

**Town of Bethlehem
2012 Preliminary Budget
October 26, 2011**

**Sam Messina, Supervisor
Suzanne Traylor, Comptroller**



2012 Budgeting Principles

- Keep taxes and fees as low as responsibly possible
- Reduce the structural budget imbalance by decreasing the use of fund balances
- Maximize efficiency and cost-cutting while maintaining the quality of services that make Bethlehem a wonderful community to live and work in

2012 Budgeting Principles

- Demonstrate that we value our Town's most important asset – the employees
- Aggressively and courageously address our critically important capital infrastructure needs
- Work collaboratively as a Town Board to build a sound fiscal plan for Bethlehem in 2012, and leading into the future



Challenges for 2012

- 2% Tax Cap Legislation
- Rising fuel costs
 - Increase of approximately \$167K for 2012
 - Gas prices up almost \$1.00/gallon since last year
 - Utilization of 184K gallons/year
- Continued economic uncertainty
- Unfavorable investing rates - favorable borrowing rates
- Impact of 2013 future pilot revenue loss
 - Affects General Fund & Highway Fund by \$1.75 million
- Pension Increases - \$1.0 Million
 - Employee Retirement System = \$699 K
 - Police Retirement System = \$318 K

Challenges for 2012

In 2002, Pension Costs represented 0.48% of the Town's operating budget (238 full time employees)

In 2012, Pension Costs represent 7.77% of the Town's operating budget (236 full time employees)

- Pension Increases - \$1.0 Million
 - Employee Retirement System = \$699 K
 - Police Retirement System = \$318 K



Actions we took to absorb \$1.4 million in increased costs:

- Cut Operational Expenses
 - Saving - \$578K
- Eliminated 2012-2013 reassessment project
 - Saving - \$125K (\$125K in 2011 & 2012; \$250K in 2013)
- Increased health insurance co-pays from \$15 per visit to \$25
 - Saving - \$290K
- Eliminated 6 full-time positions – a 2.5 % reduction in staff
 - Saving - \$440K (\$276K in salaries; \$164K in fringes/tax)



Further approaches taken to meet our financial challenges:

- Increased Town-wide taxes by only 1.27%
 - Highway Fund = \$172K (\$121K Taxes / \$51K PILOT)
- Excluded 1% COLA
 - Saving - \$183K (\$142K in salaries; \$41K in fringes/taxes)
- Providing for limited merit increases
 - Saving - \$144K (\$111K in salaries; \$33K in fringes/taxes)
- Implement a capital program - \$6.4 Million
 - Operating Capital: \$1.3 Million
 - Proposed Borrowing: \$3.7 Million
 - Use of Capital Reserves: \$1.4 Million



PROPOSED 2012

Preliminary

Budget

All Funds

2012 Preliminary Budget

FUND	BUDGETED APPROPRIATIONS	ESTIMATED REVENUE	APPROPRIATED FUND BALANCE	TO BE RAISED BY TAXES	TOTAL FINANCING SOURCES	OTHER: DEBT/CAP RESERVES	TOTALS
General	18,228,095	16,037,197	112,249	2,078,649	18,228,095	406,000	18,634,095
Highway	6,518,756	2,175,509	248,614	4,094,633	6,518,756	949,427	7,468,183
Water	9,333,090	7,043,730	344,166	1,945,194	9,333,090	2,200,000	11,533,090
Sewer	4,507,774	2,716,784	263,756	1,527,234	4,507,774	1,530,000	6,037,774
GRAND TOTALS	38,587,715	27,973,220	968,785	9,645,710	38,587,715	5,085,427	43,673,143
FOR REFERENCE: 2011 FINAL TOTALS							
General	17,801,327	15,592,482	130,196	2,078,649	17,801,327	60,500	17,861,827
* Highway	6,376,165	1,989,667	412,910	3,973,588	6,376,165	1,140,000	7,516,165
Water	9,499,128	6,868,505	685,429	1,945,194	9,499,128	1,590,000	11,089,128
Sewer	4,906,801	2,621,751	757,816	1,527,234	4,906,801	410,000	5,316,801
GRAND TOTALS	38,583,421	27,072,405	1,986,351	9,524,665	38,583,421	3,200,500	41,783,922
Change from P/Y	0.01%	3.33%	-51.23%	1.27%			

* - Bonding removed from 2011 Highway Fund equipment expenditures budget due to a change in interpretation of government accounting rules on bonding.

2012 Preliminary Budget

FUND	BUDGETED APPROPRIATIONS	ESTIMATED REVENUE	APPROPRIATED FUND BALANCE	TO BE RAISED BY TAXES	TOTAL FINANCING SOURCES	OTHER: DEBT/CAP RESERVES	TOTALS
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**2011 Budget
Tax Increase
\$153,635
1.64%**

**2012 Budget
Tax Increase
\$121,045
1.27%**

**2011 Budgeted Fund
Balance
Appropriation Increase
\$259,821
or
15.05%**

**2012 Budgeted Fund
Balance
Appropriation Decrease
(\$1,017,566)
or
-51.23%**

2012 General Fund Revenue Budget

General Fund Revenue:	
Draft Budget - Presented August 31, 2011	<u>18,102,919</u>
Changes to Draft Budget:	
Paid Detail for Police OT	13,500
Increase use of Fund Balance	<u>129,503</u>
2012 Tentative Budget	18,245,922
Changes to Tentative Budget:	
Increase Rental of Real Property for Fire Tower	5,000
Increased Sales Tax Estimate	25,000
Increased Mortgage Tax Estimate	25,000
Reduce General Fund Tax Levy	(41,573)
Reduce Pilot Revenue	(14,000)
Reduce use of budgeted fund balance	<u>(17,254)</u>
2012 Adjusted Tentative Budget	18,228,095
2011 Adopted Budget	<u>17,801,327</u>
Additional General Fund Revenue in 2012 Preliminary Budget over 2011 Adopted Budget	<u>426,768</u>

2012 General Fund Appropriation Budget

General Fund Appropriations:		
Draft Budget - Presented August 31, 2011		18,102,919
Changes to Draft Budget:		
Employee Retirement System Costs	116,612	
Police Retirement System Costs	130,464	
Limited Merit Incentives	108,665	
Salary/Fringe/Taxes Based on Retirements	(75,600)	
Adjustment of anticipated fuel costs	(20,138)	
Reduction of Police Software Support Maint.	(9,000)	
Fund Vehicle Purchases through Bonding	(133,000)	
Selkirk Cogen Appraisal	25,000	
	<u>25,000</u>	
2012 Tentative Budget		18,245,922
Changes to Tentative Budget:		
Fund Vehicle Purchases from Operations	133,000	
Adjust Fire Tower Reserve	10,500	
Reduction of Police/Telecommunicator Overtime	(58,050)	
Fund Park Capital Projects from Capital Reserves	(71,000)	
Adjust Software Support - Comptroller	(11,750)	
Reduce DPW Admin - Engineers	(5,000)	
Reduce DPW Stormwater - Engineers	(1,500)	
Reduce Composting (5060) Budget per MH Analysis	(800)	
Reduce Equipment Repair per MH Analysis	(3,247)	
Reduce Legal Ads & Notices per MH analysis	(200)	
Reduce Printed Materials - Public Information	(7,825)	
Reduce Telephone - Shared Services	(1,955)	
	<u>(1,955)</u>	
2012 Adjusted Tentative Budget		18,228,095
2011 Adopted Budget		17,801,327
Additional General Fund Appropriations in 2012		
Preliminary Budget over 2011 Adopted Budget		426,768

2012 General Fund Expenditure Budget

FUND	2012	2011	\$ Change	% Change
General Fund				
Personal Services	9,693,645	9,837,389	(143,744)	-1.5%
Fringe Benefits & Payroll Taxes	3,984,068	3,458,928	525,140	15.2%
Equipment	219,570	263,775	(44,205)	-16.8%
Contractual	3,661,366	3,581,863	79,503	2.2%
Debt Service & Other Financing	669,446	659,372	10,074	1.5%
Total Operating	18,228,095	17,801,327	426,768	2.4%

2012 Highway Fund Revenue Budget

Highway Fund Revenue:	
Draft Budget - Presented August 31, 2011	<u>6,419,151</u>
Changes to Draft Budget:	
Increase use of Fund Balance	<u>26,532</u>
2012 Tentative Budget	<u>6,445,683</u>
Changes to Tentative Budget:	
Increase Tax Levy	41,573
Increase Pilot Revenue	14,000
Increase use of fund balance to close gap	<u>17,500</u>
2012 Adjusted Budget	<u>6,518,756</u>
2011 Adopted Budget	<u>6,376,165</u>
Additional Highway Fund Revenue in 2012 Preliminary Budget over 2011 Adopted Budget	<u>142,591</u>

2012 Highway Fund Appropriation Budget

Highway Fund Appropriations:
Draft Budget - Presented August 31, 2011 6,419,151

Changes to Draft Budget:

Employee Retirement System Costs	63,164
Limited Merit Incentives	20,000
Reduction of Rental of Equipment	(2,500)
Reduction of Road Materials	(15,000)
Reduction of Furniture & Equipment	(15,000)
Reduction of Salt & Sand	(16,000)
Reduction of Other Contractual Services	(7,500)
Reduction of All Other Supplies	(4,000)
Recalculation of Anticipated Fuel Costs	<u>3,368</u>

2012 Tentative Budget **6,445,683**

Changes to Tentative Budget:

Reduce Highway Overtime	(30,000)
Finance Portion of Street Paving from Operations	<u>103,073</u>

2012 Adjusted Tentative Budget **6,518,756**

2011 Adopted Budget **6,376,165**

Additional General Fund Appropriations in 2012
Preliminary Budget over 2011 Adopted Budget **142,591**

2012 Highway Fund Expenditure Budget

FUND	2012	2011	\$ Change	% Change
Highway Fund				
Personal Services	2,943,910	3,013,259	(69,349)	-2.3%
Fringe Benefits & Payroll Taxes	1,563,241	1,406,456	156,785	11.1%
Equipment *	103,073	-	103,073	100.0%
Contractual	1,340,968	1,434,221	(93,253)	-6.5%
Debt Service and Other Financing	567,564	522,229	45,335	8.7%
Total Operating	6,518,756	6,376,165	142,591	2.2%

* - Bonding removed from 2011 Highway Fund equipment expenditures budget due to a change in interpretation of government accounting rules on bonding consistent with 2010 audited financial statements.

2012 Water Fund Revenue Budget

Water Fund Revenue:	
Draft Budget - Presented August 31, 2011	<u>9,441,604</u>
Changes to Draft Budget:	
Adjustment of Fund Balance Usage	<u>(2,657)</u>
2012 Tentative Budget	9,438,947
Changes to Tentative Budget:	
Reduce use of budgeted fund balance	<u>(105,857)</u>
2012 Adjusted Tentative Budget	9,333,090
2011 Adopted Budget	<u>9,499,128</u>
Additional Highway Fund Revenue in 2012 Preliminary Budget over 2011 Adopted Budget	<u>(166,038)</u>

2012 Water Fund Appropriation Budget

Water Fund Appropriations:	
Draft Budget - Presented August 31, 2011	9,441,604
Changes to Draft Budget:	
Employee Retirement System Costs	40,657
Limited Merit Incentives	48,742
Adjustment of anticipated fuel costs	(56)
Reduce Engineering Costs	(10,000)
Reduce New Scotland WTP Equip/Furniture	(20,000)
Reduce New Scotland WTP Property Repairs	(15,000)
Reduce Clapper Road WTP Equip/Furniture	(19,000)
Reduce Water Transmission Equip/Furniture	(10,000)
Reduce New Scotland WTP Other Contractual Services	(18,000)
2012 Tentative Budget	9,438,947
Changes to Draft Budget:	
Reduce Overtime	(9,357)
Defer replacement of Van 505 to 2013	(15,000)
Replace Chem Feed Pumps in 2011	(5,000)
Adjust Other Contracting for Painting - complete in 2011	(10,000)
Replace Generator & Equip in 2011	(5,000)
Defer Engineering Recycle Water Pump Station to 2013	(10,000)
Reduce scope and split purchase of security sys to 2013	(10,000)
Reduce Scope of Replacement for Safety & Locating Eq	(5,000)
Reduce Hardware & Software (Dept 8510)	(1,500)
Reduce Taxes - Town of New Scotland	(35,000)
2012 Adjusted Tentative Budget	9,333,090
2011 Adopted Budget	9,499,128
Additional General Fund Appropriations in 2012	
Preliminary Budget over 2011 Adopted Budget	(166,038)

2012 Water Fund Expenditure Budget

FUND	2012	2011	\$ Change	% Change
Water Fund				
Personal Services	1,853,322	1,882,372	(29,050)	-1.5%
Fringe Benefits & Payroll Taxes	866,152	791,274	74,878	9.5%
Equipment	319,050	540,700	(221,650)	-41.0%
Contractual	4,774,794	4,852,550	(77,756)	-1.6%
Debt Service and Other Financing	1,519,772	1,432,232	87,540	6.1%
Total Operating	9,333,090	9,499,128	(166,038)	-1.7%

2012 Sewer Fund Revenue Budget

Sewer Fund Revenue:	
Draft Budget - Presented August 31, 2011	<u>4,617,741</u>
Changes to Draft Budget:	
Reduce usage fo budgeted fund balance	<u>(743)</u>
2012 Tentative Budget	4,616,998
Changes to Tentative Budget:	
Reduce usage of budgeted fund balance	<u>(109,224)</u>
2012 Adjusted Fund Balance	4,507,774
2011 Adopted Budget	<u>4,906,801</u>
Additional Highway Fund Revenue in 2012 Preliminary Budget over 2011 Adopted Budget	<u>(399,027)</u>

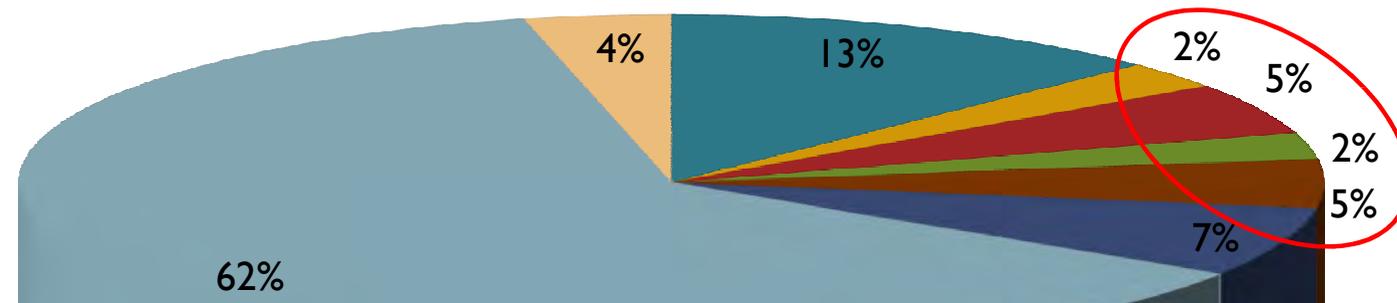
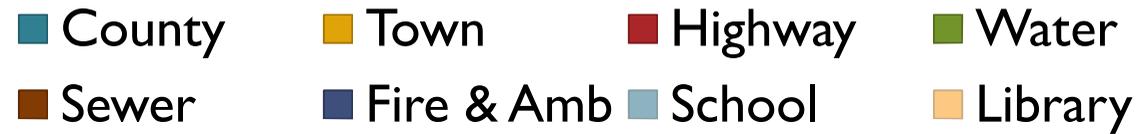
2012 Sewer Fund Appropriation Budget

Sewer Fund Appropriations:	
Draft Budget - Presented August 31, 2011	4,617,741
Changes to Draft Budget:	
Employee Retirement System Costs	24,974
Limited Merit Incentives	26,283
Reduce Engineering Costs	(17,000)
Reduce Maintenance Contract Costs	(15,000)
Reduce Other Contractual Service Costs	(20,000)
2012 Tentative Budget	4,616,998
Changes to Tentative Budget:	
Reduce Sewer Collection Overtime	(4,168)
Reduce Sewer Treatment Overtime	(2,056)
Defer replacement of Van 505 to 2013	(15,000)
Reduce budget for Engineers	(7,000)
Replace Generator & Equip in 2011	(40,000)
Reduce purchase of Safety Equip	(5,000)
Reduce budget for flow monitoring/CCTV	(30,000)
Reduce Licensing Fees (Dept 8555)	(6,000)
2012 Adjusted Tentative Budget	4,507,774
2011 Adopted Budget	4,906,801
Additional Sewer Fund Appropriations in 2012	
Preliminary Budget over 2011 Adopted Budget	(399,027)

2012 Sewer Fund Expenditure Budget

FUND	2012	2011	\$ Change	% Change
Sewer Fund				
Personal Services	1,254,702	1,272,111	(17,409)	-1.4%
Fringe Benefits & Payroll Taxes	551,407	496,798	54,609	11.0%
Equipment	116,500	267,000	(150,500)	-56.4%
Contractual	1,999,500	1,984,893	14,607	0.7%
Debt Service and Other Financing	585,665	885,999	(300,334)	-33.9%
Total Operating	4,507,774	4,906,801	(399,027)	-8.1%

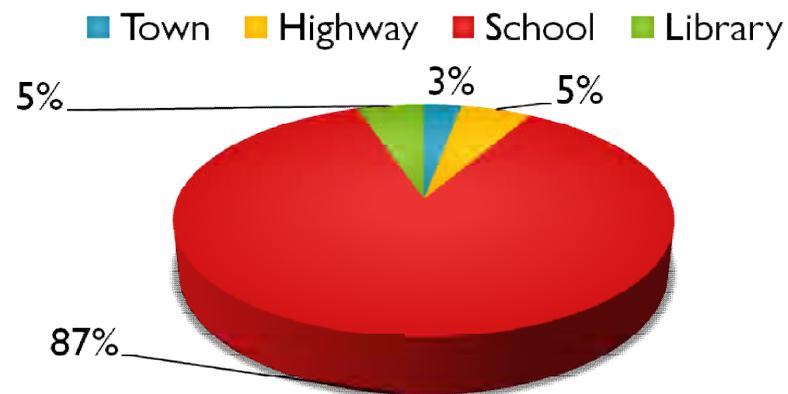
Tax Bill Composition



Town of Bethlehem Taxes represent 14% of your entire tax bill!

Look at your Fall 2011 and Est. January 2012 tax bills ...

AV	Town	Highway	School	Library
\$200k	\$133	\$255	\$4,020	\$240
\$300k	\$200	\$383	\$6,030	\$360
\$600k	\$400	\$765	\$12,060	\$720



Taxes per \$100,000 of A.V.

	2011	Est. 2012	Change
General Fund	65.40	66.71	1.31
Highway Fund	125.03	127.53	2.50
Water Dist #1	57.66	57.66	0.00
Sewer District	30.80	30.80	0.00
Total Town Tax	278.89	282.70	3.81

Note: excludes Albany County taxes and other special districts



Budget Calendar – Town Hall Auditorium at 6 pm:

- November 2, 2011
 - Budget Workshop
- November 9, 2011
 - Town Board Meeting – Budget Adoption



To Review Budget Documents

- www.townofbethlehem.org
- Town Clerk's Office
- Town Libraries (Reference Desk):
 - Bethlehem Public Library
 - Guilderland Public Library
 - RCS Public Library

Public Comments?????

