital storage Invoices for paperless approval; Real Estate lockbox payments.

The largest project in 2017 will be providing of the new Police facility with all internal work pertaining to telecommunications. This includes all security cameras and door access, all network wiring and media configuration – all will be done in-house to save money.



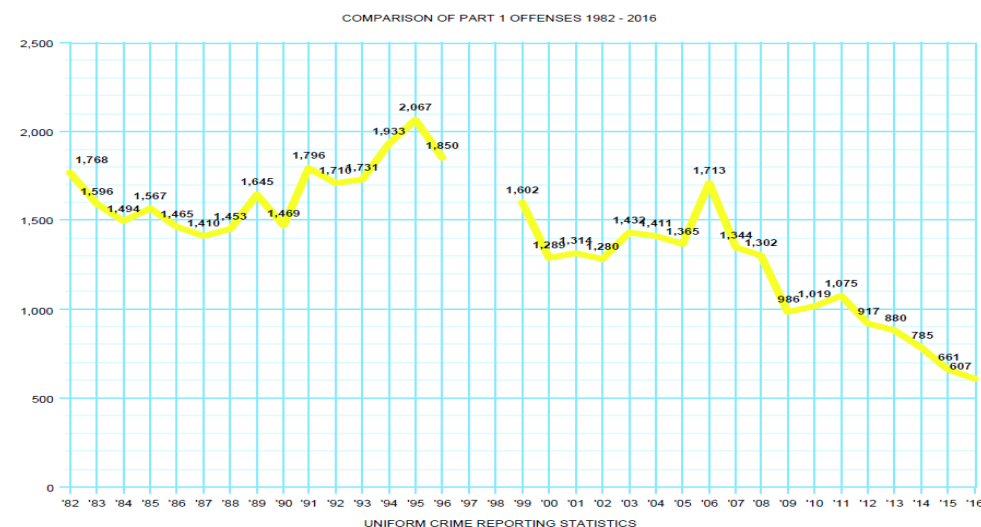
We will also be introducing NIXLE within the next 30 days. This will be a free notification service which will be used by our police, fire and public works department to notify our residents through text messages or email of any situation we need to communicate quickly. There will also be an opt-in for special events and calendar items.

As the skill set for employees continues to increase and more and more technology is used in the workplace, the HR department is charged with attracting a diverse applicant pool of qualified individuals. They also utilize an Affirmative Action Recruiting Directory for all positions that were advertised. The directory consists of 185 local organizations in an effort to recruit a diverse applicant pool. Human Resources is in the process of updating all policies and established an in-house training schedule for managers and employees.

Ensuring our community's safety will always been my number one priority. We are incredibly fortunate in Easton to have dedicated first responders. As some police departments around the nation continue to struggle to be accountable, the men and women of the Easton Police Department have cultivated a deep partnership with our community. A conscious decision to focus on community policing has helped the public build personal relationships with our officers. A combination of this policy direction and our professional, highly trained and dedicated police officers has led to a decrease in both property and violent crimes.

In our ongoing work to create a safe and clean community for all of our residents, there is one issue that remains a challenge for all of us: the opioid crisis. We all know someone who has been impacted by this epidemic and we see it playing out on our streets every day. At the City, our police and emergency responders feel the impacts most acutely, but rampant opioid use affects every department and every part of the city. Our police and fire departments are using Narcan on a much too regular basis and I thank Northampton County for making it available. I also applaud Governor Wolf for taking a leadership role in this issue.

I know there are still individuals who doubt this next issue but they look at our city with eyes from the past and not the current. In 2016 the City of Easton experienced an overall decrease in crime of 4.34% going from 2,213 to 2,121 incidents of reported crimes. UCR Part I crime dropped by 8.80% driven by decreases in Burglary and Theft. UCR Part II crime also dropped by 2.45%; driven by decreases in Weapons Offenses, Disorderly Conduct and Drunkenness.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Murders	1	1	0	3	4	5	2	1	3	1	6	2	1	2	1
Rapes	21	18	19	16	16	14	13	15	9	5	6	14	1	8	7
Robberies	52	54	47	47	54	69	78	66	63	42	48	35	33	22	36
Assaults	143	85	99	110	92	68	64	55	52	48	52	45	46	47	34
Burglaries	158	226	196	189	188	141	157	111	108	133	136	142	100	59	49
Theft	753	824	800	745	1037	826	800	601	641	662	526	542	491	433	369
Auto thefts	65	88	145	144	199	107	66	32	44	37	47	40	41	19	33
Arson	11	12	10	17	23	13	11	10	6	3	5	7	3	7	5
City-data.crime index	433	420	405	416	479	408	379	304	299	249	281	258	191	182	
(US average 286.7)															

WEST WARD NEIGHBORHOOD STATS

	2012	2013	2014	2015	2016	15to 16
Murders	2	1	1	1	0	
Rapes	1	3	2	0	2	-36.36%
Robberies	19	16	22	14	17	-15.38%
Assaults	21	21	13	11	11	4.17%
Burglaries	78	82	49	21	37	-57.14%
Theft	169	169	161	129	103	-19.88%
Auto thefts	22	15	14	11	11	-21.43%
Arson	2	4	0	1	1	
OVERALL						- 24.48%

In 2016 the Easton Police Department was evaluated and once again successfully achieved reaccreditation. Today our police department is recognized as a leader in the region and we are called upon to assist other departments and the State Police. As the investigation into the robberies of the past two weeks indicates the police department in the Easton Area and Lehigh Valley work well together.

We continue to be committed to our Bicycle Patrol Unit getting officers out of the vehicles and on foot in the neighborhoods.



Equally as successful has been the city's professional fire department which handles all hazards. The department responded to 1,658 fire emergency calls, 265 emergency medical calls and 559 non-emergency calls. There were no fatalities related to fire. The firefighters participated in 254 training

classes totaling over 5,500 staff hours. More than 475 smoke detectors were installed in the West Ward neighborhood. Of the \$12 million of property at risk only 12% or \$1.3 million was actually lost.



For this year I am please to announce that Lafayette College will be purchasing a fire pumper for the department at a total savings to our taxpayers of \$575,000.

A new bond of cooperation has been created among our public safety divisions and our Codes Department. This isn't by accident, it's by design. Studies have shown that remediating blighted urban spaces can reduce crime and yield numerous benefits including helping neighbors feel safer.

Code enforcement was enhanced in 2016 by increasing code officers from 35 hours per week to 40. This resulted in 3,048 property maintenance code inspections, an increase of 735, or an average of 58.4 more inspections per inspector. In addition to the increased number of inspections 752 citations were filed for non-compliance.

Additional tools developed to assist in the elimination of blight was the Vacant Building Registration which requires vacant property to be registered and the registration fee increases considerably each year that it remains vacant. We are mounting a full scale fight on blight this year and also introduced the Quality of Life Ticket which will be issued to property owners that do not maintain their property.

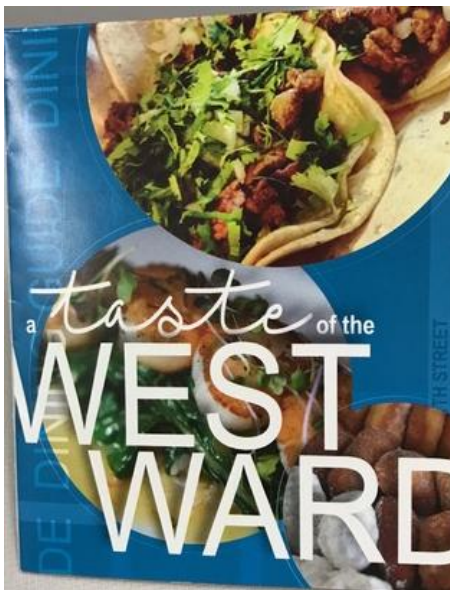
Our Vacant Property Review Board has been busy taking more and more of our vacant properties through the blighted certification process which enables the city to take the property by eminent domain and sell to private developers. We declared war on blight!!! Just this week 16 letters were sent to owners of properties we are taking through the certified blighted list.



I believe the foreclosure epidemic that swept through our city in 2008 through 2010 is finally starting to reverse itself. More and more vacant properties are being sold to developers and banks are responding more quickly to sell to new owners. The three in my own neighborhood are finally sold and our neighborhood has new neighbors moving in. We see significant interest in the West Ward neighborhood – more in the last six months than in the last six years.

Our vision of starting with the heart of the city has paid off as development is moving westward into the neighborhood. A new four-story building is proposed for Walnut Avenue and the next door four-story is undergoing restoration. Families are moving into the West Ward.

Three of the newest restaurants, two of them ethnic restaurants, are not in the downtown but in the West Ward. Daddy's and 1001Thai and J's. They add to more than 30 eating establishments in the West Ward including old time favorites like Ashley's and Lutzi's.



City Council also revisited the Buyer Notification Inspection program and made changes that focused the program on health and safety issues.

The Health inspectors were equally as busy with more and more food establishments opening and more and more festivals being held.

The 2016 top priority for the Planning Department was to complete the City's Comprehensive Plan. The Plan, entitled **Transform, Unify, and Thrive** was approved by City Council last month.. Transform deals with building on the City's rich architectural heritage. Unify capitalizes on Easton's scenic setting along the Delaware and Lehigh Rivers. Thrive is neighborhood-scale investment, citywide scale investments in infrastructure, and laying the groundwork to attract new businesses and building a strong economy.

Year	Plan Review Fees	Escrow Fees	Impact Fees	Total
2015	\$10,318.34	\$13,887.43	\$36,000.00	\$60,205.77
2016	\$13,686.28	\$34,391.20	\$77,297.65	\$125,375.13

Development Metrics	2015	2016
Total Square Footage for Development	128,066 sf	205,614 sf
Estimated Value of Development	\$43.8 Million	\$95.5 Million

A Landlord Training Program was created to educate and promote safer neighborhoods. Landlords learn about their responsibility of maintaining quality tenants and also how to vet individuals before renting to them.

In 2016 the City, working with the Easton Redevelopment Authority (RDA) improved 10 properties in the West Ward and South Side neighborhoods, including new home construction on 600 block of Pine Street. Neighborhood development remains a priority for our Administration and we are seeing some fine results.



Easton is becoming an arts destination. From the neighborhoods to downtown, art is a focal point. The Karl Stirner Arts Trail is being used more and more and already there are more art installations than could have been imagined. It is another partnership between Lafayette College and the City.



This year we will exceed more than \$500 million in private and public investment in our economic development projects. From small specialty shops in the downtown to new restaurants in our neighborhoods, Easton has proven to be a good investment.

So much of an investment that we have already opened this year 3 new businesses in the downtown and 17 more are coming in the near future. They have already signed leases.

Major economic development projects last year included: 118/120 Northampton Street; 101 Northampton Street; Lafayette's Film and Media School including Buck Hall; the Governor Wolf Building and of course Silk.

Looking to this year and beyond we will see Silk Phase II completed, the Hogtown Building; Heritage Lanes building will be transformed into a multi-story mixed use project; the Wells Fargo building which will also be mixed use; a new \$70 MM Science building on the campus of Lafayette and their residence hall and commercial space expansion on McCartney Street; a new music venue on Centre Square; new housing in the West Ward and on Southside. Priority projects this year include the Black Diamond site and a new hotel in the central business district; Centre Square improvements, a complete makeover of Wood Avenue, a streetscape project for 13th street corridor. The ¾ million dollar improvement to Hugh Moore Park will be completed this spring.

Our Public Works has been extremely busy as we continue to repair and replace old infrastructure throughout the city. We have increased our street paving program and included it in our 5 year Capital Plan presented last evening. A new Sewer Collections building was built and a number of design and grant applications were submitted for future projects including: Wood Avenue; new parking garage; Centre Square; 13th Street and the Rt. 22 interchange; Ring Road studies for two-way traffic; design for the Lehigh River Heritage Trail and Trestle project over the Delaware; structural design for the Hugh Moore Park bridge; guiderail replacement along Rt. 611; repairs to Heil Park and Scott park retaining walls; design for 13th Street pedestrian improvements; and too many more to mention.

Environmentally, as the Public Works department continues to look to do more green we anticipate the Car Share program to start within the next 10 days and charging stations for the two parking garages are ordered. Our MS4 study is being competed this year which will clean our stormwater in a variety of ways including rain gardens and bio-swales. Our LED street light pilot project on Lehigh St has been a success and we look to convert all street lights to LED to save electricity and improve lighting. Alternative fuel vehicles, the purchase of green energy electricity and other green initiatives will be undertaken. Our commitment to the urban forest will continue and we are prepared to launch Biogas utilization at the Wastewater Treatment Plant. A pedestrian crossing and walkway installation for Bank Street at Northampton Street is in the design stage.

2016 was a busy year for the city and this year is shaping up to be an even better year. I attended more than 1200 meetings and more than 385 events. I was elected to the position of Second Vice-President of the Pennsylvania Municipal League and this year I will be the first Easton official to serve on the Board of Directors of the National League of Cities. I chair the Energy, Environment and Natural Resources Committee. The City received the LVPC Award for the Public Market, the Greater Lehigh Valley Chamber of Commerce Award for Environmental Preservation and I personally received the Governor George Wolf Education Award from the Easton Area School District.

In 2008 this Administration made a commitment to using the arts, entertainment and tourism as our economic base. Several decisions were made to maintain the wonderful Crayola Experience which makes us the most colorful city in the world. We worked with Crayola to make that happen. The city also provided \$1 MM for the purchase of the building for the Easton Public Market.



You thought I forgot the biggest news of 2016 didn't you? No way! In July Easton was selected as the site for the DaVinci Center's Science City project. This will give us the second tourist destination attraction that we always envisioned. It which will result in longer stays and increase our feet on the street and also our overnight stays. This year we will be conducting a parking study, hotel study and a marketing study to validate and plan for this new attraction.



This 500,000 gallon aquarium and hands on Science Center will be built on the site of the current Days Inn property. The City has made a 25% financial commitment as required by their RFP and we look forward to working with the DaVinci organization to bring this dream to reality, as early as 2020. More of the details will be released as we progress. By this time next year the Days Inn will be demolished and used for additional parking until the Science Center is started.

As we look to build a brighter future for our city and our residents there are two additional goals that I make a priority --- the increase in our tax ratable properties and an increase in our population. These increases will restore our financial condition to pre urban renewal days. The more tax ratables we have and more people living in our city will allow us to cast our expenses over a larger number of properties and people. As the graph indicates, our population is growing but we are no where near our highest of 35,000 plus. To achieve these goals we will be evaluating parcels of land that are now vacant but were at one time there were houses. Increasing the number of homes and the continual conversion of upper floors will add to our population and spread our costs over a larger group. Our immediate goal is to reach 29,000 for the 2020 census.

While there is much to celebrate, we know we can't become complacent. We face a lot of uncertainty at the state and national level in 2017.

Now is the time to respect one another, debate the issues, yes and even disagree, but without being disagreeable. Compassion and civility will be traits that will be beneficial for us all --- to each other and our public.

Mediocrity cannot take us to our destination of becoming one of the most progressive and vibrant cities in the region. So let us together paint a masterpiece of a community using bold colors and deliberate strokes. Let us proceed with the creativity of Picasso, the passion of Monet and the determination of Michelangelo as we portray and fashion a community that our children will be proud to call home.

In closing, I am honored, once again, to stand before you in a time of remarkable change in Easton. Preparing our city for a better future doesn't come easy-- it takes a lot of work and collaboration. Looking ahead to the projects we have before us, I am confident that the results of our work over the past nine years will serve as a solid foundation for building a stronger and more prosperous future for Easton.

What I've described to you tonight is just a fraction of the work that we've been able to do in partnership with you, our citizens and our business leaders, to improve livability and opportunity in our city -- and only a glimpse at all the work that still lays ahead.

And that is why, tonight, I report to our residents and City Council that we are a City of optimism and unity. Together, we can and will build the better, brighter future we all want for our city and our children—the future that is now so clearly within our reach.