

Municipality of Kingston

500 Wyoming Avenue, Kingston, PA 18704



2024 Overview of Public Services, Finances, Capital Improvements, and Long-Range Plans

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Incorporated as the Borough of Kingston — 1857
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Date: October 2, 2023

To: Members of Council and Citizens of Kingston

From: Mayor Jeffrey R. Coslett and Paul Keating

Subject: **2024 Overview of Public Services, Finances, Capital Improvements, and Long-Range Plans**

The Home Rule Charter requires the Mayor on an annual basis to submit to Council a comprehensive long-range plan for public services, capital improvements, and fiscal policy by the first Monday of October.

The report provides detailed information on current and long-term capital projects, infrastructure improvements, land acquisition or sales, site improvements, and in-depth perspective on the essential public services provided by our government.

Additional issues covered in the report include but are not limited to grants, legislation, personnel, general municipal services, public safety, taxation, cash flow, pension funds, and general management practices of the Administration.

The Administration is pleased to provide the report to Members of Town Council, our employees, and citizenry of the Municipality. We encourage your feedback and collaboration throughout our extensive planning and budgeting process.

The Significance of Sound Infrastructure in Relation to the Budget

The Municipality of Kingston provides first-rate government services and is one of Northeastern Pennsylvania's premier communities. The Municipality of Kingston owns and maintains a large-scale public infrastructure that enriches property values and the quality of life in the community. The Administration is faced with greater challenges each and every year in funding the ever-increasing costs of operating the government while continuing to make essential capital improvements.

Personnel are the driving force behind the sustainment and delivery of Kingston's flagship public services. The largest percentage of expenses appropriations in Kingston's General Fund is consumed by the direct and indirect costs of personnel. **For the fiscal year of 2023, net appropriations for personnel account for 58.64% of Kingston's \$11,018,524.00 General Fund Budget.** Conversely, for the fiscal year of 2022, net appropriations for personnel accounted for 62.49% of the \$10,229,646.00 General Fund Budget.

The Administration has prepared a set of spreadsheets titled ***Analysis of Personnel and Fringe Benefit Costs 2022 Compared to 2023*** which is attached to this report to better illustrate the composition of General Fund appropriations specifically related to personnel as they relate to the total budget.

The COVID-19 Pandemic created a whole new level of challenges for our community in terms of procurement and personnel. The costs of essential goods and services have increased tremendously. Items such as vehicles, automotive parts and supplies, fuel, construction materials, computer hardware and software, office supplies, and sub-contracted services have significantly risen in cost since COVID-19 Pandemic.

The cost of personnel, especially part-time personnel, which drives services relating to sanitation and recycling collection, seasonal DPW services such as park maintenance and leaf cleaning, operating the Kingston Recreation Center, and operating the Kingston pool has increased between 25% and 66.67% since the COVID-19 Pandemic. Part-time and seasonal DPW positions that were paid \$10.50 per hour prior to the COVID-19 Pandemic are now paid \$17.50 per hour.

After paying for personnel and fringe benefit costs, 41.36% of all General Fund resources remain available for operating, overhead, and capital improvements in the 2023 budget. The cost of necessary capital improvements substantially outweighs available resources. Therefore, grant writing is a top priority of this Administration. Grants for essential capital improvements preserve cash, minimize debt, and protect the borrowing base provided we are mindful of matching funds requirements.

Sound public infrastructure is critical for marketing our community and sustaining our residential tax-base. **Residential wage earners are the lifeblood of Kingston's local economy. *The appropriation for Earned Income Tax accounts for 47.22% of all General Fund Revenues (2023 EIT Appropriation \$5,202,598.00 / 2023 Total General Fund Budget \$11,018,524.00).***

The values of public property, equipment, and infrastructure are classified as fixed assets in the Annual Audit Report. The actuarial liabilities of compensated absences (post-retirement benefits) are also disclosed in our Annual Audit Report. The value of fixed assets is critical for mitigating the consequences of compensated absences on the financial statements.

The next segment of this report will update grant-funded projects that are in progress or proposed.

Overview of Grant Projects in Progress

Since the inception of the LSA Program in 2008, Kingston has received **\$11,263,303.00** in LSA grant awards.

Local Share Account #13 and #14, Kingston Municipal Building Renovation Project: The Municipality was awarded **\$600,000.00** for the Kingston Municipal Building Renovation Project during July of 2021 for LSA Grants #13 and #14.

Sean Byrne Construction Company received the bid award for this project in the amount of **\$1,066,740.00**. The bid award is for completely redesigning and renovating the Kingston Municipal Police Department. Additional bid alternates were awarded for renovating Council Chambers and the Administrative Offices. Construction began during the first week in August. Substantial completion is set for April 15, 2024.

Due to the significant cost overage of the project, other funds are being pulled from the Municipality's Special Projects Account and Local Share Account #15. The source of funding in the Special Projects Account is lost revenue proceeds from the ARPA distributions. The Municipality is also using the talent and resources of its Department of Public Works for renovating several of the administrative offices and common areas.

At this time, the Administration is projecting that the Kingston Municipal Building Renovation Project will cost \$1,353,662.00 barring any unforeseen construction change orders. The project cost classification breakdown is as follows: Sean Byrne Construction Base Bid, \$1,066,740.00; Furniture, Fixtures, and Equipment, \$115,000.00; Engineering, \$118,585.00; and Contingency Expenses, \$53,337.00 totaling \$1,353,662.00.

The project cost is being funded by the following sources: Local Share Account #13 and #14 **\$600,000.00**, Local Share Account # 15, **\$240,000.00**; and Special Projects ARPA Funds, **\$513,662.00**. The Special Projects ARPA Funds will be updated with the submission of the 2024 budget in November.

The expiration date on the combined grants of #13 and #14 is June 30, 2024.

Local Share Account #15, 2022 Kingston Municipal Building Auxiliary Parking Lot Project: The Municipality was awarded **\$240,000.00** for the 2022 Kingston Municipal Building Auxiliary Parking Lot Project. The new auxiliary parking lot was to be located to the rear of Stegmaier Park with direct access from Welter Lane. The parking lot was to be used for employee parking and public parking for Stegmaier Park.

The goal of the project was to create additional public parking for the Kingston Municipal Building and Stegmaier Park.

The scope of work was changed on this grant application because of the cost overage on the Kingston Municipal Building Renovation Project. Public parking at the Municipal Building will also be less problematic now that the District Magistrate's Office has moved.

The expiration date on this grant is June 30, 2025.

Local Share Account #16, Kingston Recreation Center Parking Lot and Site Improvement Project: The Municipality was awarded **\$250,000.00** for the Kingston Recreation Center Parking Lot and Site Improvement Project.

The expiration of LSA #16 is June 30, 2026.

The anticipated cost of the Kingston Recreation Center Parking Lot and Site Improvement Project is \$605,888.65. Due to the cost of the project and the limited award, the Administration has submitted a second LSA grant application titled Phase 2; Kingston Recreation Center Parking Lot and Site Improvement Project. The new and pending application requests additional funds in the amount of \$355,888.65 to cover the difference between the initial award and projected cost of the project.

Phase 2: Kingston Recreation Center Parking Lot and Site Improvement Project will be referenced as LSA #17.

Local Share Account #17, Phase 2 Kingston Recreation Center Parking Lot and Site Improvement Project: The application for this project was submitted in the amount of **\$355,888.65**. We anticipate an announcement in the Spring of 2024.

Luzerne County Office of Community Development Public Infrastructure Improvement Grant: The Municipality was awarded **\$600,000.00** for the 2022 Pringle Street Infrastructure and ADA Improvement Project. The scope of work includes paving Pringle Street from Wyoming Avenue to Grove Street, building new ADA ramps at all intersections, and new signage and pavement markings. The Municipality awarded a contract to Stell Enterprises in the amount of \$544,381.65 at the September 6, 2022 Council Meeting. Stell Enterprises also completed emergency sewer repairs at Pringle Street and Korn Street. The emergency sewer repairs cost \$28,941.00 and were paid from the grant.

The paving and ADA work were completed in August of 2023. The new pavement markings and signage will be complete by October 31, 2023.

Luzerne County Office of Community Development Public Infrastructure Improvement Grant: The Municipality of Kingston was awarded **\$235,307.00** for paving and infrastructure improvements on Brook Avenue between Division Street and Pringle Street.

The contract documents for this project were posted on PennBid on September 20, 2023. The bid opening is October 6, 2023. This will be a fall 2023 or spring 2024 project.

Keiper Park Tennis Court and Pickleball Improvement Project (DCNR): The Municipality was awarded **\$211,600.00** for the Keiper Park Tennis Court and Pickleball Improvement Project. The total estimated cost of the project is \$423,200.00. The funds were received through the Department of Conservation and Natural Resources Park Rehabilitation and Development Program. The grant requires matching funds in the amount of 50%. **Therefore, the Municipality's match on this grant is \$211,600.00.**

The scope of work on the grant involves complete excavation and rebuilding of the existing subsurface materials comprising the court system. The new court system will be designed for tennis and pickleball. The scope of work also includes new posts, center pins, netting, fencing, and decorative safety lighting.

This project is delayed because of the significant cost overage on the Kingston Municipal Building Renovation Project. It is our intention to begin working on this project circa April 1, 2024, with substantial completion set for June 30, 2024.

The expiration date on this grant is December 31, 2026.

2021 West Union Streetscape Project: The Municipality was awarded **\$150,000.00** for the 2021 West Union Streetscape Project earlier this year. DCED is the funding agency. The Municipality applied for \$2,618,607.64 for the project. Due to the award being substantially less than the cost of the project, the Municipality resubmitted a separate application through PADOT's Multimodal Program during the fall of 2022.

Please see the next segment of this narrative detailing the PA DOT Multimodal award and scope of work.

The expiration date on this grant is June 30, 2025.

2023 PADOT West Union Streetscape Project: The Municipality was awarded **\$873,000.00** for the 2023 PA DOT West Union Streetscape Project. Although sizeable, the grant award is considerably less than the estimated cost of the project, which is **\$2,618,607.64**. **Between the PA DOT grant award and the DCED grant award, the Municipality has \$1,023,000.00 in total funds for the West Union Streetscape Project.** The Municipality also applied for \$1,500,000.00 through PA DOT's Transportation Alternative Set-Aside Program during 2023 as a third source of funding for the project. The application is set to go through a review process later this year with no indication of when the grants will be funded.

The scope of work for the West Union Streetscape Project is as follows:

West Union Street is a primary gateway point to the Municipality of Kingston. The present condition of all infrastructure along West Union Street is undesirable, unsafe, and dated. The proceeds of the 2023 West Union Streetscape Project will be used to correct pedestrian right-of-way deficiencies on West

Union Street along with energy efficient public safety improvements and substantially enhanced green space features.

The scope of work includes the installation of new sidewalks and curbing. The existing sidewalks and curbing are severely damaged from tree roots, snowplows, and decay. The new curb line on the southside of West Union Street will be extended by two additional feet from its current location to accommodate new decorative tree pits.

The scope of work includes new decorative street lighting poles with energy efficient luminaires for increased public safety and beautification on West Union Street. The existing street lighting system is comprised of high-pressure sodium luminaires which consume approximately 400 watts of power. The new LED luminaires will consume approximately 190 watts of power which will reduce energy consumption by more than 50%. Additionally, in terms of cost efficiency, new LED luminaires will have a useful life of 100,000 hours compared to the high-pressure sodium luminaires which have a useful life of 20,000 hours.

The existing wooden utility poles will be replaced with black composite poles for reattaching the utilities. The existing curb line on the southside of West Union Street will be moved two additional feet for the construction of new tree pits. The existing wooden poles must be removed as it will not be possible to move the curb line and build new tree pits if they remain in their present locations. Although the curb line is not being extended on the northside of the street, the existing wooden poles must be relocated to accommodate the new tree pits and sidewalks. The required slope on the new ADA ramps will also extend further from the intersections than the existing ramps on both sides of the street which will require new locations for both street lighting and utility poles. The precise location of both street lighting and utility poles will be determined during construction.

The scope of work includes new illuminated pedestrian crosswalk systems at all intersections along West Union Street. There are currently no illuminated crosswalk systems in the project area. All intersections will also receive new ADA compliant mast arms and signage for increased beautification and public safety.

The project area currently contains 28 trees that are oversized, severely decayed, or dead. The trees are causing significant damage to curbs, storm basins, sidewalks, and sewer laterals. The scope of work includes 56 new trees that are appropriately sized and aesthetically matched for the streetscaping project. The new trees will be planted in ornate pits containing proper soil and drainage elements.

West Union Street is a designated K-Route referenced by number K043. According to PA DOT traffic data, 4,336 vehicles and 138 trucks travel West Union Street on a daily basis. West Union Street also serves as a major connecting artery for PA Route 309, US 11, and the Back Mountain. West Union Street is densely populated with residential homes and small businesses which generate significant pedestrian traffic. The intersections of West Union Street and Schuyler Avenue and West Union Street and Mercer Avenue are designated bus stops for school children. West Union Street is also one block away from Schuyler Avenue Elementary School. The new sidewalks and crosswalk systems are extremely important in terms of safely integrating the school, neighborhood, and business traffic.

The expiration date on this grant is June 30, 2026.

2022 Luzerne County ARPA Grant: The Municipality received **\$1,824,475.00** through Luzerne County's ARPA Program for a new ladder truck. The cost of the new ladder truck is \$1,921,000.00. The new ladder truck was ordered on April 21, 2023. Delivery of the new ladder truck is set at 10 months from the order date.

The balance of \$96,525.00 will be shared in a manner to be determined at a future time between the Municipality of Kingston and Forty Fort Borough.

PCCD Kingston Police Body Worn Cameras Grant: The Municipality received a **\$97,673.00** grant award from the Pennsylvania Commission on Crime and Delinquency for body worn cameras for all Kingston Police Officers.

At this time, \$58,995.30 has been drawn down on the grant. All Kingston Police Officers have been outfitted with cameras.

The Administration thanks Council Member Kate McMahon for writing the grant application.

Opioids Class Action Litigation: The Municipality is part of a class action lawsuit concerning the opioid crisis. Although not a competitive grant, the Administration selected this segment of the report for updating and disclosing the status of the funds. As part of the final settlement agreement, the Municipality will receive **\$249,917.01** from the lawsuit. The net proceeds will be paid incrementally over a period of approximately 18 years. There is no definitive approved use of funds at this time other than the following which was received from our settling attorney:

"Under the terms of the settlement trust, "Opioid Remediation" means care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of the opioid abuse crisis, including on those injured as a result of the opioid abuse crisis."

At this time, the Municipality received **\$25,657.74**.

The Administration will provide more information as it becomes available.

Pending Projects and Grant Applications for Building New and Exciting Gateway Points to Our Community

PA DOT Transportation Alternatives Set-Aside Program for West Union Streetscape Project: The Municipality applied for additional funds through this program to be used for the West Union

Streetscape Project. The Municipality applied for maximum allowable funds in the amount of \$1,500,000.00.

The scope of work is substantially the same as that of the applications that have been awarded by DCEC and PA DOT. There is a panel review of applications in November 2023.

Potential Projects and Discussion Points

For the purpose of engaging conversation and thought, this section of the report contains potential projects and talking points that we feel are important for the community. The Administration encourages input on these matters and welcomes new ideas.

During your evaluation, please take into consideration the LSA Grant Program, state and federal grant programs, public / private partnerships, and municipal budget appropriations. There will be minimal proceeds of the American Recovery Act of 2021 Fund remaining after the Municipal Building Renovation Project is completed. There is more detail concerning the American Recovery Act of 2021 funds under the Finance and Administration section of this report.

The Municipality will be able to refund the 2020 Capital Series Bonds in FY 2025 if interest rates cooperate.

- Is it a priority to do additional work at the Kingston Community Pool such as building a secure office area, new restrooms, replacing the roof, and expanding the snack bar with improved ventilation features? Should we consider an LSA application in 2024 for building renovations at the Kingston Community Pool?
- Do you feel it is important to invest in new water attractions or other amenities at the Kingston Community Pool? The Administration is currently looking into increased safety measures for accessing the high dive. The platform for accessing the large waterslide is beginning to rust and will be costly to replace in the coming years.
- Is it a priority to replace the decaying street lighting standards along Wyoming Avenue? The street lighting standards are old, and many are decayed at their base. For reference purposes, the Market Street Lighting Replacement Project cost \$350,000.00. Wyoming Avenue will cost more than \$1,750,000.00. This will require the use of multiple funding sources and grants due to the costs.

Note: Multimodal Grants are designed to encourage economic development and to ensure that a safe and reliable system of transportation is available to the residents of the Commonwealth. Eligible projects include but are not limited to streetscaping, transportation improvements, lighting, sidewalk enhancements, crosswalks, pedestrian and traffic signals, planters, trees, etc.

Multimodal projects require a local match in the amount of 30% of the grant award. Applications are generally accepted between March 1 and July 31 of each year.

- Do you support partnering with Wyoming Seminary and perhaps other entities on the submission of a Multimodal Grant for streetscaping improvements along West Market Street and Maple Avenue?
- Is it a priority to begin replacing segments of our street lighting system with LED fixtures? Unlike PPL, UGI does not currently offer cost-free or subsidized conversion programs.
- Do you support a comprehensive traffic study for updating or modifying the vehicular and pedestrian traffic models along Market Street, Pierce Street, and Wyoming Avenue? This includes but is not limited to timing of the traffic lights, pedestrian crosswalks, parking, and bicycle lanes.
- As standard procedure, the Municipality currently makes ADA improvements along streets that are newly paved. Do you think it is important to remove dying or oversized trees as standard procedure when paving streets (paid for by the Municipality)? Any tree removed will be replaced with an appropriate tree pursuant to the Municipality's Shade Tree Ordinance.
- Do you support an LSA Grant or Multimodal Grant for removing oversized trees along with curb, sidewalk, and road restorations in locations where the oversized trees are problematic?
- Is it a priority to evaluate the condition of Kingston's storm and sanitary sewer systems? Kingston has a very proactive street paving program. Most of Kingston's sewer infrastructure was installed before or shortly after the Agnes Flood of 1972. Storm and sanitary sewer systems are currently upgraded in conjunction with paving projects.
- Should policy changes be made to deal with utility companies that cut newly paved streets?
- Would you consider raising taxes or implementing fees for hiring additional code enforcement staff? Do you favor or prioritize hiring additional code enforcement staff for better enforcement of our Landlord/Tenant Ordinance and Quality of Life Ordinance? Hiring an additional code enforcement officer will also require a significant investment in multi-user software.
- Do you support annual or biennial inspections of rental properties for the purpose of occupancy and code compliance? The Municipality will need to use the services of a third-party contractor for the inspection process. Our inspection agency, BHW, conducts such inspections. If you support this concept, the Municipality will need to enact an Ordinance for doing so.
- Is it necessary to evaluate the PILOT (payment in lieu of tax) agreements that are currently in place?

- The Municipal-owned property at Main Street and Center Avenue was last appraised at \$75,000.00. Is it a priority to sell or develop the property?
- Is it a priority to establish a development or sales plan for the Main Street School property (fronting the Independent Volunteer Fire Company) owned by Kingston?
- Is it a priority to sell or develop the property acquired by the Municipality at 430 Cuba Street (the former Target Table property that was demolished in 2020)?
- Is it a priority to sell or develop the property acquired by the Municipality at 52-54 South Atherton Avenue? The property was appraised at \$22,000.00. The Municipality solicited bids on three separate occasions containing a minimum acceptable bid amount of \$22,000.00. No bids were received. Do you support lowering the minimum acceptable bid amount?
- Is it a priority to completely renovate Kingston's Department of Public Works Warehouse and grounds?
- Would you consider partnering with Forty Fort Borough to renovate our Department of Public Works Warehouse to accommodate the needs and services of Forty Fort Borough and the Municipality of Kingston? In other words, both departments will share Kingston's facility for all DPW Operations.
- Is it a priority to continue working with our neighboring communities on the advancement of shared or consolidated services?
- Are you satisfied with the current policing model with Pringle Borough and fire model with Forty Fort Borough?
- Are you satisfied with the accomplishments of the West Side Council of Governments? In recent years, the West Side Council of Governments has acquired a broad spectrum of emergency and public works equipment that is shared by all member communities. Do you think it is a good idea to continue in this direction? Do you think we can be better served by utilizing the West Side Council of Governments for alternative services or resources? The West Side Council of Governments applied for funds through the LSA program to acquire riot and tactical gear for local police departments (Kingston included). Do you support their endeavor?
- The Municipality of Kingston joined the Lower South Valley Landbank in 2023. Each member of the Landbank received \$115,000.00 in grant funds for acquiring problem properties. Are there properties that you would like the Municipality to acquire through the Landbank? Please see the Municipal Administrator for more information.
- Is it a priority to invest money into our police and fire departments for new capital items? Items to consider are crime prevention equipment, technology, weapons, non-lethal weapons, personal protective equipment, vehicles, and training.

- Is it a priority to acquire new equipment for flood emergencies or to develop a new master plan for flood emergencies?
- Are you satisfied with our current level of services, staffing, and resources allotted to each department? Please consider police, fire, tax collection, administration, code enforcement, garbage and recycling collection, general infrastructure maintenance, recreation, and summer programs. Please see the Mayor or Municipal Administrator to discuss these matters.
- The annual deadline for the submission of LSA grants has been pushed back from December 31 to September 30. **This will require decisions to be made by the end of August as a Resolution of Council and supporting documents from outside agencies are required as supplementary attachments to the application.** Please consider the topics raised in this section or kindly provide the Administration with your suggestions prior to August 31, 2024.
- Do you have ideas or visions for improving our government that are not mentioned in this report? We welcome and encourage your input!

Proposed Capital Spending Plans for 2024

All department heads have furnished the Municipal Administrator with copies of their proposed capital spending requests for 2024. Copies of the reports as submitted by the department heads are available by request at the office of the Municipal Administrator. Select items from their proposals will become appropriations in the 2024 Capital Budget. The proposed 2024 Capital Budget will be presented to Municipal Council at a Special Budget Hearing on Wednesday, November 8, 2023.

Personnel

Staffing: Kingston is currently served by **74** full-time employees consisting of the following:

- Administration - **7** Includes License and Inspection
- DPW - **12**
- Firefighter / Paramedics - **31**
- Police Officers - **21**
- Police Clerk - **1**
- Parking Enforcement - **1**
- Parks and Recreation - **1**

The staffing figures reflect the Municipality's master payroll through September 30, 2023. The Borough of Forty Fort pays the Municipality for the full costs of salary and fringe benefits of four (4) full-time firefighters. The following firefighters are fully paid by Forty Fort: Christian Hadesty, Tyler Stull, Dustin

Powis, and David Ross. The Kingston Firemen's Community Ambulance Association pays for the full salary of one employee that 7 employees can staff the dayshift positions at all times, Monday through Friday. For the fiscal year of 2023, the Kingston Firemen's Community Ambulance Association contributes \$626,100.00 as subsidy toward salary expenses for the fire department which includes the 7th dayshift employee.

Salary and wage subsidies are also received by other entities such as Pringle Borough, The Wyoming Valley West School District, and Attorney General's Office. The subsidies are classified in the 01.370 accounts in the General Fund Budget.

Please refer to the spreadsheet labeled ***Analysis of Personnel and Fringe Benefits*** attached to this report. The report breaks down by department the appropriated costs for salaries, fringe benefits, pension costs, and retiree costs offset by applicable sources of revenue. In other words, the report shows the true net cost of personnel and retiree related expenses. The report also shows all subsidies and offsets for personnel costs.

The report was designed by the Administration to better illustrate the cost of personnel and fringe benefits as they relate to the total Municipal Budget. The Administration uses a line-item budget for appropriating revenues and expenditures. Many appropriations relating to the direct costs of personnel and services are buried in the budget with other line items making it difficult to realize the actual total cost of personnel and fringe benefits when looking at the budget as a whole.

Calculation of Debt Limits and Remaining Borrowing Capacity

Net Nonelectoral Debt Limit:	<u>Debt Limit</u>	<u>Net Outstanding Debt</u>	<u>Remaining Borrowing Capacity</u>
(250% of Borrowing Base)	\$25,046,907.00	\$9,369,798.00	\$15,677,109.00
Net Nonelectoral Debt Plus:	<u>Debt Limit</u>	<u>Net Outstanding Debt</u>	<u>Remaining Borrowing Capacity</u>
Lease Rental Debt Limit	\$35,065,669.00	\$9,369,798.00	\$25,695,872.00
(350% of Borrowing Base)			

The borrowing base is calculated by averaging the last three years of the Municipality's total audited revenues. The total audited revenues are for the years 2020, 2021, and 2022. The total audited revenues for each year are as follows: 2020 - \$9,510,586.00; 2021 - \$10,189,472.00; and 2022 - \$10,356,230.00.

The revenues reflect the cash basis of accounting as maintained by the Administration.

The Net Nonelectoral Debt Limit number is calculated at 250% of the borrowing base less the current amount of outstanding debt, which is comprised of the 2017 Federally Taxable General Obligation Notes in the amount of \$5,094,798.00 and the 2020 General Obligation Bonds in the amount of \$4,275,000.00.

The Net Nonelectoral and Lease Rental Debt Limit number is calculated at 350% of the borrowing base less the current amount of outstanding debt which is comprised of the 2017 Federally Taxable General Obligation Note in the amount of \$5,094,798.00 and the 2020 General Obligation Bonds in the amount of \$4,275,000.00.

An illustration prepared by PNC Capital Markets accompanies this report.

Understanding the Municipal Budget and Major Sources of Revenue

The 2023 General Fund Budget is comprised of equal sources of revenue and expense appropriations totaling **\$11,018,524.00**. The most significant sources of revenue are derived from real estate taxes, local enabling taxes, service agreement partnerships, and fees for public services. The most significant sources of expenditures are current personnel costs and post-retirement benefit commitments.

In an effort to better illustrate the inner workings of our Municipal Budget, the Administration is providing an in-depth review of the most significant sources of General Fund revenue and expense appropriations.

Revenue Overview

Real Estate Taxes: The Municipality of Kingston levied a Real Estate tax of 1.550 mills on 4,791 taxable parcels for the year 2023. The total taxable parcels decreased by two (2) units from 2022 to 2023. For the fiscal year of 2022, there were 4,793 taxable parcels of real estate.

For the fiscal year of 2021, there were 4,801 taxable parcels of real estate. The reduction in taxable units from 2021 to 2022 was caused by two (2) Disabled Veteran exemptions, (1) New Exempt Status for Wyoming Seminary, and (5) Reverse Subdivisions.

There was no increase in real estate tax millage from 2022 to 2023. For calculating the amount of Real Estate tax payable on a parcel, multiply the tax rate (.001550) by the total assessed value. The Municipality's taxpayers also pay real estate tax to Luzerne County and the Wyoming Valley West School District.

The following is an illustration of 2023 rates levied on all real property in the Municipality, along with essential data for better understanding the taxation system:

<u>Current Taxes Levied by Each Governing Body</u>	<u>% of Tax Levy</u>
Wyoming Valley West School District – 18.4807 Mills (Last Increase 22'-23', 18.03M)	70.07%
Luzerne County – 6.345 Mills (Increased from 6.196M, 22')	24.06%
Municipality of Kingston – 1.55 Mills	5.87%
Total 2021 Real Estate Tax Levies – 26.3757	100%

The Wyoming Valley West School District increased their millage from 15.99 mills in 2017 to 16.75 mills in 2018. The Wyoming Valley West School District increased their millage from 16.75 mills in 2018 to 17.29 mills in 2019. There was no tax increase in 2020. Valley West Increased their millage from 17.29 mills to 18.03 mills in 2021 There was no increase at Valley West for the 2022-2023 School Year. Wyoming Valley West Increased their millage from 18.03 mills to 18.4807 mills for the 2023-2024 school year. **For the period of 2018 through 2023, Wyoming Valley West increased their real estate tax millage by 10.33% (2018, 16.75M – 2023, 18.4807M).**

Luzerne County raised their property tax rate by 2.4% in 2023 from 6.196M to 6.345M.

The Municipality of Kingston last raised property taxes in 2018 from 1.425M to 1.55M. The property tax rate has not increased in the Municipality of Kingston since 2018.

Only 5.87% of a Kingston homeowner's annual property tax payments go to the Municipality.

Cost of Real Estate Taxes Paid by Kingston's Taxpayers to Each Taxing Body

	<u>\$150,000 AS</u>	<u>\$250,000 AS</u>
Wyoming Valley West School District – 18.4807 Mills	\$2,772.11	\$4,620.18
Luzerne County – 6.345 Mills	\$951.75	\$1,586.25
Municipality of Kingston – 1.550 Mills	\$232.50	\$387.50
Total Real Estate Paid to Each Taxing Body	\$3,956.36	\$6,593.93

AS = Assessed Value

Additional Fees Paid by Kingston's Residents: Properties with an assessed valuation of \$100,000.00 or more are paying an annual fee to the Luzerne County Flood Protection Authority in the amount of \$126.87.

Residential homeowners in the Municipality are paying WVSA \$4.80 per month or \$57.60 on an annual basis for a stormwater fee. The new fee was established in 2019.

Residential Recycling Fee: The Municipality reestablished a residential recycling fee for the fiscal year of 2020. The Municipality offered free recycling to its residents from 1999 to 2019. In recent years, the costs of recycling skyrocketed. As of August 2023, the Municipality pays a tipping fee of \$42.00 per ton to recycle single stream materials that are collected curbside. The fee remains unchanged from 2022. The Municipality pays an additional tipping fee of \$60.00 per ton, recently decreased from \$70.00 per ton, for the glass that is dropped off at the DPW Warehouse, plus a transport fee of \$175.00 for every dumpster. The tipping fee for glass recently decreased from \$70.00 per ton. Even with the decreased

tipping fee for separated glass decreased, the Municipality would pay approximately \$95.00 per ton at present rates if the glass were placed back into the curbside collection stream.

The Municipality does not have alternative options for the collection and disposal of recyclables. The Municipality is mandated by the Commonwealth of Pennsylvania to recycle even during the difficult times caused by the pandemic. In fact, during the pandemic, the Commonwealth classified recycling as an essential public service.

As of August 2023, the Municipality also pays a tipping fee of \$52.00 per ton for the disposal of solid waste. The current tipping fee increased by \$3.00 per ton from 2022. **The tipping fee will increase again on January 1, 2024, by \$3.00 to \$55.00 per ton.**

Garbage Sticker Fee: The unit price of garbage stickers was raised from \$2.00 per sticker to \$2.50 per sticker during September of 2022. This is the first time that the garbage sticker fee increased in more than 15 years. The increased face value of the sticker was driven by increased labor costs, fuel costs, mechanical repair costs, capital needs, increased tipping fees, and a new unilateral fuel surcharge assessed by the landfill. Prior to the pandemic the Municipality paid part-time and seasonal employees \$10.50 per hour to collect garbage and recycling. The present part-time rate is \$17.50 per hour.

What are the actual amounts of Real Estate Taxes Collected by the Municipality during the past five years?

Total Real Estate Tax Collected FY 2018: \$1,060,508.31 **1.55M (Millage Increased from 1.425 to 1.55)**

Total Real Estate Tax Collected FY 2019: \$1,056,885.22 **1.55M**

Total Real Estate Tax Collected FY 2020: \$1,055,961.95 **1.55M**

Total Real Estate Tax Collected FY 2021: \$1,069,767.45 **1.55M**

Total Real Estate Tax Collected FY 2022: \$1,070,291.96 **1.55M**

Note: We have collected \$1,037,951.49 of 2023 Real Estate Tax through September 15, or 98.10% of the \$1,057,528.00 appropriated for the fiscal year.

What is the total assessed value of all Real Estate in the Municipality for each year since 2010?

Total Assessed Value of Real Estate FY 2010: \$770,832,100.00 **(First Year of Reassessed Values)**

Total Assessed Value of Real Estate FY 2011: \$766,135,200.00

Total Assessed Value of Real Estate FY 2012: \$758,637,200.00

Total Assessed Value of Real Estate FY 2013: \$751,850,500.00

Total Assessed Value of Real Estate FY 2014: \$757,762,700.00

Total Assessed Value of Real Estate FY 2015: \$748,649,100.00

Total Assessed Value of Real Estate FY 2016: \$747,314,200.00

Total Assessed Value of Real Estate FY 2017: \$751,123,300.00

Total Assessed Value of Real Estate FY 2018: \$732,631,500.00
 Total Assessed Value of Real Estate FY 2019: \$726,483,000.00
 Total Assessed Value of Real Estate FY 2020: \$730,076,900.00
 Total Assessed Value of Real Estate FY 2021: \$736,383,500.00
 Total Assessed Value of Real Estate FY 2022: \$735,415,200.00
 Total Assessed Value of Real Estate FY 2023: \$734,256,800.00 (This will update in November 23')

Who are Kingston's top ten taxpayers of Real Estate Tax?

<u>Taxpayers Name and Location</u>	<u>Total Assessed Value</u>
Dan Flood Preservation Limited Partnership	\$13,750,000.00
SDK Green Acre Homes	\$10,500,000.00
Wilkes-Barre Behavioral Hospital Company LLC	\$9,650,000.00
OHI Asset PA LP (River Run Nursing Home)	\$8,000,000.00
Kingston Medical LLC Northeast Eye Inst)	\$6,900,000.00
Kingston Propco LLC Manor Care 2 nd Ave)	\$5,265,000.00
CHCT PA LLC (423 Third Avenue)	\$4,101,600.00
Exchange Right Essential Income (Walgreens)	\$3,600,000.00
Tiffany Court	\$3,440,300.00
Geisinger Clinic	\$3,376,400.00
Total of Assessed Value of Top 10 Payers	<u>\$68,583,300.00</u>

Note: The top 10 taxpayers represent 9.34% of the total 2023 assessed value real estate in the Municipality. Last year, the top ten taxpayers represented 9.33% of the total 2022 assessed value of real estate in the Municipality.

Real Estate Tax – Prior Year and Grant in Lieu of Taxes: There are also two other subcategories of Real Estate Tax appropriated in the General Fund Budget: Real Estate Tax - Prior Year and Grant In Lieu of Taxes. Real Estate Tax- Prior Year is for delinquent Real Estate taxes not paid in the current year. Delinquent taxes are collected by Luzerne County. Actual Land returns, delinquent duplicates that were returned to Luzerne County, totaled \$54,760.95 for the year ending December 31, 2022; totaled \$55,537.82 for the year ending December 31, 2021; \$61,824.50 for the year ending December 31, 2020; \$60,491.71 for the year ending December 31, 2019; \$69,782.86 for the year ending December 31, 2018; \$76,242.81 for the year ending December 31, 2017; and \$56,725.90 for the year ending December 31, 2016.

For the current year of 2023, the Municipality received \$44,692.93 in Real Estate Taxes Prior Year through September 15, 2023.

The appropriation for Grant in Lieu of Taxes totals \$29,651.00 in the FY 2023 General Fund Budget at line item 01.300.050. The significant composition of this line item is comprised of \$24,939.00 for Wyoming Seminary and \$2,892.00 for the Jewish Community Center. The Luzerne County Housing Authority also pays \$2,066.76 on an annual basis.

This amount paid to the Municipality by the Wyoming Seminary Preparatory School is for a licensing agreement that provides their campus with a segment of Sprague Avenue that is closed to public traffic. The licensing agreement contains an annual escalator of 2%. The amount paid to the Municipality by the JCC is a fixed amount based on their total assessed value of real estate multiplied by the Municipality's annual millage rate. Therefore, the amount paid by the JCC will increase/decrease if there is change in the assessed value of their property or Municipality's millage rate.

Deed Transfer Taxes: Deed Transfer Taxes are appropriated in the amount of \$360,000.00 in the FY 2023 General Fund Budget at line item 01.310.030. \$603,777.56 was collected through September 15, 2023. \$451,059.59 was collected through September 15, 2022. \$542,356.83 was collected through September 15, 2021.

The Municipality's total collection of Deed Transfer Taxes for the year ending December 31, 2022, was \$605,281.75. The Municipality's total collection of Deed Transfer taxes for the year ending December 31, 2021, was \$697,524.77. The Municipality's total collection of Deed Transfer Taxes for the year ending December 31, 2020, was \$400,632.75. The Municipality's total collection of Deed Transfer Taxes for the year ending December 31, 2019, was \$374,511.94.

Deed Transfer Taxes continue to be received at unprecedented levels. Historical annual collections, increased interest rates, and the lack of available housing will eventually cause the unprecedented returns to regress closer to the mean. The mean annual collection range of \$350,000.00 to \$390,000.00 will be adjusted for the increased cost of real estate in the Municipality.

Local Enabling Taxes: Local Enabling Taxes are comprised of the Earned Income Tax, Mercantile Tax, and Local Services Tax. The next several pages of this report will provide substantial detail concerning Kingston's local economy and data that drives these numbers.

Earned Income Taxes: Earned Income Taxes are appropriated in the amount of \$5,202,598.00 in the FY 2023 General Fund Budget. The appropriation for Earned Income Tax accounts for 47.22% of all revenue appropriated in the FY 2023 General Fund Budget. On September 15, 2023, earned income tax collections totaled \$4,218,300.9 or 81.1% of appropriation. On September 15, 2022, Earned Income Tax Collections totaled \$3,899,448.17 or 80.6% of appropriation. On September 30, 2021, Earned Income Tax collections totaled \$3,600,491.70 or 75.53% of appropriation.

What are the actual amounts of Earned Income Tax collected by the Municipality during the past five years?

Total Earned Income Taxes Collected FY 2018: \$4,354,331.71 (Increase FY17- FY18 = 3.98%)
 Total Earned Income Taxes Collected FY 2019: \$4,518,434.10 (Increase FY18—FY19 = 3.77%)
 Total Earned Income Taxes Collected FY 2020: \$4,636,221.74 (Increase FY19—FY20 = 2.60%) **COVID**
 Total Earned Income Taxes Collected FY 2021: \$4,773,831.17 (Increase FY20—FY21 = 2.97%)
 Total Earned Income Taxes Collected FY 2022: \$5,292,180.58 (Increase FY21—FY22 = **10.86%**)

As reported above, earned income tax collections are at \$4,218,300.89 at September 15, 2023, compared to \$3,899,448.17 at September 15, 2022. Therefore, growth in earned income tax collections for 2023 compared to 2022 are trending at positive 8.2% heading into the fourth quarter of the fiscal year.

The evidence and data that we have compiled and analyzed are very positive in terms of economic growth in the Municipality for the fiscal year of 2023 and future years.

The Administration has compiled wage data from Berkheimer for the purpose of illustrating the composition of Kingston's wage earners. The data is derived from taxpayer filings supplied to Berkheimer and the PA Department of Revenue. The wage data illustration tables are for each filing year between 2018 and 2022.

Earned Income Tax broken down by wage category and total number of taxpayers for the year ending December 31, 2018:

-----	INCOME	-----	INDIVIDUALS	TOTAL INCOME	AVERAGE INCOME
0 -	0	804	0.00	0.00	
.01 -	4,000	1,132	2,056,305.48	1,816.52	
4,001 -	5,000	181	816,711.90	4,512.22	
5,001 -	6,000	167	913,395.87	5,469.44	
6,001 -	7,000	200	1,307,816.49	6,539.08	
7,001 -	8,000	150	1,121,935.57	7,479.57	
8,001 -	9,000	139	1,182,874.13	8,509.89	
9,001 -	10,000	149	1,416,060.41	9,503.76	
10,001 -	11,000	147	1,541,760.47	10,488.17	
11,001 -	12,000	155	1,790,208.58	11,549.73	
12,001 -	13,000	117	1,465,719.17	12,527.51	
13,001 -	14,000	116	1,566,407.19	13,503.51	
14,001 -	15,000	134	1,938,580.69	14,467.02	
15,001 -	16,000	115	1,778,817.91	15,467.98	
16,001 -	17,000	110	1,814,039.32	16,491.27	
17,001 -	18,000	102	1,785,411.28	17,504.03	
18,001 -	19,000	95	1,760,206.08	18,528.49	
19,001 -	20,000	125	2,438,442.11	19,507.54	
20,001 -	21,000	89	1,828,603.28	20,546.10	
21,001 -	22,000	108	2,319,578.85	21,477.58	
22,001 -	23,000	113	2,539,638.50	22,474.68	
23,001 -	24,000	100	2,349,576.41	23,495.76	
24,001 -	25,000	108	2,650,497.80	24,541.65	
25,001 -	26,000	105	2,676,417.95	25,489.69	

26,001 -	27,000	105	2,786,022.96	26,533.55
27,001 -	28,000	106	2,914,572.82	27,495.97
28,001 -	29,000	115	3,278,499.23	28,508.69
29,001 -	30,000	119	3,507,065.84	29,471.14
30,001 -	35,000	454	14,709,888.55	32,400.64
35,001 -	40,000	372	13,958,369.27	37,522.50
40,001 -	50,000	618	27,647,302.45	44,736.74
50,001 -	60,000	498	27,274,434.13	54,767.94
60,001 -	70,000	345	22,361,371.03	64,815.57
70,001 -	80,000	238	17,768,520.99	74,657.65
80,001 -	90,000	205	17,342,420.14	84,597.17
90,001 -	100,000	115	10,905,994.76	94,834.74
100,001 -	150,000	203	24,090,155.68	118,670.72
150,001 -	200,000	58	9,825,019.78	169,396.89
200,001 -	250,000	17	3,779,410.53	222,318.27
250,001 -	300,000	14	3,763,822.13	268,844.44
300,001 -	350,000	12	3,896,858.29	324,738.19
350,001 -	400,000	3	1,115,939.00	371,979.67
400,001 -	450,000	5	2,160,654.00	432,130.80
450,001 -	500,000	2	952,422.00	476,211.00
500,001 -	550,000	3	1,576,374.00	525,458.00
550,001 -	600,000	2	1,133,090.00	566,545.00
600,001 -	650,000	2	1,250,258.00	625,129.00
650,001 -	700,000	1	674,449.00	674,449.00
800,001 -	850,000	1	817,761.00	817,761.00
850,001 -	900,000	1	869,591.91	869,591.91
1,000,001 -	1,050,000	1	1,017,374.00	1,017,374.00
1,150,001 -	1,200,000	1	1,159,621.00	1,159,621.00
1,250,001 -	1,300,000	1	1,299,115.24	1,299,115.24
2,000,001 -	2,050,000	1	2,006,519.51	2,006,519.51

Earned Income Tax broken down by wage category and total number of taxpayers for the year ending December 31, 2019:

----- INCOME -----	INDIVIDUALS	TOTAL INCOME	AVERAGE INCOME
0 - 0	801	0.00	0.00
.01 - 4,000	1,139	1,958,741.61	1,719.70
4,001 - 5,000	178	800,097.89	4,494.93
5,001 - 6,000	188	1,033,903.05	5,499.48
6,001 - 7,000	163	1,056,405.42	6,481.01
7,001 - 8,000	191	1,430,571.14	7,489.90
8,001 - 9,000	152	1,291,176.93	8,494.59
9,001 - 10,000	131	1,252,219.10	9,558.92
10,001 - 11,000	114	1,196,988.35	10,499.90
11,001 - 12,000	134	1,535,334.45	11,457.72
12,001 - 13,000	145	1,813,765.29	12,508.73
13,001 - 14,000	117	1,587,595.23	13,569.19
14,001 - 15,000	118	1,716,554.89	14,547.08
15,001 - 16,000	97	1,502,737.78	15,492.14
16,001 - 17,000	119	1,957,001.00	16,445.39
17,001 - 18,000	116	2,029,395.32	17,494.79
18,001 - 19,000	112	2,070,739.68	18,488.75
19,001 - 20,000	123	2,402,589.81	19,533.25
20,001 - 21,000	100	2,055,582.23	20,555.82
21,001 - 22,000	86	1,847,387.62	21,481.25
22,001 - 23,000	82	1,844,031.05	22,488.18
23,001 - 24,000	99	2,326,805.13	23,503.08
24,001 - 25,000	109	2,668,994.48	24,486.19
25,001 - 26,000	97	2,471,511.05	25,479.50
26,001 - 27,000	105	2,779,021.76	26,466.87

27,001 -	28,000	113	3,105,524.43	27,482.52
28,001 -	29,000	116	3,308,216.36	28,519.11
29,001 -	30,000	101	2,981,002.81	29,514.88
30,001 -	35,000	469	15,254,602.57	32,525.81
35,001 -	40,000	402	15,023,820.64	37,372.69
40,001 -	50,000	655	29,293,063.95	44,722.24
50,001 -	60,000	520	28,393,018.36	54,601.96
60,001 -	70,000	352	22,767,004.28	64,678.99
70,001 -	80,000	287	21,462,159.35	74,781.04
80,001 -	90,000	185	15,743,169.78	85,098.22
90,001 -	100,000	116	10,986,006.86	94,706.96
100,001 -	150,000	220	25,992,205.88	118,146.39
150,001 -	200,000	61	10,362,786.56	169,881.75
200,001 -	250,000	27	6,005,415.12	222,422.78
250,001 -	300,000	13	3,573,227.46	274,863.65
300,001 -	350,000	10	3,300,695.82	330,069.58
350,001 -	400,000	5	1,832,968.00	366,593.60
400,001 -	450,000	4	1,769,772.91	442,443.23
450,001 -	500,000	3	1,423,627.57	474,542.52
500,001 -	550,000	2	1,052,194.00	526,097.00
550,001 -	600,000	1	574,648.00	574,648.00
600,001 -	650,000	3	1,845,588.00	615,196.00
650,001 -	700,000	1	692,279.55	692,279.55
700,001 -	750,000	2	1,458,858.00	729,429.00
1,050,001 -	1,100,000	1	1,065,492.00	1,065,492.00
1,150,001 -	1,200,000	1	1,165,137.93	1,165,137.93
1,500,001 -	1,550,000	1	1,524,499.00	1,524,499.00
1,700,001 -	1,750,000	1	1,723,314.03	1,723,314.03
2,200,001 -	2,250,000	1	2,206,249.20	2,206,249.20

Earned Income Tax broken down by wage category and total number of taxpayers for the year ending December 31, 2020:

----- INCOME -----	INDIVIDUALS	TOTAL INCOME	AVERAGE INCOME
0 - 0	1,056	0.00	0.00
.01 - 4,000	1,223	2,075,928.99	1,697.41
4,001 - 5,000	192	858,971.71	4,473.81
5,001 - 6,000	210	1,153,227.44	5,491.56
6,001 - 7,000	178	1,156,856.03	6,499.19
7,001 - 8,000	166	1,247,809.74	7,516.93
8,001 - 9,000	153	1,294,335.19	8,459.71
9,001 - 10,000	125	1,177,999.12	9,423.99
10,001 - 11,000	130	1,365,613.99	10,504.72
11,001 - 12,000	140	1,611,983.68	11,514.17
12,001 - 13,000	105	1,314,563.26	12,519.65
13,001 - 14,000	130	1,759,751.69	13,536.55
14,001 - 15,000	111	1,608,988.69	14,495.39
15,001 - 16,000	121	1,874,696.64	15,493.36
16,001 - 17,000	79	1,305,831.19	16,529.51
17,001 - 18,000	96	1,678,646.44	17,485.90
18,001 - 19,000	102	1,889,557.80	18,525.08
19,001 - 20,000	108	2,101,869.42	19,461.75
20,001 - 21,000	87	1,780,944.40	20,470.63
21,001 - 22,000	91	1,956,179.98	21,496.48
22,001 - 23,000	90	2,024,964.13	22,499.60
23,001 - 24,000	95	2,229,403.89	23,467.41
24,001 - 25,000	86	2,105,299.99	24,480.23
25,001 - 26,000	82	2,089,450.82	25,481.11
26,001 - 27,000	98	2,597,319.50	26,503.26

27,001 -	28,000	93	2,554,645.34	27,469.30
28,001 -	29,000	90	2,564,398.34	28,493.31
29,001 -	30,000	107	3,157,724.60	29,511.44
30,001 -	35,000	443	14,411,447.68	32,531.48
35,001 -	40,000	387	14,471,285.55	37,393.50
40,001 -	50,000	674	30,179,912.06	44,777.32
50,001 -	60,000	495	27,147,046.13	54,842.52
60,001 -	70,000	374	24,240,604.55	64,814.45
70,001 -	80,000	262	19,520,310.50	74,505.00
80,001 -	90,000	193	16,354,691.23	84,739.33
90,001 -	100,000	133	12,563,644.58	94,463.49
100,001 -	150,000	230	27,330,041.24	118,826.27
150,001 -	200,000	54	9,371,625.30	173,548.62
200,001 -	250,000	21	4,662,675.73	222,032.18
250,001 -	300,000	14	3,805,679.13	271,834.22
300,001 -	350,000	7	2,238,999.22	319,857.03
350,001 -	400,000	6	2,183,726.00	363,954.33
400,001 -	450,000	3	1,245,492.31	415,164.10
450,001 -	500,000	5	2,368,620.85	473,724.17
500,001 -	550,000	5	2,598,393.02	519,678.60
550,001 -	600,000	2	1,120,353.00	560,176.50
650,001 -	700,000	2	1,303,585.87	651,792.94
850,001 -	900,000	1	880,091.00	880,091.00
900,001 -	950,000	1	947,633.11	947,633.11
1,000,001 -	1,050,000	1	1,010,964.00	1,010,964.00
1,750,001 -	1,800,000	1	1,790,958.17	1,790,958.17
2,000,001 -	2,050,000	1	2,004,382.00	2,004,382.00

Earned Income Tax broken down by wage category and total number of taxpayers for the year ending December 31, 2021:

----- INCOME -----	INDIVIDUALS	TOTAL INCOME	AVERAGE INCOME
0 -	1,115	0.00	0.00
.01 -	1,104	1,912,744.77	1,732.56
4,001 -	190	849,998.42	4,473.68
5,001 -	212	1,163,898.11	5,490.09
6,001 -	151	977,926.76	6,476.34
7,001 -	141	1,052,523.00	7,464.70
8,001 -	115	982,296.10	8,541.71
9,001 -	139	1,321,485.12	9,507.09
10,001 -	138	1,445,332.96	10,473.43
11,001 -	129	1,485,673.99	11,516.85
12,001 -	110	1,372,646.91	12,478.61
13,001 -	126	1,699,500.57	13,488.10
14,001 -	109	1,578,444.16	14,481.14
15,001 -	106	1,645,810.50	15,526.51
16,001 -	107	1,761,701.95	16,464.50
17,001 -	98	1,717,890.95	17,529.50
18,001 -	93	1,722,657.34	18,523.20
19,001 -	91	1,774,168.01	19,496.35
20,001 -	97	1,989,868.12	20,514.10
21,001 -	67	1,442,787.93	21,534.15
22,001 -	90	2,031,159.74	22,568.44
23,001 -	80	1,882,142.22	23,526.78
24,001 -	93	2,275,883.26	24,471.86
25,001 -	75	1,913,650.27	25,515.34
26,001 -	89	2,361,411.11	26,532.71
27,001 -	103	2,830,864.18	27,484.12
28,001 -	96	2,732,842.71	28,467.11

29,001 -	30,000	108	3,186,455.79	29,504.22
30,001 -	35,000	463	15,035,311.32	32,473.67
35,001 -	40,000	442	16,583,041.89	37,518.19
40,001 -	50,000	691	30,902,886.92	44,721.98
50,001 -	60,000	541	29,691,626.73	54,882.86
60,001 -	70,000	370	23,962,551.81	64,763.65
70,001 -	80,000	277	20,655,851.06	74,569.86
80,001 -	90,000	218	18,492,287.11	84,827.01
90,001 -	100,000	162	15,311,184.90	94,513.49
100,001 -	150,000	257	30,142,685.68	117,286.71
150,001 -	200,000	65	11,025,643.61	169,625.29
200,001 -	250,000	21	4,708,296.95	224,204.62
250,001 -	300,000	16	4,409,572.21	275,598.26
300,001 -	350,000	11	3,575,906.97	325,082.45
350,001 -	400,000	5	1,829,528.84	365,905.77
400,001 -	450,000	1	423,907.12	423,907.12
450,001 -	500,000	5	2,399,666.66	479,933.33
500,001 -	550,000	2	1,052,141.12	526,070.56
600,001 -	650,000	2	1,271,232.00	635,616.00
650,001 -	700,000	2	1,357,127.82	678,563.91
800,001 -	850,000	1	822,103.45	822,103.45
900,001 -	950,000	1	934,988.00	934,988.00
1,000,001 -	1,050,000	1	1,024,462.00	1,024,462.00
1,250,001 -	1,300,000	1	1,256,396.00	1,256,396.00
2,650,001 -	2,700,000	1	2,677,081.37	2,677,081.37

Earned Income Tax broken down by wage category and total number of taxpayers for the year ending December 31, 2022:

INCOME	-----	INDIVIDUALS	TOTAL INCOME	AVERAGE INCOME
0 -	0	1,138	0.00	0.00
.01 -	4,000	1,023	1,849,730.41	1,808.14
4,001 -	5,000	176	789,807.09	4,487.54
5,001 -	6,000	160	882,935.41	5,518.35
6,001 -	7,000	172	1,113,155.74	6,471.84
7,001 -	8,000	142	1,065,659.31	7,504.64
8,001 -	9,000	134	1,134,885.51	8,469.29
9,001 -	10,000	146	1,390,322.04	9,522.75
10,001 -	11,000	109	1,148,395.26	10,535.74
11,001 -	12,000	141	1,623,149.06	11,511.70
12,001 -	13,000	104	1,297,890.07	12,479.71
13,001 -	14,000	116	1,567,060.66	13,509.14
14,001 -	15,000	111	1,614,121.98	14,541.64
15,001 -	16,000	103	1,592,703.19	15,463.14
16,001 -	17,000	94	1,548,110.71	16,469.26
17,001 -	18,000	105	1,838,968.17	17,513.98
18,001 -	19,000	105	1,947,149.66	18,544.28
19,001 -	20,000	96	1,875,959.26	19,541.24
20,001 -	21,000	98	2,009,905.56	20,509.24
21,001 -	22,000	81	1,745,042.51	21,543.73
22,001 -	23,000	107	2,414,326.21	22,563.80
23,001 -	24,000	107	2,514,104.99	23,496.31
24,001 -	25,000	90	2,205,973.58	24,510.82
25,001 -	26,000	81	2,065,757.74	25,503.18
26,001 -	27,000	87	2,305,333.28	26,498.08
27,001 -	28,000	101	2,776,965.50	27,494.71
28,001 -	29,000	85	2,419,410.67	28,463.65
29,001 -	30,000	100	2,951,653.93	29,516.54
30,001 -	35,000	473	15,365,053.26	32,484.26
35,001 -	40,000	462	17,314,870.79	37,478.08

40,001 -	50,000	740	33,050,338.67	44,662.62
50,001 -	60,000	581	31,771,836.46	54,684.74
60,001 -	70,000	395	25,432,929.16	64,387.16
70,001 -	80,000	328	24,489,303.70	74,662.51
80,001 -	90,000	245	20,724,670.88	84,590.49
90,001 -	100,000	157	14,796,389.41	94,244.52
100,001 -	150,000	298	35,422,700.05	118,868.12
150,001 -	200,000	80	13,965,267.29	174,565.84
200,001 -	250,000	27	5,922,753.33	219,361.23
250,001 -	300,000	24	6,582,157.81	274,256.58
300,001 -	350,000	9	3,029,387.00	336,598.56
350,001 -	400,000	5	1,819,945.90	363,989.18
400,001 -	450,000	4	1,688,087.90	422,021.98
450,001 -	500,000	3	1,406,328.00	468,776.00
550,001 -	600,000	1	597,103.44	597,103.44
600,001 -	650,000	2	1,265,957.00	632,978.50
650,001 -	700,000	4	2,687,676.43	671,919.11
700,001 -	750,000	1	750,000.00	750,000.00
850,001 -	900,000	1	850,002.76	850,002.76
1,050,001 -	1,100,000	2	2,153,462.00	1,076,731.00
1,200,001 -	1,250,000	1	1,250,000.00	1,250,000.00
2,000,001 -	2,050,000	1	2,027,501.15	2,027,501.15
2,750,001 -	2,800,000	1	2,783,599.53	2,783,599.53

Based on the state wage tables for 2018, 2019, 2020, 2021 and 2022, Kingston's total gross wages are:

- **\$266,901,902.68 - FY 2018**
- **\$278,515,698.68 - FY 2019**
- **\$272,289,124.24 - FY 2020 COVID**
- **\$286,657,246.49 - FY 2021**
- **\$314,835,799.42 - FY 2022**

The gross earning based on the state wage table reflect a 9.83% in reportable wages from FY 21'-FY22', which is consistent with our collections increase of 10.86% for this period.

Based on the state wage tables for 2018, 2019, 2020, 2021 and 2022, the total amount of taxpayers paying earned income tax to Kingston are as follows:

- **7,575 - FY 2018**
- **7,688 - FY 2019**
- **7,603 - FY 2020 COVID**
- **7,613 - FY 2021**
- **7,819 - FY 2022**

Mercantile Tax: Mercantile Tax is appropriated in the amount of \$148,700.00 in the FY 2023 General Fund Budget. \$135,969.30 is collected through September 15, 2023, or 91.4% of appropriation. \$141,242.64 was collected through September 30, 2022, or 95.1% of appropriation. The total amount of Mercantile Tax collected for the fiscal year of 2022 was \$148,825.44. The total amount of Mercantile Tax collected for the fiscal year of 2021 was \$143,587.59.

Mercantile tax collections are based on the prior year's gross receipts of Kingston's businesses.

Who are Kingston's top taxpayers of Mercantile Taxes for 2023?

<u>Name of Business</u>	<u>Amount Paid 2023 to Date</u>
Bonner Chevrolet	\$21,009.50
Aldi Inc. #97	\$15,309.50
PA CVS Pharm LLC #2133	\$13,559.00
Eye Care Specialists-VIP	\$11,514.00
Walgreens #7843	\$7,042.00
Turkey Hill Stores*	\$6,475.00
Cooks Pharmacy	\$6,003.00
MYGRANT Glass Co.	\$3,072.50
Optimus Solutions	\$2,707.50
Air Gas USA LLC	\$3,949.00

Who are Kingston's top taxpayers of Mercantile Taxes based on 2022 Gross Receipts?

<u>Name of Business</u>	<u>Gross Business Receipts</u>
Bonner Chevrolet	\$24,673,317.00
Aldi Inc. #97	\$20,412,666.67
PA CVS Pharm LLC #2133	\$18,078,666.67
Eye Care Specialist-VIP	\$15,352,000.00
Walgreens #7843	\$9,389,333.33
Turkey Hill Stores*	\$8,634,000.00
Cooks Pharmacy	\$8,004,000.00
MYGRANT Glass Co.	\$5,691,400.00
Optimus Solutions	\$5,415,000.00
Airgas USA LLC	\$5,265,333.33

The asterisk by Turkey Hill indicates that all three Kingston stores are included in the figures reported.

Who are Kingston's 10 largest employers for 2023?

<u>Name of Business</u>	<u>Number of Employees</u>
Municipality of Kingston	251
Express Services Inc	223
Custom Staffing Solutions	184
Chesapeake Eye Care Management PC	172
Luzerne Intermediate Unit	168
Luzerne Transportation Authority	166
Kingston Operations LLC	157
Hospital Central Services HCSC	136
Specialized Education OF	98
Intermountain Medical Group	96

(The employer numbers are from 1st Quarter 2023 LST Returns)

Local Services Taxes: Local Services Taxes are appropriated in the amount of \$290,000.00 in the FY 2023 General Fund Budget. Berkheimer provided LST taxpayer information to the Municipality for the first quarter of 2023, reporting 6,963 taxpayers. For the first quarter of 2022, Berkheimer reported 7,198 taxpayers. For the first quarter of 2021, Berkheimer reported 7,308 taxpayers. For the first quarter of 2020, Berkheimer reported 7,824 taxpayers. All taxpayers earning more than \$12,000 annually pay the Local Service Tax.

What are the actual amounts of Local Services Tax collected by the Municipality during the past five years?

Total Local Services Taxes Collected FY 2018: \$289,874.70
Total Local Services Taxes Collected FY 2019: \$293,947.34
Total Local Services Taxes Collected FY 2020: \$278,209.33
Total Local Services Taxes Collected FY 2021: \$284,291.66
Total Local Services Taxes Collected FY 2022: \$292,107.58

The most significant sources of revenue for service agreement partnerships and fees for public service are Reimbursement for ALS (Advanced Life Support Agreement) between the Municipality and Kingston Firemen's Community Ambulance Association); the Sale of Trash Stickers; and the residential recycling fee established in 2020.

What are the actual amounts of Reimbursement for ALS revenue during the past five years?

Total Amount of Reimbursement for ALS Revenue FY 2018: \$450,000.00
Total Amount of Reimbursement for ALS Revenue FY 2019: \$450,000.00
Total Amount of Reimbursement for ALS Revenue FY 2020: \$494,571.60
Total Amount of Reimbursement for ALS Revenue FY 2021: \$529,416.12
Total Amount of Reimbursement for ALS Revenue FY 2022: \$529,416.12

What are the actual amounts of revenue collected from the Sale of Trash Bags during the past five years?

Total Amount of Trash Sticker Revenue Collected FY 2018: \$469,978.00
Total Amount of Trash Sticker Revenue Collected FY 2019: \$458,534.00
Total Amount of Trash Sticker Revenue Collected FY 2020: \$595,712.00 COVID
Total Amount of Trash Sticker Revenue Collected FY 2021: \$644,228.44
Total Amount of Trash Sticker Revenue Collected FY 2022: \$655,163.00

What are the actual amounts of revenue collected from the Residential Recycling Fee?

Total Amount of Residential Recycling Fee Revenue Collected FY 2020: \$129,924.89 COVID
Total Amount of Residential Recycling Fee Revenue Collected FY 2021: \$143,484.24
Total Amount of Residential Recycling Fee Revenue Collected FY 2022: \$132,556.16

Understanding the Municipal Budget and Overview of Municipal Expenses

It is the job of the Administration to spend money in a prudent and efficient manner. Based on Kingston's estimated population of 12,873 residents (2020 US Census), do you know what it costs per resident for essential public services appropriated in the General Fund? We are hopeful that this information will give our elected officials and residents a better understanding of how their tax dollars are spent.

What was the total amount of annual General Fund Spending for the last five years?

	Annual Increase
The Total Amount of 2018 General Fund Spending: \$8,843,216.25	
The Total Amount of 2019 General Fund Spending: \$9,255,304.11	----- \$412,087.86
The Total Amount of 2020 General Fund Spending: \$9,584,714.39	----- \$329,410.28
The Total Amount of 2021 General Fund Spending: \$9,948,830.68	----- \$364,116.29
The Total Amount of 2022 General Fund Spending: \$10,499,209.29	----- \$550,378.61

What does it cost each resident (Population 13,349) in the Municipality for essential government services as appropriated in the 2023 Municipal Budget?

FY 2023 Administration: \$797,117.00 or \$59.71 per Resident
FY 2023 Tax Collection Services: \$39,478.00 or \$2.96 per Resident
FY 2023 Police Expenses: \$2,863,486.00 or \$214.51 per Resident (Pringle Reimbursement Deducted)
FY 2023 Fire and EMS Expenses: \$2,539,483.00 or \$190.24 per Resident (ALS Reimbursement Deducted)
FY 2023 License and Inspection Expenses: \$249,141.00 or \$18.66 per Resident
FY 2023 DPW Expenses: \$845,927.00 or \$63.37 per Resident (Trash Sticker Fees & Recycling Fee Ded.)

At August 31 of each year, encumbered expenses should total 66.58% of all expenses appropriated. Total General Fund Spending at August 31 for the past five years is as follows:

Total General Fund Spending at August 31, 2019 = \$5,988,956.18 or 66.36% of Budget
Total General Fund Spending at August 31, 2020 = \$6,126,473.06 or 65.59% of Budget
Total General Fund Spending at August 31, 2021 = \$6,124,574.87 or 62.45% of Budget
Total General Fund Spending at August 31, 2022 = \$6,611,485.22 or 64.63% of Budget
Total General Fund Spending at August 31, 2023 = \$7,073,484.59 or 64.20% of Budget

Finance and Administration

Accounting System and Banking: The Administration operates pursuant to the cash basis of accounting. All of Kingston's bank accounts are with Fidelity Bank.

The Municipality has been banking exclusively with Fidelity Bank since December of 2016. The move to Fidelity bank was accomplished through a comprehensive RFP for general banking services, general borrowing needs, and the need for a general obligation note that was used to fund the Municipality's

pension liabilities. Fidelity currently pays interest on all accounts at 3.75%. Last year at this time the interest rate was .55%. **The rate will increase again to 4.3% on October 1, 2023.**

Cash on Hand: How does our cash on hand on September 30, 2023 compare to September 30, 2022? Interest is not included in the 2023 numbers, nor are they reconciled, due to the timing of this report.

	<u>Cash on Hand September 30, 2022</u>	<u>Cash on Hand September 28, 2023</u>
General Fund	\$2,107,465.46	\$2,604,815.95
Community Advancement	\$21,901.72	\$14,962.31
Liquid Fuels	\$188,704.22	\$177,532.29
Sewer Escrow Account	\$233,816.06	\$244,128.73
Recreation Center	\$27,332.42	\$22,142.81
Special Projects*	\$777,089.83	\$439,340.37
Shade Tree Escrow	\$12,115.29	\$10,267.73
Kingston Pool Fund	\$107,316.81	\$61,673.36
Bond Capital Account	\$465,677.92	\$301,274.55

Notes Concerning Cash: Due to the deadline for submitting this report, it was not possible to obtain actual month ending numbers for September of 2023.

Please note that the Special Projects Account serves as a clearance account for grant funded projects and one-time unique projects. The current balance of \$776,810.78 is comprised of \$773,982.19 in American Recovery Act Funds.

Credit Rating: The Municipality achieved a new investment-grade credit rating with Standard and Poor's in September 2022 of **AA- Stable**. The Municipality continues to maintain this credit rating score.

2020 Restructuring of Fidelity Bank General Obligation Note: The Municipality borrowed \$6,703,681.00 from Fidelity Bank in January of 2017 to fully fund its pension plans. The borrowing is classified as a Taxable General Obligation Note with a term of 25 years and fixed interest rate of 4.5%.

The Administration successfully negotiated a new interest rate on the borrowing in April of 2020 as part of an overall cost mitigation plan due to the COVID-19 pandemic. **The fixed rate of interest on the borrowing was reduced from 4.5% to 3.125%.**

The reduced rate of interest saved the Municipality \$60,730.85 per year or \$1,336,078.70 over the remaining life of the borrowing.

A payment in the amount of \$390,588.61 is due later this year on December 15, 2023. After making the payment, the outstanding balance on the note is \$5,322,374.25.

2022-2023 Liquid Fuels Funding: The Municipality's estimated Liquid Fuels funding for 2024 is \$344,139.55. The funding is based on the Municipality's total lineal street mileage of 33.81 and population of 13,349. The Municipality received Liquid Fuels funds in the amount of \$349,931.50 for FY 2023. The Municipality received Liquid Fuels funds in the amount of \$339,381.30 for FY 2022. The Municipality received Liquid Fuels funds in the amount of \$339,596.04 for FY 2021.

The Municipality also receives annual Turnback Funds through the Liquid Fuels Program in the amount of \$10,920.00. The Turnback Funds of \$10,920.00 are constant and do not fluctuate.

Workers Compensation Insurance: The premium for Workers Compensation Insurance for the period August 1, 2023 - July 31, 2024 is \$251,515.00. The expiring premium for Workers Compensation Insurance for the period August 1, 2022 - July 31, 2023 was \$241,226.00. The premium for the period August 1, 2021 - July 31, 2022 was \$234,087.00. The premium for the period August 1, 2020 - July 31, 2021 was \$221,922.00. The premium for the period August 1, 2019 - July 31, 2020 was \$224,973.00. The premium for the period August 1, 2018 - July 31, 2019 was \$241,765.00.

The Municipality's experience modification factor decreased from 1.066 for the 2022-2023 period to .929 for the 2023-2024 period.

Health Insurance: Renewal rates for 2024 will be released by BENECON sometime during October of 2023. BENECON notified the Municipality by email that 2024 rates will more than likely increase by 6%.

2022 was an excellent year for the Municipality in terms of claims utilization. For the fiscal year of 2022, the Municipality's actual claims utilization was 65.70% of what BENECON actuarially established for 2022. Therefore, BENECON is returning overpaid premiums to the Municipality in the amount of \$373,386 during the fiscal year of 2023. The Municipality received \$181,444.00 of this amount in June of 2023. The balance of \$191,942 will be paid to the Municipality in October of 2023 when the 2024 rates are released.

At July 31, 2023, the Municipality's actual claims utilization was 85.89% of what BENECON actuarially established for 2023. If this trend were to remain unchanged for the remainder of 2023, premiums would be returned in the approximate amount of \$126,680.00 during 2024. We will update this information with the first reading of the 2024 Municipal Budget.

Service Electric Franchise Agreement: The Municipality enacted an Ordinance dated August 2, 2021, which established a ten (10) year renewal on the 2006 franchise agreement with Service Electric Cable TV that was set to expire on December 31, 2021. Service Electric Cable TV pays the Municipality five percent (5%) of gross basic and premium services offered by the company. The revenue collected by the Municipality from Service Electric Cable TV is appropriated at line item 01.320.100 in the General Fund Budget. At August 31, 2023, Service Electric Cable TV paid the Municipality \$45,934.14. At August 31, 2022, Service Electric Cable TV paid the Municipality \$47,273.32. For the fiscal year of 2022, Service Electric Cable TV paid the Municipality \$47,733.32, which was \$27,435.12 less than 2021 because of

competition with Comcast. For the fiscal year of 2021, Service Electric Cable TV paid the Municipality \$75,168.44. For the fiscal year of 2020, Service Electric Cable TV paid the Municipality \$112,926.50.

Comcast Franchise Agreement: The Municipality established a new 10 year, nonexclusive franchise agreement with Comcast, effective February 4, 2019. Pursuant to the agreement, Comcast will provide cable, internet, and communication services to our community. Comcast will pay a franchise fee to the Municipality in an amount equal to 5% of the annual gross revenue received from the operation of the cable services.

At August 31, 2023, Comcast paid the Municipality \$33,324.62. At August 31, 2022, Comcast paid the Municipality 29,178.71. For the fiscal year of 2022, Comcast paid the Municipality \$39,827.26. For the fiscal year of 2021, Comcast paid the Municipality \$27,903.15. The fiscal year of 2020 was not included in this report because Comcast was limited to providing services to isolated areas of the community during their infrastructure building process.

Although Comcast will soon have more customers than Service Electric Cable TV, streaming services such as Youtube TV and Sling are dominating the market at this time. The Municipality does not receive any proceeds from web-based products.

Pension Funds: Pursuant to Act 205, which is the Commonwealth's Pension Law, the Administration is required to present the estimated MMOs (Minimum Municipal Obligation) for the forthcoming year to the governing body by September 30th. The MMOs, as certified by the Municipality's Actuary, are as follows.

	<u>FY 2021 MMOs</u>	<u>FY 2022 MMOs</u>	<u>FY 2023 MMOs</u>	<u>FY 2024 MMOs</u>
Fire	\$127,550.00	\$137,624.00	\$194,994.00	\$202,274.00
Police	\$319,807.00	\$332,907.00	\$384,360.00	\$388,403.00
Nonuniform	\$145,534.00	\$145,090.00	\$187,630.00	\$189,520.00
Total	\$592,891.00	\$615,621.00	\$766,984.00	\$780,197.00

The unit value of state pension aid increased by 12.49% for 2023 compared to 2022. The 2023 unit value of state pension aid is \$5,827.88. The 2022 unit value of state pension aid was \$5,180.45, or 7.99% more than 2021. The unit value of state pension aid in 2021 was \$4,797.28, or 2.6% less than the 2020 unit value of \$4,923.83.

The Municipality received **\$728,486.03** in state pension aid on September 27, 2023, by means of direct deposit into the Pension Activities Fund. The Municipality received **\$626,834.67** in state pension aid on September 28, 2022, by means of direct deposit into the Pension Activities Fund. The Municipality received **\$590,065.76** in state pension aid on September 28, 2021, by means of direct deposit into the Pension Activities Fund.

The Municipality receives 125 units of state pension aid. The Municipality receives two units of state pension aid for each police officer and firefighter. The breakdown for units of state pension aid is as follows: 20 police officers multiplied by 2 units, 31 firefighters multiplied by 2 units, and 23 nonuniform employees multiplied by 1 unit.

The Municipality budgeted \$530,739.00 for its portion of the 2023 MMOs in the General Fund Budget at line item 01.470.492. Based on the increase of state pension aid, the Municipality's share of the 2023 MMOs is **\$429,086.58** (2023 State Pension Aid of \$728,486.03, less the 2023 MMOs of \$766,984.00, less the 2023 Debt Service Payment to Fidelity of \$390,588.61). **The substantial and unanticipated increase in 2023 state pension aid provides a real budgetary savings of \$101,652.42 in the 2023 General Fund.**

The demographics across all plans are increasingly unfavorable. Some of the more significant unfavorable demographics are retiree/spousal benefits, COLAs, accrued/future benefits, current salaries, future projected salaries, and amortization payments.

In comparing the 2019 and 2021 Actuarial Valuation Reports, **payments to retirees / beneficiaries** have increased as follows:

	<u>2019 Actuarial Valuation Report</u>	<u>2021 Actuarial Valuation Report</u>
Fire	\$284,875.00	\$386,568.00
Police	\$708,188.00	\$741,314.00
Non-Uniform	\$368,253.78	\$373,574.00

We will update this information when the 2023 Actuarial Valuation Reports are received in a few weeks.

Normal Salary Cost increased in the following amounts from 2023 to 2024 for determining the MMOs: fire, \$15,465.00; police, \$7,321.00; and nonuniform \$3,662.00. The Normal Salary Cost for the 2022 MMOs compared to the 2023 MMOs was as follows: fire, \$17,738.00; police, 2,127.00; and nonuniform \$10,114. Normal Salary Cost includes base pay, overtime, paid sick/vacation, personal time, holiday pay, cost of living, increments, DUI, AG, court time, etc.

The amortization payments for each plan play a significant role in determining the annual MMOs and are perhaps the most problematic. The annual amortization payment is basically an actuarial mortgage on investment losses. Every plan has an actuarial assumption of 7.75% (the investment benchmark). When a plan returns less than 7.75% for any given year, the loss triggers an amortization payment.

The current amortization payments for each plan that are factored into the 2024 MMOs are as follows: fire, \$69,109.00; police, \$263,492; and nonuniform \$98,159.00. The amortization payments remain unchanged from last year.

This is important for illustrating the ever-increasing challenges and payment demands for each Municipal pension plan.

On December 15, 2023, the remaining balance on the 2017 Fidelity Pension Note will be \$5,322,374.25. The principal amount borrowed in 2017 was \$6,703,681.00.

As always, the Administration will closely monitor the investment markets, plan performance, plan demographics, and consider all viable options for protecting our pension plans and the financial wellbeing of the Municipality.

Debt Service: The following illustration is a representation of the Municipality's actual and anticipated debt service for the fiscal year of 2023:

<u>Vendor</u>	<u>Debt</u>	<u>Amount</u>	<u>Frequency</u>	<u>Expiration / Term</u>
Cannon Financial	Admin & Police	\$146.55	Monthly	6/1/2026
Cannon Financial	Copier Fire Dept.	\$67.95	Monthly	2/11/2027
Volunteer's Financing	2020 Pierce Pumper	\$16,935.61	Annual	12/10/2035*
Fidelity Bank	(2) 2021 F-750's	\$9,888.47	Quarterly	3/3/2027LF
Community Leasing	2021 Ford Interceptor	\$15,124.45	Annual	7/15/2024
Navitas Credit Corp.	2022 Elgin Street Sweeper	\$5,643.41	Quarterly	3/31/2027*
De Lage Landen Finance	2020 Chevy Tahoe	\$12,921.50	Annual	8/28/2024
Fidelity Bank*	2023 Garbage Truck	\$67,837.00	Annual	11/1/2028
GM Financial	2023 Silverado Fire Squad	\$22,610.50	Annual	9/1/2025
GM Financial	2023 Chevy Tahoe Police	\$5,785.32	Quarterly	9/1/2026
PNC Capital Markets	2020 Bond	\$300,200.00	2024	12/15/2040
Fidelity Bank	2017 GO Note	\$390,588.61	Annual	12/15/2041

Debt Service Notes:

The debt service payment to PNC Capital Markets is for the 2020 Bond Issue. The debt service payment is for the year of 2024 only and is budgeted at line item 01.485.00 in the General Fund. The debt service payment to Fidelity Bank in the amount of \$390,588.61 is for 2024 only and is budgeted in the Pension Activities Fund. This payment is fully subsidized by state pension aid.

*The debt service payment to Fidelity Bank for the new 2023 garbage truck requires approval from Municipal Council. The debt service disclosed may decrease if the Municipality applies a down payment.

*The debt service payment to GM Financial for the new 2023 Fire Squad will be fully offset by an Office of the State Fire Commissioner Grant in FY 2024

*The debt service items shaded in yellow expire in 2024 and total \$28,045.95.

Pringle Police Services Agreement: For the fiscal year of 2023, Pringle Borough is paying the Municipality \$76,543.00 for police services. The current agreement contains annual increases of 1% and expires on December 31, 2023.

The Administration negotiated a new agreement in September of 2023 with Pringle Borough that will require consideration of Municipal Council. The agreement is for a term of four years with 1% annual fee increases. Pringle Borough also agreed to apply for a 2023 LSA Grant in the amount of \$92,228.45 for a 2024 Chevy Tahoe with advanced computer and license plate reading equipment for the Kingston Police Department.

The revenue for this agreement is appropriated at line item 01.370.025 in the General Fund Budget. The appropriation for 2024 will be in the amount of \$77,308.00.

Kingston / Forty Fort Fire Department: The Administration is working with officials from Forty Fort Borough on tweaking the Joint Municipal Service Agreement which defines the operational parameters of the functional consolidation of Fire and EMS services. Our intent is to protect the long-term interest of the consolidation while strengthening the resources and services of the department.

The Administration is currently negotiating with the Kingston Firemen's Community Ambulance Association to secure more funding for the department. The funding provided by the Kingston Firemen's Community Ambulance Association is used to subsidize the cost of operating the department.

Overtime expenses have skyrocketed for multiple consecutive years due to long-term personal and work-related injuries. We hope to secure additional funds for the 2024 budget.

Collective Bargaining: The Collective Bargaining Agreement between the Municipality and Kingston Fire Department is for the period of January 1, 2023 through December 31, 2026. Wage increases are as follows: 2023, 3%; 2024, 3%; 2025, 2.5%; 2026, 2.0%.

The contract agreement between the Municipality and Kingston Municipal Police Department is for the period of January 1, 2022 through December 31, 2025. Wage increases in this agreement are as follows: 2022, 3%; 2023, 3%; 2024 3%, 2025, 3%.

The contract agreement between the Municipality and DPW employees is for the period of January 1, 2022 through December 31, 2025. Wage increases in this agreement are as follows: 2022, 3.0%; 2023, 3.0%; 2024, 2.75%; 2025, 2.75%.

Clutter Cleanup 2024: Mayor Jeffrey R. Coslett is pleased to announce the return of the Clutter Cleanup Program for 2024. Details will be released in the Spring of 2024.

WVSA Savings Account: At August 31, 2023, the Municipality's balance in WVSA's Stormwater Savings Account is \$50,475.19. The Municipality is set to receive an additional distribution in the amount of \$10,889.75 during the fourth quarter of 2023. The proceeds of the savings account can be used for projects specifically related to WVSA's Regional Stormwater Management Program. The Administration used \$140,000.00 in FY 2022 as a down payment on the new street sweeper. The Administration will continue to use the proceeds of this account to pay for the quarterly debt service (\$5,693.41) on the street sweeper through March 31, 2027. Because of this account, the new street sweeper is not costing the Municipality a penny from any budget source.

The Municipality is presently earning \$10,889.75 per quarter from WVSA, or \$43,559.00 on an annual basis. After paying for the debt service on the new street sweeper, the annual amount earned in this account will total \$20,785.36 (\$43,559.00 - \$22,773.64 Street Sweeper Debt Service).

2024 PA American Water Company Proposed Water Main Replacement Projects: The Pennsylvania American Water Company has provided the Municipality with notice that the following projects may take place in 2024: new 8" main on West Dorrance Street from Railroad Avenue to Wyoming Avenue; new 8" main on Poplar Street from Railroad Avenue to Schuyler Avenue; new 8" main on Schuyler Avenue from Pringle Street to Price Street; new 8" main on Reynolds Street from Wyoming Avenue to Warren Avenue; and new 8" main on Warren Avenue from Pierce Street and Butler Street.

Message From Mayor Jeffrey R. Coslett.: Mayor Coslett with this statement extends his sincere thanks and appreciation to our great team of Elected Officials and Municipal Employees. "My success as Mayor and the success of our great community is not possible without you! 2024 promises to be an outstanding year as we continue building and investing in our great community! I am humbled to be your Mayor and truly excited about the great things to come in 2024!"

The Administration again thanks all Members of Town Council, Solicitor Mattern, employees, and citizenry for their invaluable contributions in making our community a "Great Place to Call Home."

Municipality of Kingston

Analysis of Personnel & Fringe Benefit Costs 2022 Compared to 2023

<u>Administration (5)</u>	<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>	<u>%</u>
01.400.000	Salaries	\$ 444,972.00	\$ 465,278.00	
01.400.035	Increments	\$ 17,626.00	\$ 18,319.00	
01.400.700	Health Insurance	\$ 104,184.00	\$ 111,451.00	
01.400.710	Workers Compensation	\$ 1,100.00	\$ 968.00	
01.400.712	Public Official Liability	\$ 21,378.00	\$ 22,750.00	
01.400.730	Life Insurance	\$ 1,029.00	\$ 1,029.00	
Total Administration Personnel Costs		\$ 590,289.00	\$ 619,795.00	5.00%
Police (21) + (1) PE	<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>	
01.410.000	Salaries	\$ 1,319,104.00	\$ 1,454,881.00	
01.410.010	Overtime	\$ 48,000.00	\$ 48,000.00	
01.410.015	AG - Overtime	\$ 52,500.00	\$ 50,000.00	
01.410.020	Court Time	\$ 40,000.00	\$ 32,500.00	
01.410.030	Nightshift Differential	\$ 44,000.00	\$ 48,500.00	
01.410.035	Increments	\$ 53,826.00	\$ 60,466.00	
01.410.040	Crossing Police	\$ 70,500.00	\$ 62,500.00	
01.410.045	Parking Enforcement	\$ 39,544.00	\$ 40,533.00	
01.410.070	Emergency Police	\$ 25,000.00	\$ 23,000.00	
01.410.120	Uniforms	\$ 20,250.00	\$ 21,000.00	
01.410.560	Training Programs	\$ 6,000.00	\$ 6,000.00	
01.410.700	Health Insurance	\$ 340,081.00	\$ 344,868.00	
01.410.710	Workers Compensation	\$ 58,750.00	\$ 61,815.00	
01.410.722	Law Enforcement Liability	\$ 12,440.00	\$ 33,600.00	
01.410.730	Life Insurance	\$ 15,840.00	\$ 17,436.00	
Total Police Personnel Costs		\$ 2,145,835.00	\$ 2,305,099.00	7.42%
Less: 01.370.135	Reimburse AG-Overtime	\$ (52,500.00)	\$ (50,000.00)	
Less: 01.370.060	Crossing Police	\$ (42,300.00)	\$ (37,500.00)	
Total Police Personnel Costs Adjusted for Revenue Offsets		\$ 2,051,035.00	\$ 2,217,599.00	

<u>Ambulance Rescue</u>		<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>	
01.412.000		Volunteers Salaries	\$ 55,000.00	\$ 48,000.00	
01.412.710		Workers Compensation	\$ 850.00	\$ 716.00	
Total Ambulance Rescue Personnel Costs			\$ 55,850.00	\$ 48,716.00	-12.77%
<u>Fire Department (31)</u>		<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>	
01.413.000		Salaries	\$ 2,005,097.00	\$ 2,075,702.00	
01.413.010		Volunteers	\$ 8,500.00	\$ 7,500.00	
01.413.020		Overtime	\$ 42,000.00	\$ 45,000.00	
01.413.021		Court Time	\$ 300.00	\$ 300.00	
01.413.030		Nightshift Differential	\$ 69,311.00	\$ 72,000.00	
01.413.035		Increments	\$ 83,894.00	\$ 88,700.00	
01.413.120		Uniforms	\$ 24,000.00	\$ 24,000.00	
01.413.200		Training	\$ 18,000.00	\$ 18,000.00	
01.413.700		Health Insurance	\$ 422,909.00	\$ 479,997.00	
01.413.710		Workers Compensation	\$ 94,500.00	\$ 88,304.00	
01.413.711		Volunteers Workers Comp	\$ 18,000.00	\$ 22,345.00	
01.413.730		Life Insurance	\$ 5,820.00	\$ 5,789.00	
Total Fire Department Personnel Costs			\$ 2,792,331.00	\$ 2,927,637.00	4.85%
		Less: 01.370.131	\$ (462,000.00)	\$ (626,100.00)	
		Less: 01.370.132	\$ (378,177.00)	\$ (393,964.00)	
Total Net Fire Department Personnel Costs			\$ 1,952,154.00	\$ 1,907,573.00	
<u>License & Inspection (2)</u>		<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>	
01.416.000		Salaries	\$ 120,020.00	\$ 125,641.00	
01.416.001		Inspection Services	\$ 122,571.00	\$ 120,000.00	
Total License and Inspection Personnel Costs			\$ 242,591.00	\$ 245,641.00	1.26%
<u>Police Clerks (1)</u>		<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>	
01.418.000		Salaries	\$ 75,000.00	\$ 77,500.00	

Total Police Clerks Personnel Cost

\$ 75,000.00 \$ 77,500.00 3.33%

Department of Public Works (12)

	<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>
01.424.000	Salaries - Sanitation	\$ 307,833.00	\$ 321,769.00
01.426.000	Salaries -Recycling	\$ 134,286.00	\$ 141,121.00
01.430.000	Salaries - General Labor	\$ 317,783.00	\$ 318,292.00
01.430.035	Increments	\$ 3,726.00	\$ 4,386.00
01.430.700	Health Insurance	\$ 178,025.00	\$ 168,297.00
01.430.710	Workers Compensation	\$ 45,518.00	\$ 45,518.00
01.430.730	Life Insurance	\$ 2,791.00	\$ 1,470.00
01.431.000	Overtime	\$ 23,000.00	\$ 29,000.00
01.431.100	Clothing	\$ 14,000.00	\$ 15,000.00
01.456.000	Salaries - Mechanic		

Total Department of Public Works Personnel Costs

\$ 1,026,962.00 \$ 1,044,853.00 1.74%

Transfers and Subsidies

	<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>
01.440.00	Transfer to Hoyt Library	\$ 100,000.00	\$ 100,000.00
01.450.200	Summer Parks	\$ 17,500.00	\$ 18,500.00
01.453.000	Transfer to Kingston Pool	\$ -	\$ -
01.492.500 (1) FT Director	Transfer to Kingston Rec. Center	\$ 155,354.00	\$ 153,446.00

Total Transfers and Subsidies

\$ 172,854.00 \$ 171,946.00 -0.53%

Other Municipal Employee Costs

	<u>Account Classification</u>	<u>2022 Budget Appropriation</u>	<u>2023 Budget Appropriation</u>
01.470.000	Social Security General Fund	\$ 310,475.00	\$ 333,791.00
45.740.000	Social Security Recreation Fund	\$ 15,300.00	\$ 14,497.00
01.470.030	Life Insurance	\$ 1,940.00	\$ 1,940.00
01.470.040	Health Insurance Under 65	\$ 230,810.00	\$ 157,875.00
01.470.041	Health Insurance Over 65	\$ 54,888.00	\$ 65,736.00
01.470.042	Health Care Buyout	\$ 71,882.00	\$ 83,422.00
01.470.045	Transitional Reinsurance Fee	\$ -	\$ -
01.470.050	Police Pension MMO	\$ -	\$ -
01.470.060	Fire Pension MMO	\$ -	\$ -
01.470.070	NonUniform Pension MMO	\$ -	\$ -
01.470.200	Sick Pay	\$ 50,000.00	\$ 55,000.00
01.470.300	Cost of Living	\$ 32,500.00	\$ 38,000.00

MUNICIPALITY OF KINGSTON, PA

Borrowing Base and Debt Capacity

Municipality of Kingston Debt Capacity - Net Nonelectoral

Projected Borrowing Base		Par
A	Debt Limit	25,046,907
B	LESS: Net Debt Outstanding	9,369,798
	REMAINING DEBT CAPACITY	15,677,109
Fiscal Year Ended Dec 31		Revenue
	2020	9,510,586
	2021	10,189,472
	2022	10,356,230
	Total Revenues for Previous 3 Periods	30,056,288
	Borrowing Base (Average of Previous 3 Periods)	10,018,763
A	DEBT LIMIT (250% OF BORROWING BASE)	25,046,907
Issue		Outstanding Par
	Series of 2020 - GO Bonds	4,275,000
	Series of 2017 - Notes	5,094,798
B	TOTAL OUTSTANDING	9,369,798

Municipality of Kingston Debt Capacity - Net Nonelectoral and Lease Rental

Projected Borrowing Base		Par
A	Debt Limit	35,065,669
B	LESS: Net Debt Outstanding	9,369,798
	REMAINING DEBT CAPACITY	25,695,872
	TOTAL CAPACITY*	25,695,872
Fiscal Year Ended Dec 31		Revenue
	2020	9,510,586
	2021	10,189,472
	2022	10,356,230
	Total Revenues for Previous 3 Periods	30,056,288
	Borrowing Base (Average of Previous 3 Periods)	10,018,763
A	DEBT LIMIT (350% OF BORROWING BASE)	35,065,669
Issue		Outstanding Par
	Series of 2020 - GO Bonds	4,275,000
	Series of 2017 - Notes	5,094,798
B	TOTAL OUTSTANDING	9,369,798

