TOWN OF BETHLEHEM HIGHWAY DEPARTMENT

BUDGET ADVISORY TEAM REPORT

JUNE, 2012

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Highway Department Staffing Levels

- 59 Full Time Budgeted Positions
  - 55 Highway Fund (60 in 2004)
    - 4 currently vacant
  - 4 General Fund
    - 3 Sanitation
    - 1 Signs & Signals
  - Part Time seasonal (6 spring, 12 summer, 8 fall)

Major Program Responsibilities

- Snow & Ice Control
- Highway Paving & Reconstruction
- Highway Maintenance (drainage, sidewalks, mowing, beautification, etc.)
- Brush & Leaf Collection (spring cleanup and fall leaf pickup)
- Sign & Signal Maintenance
- Transfer Station & Compost Facility
- Town-wide Fleet Maintenance

Major Revenue Sources 2012 Budgeted

Property tax	$ 4,100,000
Pilot	$ 1,360,000
Bond proceeds	$ 900,000
Interfund	$ 520,000
NYS CHIP's Program	$ 250,000
Use of Fund Balance	$ 250,000
Total:	$ 7,380,000

Major Expenditure Categories 2011 Actual

• General Road Repair	$ 2,650,000
• Machinery (Purchase/Repair)	$ 1,350,000
• Brush & Leaves	$ 1,000,000
• Snow & Ice	$ 800,000
• Paving materials	$ 760,000
• Interfund Transfers	$ 265,000
• Post Retirement (health ins.)	$ 150,000
• Debt Service	$ 60,000
Total:	$7,035,000

Impact of Cogen Pilot Loss to Highway Fund in 2013

- Expected loss: in excess of <u>$1 million</u> in revenue
- Equates to loss of <u>16 full time staff (30 % reduction)</u>
- Potential major service reduction in: snow & ice control, highway maintenance, and brush & leaf collection
- Potential significant <u>safety issues, deteriorating infrastructure conditions ,and declining town-wide aesthetics</u>
- <u>Resulting service reductions not acceptable to advisory team</u>

2012Highway Fund Savings

- Snow & Ice (2011-2012 season):
  - $ 90,000 in <u>Overtime</u> - one time savings
  - $ 40,000 in <u>Sand & Salt</u> – one time savings
- Unfilled budgeted positions:
  - 4 positions @ approximately $ 250,000 - annual savings

Revenue Options: 2013

- Increase fees for purchase of Town compost.
  - Current annual revenue: $50k
  - Current annual costs: $350k
  - Appropriate increase driven in part by private market
  - Concern over reduced purchase of town mulch

- Institute special fee for fall leaf pick-up

Potential Program Savings Considerations

- Central role that personnel levels play in town highway expenditures

- Service reductions alone, with current staff levels left alone, results in marginal savings

- Further staff reductions thru attrition result in significant savings, but,
  - may threaten critical service levels

Options for Program Savings

- Defer purchase of equipment--$30-100k (vehicles)
- Potential staff attrition (1-3) $125k savings
- Eliminate town composting operation--$100-200k
  - Concern: Leaf disposal and storage
- Close town's transfer station--$135k
  - Concerns: Alternatives for residents? Risk of increased illegal dumping
- Eliminate or privatize fall leaf pickup
  - Concerns: Potential significant costs to residents/private sector capability to perform service
- Reduce number of seasonal hires.
  - Concern: Potential impact on level of services.

One Person Plowing

- Utilized by NYSDOT and some municipalities
- Requires fewer plow operators
- Requires in-depth study and would not benefit the 2013 budget.
- Safety concerns
- Retrofitting for trucks
- Additional training for drivers.
- Option not considered acceptable by Highway Superintendent.

Concluding Thoughts

- Increased revenue options a priority
- Town to cooperate with Albany County on shared services potential
- Major savings potential lies in the personal services portion of highway budget & reduction in current services
- Serious risks to further staff reductions
- Highest priorities
  - Safety
  - Cost-effective highway maintenance (preserve paving cycle)
  - Snow & ice control