

# Town of Bethlehem

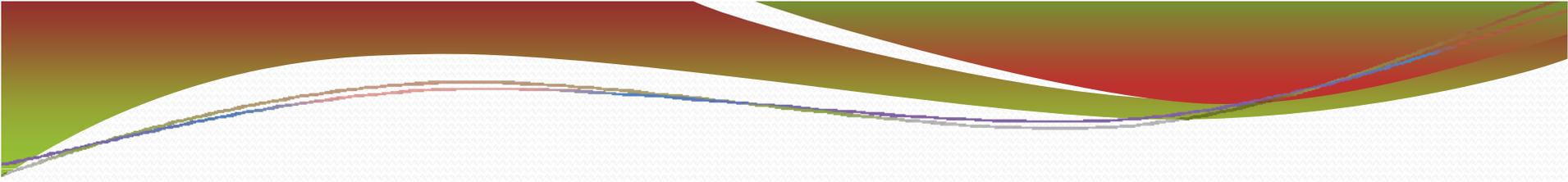
## Proposed 2011 Tentative Budget

### Overview- Public Hearing

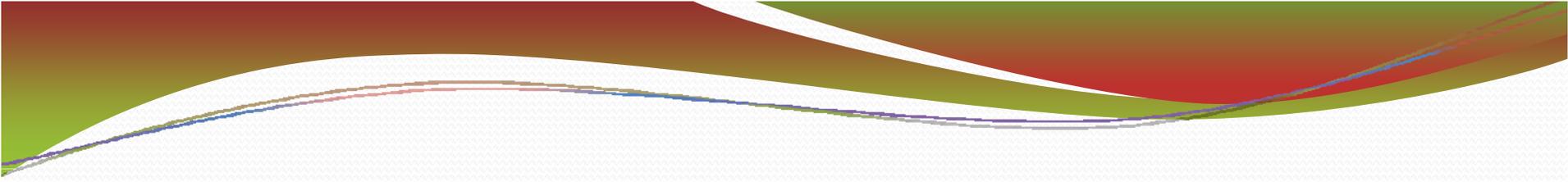
### October 27, 2010

**Sam Messina, Supervisor**  
**Suzanne Traylor, Comptroller**  
**Presented to the Town**  
**Board and the Public**



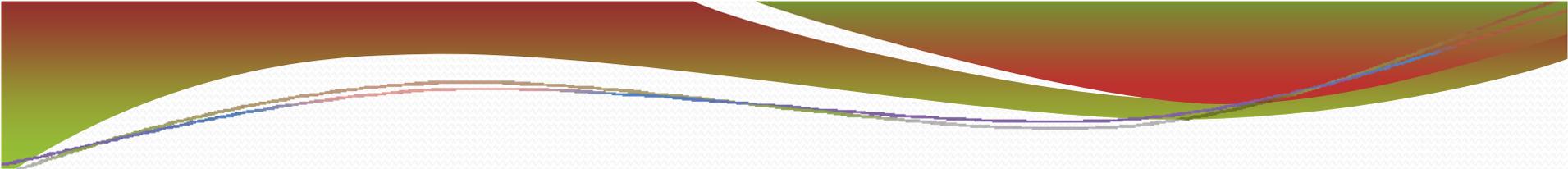


**PROPOSED**  
**2011 TENTATIVE**  
**BUDGET**



# We will keep taxes as low as possible in Bethlehem!

- Tax levy increase of 1.8%
  - Increases the average taxable parcel \$12.85
- Lowest tax increase in 6 years (2.2% to 7.3%)



# We have aggressively cut costs while maintaining valued services.

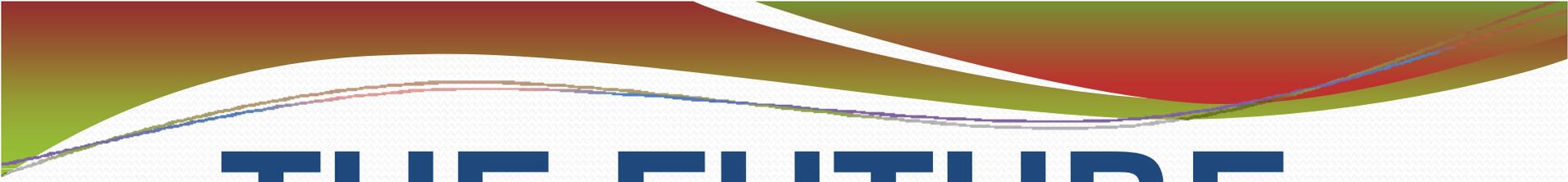
We have reduced expenditures \$801,000

- Reductions are painful - our budget was already lean
- Costs were reduced 3 times by department heads
- Across-the-board and targeted reductions of 3-5%.
- Essential services were maintained



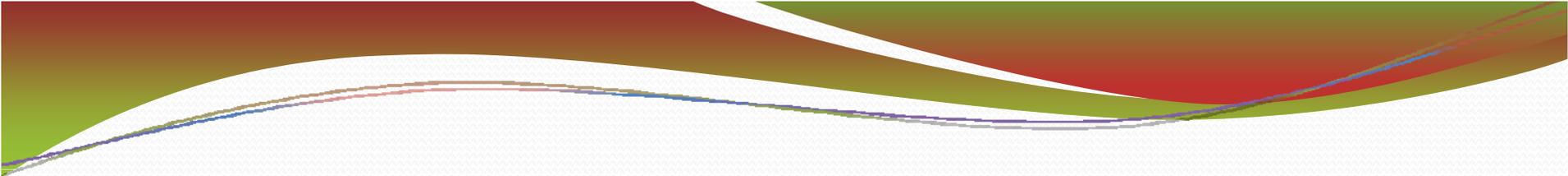
# We needed to generate significant new and increased revenues.

- Generated new revenues of \$221,000
  - Fee changes and additions where appropriate added \$91,000
  - Good audit practices resulted in cable franchise fees of \$130,000 in 2011, and \$25,000 annual increase going forward



# **THE FUTURE:** **2011 AND** **BEYOND**

We must plan and act now to assure  
Bethlehem's future financial security  
and quality of life



# We will not lay off our staff

- Our town staff helped solve the fiscal challenge.
- Layoffs are a last resort and they have been avoided in 2011
- Over last 5 years, full-time staff levels have stayed constant between 240 and 243 (currently 241)
- We must plan wisely and take strong action as necessary, but not overreact to the “cut staff mantra”



# For the first time ever, Bethlehem's 2011 tentative budget includes a capital plan.

- Last year OSC strongly recommended the Town adopt a capital plan
- A first for Bethlehem – a capital plan is included in our budget covering 4 years (2011-2014)
- Should save \$100,000 or more a year in emergency repairs and increasing replacement costs
- For 2011 projected capital needs are \$4,140,000
  - \$1,391,000 will be bonded with payback over 12 years – anticipated to be \$153,000
  - The balance will be funded through capital reserves and operations



# Bethlehem's future depends on a competent and motivated staff.

- A cost-of-living (COLA) of 1% is proposed for 2011
  - This is the lowest COLA proposed in 17 years
    - Prior years have ranged up to 4.5%
  - CPI of 2.7
  - Employee appraisal program included to encourage higher performance
  - Some surrounding communities offering COLA's of 2% or higher

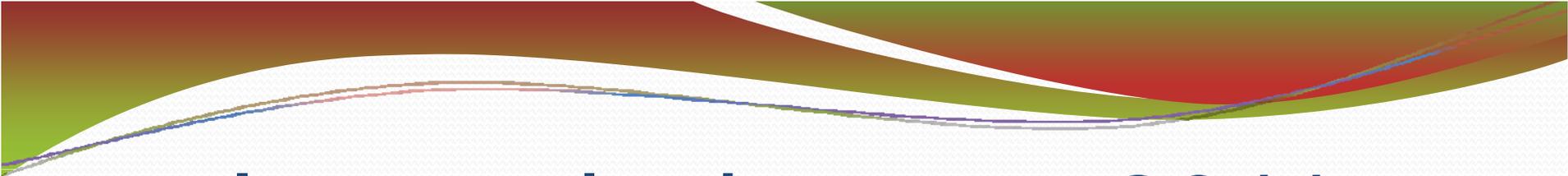


# Good management and accounting supports allocating costs and revenues to programs

- Implement indirect cost allocation chargeback to reflect and report costs accurately to programs
- General, Highway, Water and Sewer funds will stand as revenue and cost centers
- Accounting improvements follow Generally Accepted Accounting Principles (GAAP), and are recommended by Bethlehem's Comptroller

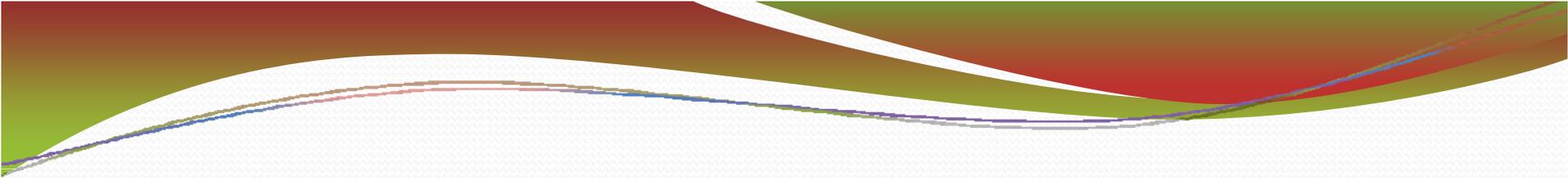
# Bethlehem's water supply issue needs to be addressed head on

- My proposed 2011 tentative budget includes maximizing our Clapper Road plant production capacity by unifying our Town's water distribution system
  - 15 years and 7,300 analytical tests demonstrate all federal and state drinking water standards exceeded at Clapper Road plant
  - Other feasible alternatives will cost Bethlehem \$1 million or more per year, and have other downsides including dependency on other municipalities, control of Bethlehem's water supply, possible EPA water quality findings and financial penalties, and increasing rates
- Public presentations have been made August 17, September 8, and tonight, I proposed a public hearing to be held on October 13, 2010



In conclusion, our 2011 budget is carefully balanced. Now we need to plan more to be prepared for an uncertain future.

- Bethlehem is in a strengthened position for the future from actions proposed in the 2011 tentative budget

- 
- The recently established 20/20 Implementation Committee is already moving forward aggressively to provide the Town Board with information and recommendations to:
    - Cut costs
    - Expand revenue generating economic development
    - Strengthen management and program performance
  - Committees already in place and working include:
    - Economy, Efficiency and Effectiveness
    - Cooperation Among Taxing Jurisdictions
    - Economic Development

# Town of Bethlehem

## Proposed 2011 Tentative Budget Overview– Public Hearing October 27, 2010

Sam Messina, Supervisor  
Suzanne Traylor, Comptroller  
Presented to the Town  
Board and the Public



# 2011 Tentative Budget

| FUND         | 2011              | 2010              | \$ Change      | % Change      |
|--------------|-------------------|-------------------|----------------|---------------|
| General      | 17,927,644        | 18,058,097        | (130,453)      | -0.72%        |
| Highway      | 7,587,788         | 7,098,943         | 488,845        | 6.89%         |
| Water        | 9,653,297         | 10,019,685        | (366,388)      | -3.66%        |
| Sewer        | 4,990,510         | 4,989,558         | 952            | 0.02%         |
| <b>Total</b> | <b>40,159,239</b> | <b>40,166,283</b> | <b>(7,044)</b> | <b>-0.02%</b> |
|              |                   |                   |                |               |
|              |                   |                   |                |               |
|              |                   |                   |                |               |

# Cost Reductions

- Closing landfill one day per week \$40,000
- Reducing the number of part-time employees and seasonal personnel \$77,247
- Reducing contractual spending by 3% or more \$528,565
- Increasing employee's share of health care costs by 2% \$60,632
- Reducing Boards and Supervisor's Salaries by 10% \$26,943
- Electing to amortize portion of pension expense increase \$67,523

Total Reductions: **\$800,910**

# Revenue Changes

- Increasing police fees for:
  - Permit fees for events needing police oversight \$3,000
  - Charging fees for false alarm calls \$27,500
- Increase in dog licensing fees \$26,440
- Increase in cable franchise not previously recognized \$130,000
- Charging for notary services \$12,000
- Increasing various park utilization fees \$22,000

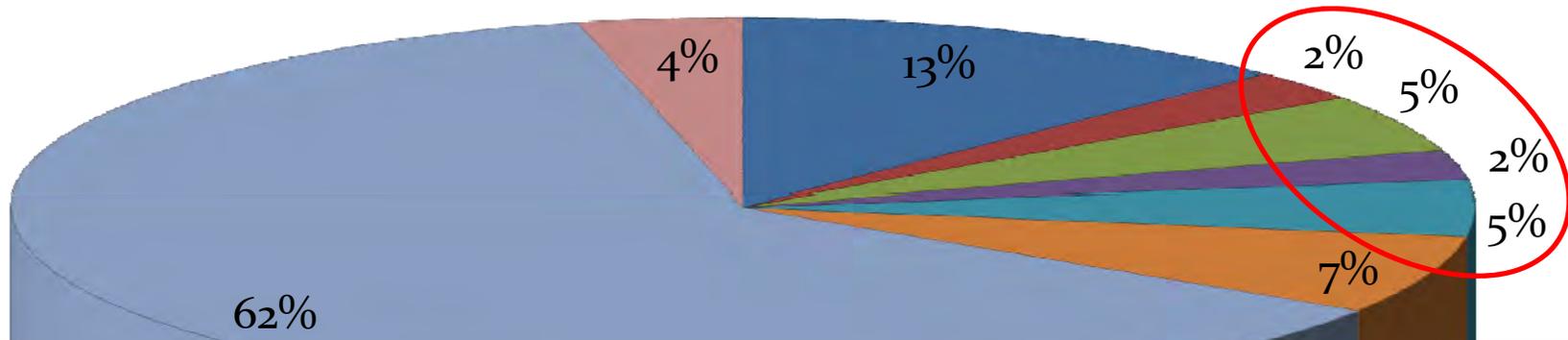
Total Revenue Changes: **\$220,940**

# Tax Levies by Fund

| <b>FUND</b>         | <b>2011</b>         | <b>2010</b>         | <b>\$ Change</b> | <b>% Change</b> |
|---------------------|---------------------|---------------------|------------------|-----------------|
| <b>General</b>      | <b>\$ 2,093,692</b> | <b>\$ 2,056,672</b> | <b>\$ 37,020</b> | <b>1.80%</b>    |
| <b>Highway</b>      | <b>3,973,588</b>    | <b>3,903,328</b>    | <b>70,260</b>    | <b>1.80%</b>    |
| <b>Water</b>        | <b>1,945,194</b>    | <b>1,910,800</b>    | <b>34,394</b>    | <b>1.80%</b>    |
| <b>Sewer</b>        | <b>1,527,234</b>    | <b>1,500,230</b>    | <b>27,004</b>    | <b>1.80%</b>    |
| <b>GRAND TOTALS</b> | <b>9,539,708</b>    | <b>9,371,030</b>    | <b>168,678</b>   | <b>1.80%</b>    |

# Tax Bill Composition

- County
- Town
- Highway
- Water
- Sewer
- Fire & Amb
- School
- Library

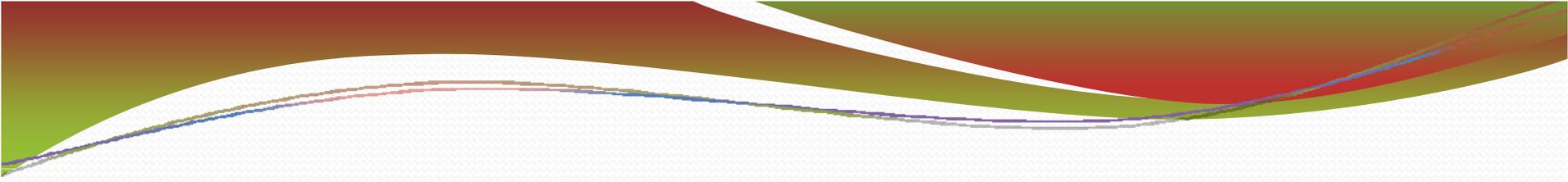


**Town of Bethlehem Taxes represent 14% of your entire tax bill!**

# Summary of Expenditures – All Funds (in thousands)

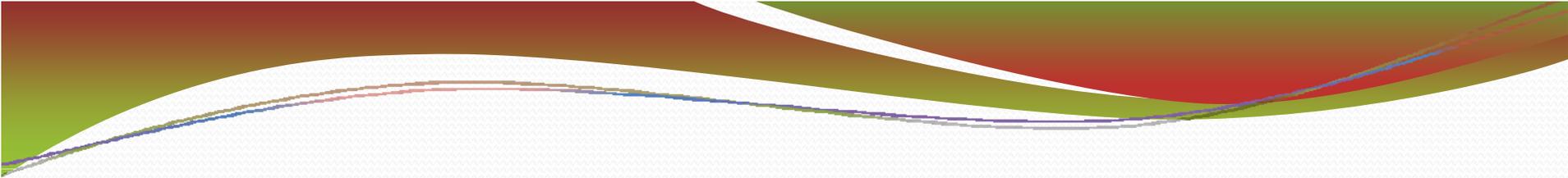
|                  | 2011     | 2010     | Change  |
|------------------|----------|----------|---------|
| Salary & Fringes | \$22,330 | \$22,065 | \$265   |
| Equipment        | 1,225    | 2,980    | (1,755) |
| Operating        | 14,297   | 12,761   | 1,536   |
| Debt Service     | 2,307    | 2,360    | (53)    |
| Total            | \$40,159 | \$40,166 | \$(7)   |

**Overall decrease in expenditures: (.02%)**



# Town-wide Expenditures

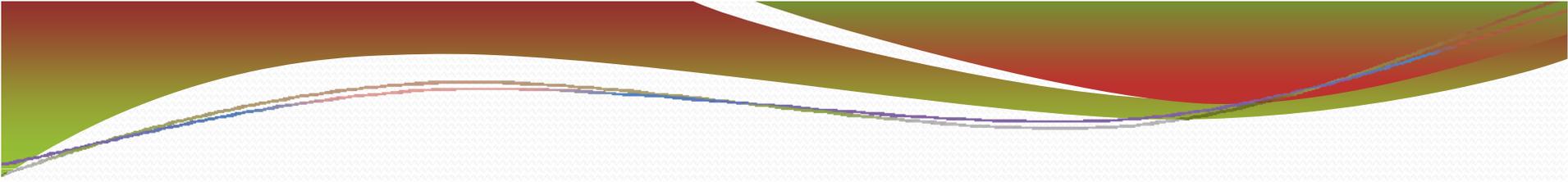
- Health insurance up 7%
  - Up \$154,485 overall, to \$2,349,735
- Retirement system costs have increased significantly
  - Up 39% overall, from \$1,350,945 to \$1,878,451
  - Represents a \$527,506 increase to the Town from 2010 actual expense
- COLA:
  - 2.5% Contractual for Police
  - 1% for Town
- All of this is managed within this proposed budget



# 2011 Capital Funding:

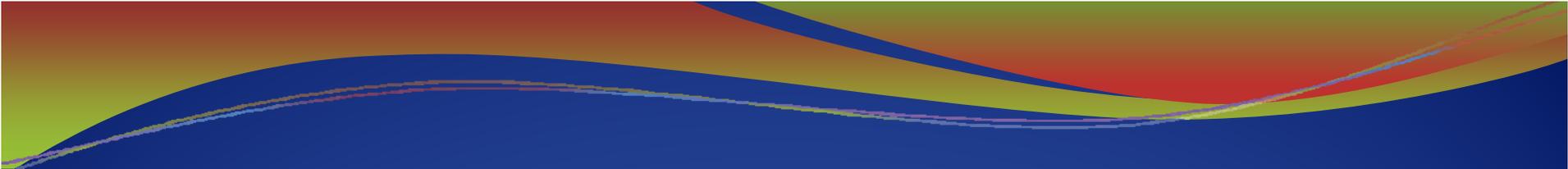
| Fund          | Operations       | Reserves           | Bonding/Leasing    |
|---------------|------------------|--------------------|--------------------|
| General       | \$6,000          | -0-                | \$250,825          |
| Highway       | -0-              | -0-                | 1,140,000          |
| Water         | 558,000          | \$1,590,000        | -0-                |
| Sewer         | 185,000          | 410,000            | -0-                |
| <b>Totals</b> | <b>\$749,000</b> | <b>\$2,000,000</b> | <b>\$1,390,825</b> |

The Town plans to explore alternate means of funding fixed asset costs – through a mixture of bonding, leasing, using operating funds and using capital reserve funds.



# To Review Budget Documents

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



# Town of Bethlehem

Proposed 2011 Budget  
Sam Messina  
October 27, 2010