



**OFFICE OF MAYOR SAL PANTO, JR.
STATE OF THE CITY 2009**

Easton, with its deep historical roots, cultural diversity, the beauty of three waterways, the flowering of our artistic creativity, the energy of our people and the muscle of our business community gives us unlimited potential. That potential starts with our residents and time and time again they have shown resiliency and fortitude in desperate times. Tonight I am proud to deliver my first State of the City address.

I would like to use a quote from Dr. Martin Luther King to summarize the first year of our Administration. He said, "In order to answer the question, 'where do we go from here?' we must first honestly recognize where we are now." Tonight I would like to update you on where we were in 2008 and where we are headed.

First I would be remiss if I didn't thank my fellow Council members – Ken Brown, Sandy Vulcano, Pam Panto, Dr. El Warner, Jeff Warren and Dr. Roger Ruggles - and our City Controller Tony Basil for their tireless efforts in making our city a better place to live, work and visit. I would also like to thank you for your efforts in the transition to our new Mayor on Council form of government. The structure is interesting and different - but so far it is very effective. All members have worked together to build trust and productive relationships for the betterment of our residents. At times we may disagree but we are never disagreeable. Our meetings are more open, transparent and effective dialogue takes place.

This City Council handled several major pieces of legislation all aimed at making our city a better place to live. The historic appointment of a Republican to an all Democratic Council started the year putting aside political party differences for the benefit of our residents. Major legislation included Councilmember Warner's creation of the Environmental Advisory Committee; Councilmember Warren's automobile seizure ordinance; the Strategic Planning process begun by Councilmember Ruggles; implementation of the new planning and zoning code by Councilmember Panto; Councilmember Vulcano's initiation of the Economic Development Committee; and Vice-Mayor Brown's introduction of the city's Capital Budget. All members tackled the tough issue of retiree healthcare, the 2009 budget and much more.

This Council has set a new and positive tone for our city – the car is on the road and the train is on the track – we are moving forward together.

I would also like to thank the members of my Administration, now led by the city's first City Administrator Glenn Steckman, who joined us just over a month ago and has already made a positive impact. As I go through the departments I will introduce the rest of the Directors. To the employees of the city I extend my sincere appreciation for the tremendous job you do and the welcome I received returning to City Hall.

Tonight I share with you some of the City's many accomplishments and milestone achievements for 2008. These accomplishments were made possible through the commitment, hard work, and the collective efforts of the individuals that make up this community. The people of Easton are our greatest treasure.

St. Francis Assisi said "start by doing what's necessary, then what's possible and suddenly you are doing the impossible." We spent most of our first year focusing on the basics, rebuilding people's confidence in their city government and getting our systems, procedures and policies in order. Our residents don't necessarily see the money that was overspent on fuel, or cell phones, or our out of control healthcare, but the lack of internal oversight was wasting precious tax dollars that can be directed elsewhere. Day to day oversight has improved greatly. We also eliminated two management positions and continue to evaluate every position in the city.

We prioritized our spending and balanced our budget by living within our means. We held several town meetings and summits to reconnect the city to its people and its people to the city. Doing what's necessary and getting the basics done right - that was the hallmark for the first 12 months. The basics included a more professional attitude and dress for our employees and through their efforts we improved customer relations. The basics included making sure every contract was adhered to by our vendors. The basic were making sure that every penny spent was spent in the most cost-effective manner.

Returning to City Hall the most troubling problem we faced was the increase in gangs, violence, homicides, drugs and youth involvement in these activities that are destroying our neighborhoods. Less than a month before taking office the city experienced a gang-related triple homicide. At the very beginning of our Administration we set the tone. Every decision we would make would be based on our "Clean and Safe" campaign. Today, a year later our city streets are safer and we feel more secure in our homes. And this isn't just rhetoric. Our crime stats bear out the fact that crime is down in Easton.

Our police department under the leadership of Chief Larry Palmer has shown remarkable professional development and is utilizing more training, better equipment and more technology to make our city safer. Mobile Data Terminals have been installed in the patrol cars to keep officers in the neighborhoods while doing their paperwork as well as giving them easy access to information they need to be more effective. We also installed in-car cameras to keep accurate recordings to avoid frivolous lawsuits and all officers received new weapons.

Our Uniform Crime Reporting statistics for 2008 reveal an overall decrease of 3% in UCR Part 1 crimes. Significant decreases occurred in rape, aggravated assaults, and auto thefts and weapon offenses decreased by 29%. Most importantly I am pleased to report that in 2008 there were no murders in the City of Easton related to gangs or drug violence. There were two homicides and both were domestic.

Our police department has also earned the respect of our surrounding municipalities and the member cities of the Rt. 222 Corridor Task Force. They also orchestrated four major, highly publicized drug raids with the cooperation of the State Police S.W.A.T. Team, FBI, DOJ, DEA and surrounding departments. A word to the dealers – we aren't done yet!

All of the equipment and computers are helpful but the real credit for our safer city goes to the men and women in uniform. Their dedication and professionalism is paramount to their success. There is no simple solution to crime and violence, but don't be mistaken, we are committed to giving the police department the officers; equipment and support they need to make our city safe. And they did all of this without a full compliment of officers and under budget on overtime. I

would also like to recognize the work of the VIPS – Volunteers in Police Service and our Blockwatch Association.

Along with the police department the Fire department in Easton is involved in making our city safe. Under the direction of Chief John Bast, the Easton fire department is a fully-staffed professional department. The members are committed to saving lives, protecting property, and improving the quality of life for our residents and visitors.

The Fire Department responded to 1,855 calls for service and more than 800 non-emergency activities such as fire drills, company inspections and fire prevention activities and more than 6,635 staff hours of training keeping their life saving skills honed. The department is awaiting the arrival of our new \$1 million aerial ladder truck we ordered last year and will be delivered next month.

Making our city clean is an ongoing effort and this task is primarily the responsibility of the codes Department. Under the leadership of our Planning and Codes director Becky Bradley more than 3,000 inspections were conducted last year and building permits saw a significant increase in a number of areas. Building additions and alterations were up by more than 16% last year as more homeowners are renovating their home instead of moving – Buyer Notification Inspections dropped by 17% - and the issuance of Certificate of Occupancy almost doubled. Forty-seven citations were filed against uncooperative property owners. We will continue to do whatever is necessary to make our city clean.

Also helping to make our city clean is the ongoing Rental Housing Licensing program. Last year there were 3,650 rental units in the city and more than 1,000 inspections occurred.

Playing an important role in our Clean and Safe campaign was the Public Works department led by Director Dave Hopkins. This department, the largest in the city, was extremely busy executing a program of improvement in all parts of the city. From major roadway improvements of Washington and Union Streets in the West Ward to the much needed storm water improvements in the Center Street area of the South Side, public works projects are the projects closest to the residents. Our efforts in recycling have led to improvements in both the curbside program and the Drop-Off Center. Last year we tripled our commercial recycling tonnage from 299 tons to 668 tons. In addition to #1 and 2 plastics, we have added #3,4,5, and 7 plastic and now offer a combined collection for all cardboard and paper products. Our anti-litter campaign with the litter vac and the street sweeper removed more than 1,200 cubic yards of debris from our streets.

Major improvements were achieved in the downtown as well with the continued placement of the ornamental lights and the complete cleaning and painting of the Third Street Parking Garage. Our commitment to urban ecology expanded our tree planting program to include the West Ward and the South Side. The department is involved in our Gateway Project which is replacing street trees, signs and other amenities along the city's major entrances. Last but not least, we managed and completed \$1.7 million of capital projects at the wastewater treatment plant and we are operating the plant at a level that far exceeds the requirements of our permit.

In August 2008, after a 15 year absence, the Department of Community and Economic Development was created under the leadership of Gretchen Lippincott. This fulfilled a campaign promise recognizing that the future revitalization of our city hinges on our ability to attract new housing and businesses within our City limits which increases our tax base, creates jobs and ultimately improves our quality of life. This department oversees and works in tandem with the Easton Redevelopment Authority and the Greater Easton Development Partnership which also

manages the all-important and highly successful Main Street Program and the Easton Ambassador program. Additionally this department works in the neighborhood groups to improve the quality of our neighborhoods.

This department also oversees all of our state and federal programs like CDBG and the Home Program initiating the rehabilitation of acquired blighted properties.

The Planning Department under the direction and leadership of Becky Bradley, plays a pivotal role in the vision for our city's future. With a newly adopted planning and zoning code our city returns to a code that brings back the urban design that made our city so beautiful. After more than 40 years we have finally rid ourselves of a planning and zoning code that was more suburban in its design than urban. Our first major project under this code will commence construction within the next two months – the CVS project at the site of the former Lincoln Textile on the South Side.

As if Planning and Codes and Zoning is not enough, this department also works with all of the other departments to secure county, state, federal and private dollars through grant writing. Last year alone this department was directly responsible for securing more than \$655,000 in additional grants, including the highly-competitive Preserve America Grant for the Simon Silk Mill and assisted the other departments and organizations in the city in securing and managing more than \$28 million the city currently manages.

Our Human Resources Department under the leadership of Pat Glory successfully settled the police department labor contract and is making major improvements in the way payroll is processed. Employee policies and procedures are being drafted so that all employees are treated equally and fairly.

One of the most important changes in our new Charter was the creation of the Director of Finance position placing all finance in one department and making the Administration responsible for both revenues and expenses. Under the leadership of Chris Heagele, the Finance Department is the heart of the municipal organization and combines all employees from the former Treasurer's Office and those employees in the former Business Administrator's office that have fiscal responsibilities. Every department relies on the Finance Department to provide the money needed for the services they deliver to the residents.

I am pleased to report that the transition to a true Finance Department has had the positive effects we expected. The department has implemented an aggressive delinquent utility collection effort; eliminated any and all waivers of penalties and interest on delinquent accounts; adopted a written accounts payable policy; implemented direct deposit for pension checks and provides oversight and scrutiny on all invoices to avoid overpayments and double payments.

We cannot continue to spend more than we collect. We must set priorities and we must, when we are able to do so, fully recover the cost of doing business for those services that are used by only a few of our residents. User fees must cover the cost of providing the service.

Over-estimating the 2008 revenues to meet expected expenses was a major reason the budget could have had a \$1.5 million deficit if not for prudent fiscal management and increased oversight on all financial activities. Coupled with aggressive collection of delinquencies and the uniform enforcement of penalties and interest on late payments and by cutting more than \$900,000 in expenses and collecting \$300,000 more than anticipated the administration was able to decrease the affects of over-stated revenues and under-stated expenses by \$1.2 million avoiding a major year-end deficit.

The 2009 Budget can only be characterized as frugal but it still addresses the necessities. But for the increase in healthcare and liability insurance our 2009 budget is actually less than the 2008 budget. Our total discretionary portion of the \$28 million budget is less than \$890,000. We have cut beyond the bone. We will constantly monitor the budget throughout the year to be certain that if revenues aren't realized then expenditures must be reduced.

Of critical concern is the health of the city's pension funds. We are feeling the pain of a national recession. Portfolios are a mere shadow of their former worth. Our funds have already lost \$17 million in the current market and without some form of relief from the state our Mandatory Minimum Obligation for 2009 may increase well beyond the \$1 million budgeted. At our meeting with Governor Rendell two weeks ago the Mayors asked the Governor to speak to the Pension Board about some type of phase-in to lessen the impact on cities.

Sound financial policies and practices are being implemented to avoid the pitfalls of the past. We have raised expectations and hold all departments to a higher standard. There is still so much more to do. As I look ahead, 2009 will present a difficult economy but there are also great things ahead for our city.

Our West Ward will have surveillance cameras installed to further deter crime in that area. Our police department will increase to 62 officers enabling our bike patrols to return. The Code department will also have increased manpower to make our city cleaner. The Planning Department will commence the update of our Comprehensive Plan which provides a vision for our city. The Strategic Plan will be completed and placed into action with a roadmap of where we want to go. Our Gateway Project will be inviting to our visitors. Every department has multiple goals that will make our city Clean and Safe. We will work hard to achieve those goals and in concert with the many organizations and volunteers that make our city a place people will want to live, work and visit.

These organizations include: all of our Authorities, Boards and Commissions; Greater Easton Development Corporation; our award-winning Main Street Program; the Easton Ambassadors; the Easton Farmer's Market; Arts Community of Easton; Weed and Seed; Elm Street Program; West Ward Neighborhood Partnership; South Side Civic Association; College Hill Neighborhood Association; Easton Business Association; Volunteers in Police; BlockWatch; Guardian Angels; all of our special events organizations; Lehigh Valley Economic Development Corporation and of course, the Greater Lehigh Valley Chamber of Commerce.

Last but not least, founded by Easton residents in 1832, Lafayette College is more of a partner today and continues to show their commitment to our city in many positive ways, including hosting the Gatorade Replay game between the 1993 Easton-Phillipsburg football game to be coached by Peyton and Eli Manning. This event will again bring national attention to our city on April 26th.

Finally, in 2009 we will bring to fruition several important projects and programs including the Simon Silk Mill project, construction of the Bushkill Creek Corridor Trail and the construction of our Water Front Project. All of these projects will be funded through grants and not local tax dollars. Last year alone, we were awarded more than \$900,000 toward the restoration of the Simon Silk Mill. This project will be the largest economic development project in the city since the industrial revolution.

We have declared 2009 the Year of the Neighborhoods and we will create community through our neighborhoods. It's at the neighborhood level where we can really make a difference.

Therefore, for our residents I am please to announce tonight that beginning this year we will be initiating a City-Wide Street Cleaning Program so that our neighborhood streets are clean. This program will help to increase the quality of life our residents expect, and deserve.

I am proud of our city, our people and the progress we have made together in this short time. There is so much yet to be done. I believe that healthy, strong cities have constructive critics. I invite them to be a part of the process and the solution. We need citizens to be thinking about their city, evaluating its progress, treasuring what's good and improving what needs work.

I opened this State if the City with the fact that we have a rich history. And like many urban cores we certainly have had some down years but I truly believe that our best days are ahead of us.