

# Town of Bethlehem

Proposed 2007 Budget

Theresa L. Egan

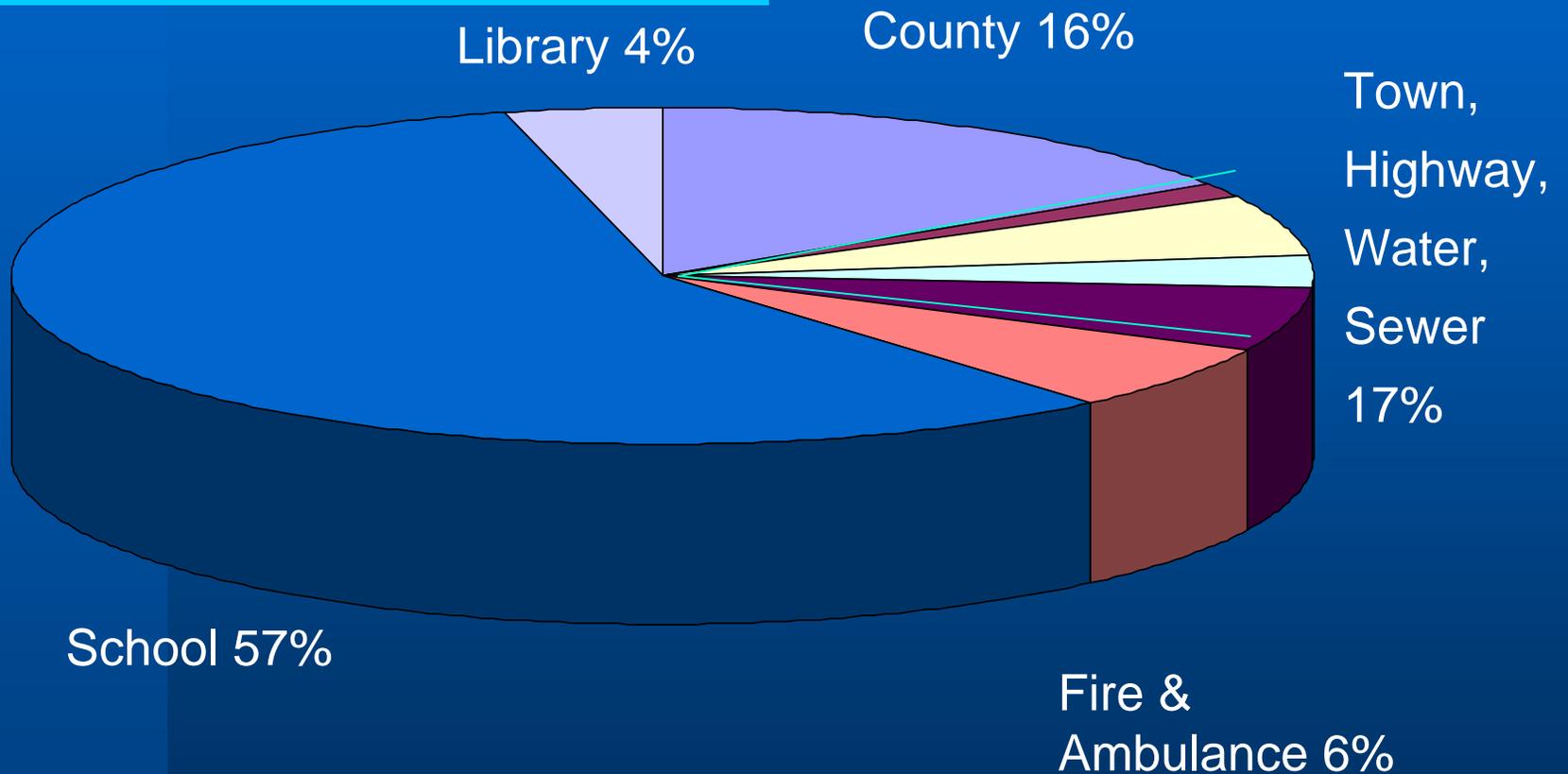
Town Supervisor

# Bottom Line:

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- **Focused on General and Highway Funds, to remedy deficits**
- **Held the line on expenses:**
  - Total expenditures up < 1%
- **Limits the taxes to be raised**
  - ( the “levy”)
  - Net increase in levy = 2.75%

# Allocation of Total Property Taxes



# All Percentages are not the Same

<b>If \$250,000 AV</b>	<b>Fall 05/Jan. 06</b>	<b>1% Increase is</b>
<b>Town tax</b>	<b>\$ 126</b>	<b>\$ 1.26</b>
<b>Highway tax</b>	<b>\$ 474</b>	<b>\$ 4.74</b>
<b>Water tax</b>	<b>\$ 233</b>	<b>\$ 2.33</b>
<b>Sewer tax</b>	<b>\$ 127</b>	<b>\$ 1.27</b>
<b>BCSD</b>	<b>\$6,103</b>	<b>\$61.03</b>
<b>Library</b>	<b>\$ 478</b>	<b>\$ 4.78</b>

# What do General Fund tax dollars provide?

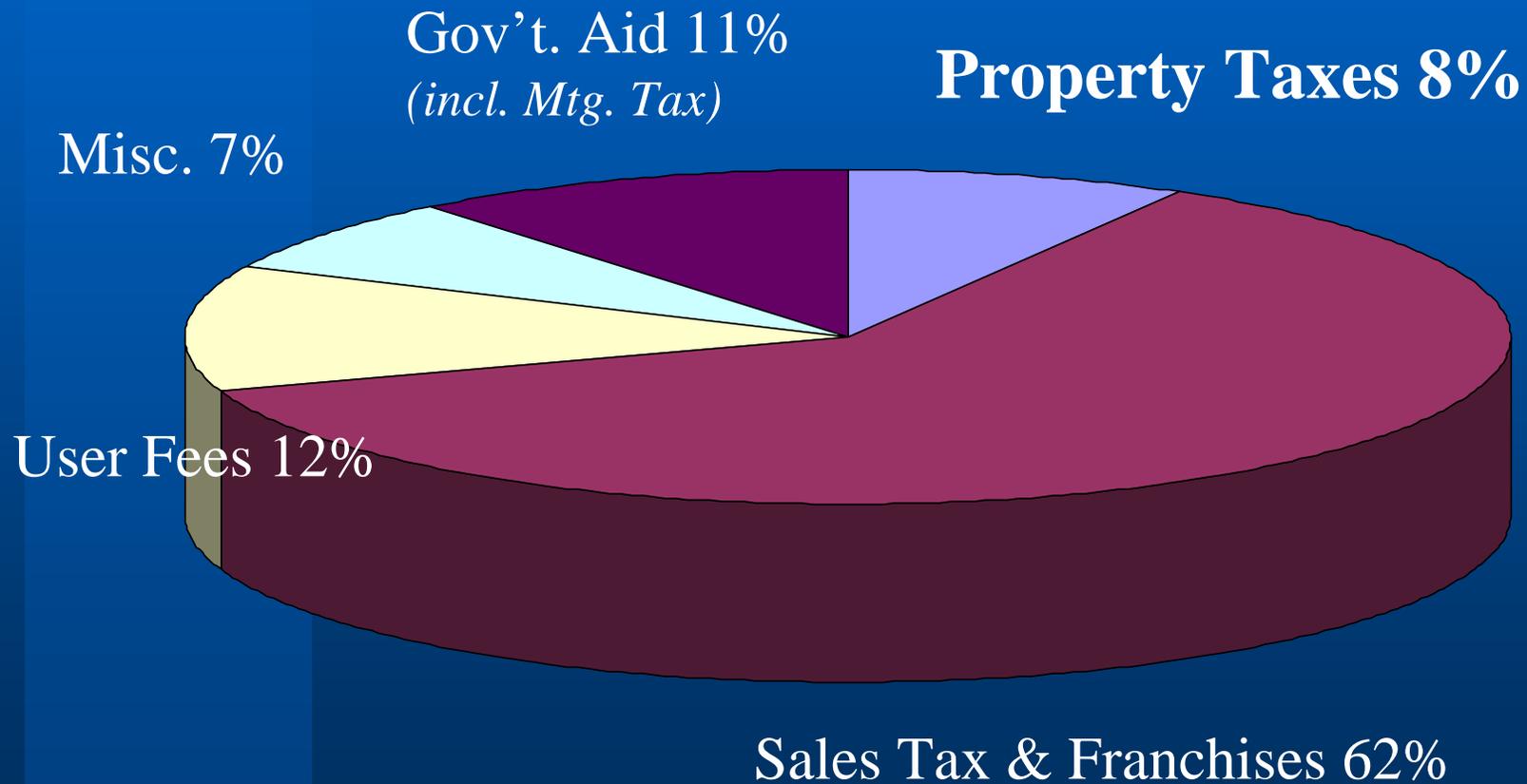
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- **Police Protection**
- **Parks and Recreation programs and facilities**
- **Senior Services programs**
- **Planning & Economic Development**
- **Administrative Support**

# What do Highway Fund tax dollars provide?

- Maintenance of town roads
- Leaf and brush pickup
- Plowing, salting and sanding
- In-house maintenance of town fleet
- Equipment required to do the job

# General Fund Revenue Sources



# Economic Perspective

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- **Rely on economically dependent revenues for 73% of funding**
  - Economy is cyclical
- **Expenditures steadily increasing**
  - Including non-discretionary costs
- **Built up fund balance to ride out the downturn with use of savings**
  - Limited resource

# Non-discretionary Expenditures

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- Retirement System – mandated
- Fuel & energy costs
- Health insurance, including retirees
- HAVA – mandated
- Storm Water Management – mandated program
- Asphalt and other paving materials

# Budgetary Goal #1: Be fiscally responsible

- **Guiding principles, modeled on best-practices, used to create plan**
- **Preserve fiscal health**
  - Deliver equitable plan for both current and future tax payers
- **Multi-year financial plan**
  - Need to take a longer-term view

# Budgetary Goal #2:

## Be fair to taxpayers

- Provide the highest quality of services, at the lowest cost
- Seek out other revenue sources, to minimize taxes
- Sensitive to rising prices on other consumer goods, including energy, fuel & health care

# Budgetary Goal #3:

## Be fair to employees

- **Rely on trained and professional employees to provide services**
- **Retaining/Recruiting good people yields efficiencies**
  - **Requires competitive compensation**

# Fiscal Analysis – General Fund

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- **Recognized need for action**
  - IMac assesses ways to improve operations
- **Strengths**
  - Fund Balance currently strong
  - Service quality deemed high
- **Weaknesses**
  - Deficits need correction
  - HAVA mandate = \$200,000 additional costs

# Plan to Close the Gap

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- **Growth in revenues must be greater than the growth in expenditures**
  - 2007 expenditures held flat (+ .27%)
  - 2007 revenues increasing
  - Deficit shrinking

# Gap Analysis

	<b>General</b>	<b>Highway</b>	<b>Total</b>
<b>2006</b>	<b>(\$800,000)</b>	<b>(\$445,000)</b>	<b>(\$1,245,000)</b>
<b>2007</b>	<b>(\$578,000)</b>	<b>(\$139,000)</b>	<b>(\$ 717,000)</b>

Improvement shown ...

How? Increased revenues more than expenses ...

more progress needed

# Budget Preparation Process

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- **Comptroller prepared fiscal plan**
  - Anticipated realistic growth in revenue
  - Limited departmental expenditures, to achieve a workable overall plan
- **Spending allocations reviewed with Department Heads**
  - Consensus largely obtained
- **Town Board will make policy decisions**

# General Fund Highlights

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- **Use of fund balance as funding source should be reduced**
  - From \$800,000 in 2006 to \$578,000 in 2007
- **Sales and mortgage tax estimated to increase by \$77,000**
- **Need \$266,100 more in tax levy**
  - About \$19 increase for \$200,000 home
  - Total of \$83 for \$200,000 home

# Highway Fund: 2005 to 2006

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- **Recognizes responsibility to trim costs to control taxes. In 2005:**
  - Saved \$200,000 by holding positions vacant
  - Saved \$140,000 with paving reductions
  - To partially offset the \$610,000 deficit in 2006
- **Hoping to use savings to forego \$115,000 transfer from General Fund in 2006**
  - Likely \$400,000 deficit to be realized in 2006

# Highway Fund: 2007

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- Superintendent has reduced the force to 58 (down 2)
- No transfer from General Fund
- Use of fund balance: \$139,000
- Need \$289,000 more in tax levy
  - About \$20 increase for a \$200,000 home
  - Total of \$263 for \$200,000 home

# Potential Choices

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- Charge for use of playing fields?
- Reduce hours at the pool?
- Change fee structure for senior citizen programs run by Parks?
- Reduce programs for Sr. Services?
- Less frequent brush/leaf pickup?
- Less frequent snow plow runs?

# Potential Choices

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- **DARE program reduction?**
- **Withdraw support for flowers?**
- **Reduction of staff positions? Of COLA?**
- **Modify health insurance benefit?**
- **Build a more flexible & fluid workforce?**

# Fiscal Analysis – Other Funds

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- **Water & Sewer Funds healthy**
  - Funded largely with user fees
  - Reducing property taxes
  - Plan evolving to address previous deferral of maintenance – Asset Management program in its infancy

# Highlights of 2006

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- **New web site launched**
- **Porco case resolved with conviction**
- **Maple Ridge Park opens**
- **Spray park opens**
- **Town-wide reassessment completed**
- **CACC formed**
- **Zoning amendments adopted**

# Planned Activities for 2007

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- **On target for 2008 compliance with MS4 Storm Water Management**
- **Development of Capital Projects Report and spending plan**
- **Ongoing attention to deferred maintenance on infrastructure**
- **Consideration of recommendations from Facility Needs Analysis**

# Planned Activities for 2007

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- **Economic Dev. & Planning Initiatives**
  - Local Waterfront Redevelopment Program
  - 9W Corridor Study
  - Slingerlands Hamlet Plan implementation
  - Delaware Ave. Linkage Study
  - Enhance development review process
- **Rt. 85 bypass construction, groundbreaking on Vista Tech Park**
- **Explore consolidation opportunities**
  - Central call system, integrated staffing

# Summary of Personnel

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- 2006 full-time equivalents = 248.5
- Elimination of positions by attrition – (3.0)
- 2007 full-time equivalents = 245.5
  
- *Ability to reduce 6.0 vacancies between DPW and Highway, if we can build a flexible and fluid workforce.*
  - *Over \$200,000 in potential savings*

# Summary of Expenditures – All Funds (in thousands)

	2006	2007	Change
Salary & Fringes	19,120	19,698	578
Equipment	2,454	2,378	( 76)
Operating	12,939	12,685	(254)
Debt Service	1,931	1,780	(151)
Total	36,444	36,541	97

Overall increase in expenditures

+ .27%

# Tax Levies by Fund

**2006**

**2007**

**Change**

<b>General Fund</b>	<b>951,300</b>	<b>1,217,400</b>	<b>266,100</b>
<b>Highway Fund</b>	<b>3,725,000</b>	<b>3,879,000</b>	<b>154,000</b>
<b>Water Dist #1</b>	<b>1,890,100</b>	<b>1,800,000</b>	<b>( 90,100)</b>
<b>Sewer District</b>	<b>1,667,000</b>	<b>1,563,000</b>	<b>(104,000)</b>
<b>TOTAL</b>	<b>8,233,400</b>	<b>8,459,400</b>	<b>226,000</b>

+ 2.75%

**Total Appropriations:** 36,444,000 36,541,000

+ .27%

# The Reval Effect: General, Highway, Water and Sewer

	<b>Pre-reval</b>	<b>Up 40%</b>	<b>Up 70%</b>	<b>Up 100%</b>
<b>AV =</b>	<b>100,000</b>	<b>140,000</b>	<b>170,000</b>	<b>200,000</b>
<b>Tax Rate</b>	<b>3.839</b>	<b>2.604</b>	<b>2.604</b>	<b>2.604</b>
<b>Tax Bill</b>	<b>384</b>	<b>365</b>	<b>443</b>	<b>521</b>
<b>\$ Change</b>		<b>(\$19)</b>	<b>\$59</b>	<b>\$137</b>

NOTE: Does not include Albany County tax or Fire and Ambulance Charges

# Change in Tax Bill Format: ALS

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- **New line for ALS Program**
  - Previously combined with ambulance line item
- **Larger increase, due to redistribution of costs to Bethlehem**
  - Higher call volume, larger population served
- **\$200,000 home: total bill about \$34**
  - About a \$12 increase

# Review Schedule

- Following timetable reflects the review and approval process:



**FOR MORE INFO...**

Contact Theresa L. Egan, Supervisor or  
Judith E. Kehoe, Comptroller

# To Review Budget Documents

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- [www.townofbethlehem.org](http://www.townofbethlehem.org)
- Town Clerk's Office
- Bethlehem Public Library
  - Reference desk

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