

# 2022 TENTATIVE BUDGET

## Balancing Fiscal Turmoil *with* Fiscal Responsibility

David VanLuven, Town Supervisor

Michael Cohen, Comptroller

Theresa Ungerer, Chief Accountant

September 22, 2021



# 2021 BUDGET SCHEDULE (FOR 2022 BUDGET)

Town Board Meetings

Unless otherwise noted all meetings begin at 6:00 pm

Town Board Meetings will be Webcast & Archived

- **Capital Plan ✓** September 9 - Town Board
- **Tentative Budget Presentation** September 22 - Town Board
- **Continuing Budget Discussion\*** October 13 - Town Board
- **Public Hearing & Preliminary Budget/  
Multiyear Review** October 27 - Town Board
- **Final Budget Adoption** November 10 - Town Board

**“2022 Town Budget” link on the Town website  
provides comprehensive information  
and is regularly updated**

\* If necessary

# 2022 BUDGET HEADLINES

**\$46.9 MILLION +\$1.5 MILLION ↑3.3%**



- Below property tax cap since its inception in 2012
- Tax rate increase is projected to be 2.0%
- Projected increase for Town Funds on average homeowner (\$260,000 assessed value) is \$21.14
- 0.6% of 3.3% spending growth (\$289K) from 2021 to 2022, is revenue neutral, as it relates to the change in the state funded portion of the paving program
- Annual average budgeted spending growth since 2015 is 2.4%
  - Primarily due to Wage growth and Overlapping Debt
- Only one more budget year for the Albany Water Contract!
- Just 13% of your total property tax bill goes towards Town services
- Project sales taxes up \$1.3M based on positive 2021; mortgage taxes projected up \$50K
- 31% of the annual growth relates to wages and benefits (\$458K), relating primarily to COLA and performance steps offset in part by employee turnover and a reduction in pension rates
- 35.3% of the annual growth is due to a reduction in 2021 expected spending on equipment and capital purchases through the operating budget
  - In 2022, there is less reliance on the capital reserve funds

# FISCAL RESPONSIBILITY

- In the most recent review, April 2019, S&P (Standard & Poor's) stated that Bethlehem has: “Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology.” & “Strong budgetary performance”



- **BEST CREDIT RATING IN ALBANY COUNTY**

## Our Budget Preparation Guidance:

- Adhere to provisions within Fund Balance policy
- Multiyear budget projections/planning
- Comprehensive multiyear capital plan
- Do not use one-time resources to support ongoing expenses

# 2022 Budget Spending

	Adopted Budget							Tentative Budget	2015 - 2022 Change	
	2015	2016	2017	2018	2019	2020	2021	2022	\$	%
General Fund	17,813	18,123	18,559	19,408	20,067	20,660	21,082	21,741	3,928	22.1%
Highway Fund	6,726	6,742	6,845	6,773	6,994	7,178	7,043	7,481	754	11.2%
Water Fund	9,491	9,608	9,947	9,935	10,191	11,404	11,539	11,774	2,283	24.0%
Sewer Fund	4,527	4,357	4,469	4,418	4,558	4,420	4,336	4,457	-70	-1.5%
Ambulance Fund	<u>1,110</u>	<u>1,175</u>	<u>1,184</u>	<u>1,211</u>	<u>1,248</u>	<u>1,364</u>	<u>1,379</u>	<u>1,417</u>	307	27.6%
<b>Total</b>	<b>39,667</b>	<b>40,004</b>	<b>41,003</b>	<b>41,745</b>	<b>43,059</b>	<b>45,026</b>	<b>45,379</b>	<b>46,869</b>	<b>7,202</b>	<b>18.2%</b>
Year over Year Change	0.2%	0.9%	2.5%	1.8%	3.1%	4.6%	0.8%	3.3%		
Annual Change in CPI	0.7%	2.1%	2.1%	1.9%	2.3%	1.4%	5.0%*			

\*Thru August 2021

Overall average spending increase from 2015 of 2.4% per year  
12 month avg. CPI change from Jan 2015 through August 2021 is 2.5%

# 2022 Budget Compared to 2021

	Budget 2021	Budget 2022	Change	% Change
<b>Revenues</b>				
Real Property Taxes & PILOTS	\$15,456,852	\$15,951,392	\$494,540	3.2%
Sales and Use Tax	11,873,000	13,219,263	1,346,263	11.3%
Mortgage Taxes	1,150,000	1,200,000	50,000	4.3%
Interfund Transfers - Revenue	479,463	522,337	42,874	8.9%
Metered Water Charges	7,697,000	7,856,730	159,730	2.1%
Sewer Charges	2,899,000	2,958,000	59,000	2.0%
Charges for Services	1,891,226	1,922,115	30,889	1.6%
Use of Fund Balance	1,722,638	774,417	-948,221	-55.0%
Other Revenue	<u>2,209,655</u>	<u>2,465,142</u>	<u>255,487</u>	11.6%
<b>Total Revenues and Other Sources</b>	<b><u>\$45,378,834</u></b>	<b><u>\$46,869,396</u></b>	<b><u>\$1,490,562</u></b>	<b>3.3%</b>
<b>Expenditures</b>				
Wages & OT	\$17,647,546	\$18,185,412	\$537,866	3.0%
Fringe & Payroll Taxes	8,392,123	8,312,592	-79,531	-0.9%
Retiree Health Insurance	1,057,562	1,097,492	39,930	3.8%
Equipment & Other Capital	1,135,169	1,661,734	526,565	46.4%
Paving	710,000	924,813	214,813	30.3%
Contractual Costs	3,544,814	3,729,926	185,112	5.2%
Debt Service (Principal and Interest)	3,285,249	3,291,058	5,809	0.2%
Delmar Bethlehem EMS	161,560	170,560	9,000	5.6%
Albany County Paramedic	1,217,885	1,246,285	28,400	2.3%
Other Appropriations	<u>8,226,926</u>	<u>8,249,524</u>	<u>22,598</u>	0.3%
<b>Total Expenditures and Other Uses</b>	<b><u>\$45,378,834</u></b>	<b><u>\$46,869,396</u></b>	<b><u>\$1,490,562</u></b>	<b>3.3%</b>

# 2022 Budget Compared to 2021

	Budget 2021	Budget 2022	Change	% Change
<b>Revenues</b>				
Real Property Taxes & PILOTS	\$15,456,852	\$15,951,392	\$494,540	3.2%
Sales and Use Tax	11,873,000	13,219,263	1,346,263	11.3%
Mortgage Taxes	1,150,000	1,200,000	50,000	4.3%
Interfund Transfers - Revenue	479,463	522,337	42,874	8.9%
Metered Water Charges	7,697,000	7,856,730	159,730	2.1%
Sewer Charges	2,899,000	2,958,000	59,000	2.0%
Charges for Services	1,891,226	1,922,115	30,889	1.6%
Use of Fund Balance	1,722,638	774,417	-948,221	-55.0%
Other Revenue	2,209,655	2,465,142	255,487	11.6%
<b>Total Revenues and Other Sources</b>	<u>\$45,378,834</u>	<u>\$46,869,396</u>	<u>\$1,490,562</u>	3.3%

## Revenue

### 1. Charges for Services:

Tax Collector, Inspections, Police Fees, Engineering, Senior Services, Parks Programs, TDE Fees, Water and Sewer Admin Processing Fees, Taps & Meter Charges and Interest & Penalties

### 2. Other Revenue:

State & Federal Aid, Fines & Forfeitures, Cable, Refuse, Interest Income, Rental Income, Insurance Recoveries and Other

# 2022 Budget Compared to 2021

	Budget 2021	Budget 2022	Change	% Change
<b>Expenditures</b>				
Wages & OT	\$17,647,546	\$18,185,412	\$537,866	3.0%
Fringe & Payroll Taxes	8,392,123	8,312,592	-79,531	-0.9%
Retiree Health Insurance	1,057,562	1,097,492	39,930	3.8%
Equipment & Other Capital	1,135,169	1,661,734	526,565	46.4%
Paving	710,000	924,813	214,813	30.3%
Contractual Costs	3,544,814	3,729,926	185,112	5.2%
Debt Service (Principal and Interest)	3,285,249	3,291,058	5,809	0.2%
Delmar Bethlehem EMS	161,560	170,560	9,000	5.6%
Albany County Paramedic	1,217,885	1,246,285	28,400	2.3%
Other Appropriations	<u>8,226,926</u>	<u>8,249,524</u>	<u>22,598</u>	0.3%
<b>Total Expenditures and Other Uses</b>	<u>\$45,378,834</u>	<u>\$46,869,396</u>	<u>\$1,490,562</u>	3.3%

## **Expenditures**

1. Contractual Costs:  
Albany Water Contract, Maintenance Contracts and Other Contract Services
2. Other Appropriations:  
All Other Supplies, Chemicals, Electricity, Engineers, Equipment Repair, Vehicle Maintenance, Fuel, Property Repairs, Road Materials, Salt and External Tax Payments

# TOWN SERVICES

“The Town doesn’t deliver services, PEOPLE deliver services.”

- Provision of Water
- Collection of Sewer
- Emergency services including (Policing, 9-1-1 and Ambulance)
- Leaf & Brush Collection
- Snow removal from Streets and Sidewalks
- Licensing
- Engineering
- Planning & Inspection
- Assessing
- Parks & Senior Programs
- Pools & Splash Pads
- Maintenance of Parks, Sidewalks & Roads
- Composting
- Recycling
- Justice

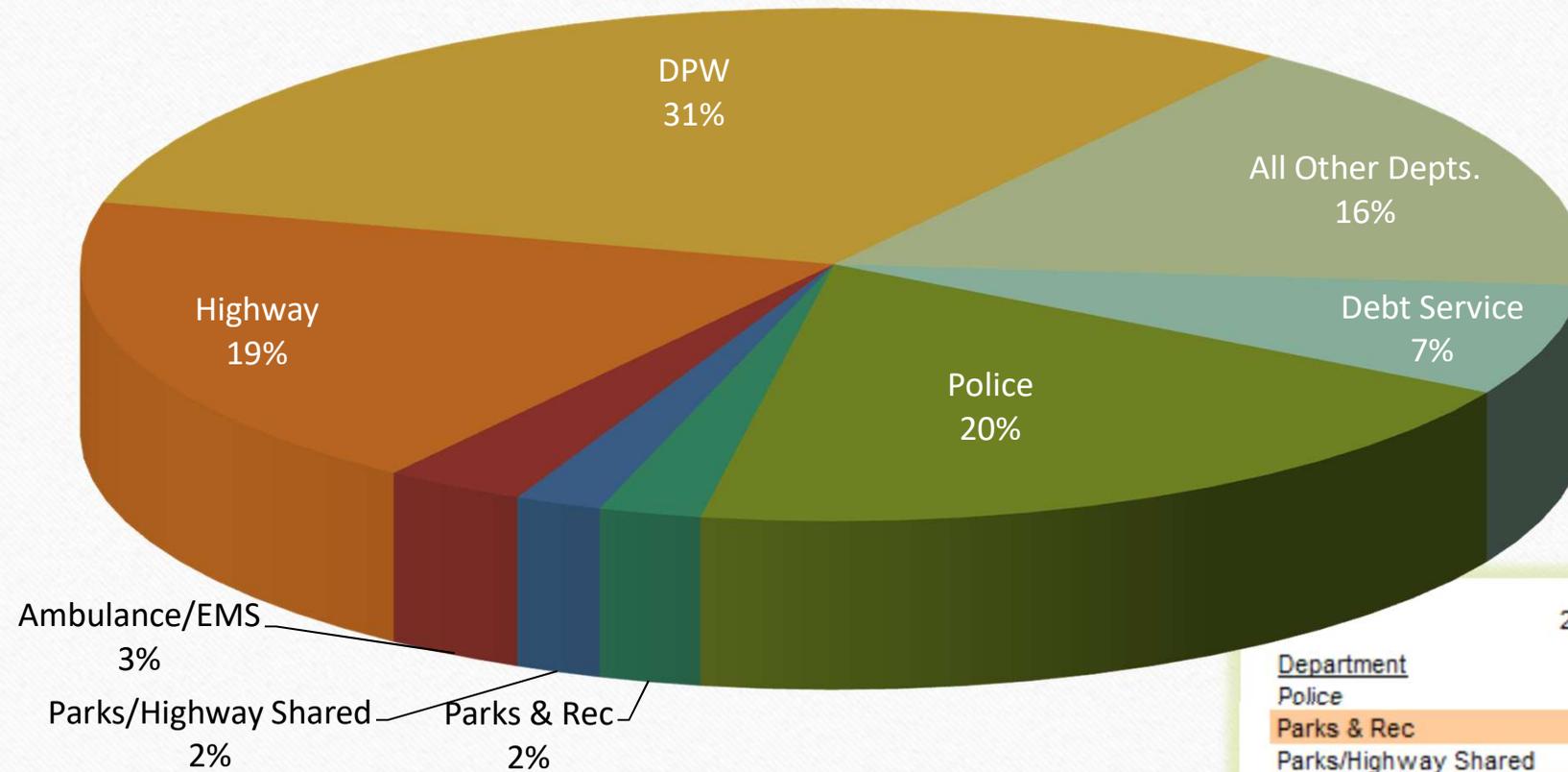
This budget provides for a fair cost of living adjustment (COLA) for the employees who serve our community

# TOWN SERVICES

“The Town doesn’t deliver services, PEOPLE deliver services.”

- In 2021, because of the economic uncertainty due to the COVID-19 pandemic, the Town did not budget for non-union employee wage increases, opting instead to defer the decision until more information about the 2021 financial position was known
  - Union employees were contractually obligated to receive their 2% COLA and steps in contracts that expire at the end of 2021
- In May 2021, based on the strength of the sales and mortgage tax receipts, the Town Board voted increase base salaries by providing a 3% COLA and performance steps mid-year (June 2021) to non-union employees
  - The actual cost of the COLA for 2021 equaled 1.6% for the year
- The 2022 budget includes 2021 actual changes as well as a 2% COLA plus performance steps

# 2022 BUDGET BY DEPARTMENT



Department	2022 Budgeted Expenditures	\$ Change from 2021	% Change
Police	\$9,137	-\$15	-0.2%
Parks & Rec	\$1,029	\$102	11.0%
Parks/Highway Shared	\$874	\$28	3.3%
Ambulance/EMS	\$1,417	\$37	2.7%
Highway	\$8,889	\$591	7.1%
DPW	\$14,537	\$435	3.1%
All Other Depts.	\$7,695	\$306	4.1%
Debt Service	\$3,291	\$6	0.2%
<b>Total</b>	<b>\$46,869</b>	<b>\$1,491</b>	<b>3.3%</b>

# Staffing

		Full Time Personnel Counts								
Fund	Department Name	Final Check Run of the Year				Actual Thru Aug 23, 2021	Budget 2020	Budget 2021	Budget 2022	Change in 2021 to 2022 Budget
		Actual 2008	Actual 2018	Actual 2019	Actual 2020					
GF	<b>Justice</b>	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0	-
GF	<b>Supervisor</b>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
GF	<b>Comptroller</b>	3.0	4.0	4.0	4.0	5.0	4.0	4.0	4.0	-
GF	<b>Assessment</b>	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
GF	<b>Town Clerk/Tax Collection</b>	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-
GF	<b>Human Resources</b>	2.0	3.0	3.0	3.0	2.0	3.0	3.0	3.0	-
GF	<b>Shared Services</b>	4.0	4.7	4.8	4.4	4.6	5.0	4.8	4.8	-
GF	<b>MIS</b>	3.0	3.0	2.0	2.0	2.0	3.0	2.0	2.0	-
GF	<b>DPW - GIS</b>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
GF	<b>Police - Dispatch</b>	14.0	11.0	10.0	11.0	10.0	11.0	11.0	11.0	-
GF	<b>Police - Sworn</b>	41.0	38.0	40.0	37.0	37.0	40.0	40.0	40.0	-
GF	<b>Police - Civilian</b>	3.0	3.0	3.0	2.0	3.0	3.0	3.0	3.0	-
GF	<b>Police - Animal Control</b>	1.0	1.0	1.0	1.0	-	1.0	1.0	1.0	-
GF	<b>Building</b>	7.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	-
GF	<b>Highway Related Depts.</b>	7.5	8.7	9.4	9.5	11.1	9.5	8.5	8.5	-
GF	<b>Seniors</b>	6.0	6.0	7.0	5.0	5.0	7.0	7.0	7.0	-
GF	<b>Parks</b>	10.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0	-
GF	<b>Parks &amp; Rec/Highway Maint</b>	-	4.7	4.3	3.7	5.3	5.0	5.0	5.0	-
GF	<b>Planning</b>	6.0	5.5	5.5	4.5	4.5	5.5	5.5	5.5	-
GF	<b>DPW - Admin</b>	5.3	4.7	5.7	5.7	5.7	5.7	5.7	5.7	-
HF	<b>Highway Fund</b>	57.0	45.6	44.6	41.6	41.0	46.30	46.7	46.7	-
WF	<b>DPW - Water Fund</b>	34.1	28.8	29.8	29.3	28.8	30.0	30.8	30.8	-
SF	<b>DPW - Sewer Fund</b>	21.1	17.8	17.4	15.8	16.5	17.5	17.5	17.5	-
		241.0	213.0	215.0	203.0	203.0	220.0	219.0	219.0	-

# INVESTING IN BETHLEHEM

2022-2026 Capital Plan currently totals \$67.1M over 5 years

- \$2.6M included in 2022 Operating Budget (\$0.6M offset by grant revenues)
- \$29.1M for Water and Sewer including:
  - \$11.0M in infrastructure upgrade projects
    - \$2.9M in Water Main and Looping
    - \$6.5M in pump station projects
    - \$1.6M in sewer lining and rehab



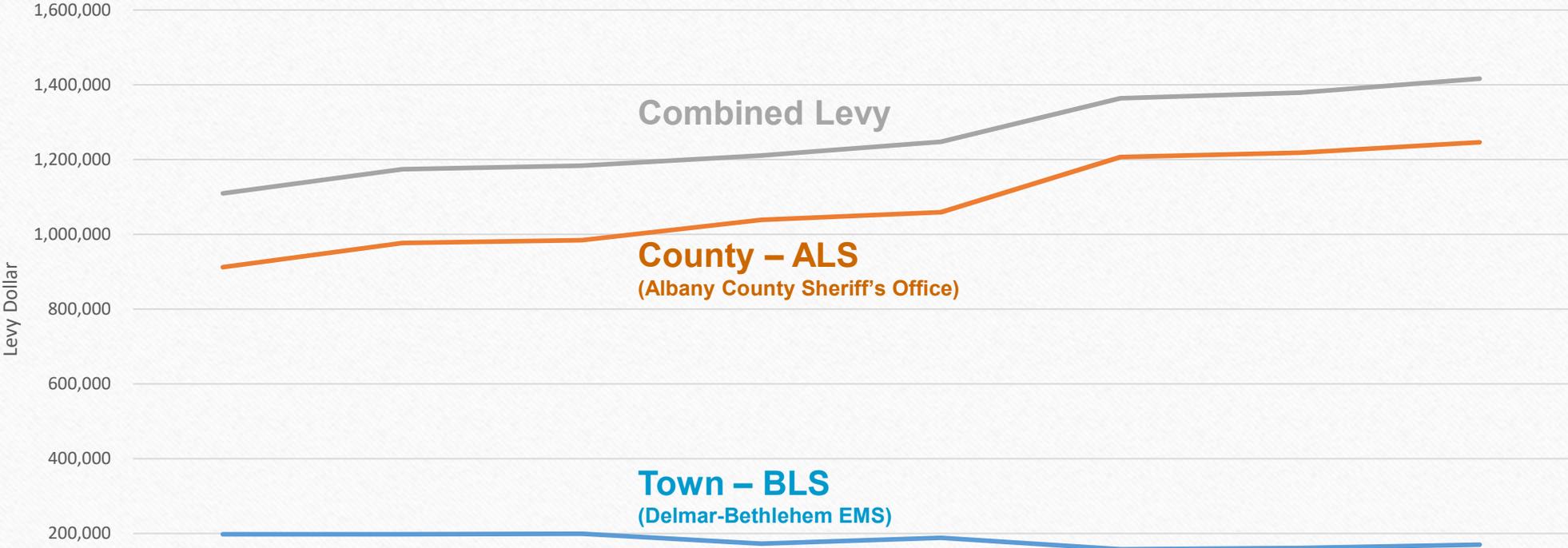
# CLAPPER ROAD DEBT SERVICE



- For the 3<sup>rd</sup> year, the Town is budgeting to use fund balance for the payment of the principal and interest (debt service) to avoid a short-term tax rate spike.
- Our expectation is that the contingency fund balance will not fall below the minimum threshold per the Town's policy, and will be replenished with the maturity of the original Clapper Road WTP debt in 2022 and the expiration of the Albany Water Contract in 2023.

# EMERGENCY MEDICAL SERVICE PROPERTY TAX LEVY

## 2015 THROUGH 2022

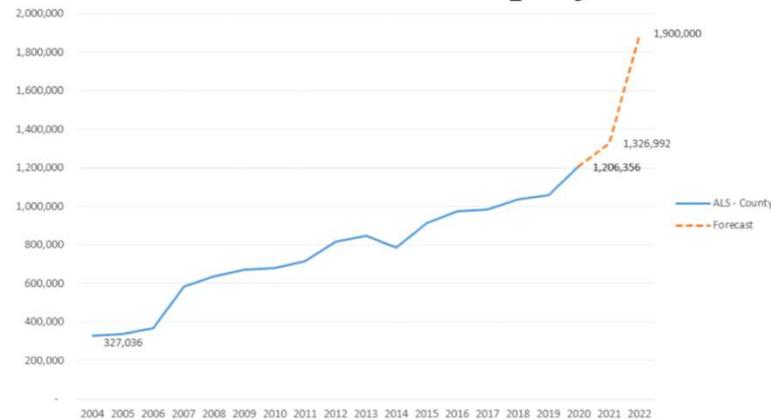


	2015	2016	2017	2018	2019	2020	2021	2022
<span style="color: blue;">—</span> BLS - Town	197,500	197,500	199,000	172,422	187,991	157,297	161,000	170,000
<span style="color: orange;">—</span> ALS - County	912,053	976,564	984,339	1,038,478	1,059,248	1,206,356	1,217,885	1,246,285
<span style="color: grey;">—</span> Combined	1,109,553	1,174,064	1,183,339	1,210,900	1,247,239	1,363,653	1,378,885	1,416,285

# ALS EXPECTATION

2020 Slide

County Paramedic Service Property Tax Levy  
2004 to 2022 actual & projected



- In 2004, the Town paid \$327K for County paramedics. Since that time, the increase annually has averaged 9.0%; with forecasted levels, the increase jumps to 11.8%
- Since the tax cap was implemented by NYS in 2012, the County has averaged increases of 5.3% annually; with forecasted levels, the increase jumps to 10.9%

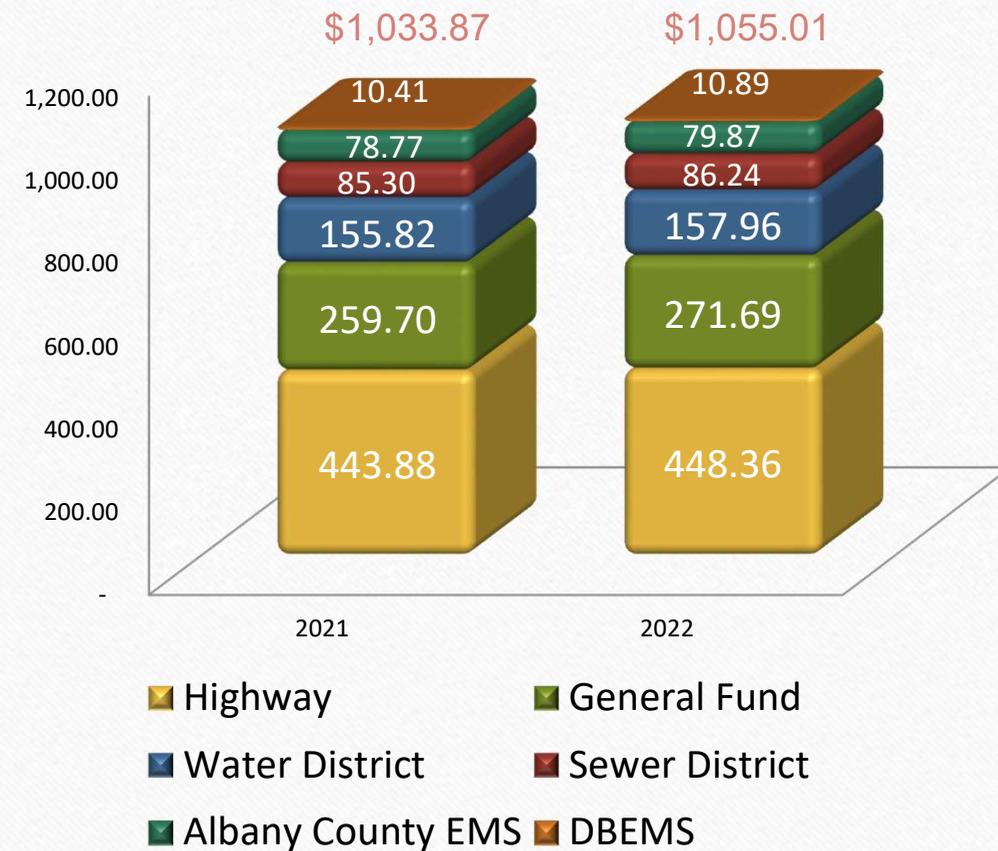
- In 2019, the County set the expectation that they would be changing their business model from hiring part-time EMTs to full-time. The resulting change would be a direct increase to the Town of up to ~\$700K annually and would effect an indirect charge to the town's tax cap of another ~\$250K through DB-EMS.
  - The 2021 tax levy increase was 0.96% and 2022 is 2.33%.
- This change has not yet occurred, and we are unaware of when or if it may materialize.

# TAXPAYER IMPACT

## Cost per dollar of assessment

- State Levy Growth Factor is at 2.0% for only 3rd time since 2013 (CPI=2.3%)
  - Cap also allows for an additional 1.23% for town growth
  - Under tax cap since inception
- Tax Rate: + 2.0%
- **About \$21.14 increase on average home (\$260K assessed value)**
  - For a home located in all taxing districts

Distribution of Property Tax Dollars for Average Homeowner (\$260,000 Assessed Value)



# Property Tax Levies and Rates

**HOW DOES 2.0% + 1.23% = 2.0%?**

District	2021			2022			Change in Levy		Change in Rate	
	Property Tax Levy	Current Assessment Roll	Tax Rate	Property Tax Levy	Current Assessment Roll	Tax Rate				
General Fund	\$ 3,791,091	3,795,484,179	0.99884	\$ 4,009,766	3,837,270,724	1.04495	\$ 218,675	5.77%	0.046	4.62%
Highway	6,479,744	3,795,484,179	1.70722	6,617,166	3,837,270,724	1.72445	137,422	2.12%	0.017	1.01%
Water District	2,339,788	3,904,250,690	0.59929	2,394,263	3,940,891,185	0.60754	54,475	2.33%	0.008	1.38%
Sewer District	1,106,518	3,372,699,167	0.32808	1,130,969	3,409,755,709	0.33169	24,451	2.21%	0.004	1.10%
Albany County EMS	1,217,885	4,019,956,484	0.30296	1,246,285	4,057,057,247	0.30719	28,400	2.33%	0.004	1.40%
DBEMS	161,000	4,019,956,484	0.04005	170,000	4,057,057,247	0.04190	9,000	5.59%	0.002	4.62%
PILOTs	347,112			370,443			23,331	6.72%	N/A	N/A
Vista Lighting District	13,714			12,500			(1,214)	-8.85%	N/A	N/A
<b>Tax Levy</b>	<b>15,456,852</b>			<b>15,951,392</b>			<b>494,540</b>	<b>3.2%</b>		
<b>Tax Rate</b>			<b>3.9764</b>			<b>4.0577</b>			<b>0.081</b>	<b>2.0%</b>

**Tax Levy** – Total amount received by the Town

**Tax Rate** – Percentage of property value paid by taxpayers

# Below Tax Cap, Again



Saved the taxpayers an estimated **\$12.8M** in property taxes since inception of the tax cap by not having taxed the maximum allowable levy

Year	Tax Cap %	Growth Factor	Max. Tax Levy Increase	Max Levy Increase Incl PILOT	Tax Levy Change	Tax Rate Change (Average)
2013	2.00%	0.57%	19.09%	3.10%	-3.38%	7.45%
2014	1.66%	0.47%	3.74%	3.77%	1.13%	2.98%
2015	1.56%	0.75%	4.33%	3.94%	1.79%	-4.73%
2016	0.73%	0.20%	2.41%	2.53%	0.52%	-0.29%
2017	0.68%	0.85%	2.93%	3.03%	2.84%	1.74%
2018	1.84%	1.01%	3.18%	3.05%	2.88%	3.11%
2019	2.00%	1.03%	3.24%	3.18%	2.92%	1.62%
2020	2.00%	1.57%	4.02%	3.82%	3.68%	2.50%
2021	1.56%	0.85%	3.05%	3.14%	3.01%	1.45%
2022	2.00%	1.23%	3.17%	3.23%	3.20%	2.00%

# TAXPAYER IMPACT

## Where your tax dollar goes



↑  
School  
\$0.67

↑  
County\*  
\$0.12

↑  
Fire Districts\*  
\$0.04

↑  
Library  
\$0.04

↑  
Town  
\$0.13



\* Due to timing, the weighted fire districts and County tax rates for 2022 were projected based on historical data.

# Below Tax Cap, Again

- Under tax cap AGAIN
- 2022 tax rate change = 2.0%  
Avg. homeowner up just \$21.14
- Majority of growth in 2022 comes from wages and benefits, capital equipment purchases, and grant funded portion of the paving program
- Only 13% of your property tax dollars go to the Town
- Town staffing down from 241 in 2008 to 219 in 2022



*The Town doesn't deliver services, people do*