



Easton, PA

Fiscal Discipline – Staying the Course (2007-2023)



Presenters

Luis Campos, City
Administrator

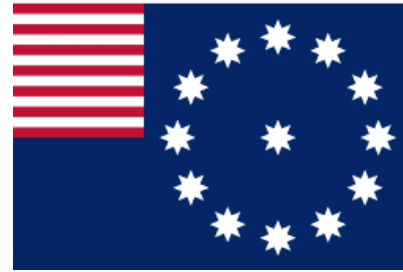
lcampos@easton-pa.gov



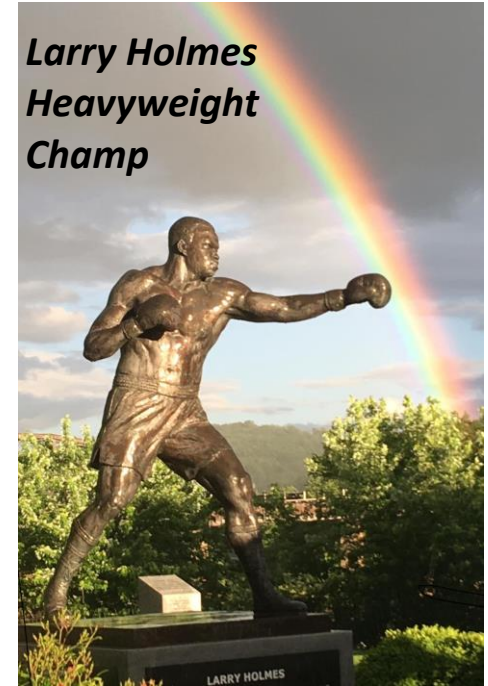
Mark Lysynecky,
Finance Director

mlysynecky@easton-pa.gov

Who We Are (or Where in the World is...)



*Larry Holmes
Heavyweight
Champ*



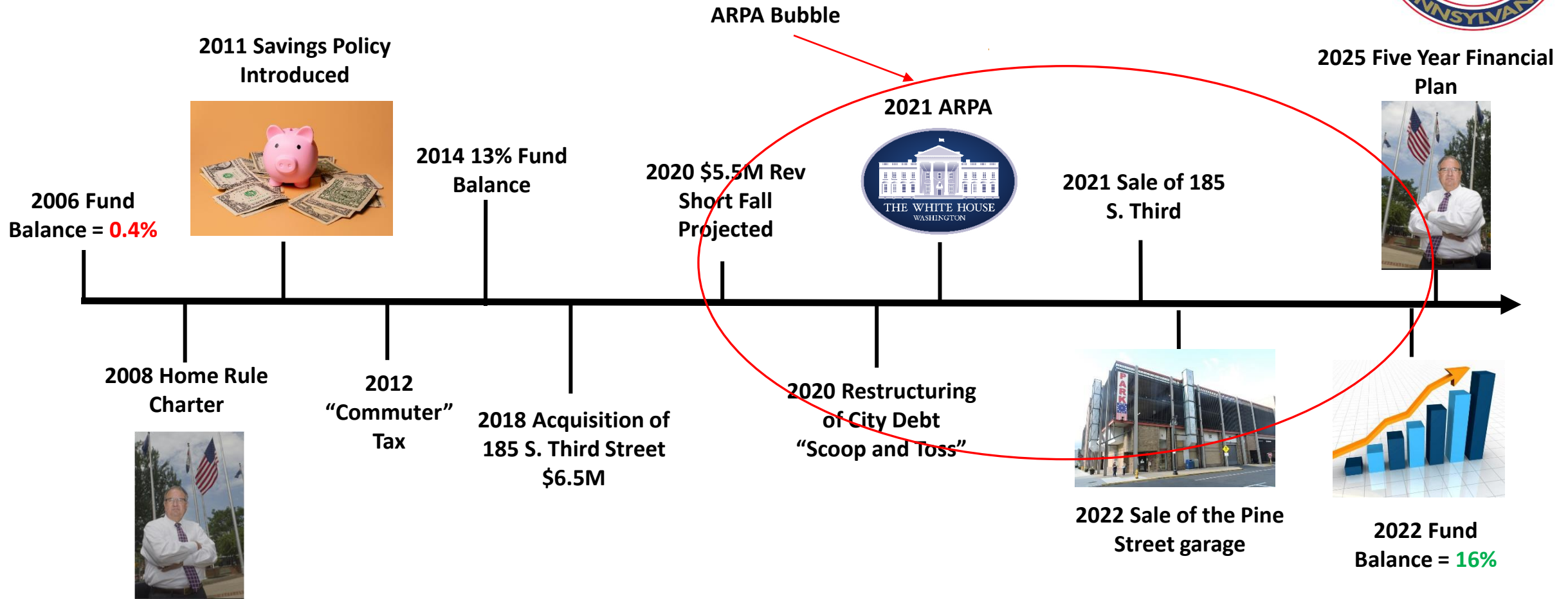
Winter Village



July 8th, 1776



Presentation Timeline 2007-2025

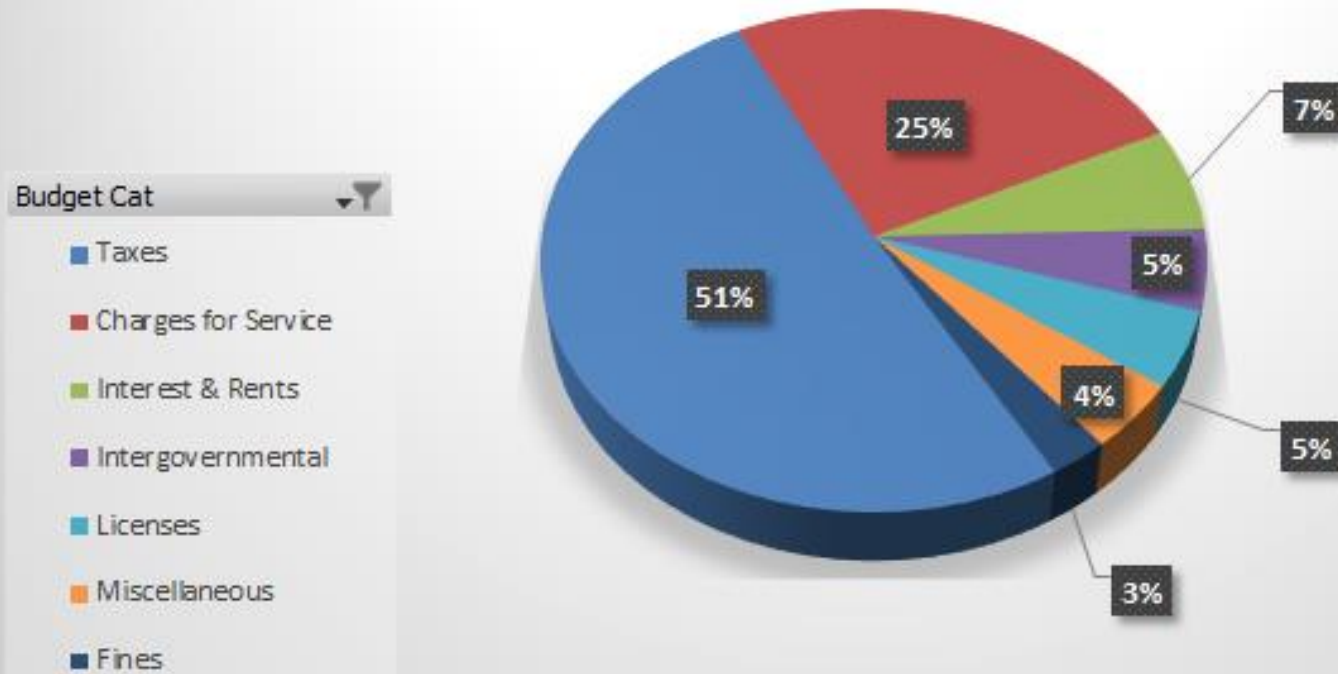


Patience, collaboration, execution

Diversity of Revenue



2024 General Fund Budget - Sources of Revenue (\$M)

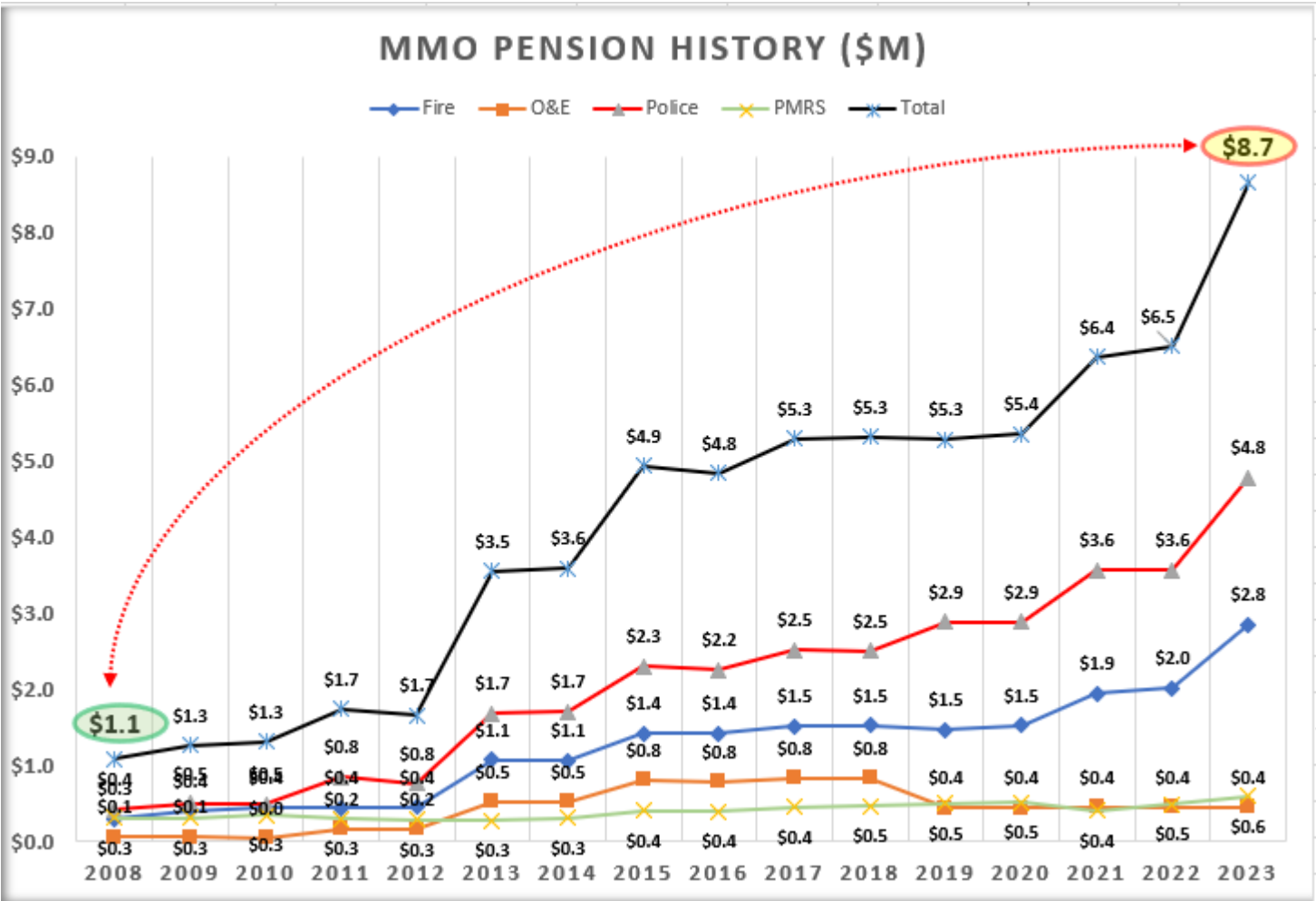




Fiscal Actions

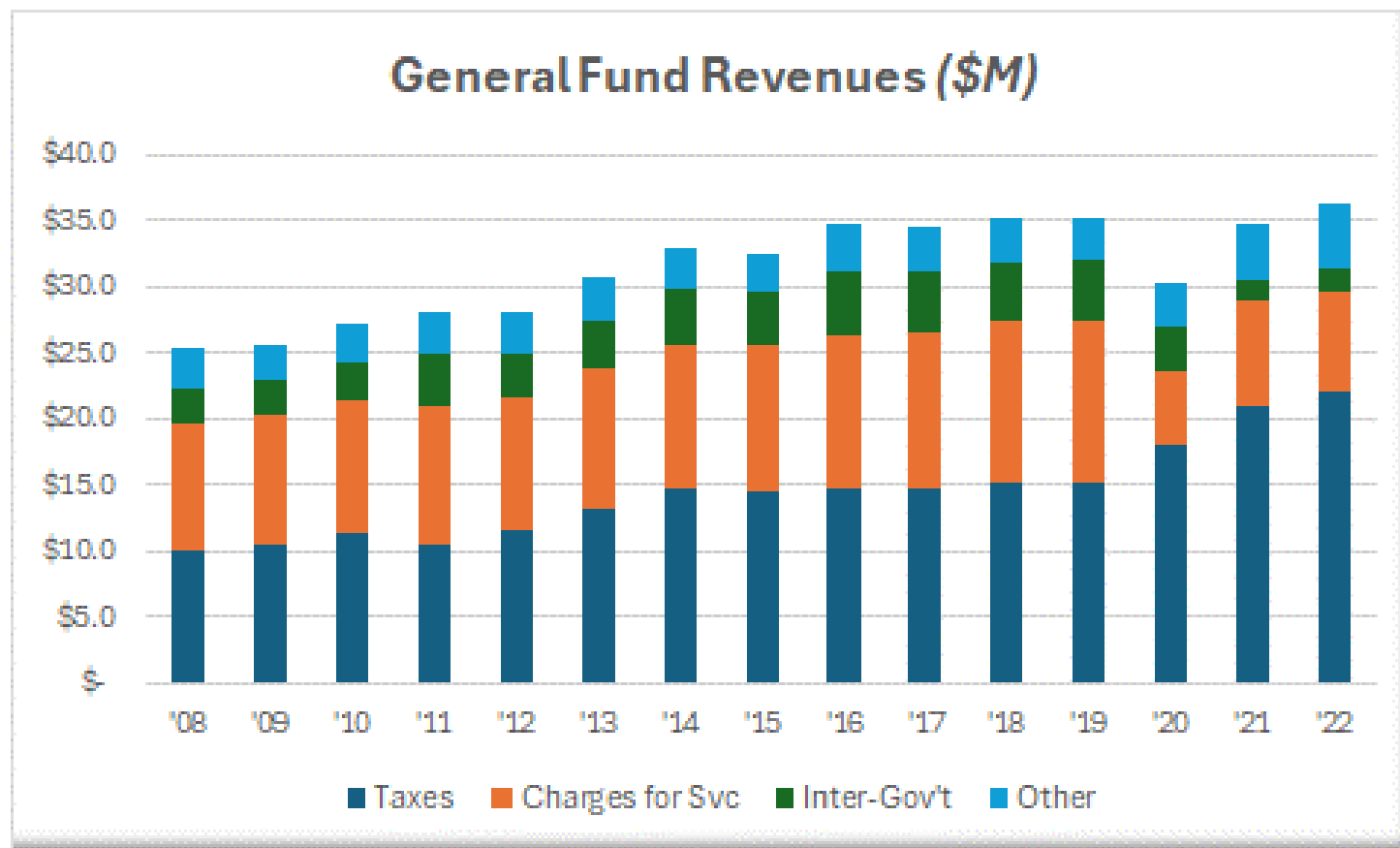
- 2008 – Home Rule Charter
- 2011 – Savings Policy
 - General Fund balance 10% min, 15% target
 - Healthcare Fund balance - \$3.5M target
 - Insurance Fund balance - \$1.5M target
- 2012 – Commuter Earned Income Tax
 - Adopted under Act 205 to assist with funding outstanding pension liabilities

Historical Trends





Historical Trends



	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22
Balance	\$1.86	\$1.89	\$2.43	\$2.54	\$2.58	\$2.92	\$4.36	\$4.54	\$5.29	\$5.58	\$5.62	\$5.21	\$5.83	\$6.01	\$6.53
% of Rev	7.3%	7.4%	8.9%	9.0%	9.2%	9.5%	13.2%	13.9%	15.3%	16.2%	16.0%	14.8%	19.3%	17.3%	18.0%



COVID Impact Projections

Acct #	Description	2020 Council Bud	FY 2020 - COVID	Fcst vs Bud (\$)	Fcst vs Bud (%)
101-0300-30110	CY - Real Estate Taxes	\$ 9,034,249	\$ 8,769,564	\$ (264,685)	-2.93%
101-0300-31060	Admissions Tax	\$ 485,000	\$ 244,671	\$ (240,329)	-49.55%
101-0300-31065	Mech/Amusement Devices	\$ 80,000	\$ 26,271	\$ (53,729)	-67.16%
101-0300-31080	Business Privilege Tax	\$ 695,000	\$ 222,158	\$ (472,842)	-68.03%
101-1000-31010	Real Estate Transfer Tax	\$ 500,000	\$ 302,369	\$ (197,631)	-39.53%
101-1000-31020	Earned Income Tax	\$ 6,965,098	\$ 5,886,567	\$ (1,078,531)	-15.48%
101-1000-31035	Non-Res EIT (Pension Only)	\$ 2,280,256	\$ 1,768,831	\$ (511,426)	-22.43%
101-1000-35509	Casino Revenue	\$ 1,150,000	\$ 620,121	\$ (529,879)	-46.08%
101-2021-33112	Police Parking Fines	\$ 910,000	\$ 345,148	\$ (564,852)	-62.07%
101-2021-36321	Parking Meters	\$ 889,095	\$ 358,898	\$ (530,196)	-59.63%
101-2021-36322	Parking Meters-Ccards	\$ 458,743	\$ 382,544	\$ (76,200)	-16.61%
101-5053-36430	Solid Waste Collections	\$ 3,325,000	\$ 3,200,000	\$ (125,000)	-3.76%
101-5059-36410	Sewer Charges/Metered Sal	\$ 5,569,538	\$ 5,381,938	\$ (187,600)	-3.37%
101-5068-35806	Easton Parking Authority	\$ 1,198,693	\$ 954,961	\$ (243,732)	-20.33%
	Subtotal	\$ 33,540,673	\$ 28,464,041	\$ (5,076,632)	-15.14%



2020 Debt Restructure

FISCAL YEAR	CURRENT DS	TOTAL REFUNDED AND PARKING DS	TOTAL CASH FLOW (SAVINGS)/COSTS FROM CURRENT DS
2020	\$ 3,410,539	\$ 814,490	\$ (2,596,049)
2021	\$ 5,257,091	\$ 4,041,319	\$ (1,215,772)
2022	\$ 5,181,182	\$ 4,041,351	\$ (1,139,831)
2023	\$ 5,141,337	\$ 4,434,066	\$ (707,271)
2024	\$ 5,141,717	\$ 4,431,723	\$ (709,994)
2025	\$ 5,142,499	\$ 4,436,548	\$ (705,950)
2026	\$ 5,143,356	\$ 4,433,363	\$ (709,994)
2027	\$ 5,144,168	\$ 4,432,370	\$ (711,797)
2028	\$ 5,143,928	\$ 4,433,987	\$ (709,941)
2029	\$ 5,144,176	\$ 4,435,243	\$ (708,933)
2030	\$ 5,144,263	\$ 4,436,180	\$ (708,083)
2031	\$ 3,692,454	\$ 4,428,128	\$ 735,674
2032	\$ 116,261	\$ 4,428,724	\$ 4,312,463
2033	\$ 112,425	\$ 4,430,887	\$ 4,318,462
2034	\$ 113,389	\$ 4,428,618	\$ 4,315,229
2035	\$ 114,128	\$ 4,426,932	\$ 4,312,805
2036	\$ 114,643	\$ 4,430,603	\$ 4,315,961
2037	\$ 114,934	\$ 3,732,357	\$ 3,617,424
2038		\$ 3,729,158	\$ 3,729,158
2039		\$ 3,728,222	\$ 3,728,222
2040		\$ 3,732,220	\$ 3,732,220
	\$ 59,372,487	\$ 85,866,488	\$ 26,494,001

10 Yr Cash-Flow Savings \$ (10,623,615)

Period	Curr Avg/Yr DS (\$M)	New Avg/Yr DS (\$M)
2020-2030	\$5.20	\$4.00

ARPA

- Easton received \$20.7M in Federal funding
 - \$10M allocated directly offset loss of revenues
 - Remaining \$10.7M spent throughout the community through various programs





Economic Development

- In the last 17 Years the COE has created \$1 Billion in economic growth and activity leveraging \$100M+ in public sector investment
- \$460 Million in Private Investment since 2021:
 - ✓ Which will create an additional \$3.25 Million in Taxes (RE, EIT, & BPT)
 - ✓ Projects completed, under construction, and approved are expected to add more than 1,200 new residents to the City and approximately 670 jobs

The Marquis



Built in the late 1960's, the City's original Parking Garage was at the end of its useful life and is being replaced.

City Center Development Corporation is currently constructing 275 residential units and 6,000 SF of commercial/retail space, along with more than 300 parking spaces.

Total project cost is expected to be \$80M. Construction of the project started in 2023.

The Confluence



This project is located on the former Days Inn site at the corner of S 3rd St and Larry Holmes Dr.

Peron Development is **set to begin construction on the project in Q4 2024**. This project will include approximately 278 residential units, 20,000 SF of retail and commercial space.

Total project cost is estimated at \$85M.

The Watermark



Serving as the parking lot for the Governor Wolf Building for many years, this property, currently under construction, will be transformed into an additional 150 market-rate residential units that will take advantage of the City's beautiful waterfront and include 268 parking spaces.

Total project cost is anticipated to be \$35M. **Phase 1 of construction began in Q2 2022** and is expected to be completed in Q4 2023.

1 Great Square Hotel



Perhaps the highest profile property in the Southeast Quadrant of Centre Square, this deteriorating building is proposed to be redeveloped for a new 7-story, 41 key hotel and conference facility. The property will also host two restaurants.

The City has been trying to attract an additional full-service hotel in the downtown to support growing demand. This property is well-suited to this use.

Total project cost is projected to be approximately \$25 million and the investment is expected to create 30 FTE jobs. Current Assessment = \$200,000 and construction is set to begin in mid to late 2024.



Moving Forward

- Transition out of the “ARPA bubble ”
 - Zero dependency on revenue replacement
- Reporting & Planning
 - Monthly results reporting
 - Annual budget
 - 2-year budget
 - Capital Improvement Plan
- Strategic Management Planning Program ([STMP](#))
 - Grant funding from the Commonwealth to help create multi-year financial management plans

Questions?

