

# 2017 Preliminary Budget

(with multi-year & capital plan)

**Adopted**

## Steady Long-Term Financial Plan Meeting Future Needs



John Clarkson, Town Supervisor  
Michael Cohen, Comptroller

October 26, 2016

# 2017 Budget Headline News

**\$41 million +\$999K or +2.5%**

- Spending well controlled, so we can afford wage growth and capital investment
- 2nd year of perfect score on Controller's fiscal stress index; best result in Albany County
- Budget up 2.5% for 2017, but since 2012 very low growth (annual average 0.4%)
- Over two-thirds of 2017 budgetary increase (\$820K) is for capital outlay & equipment; we are planning for resources to cover long-term needs through our capital plan
- Staffing held constant this year (while down 10% since 2008), 2% COLA for employees
- Property tax revenues have been down since 2012, but this year will go positive:
  - Property Tax below Cap for sixth straight year; \$1.2 million below Cap since 2012
  - Tax rate up 1.7% (Decreases in preceding years: -0.3% in 2016 and -4.7% in 2015)
  - Impact on average home (\$260K) affordable: \$16 increase
- Multiyear budget projection supports \$52.5 million Capital Plan including major water & sewer upgrades, sidewalks and public safety improvements
  - Plan continues moving regular annual expenditures away from debt
  - Rising capital needs and costs require commitment in long-term financial plan

# 2% COLA for 2017

(cost of living adjustment)

Year	General	Police	CPI index	CPI
2002	3.0%	5.0%	179.90	1.6%
2003	4.0%	5.0%	184.00	2.3%
2004	3.0%	5.0%	188.90	2.7%
2005	3.0%	5.0%	195.30	3.4%
2006	4.0%	5.0%	201.60	3.2%
2007	3.0%	5.0%	207.30	2.8%
2008	3.0%	0.0%	215.30	3.9%
2009	4.0%	0.0%	214.54	-0.4%
2010	1.0%	2.0%	218.06	1.6%
2011	1.0%	2.5%	224.94	3.2%
2012	0.0%	0.0%	229.59	2.1%
2013	0.0%	0.0%	232.96	1.5%
2014	2.0%	2.0%	236.74	1.6%
2015	2.0%	2.0%	237.01	0.1%
2016	2.0%	2.0%	239.27*	1.0%*
2017	2.0%	2.0%	244.78*	2.3%*

- Over last 5 years, CPI inflation averages 1.7% whereas the COLAs for both general employees and police average 1.2%
- Providing a 2% COLA in 2017 for all employees provides a 1.3% average over six years, versus inflation of 1.4%
- Staffing overall has been reduced from a high of 241 in 2008 to 217 in the 2017 budget, a reduction of 24, or 10%

***Town employees have been tasked with doing more with less and it is our responsibility to compensate them fairly.***

\*Partial year/full year estimate

# Investing in Bethlehem

- Budget based on \$52.5M Capital Plan 2017-21
- \$33.5M for Water and Sewer (63% of total plan)
- \$3.5M for community enhancements, including sidewalks, Delaware Avenue Enhancement)
- \$5.2M for Public Safety: Renovation of Adams St garage for ambulance/EMS & DPW and alterations to Town Court/Police Station for security and other needs



# Sidewalks – New Projects, Repairs & A Long-Term Approach

## New Projects

- Krumkill Rd – Russell to Clifton Way (\$35K, 2017)
- Glenmont Road – 9W to Vagele (\$160K, 2018/19)

## Existing

- Delmar Place/Fernbank Ave completing this year
- Delaware Ave Streetscape (2017) / more than a sidewalk

## Modified Plan for Feura Bush Road/Murray

- Complete Elsmere to Murray Section
- Add section on Murray (to Bypass)

## Long-Term Approach

- Increase Annual Repair Funding to \$50K/\$250K
- Regular Condition Assessment/ADA Plan
- Seeking Grant Funding for Additional Projects
  - Feura Bush to Elm Ave Park
  - Kenwood from Adams Street to Slingerlands
  - 9W to Glenmont School



# \$776,000 Efficiency Award (update)

## Tax Relief, Efficiencies & Civic Improvements

Two-thirds expended (\$260K remaining)

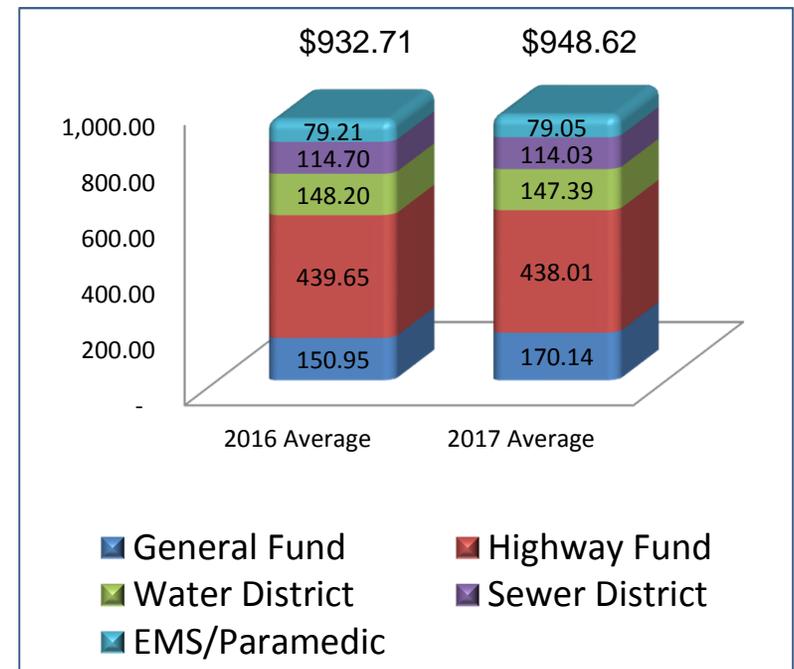
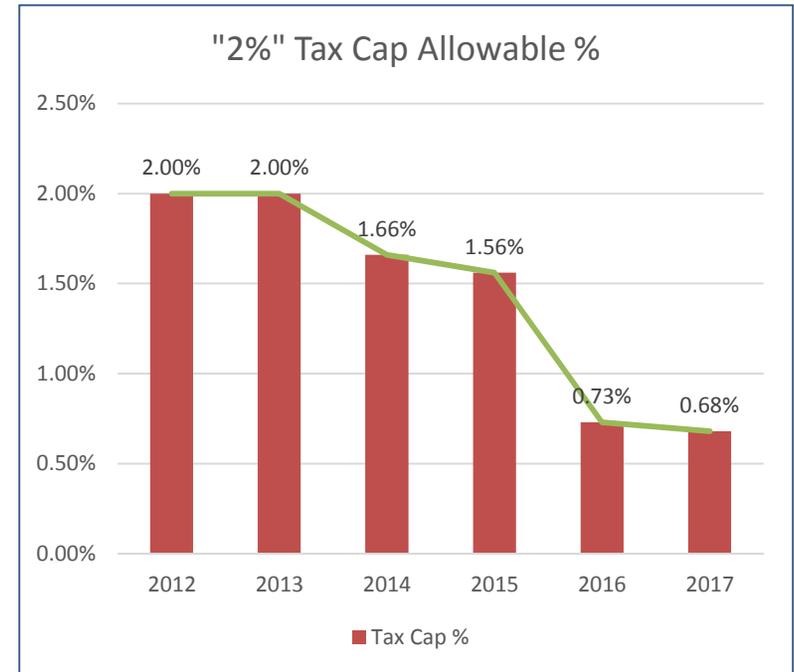


- \$175,000 Frontloaded Tax Relief (2013)
- \$250,000 Sidewalks/Del Ave
  - \$116,000K spent on Delaware Avenue, Maple Avenue and Feura Bush Road/\$134,000 to come
- \$198,000 Efficiency Investments
  - Systems, Software, Security, GPS, etc.
- \$30,000 Court Security/Police
  - Management Studies
- \$50,000 Sustainability
  - \$20,000 Food Scraps Composting **(NEW)**
  - \$30,000 reserved for open space preservation and other sustainability investments
- \$73,000 Community Enhancement
  - Parks Master Plan, Traffic Calming, Street Trees
  - \$8,000 First Night Seed \$ **(NEW)**



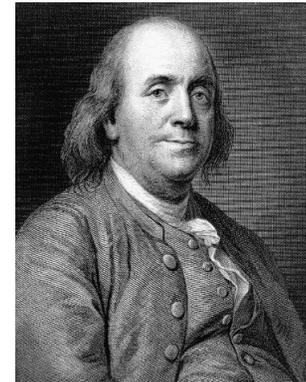
# Taxpayer Impact

- Average Tax Rate: + 1.7%
- Under tax cap for 6<sup>th</sup> year
- Using growth factor & carryover this year (0.68% base rate); allows for levy increase of 2.8%
- Taxpayer impact:
  - \$16 on average home (\$260K)
    - Home value, water, sewer, front footage all affect bill
  - Bethlehem town tax rate among the lowest of capital region suburban towns
  - 3 year phase-out of front footage tax complete
    - Legacy charge for infrastructure; new infrastructure charged to entire town
    - Homes previously within a district will save an average of \$12



# Fiscal Responsibility

Balance the Budget in a manner which is both responsible & sustainable



- Today's plan must leave us in a good position tomorrow, we should not push problems into future years
- Keep taxes and fees as low as responsibly possible
- Avoid use of one-time resources to support ongoing expenditures
- Use fund balances responsibly
- Model budgeting practices:
  - multiyear budget projections/planning
  - fund balance policy
  - comprehensive capital plan

➤ **2<sup>nd</sup> year of perfect score on Controller's fiscal stress index; best result in Albany County !!**

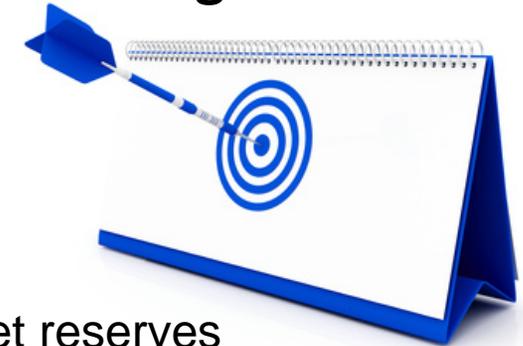
➤ **Moving away from Borrowing to Fund Regular Recurring Costs:**

- **Annual Asphalt \$**
- **Water Main Replacement \$**

A screenshot of the New York State Office of the State Comptroller's Fiscal Stress Monitoring System website. The page features a navigation bar with links for Local Officials, Public Researchers, Justice Courts, Fire Districts, Publications, and Contact LOSA. The main content area includes a video player showing a man speaking at a podium, a 'Search Now' button, and a sidebar with categories: Lists (Local Governments, School Districts, Search Tool), Tools (Self-Assessment Tool, Capital Planning Tutorial, Multiyear Planning Tutorial), Publications (Fiscal Stress System Report, Research Reports, Fiscal Profiles, Financial Condition Audits), and Help (Fact Sheets, Data User Guides, Reference Guides, Training and Webinars). The footer contains the text 'More Local Government and School Accountability Information'.

# Long Term Financial View

## Bethlehem's Fourth Year of Multiyear Planning



- Multiyear planning ensures we balance the budget responsibly for next year and beyond; avoid pushing financial problems into future years and provide a sustainable plan without revenue or service shocks and allows for capital investments
- Multiyear projection shows rough structural balance; budget reserves maintained, aiming for 15% fund balance standard set as target by town policy
- Bethlehem is the only community in the Capital Region which prepares a multiyear plan, which provides a projection assuming no changes or budgetary adjustments
- The projections show manageable gaps for 2018 & 2019, similar to those closed in earlier years

	2016 Budget	2017 Budget	2018 Projection	2019 Projection
General Fund	\$ -	\$ -	(\$505,192)	(\$604,131)
Highway Fund	-	-	90,272	262,118
Water Fund	-	-	(104,330)	(150,877)
Sewer Fund	-	-	164,387	184,409
Surplus/(Use of Fund Balance)	\$ -	\$ -	\$ (354,864)	\$ (308,480)
Fund Balance Percentage*	19.3%	18.5%	17.2%	17.3%

# Looking Ahead



## Things to be aware of:

- Cost Drivers
  - Need to provide for Employee Wages, Benefits
- Potential Fiscal Hits
  - Economic
  - Upstream Policy Changes (state/county/federal)
  - Natural Disasters
  - Unforeseen Infrastructure Failures/Needs

## Opportunities

- Restructuring & Modernization
  - Staff Pooling
  - Shared Services
  - Technology
- Business Model Changes
- Energy Savings
- Other Shared Services

EMS Services – Facility need being addressed, costs may be offset by insurance changes, operational efficiencies or new service models

We thank BDEMS and Albany County for restraining budget growth this year

Technical Slides follow..

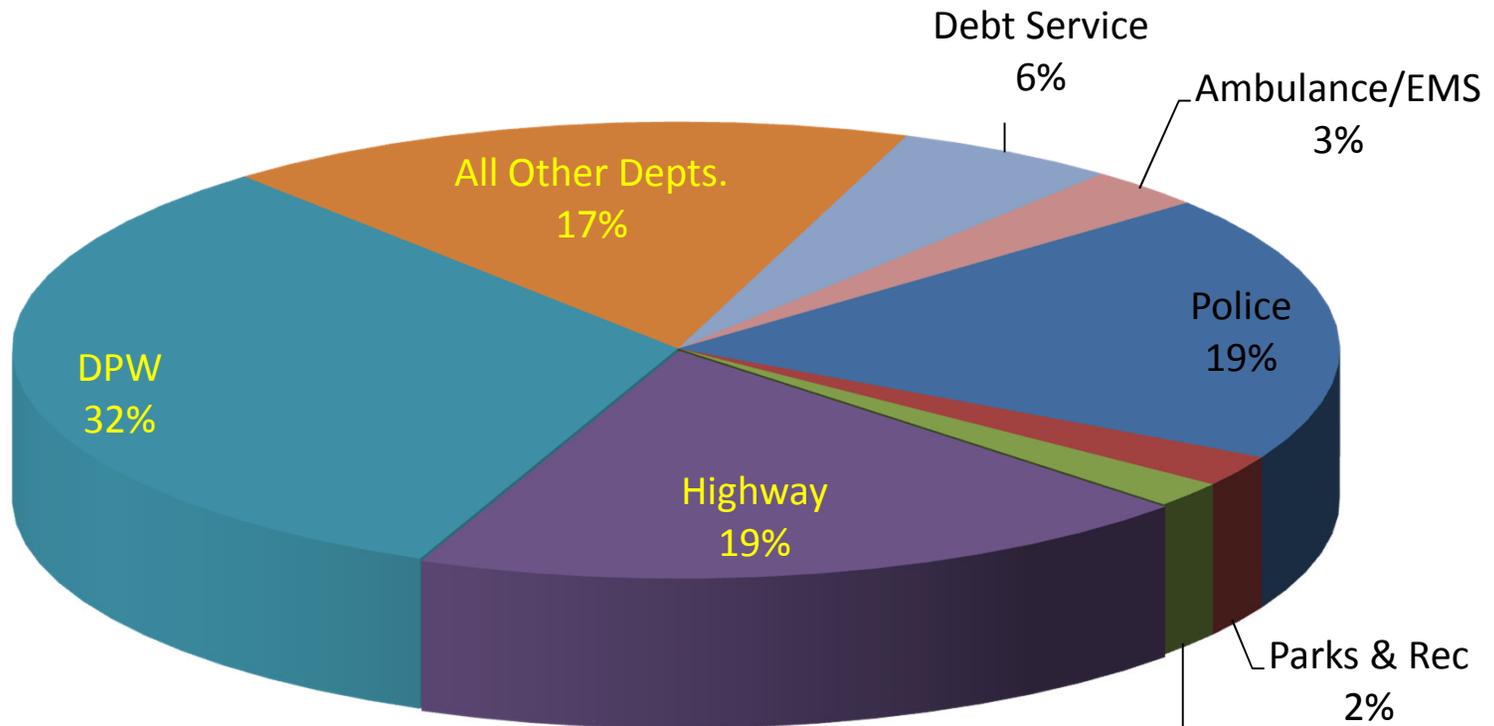


# Budget Spending

	Adopted Budget						2012 - 2017 Change	
	2012	2013	2014	2015	2016	2017	\$	%
General Fund	18,228,095	17,672,658	17,994,499	17,812,794	18,123,326	18,558,787	330,692	1.81%
Highway Fund	6,518,756	6,698,939	6,391,372	6,726,323	6,741,639	6,845,412	326,656	5.01%
Water Fund	9,333,090	9,230,783	9,550,449	9,491,129	9,607,733	9,946,764	613,674	6.58%
Sewer Fund	4,507,774	4,274,615	4,432,261	4,527,144	4,356,815	4,468,596	-39,178	-0.87%
Ambulance Fund	<u>1,582,596</u>	<u>1,243,864</u>	<u>1,214,767</u>	<u>1,110,102</u>	<u>1,174,616</u>	<u>1,183,891</u>	<u>-398,705</u>	<u>-25.19%</u>
Total	<u>40,170,311</u>	<u>39,120,859</u>	<u>39,583,348</u>	<u>39,667,492</u>	<u>40,004,129</u>	<u>41,003,450</u>	833,139	2.07%
Year over Year Change		-2.61%	1.18%	0.21%	0.85%	2.50%		

Overall average spending increase from 2012 of 0.4% per year

# 2017 Budgeted Expenditures By Department



<u>Department</u>	<u>2016 Appropriation</u>	<u>2017 Appropriation</u>
Police	\$7,473,637	\$7,809,492
Parks & Rec	926,389	915,773
Parks/Highway Shared	681,950	751,567
Highway	7,914,799	7,921,258
DPW	13,039,602	13,274,901
All Other Depts.	6,730,484	6,930,378
Debt Service	2,062,652	2,216,190
Ambulance/EMS	<u>1,174,616</u>	<u>1,183,891</u>
<b>Total</b>	<b><u>\$40,004,129</u></b>	<b><u>\$41,003,450</u></b>

# 2017 Budget compared to 2016

	Budget 2016	Budget 2017	Change	% Change
<b>Revenues</b>				
<b>Real Property Taxes &amp; PILOTS</b>	\$ 13,280,690	\$ 13,669,387	\$ 388,697	2.9%
<b>Sales and Use Tax</b>	11,691,997	11,536,066	(155,931)	-1.3%
<b>Mortgage Taxes</b>	950,000	1,199,000	249,000	26.2%
<b>Interfund Transfers - Revenue</b>	423,660	424,530	870	0.2%
<b>Metered Water Charges</b>	6,916,229	7,211,584	295,355	4.3%
<b>Sewer Charges</b>	2,639,250	2,753,848	114,598	4.3%
<b>Charges for Services</b>	1,757,485	1,750,675	(6,810)	-0.4%
<b>Other Revenue</b>	<u>2,344,818</u>	<u>2,458,360</u>	<u>113,542</u>	4.8%
<b>Total Revenues and Other Sources</b>	<u>\$ 40,004,129</u>	<u>\$ 41,003,450</u>	<u>\$ 999,321</u>	2.5%
<b>Expenditures</b>				
<b>Wages &amp; OT</b>	\$ 15,799,039	\$ 16,170,678	\$ 371,639	2.4%
<b>Fringe &amp; Payroll Taxes</b>	7,310,424	7,485,822	175,398	2.4%
<b>Retiree Health Insurance</b>	800,073	834,993	34,920	4.4%
<b>Equipment &amp; Other Capital</b>	1,095,100	2,285,370	1,190,270	108.7%
<b>Paving</b>	597,000	697,000	100,000	16.8%
<b>Contractual Costs</b>	3,672,850	3,062,364	(610,486)	-16.6%
<b>Interfund Transfers</b>	391,660	394,530	2,870	0.7%
<b>Debt Service (Principal and Interest)</b>	2,062,652	2,216,190	153,538	7.4%
<b>EMS/Albany County Paramedic</b>	1,174,616	1,183,891	9,275	0.8%
<b>Other Appropriations</b>	<u>7,100,715</u>	<u>6,672,612</u>	<u>(428,103)</u>	-6.0%
<b>Total Expenditures and Other Uses</b>	<u>\$ 40,004,129</u>	<u>\$ 41,003,450</u>	<u>\$ 999,321</u>	2.5%
<b>Change in Fund Balance</b>	\$ -	\$ -	\$ -	

# Staffing

Full Time Personnel Counts														
Final Check Run of the Year										Budget 2014	Budget 2015	Budget 2016	Budget 2017	Change in 2015 to 2016 Budget
Fund	Dept Code	Department Name	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016 as of 9/2/16					
110	1110	<b>Total Justice</b>	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-
110	1220	<b>Total Supervisor</b>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
110	1315	<b>Total Comptroller</b>	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-
110	1330	<b>Total Tax Collection</b>	3.0	3.0	2.0	2.0	1.0	-	-	2.0	1.0	-	-	-
110	1355	<b>Total Assessment</b>	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
110	1410	<b>Total Town Clerk/Tax Receiver (Combined)</b>	3.0	3.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	4.0	4.0	-
110	1420	<b>Total Legal</b>	-	-	-	-	-	-	-	-	-	-	-	-
110	1430	<b>Total Human Resources</b>	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
110	1620	<b>Total Shared Services</b>	4.5	4.7	3.2	3.2	4.7	4.8	4.8	5.2	5.2	5.0	5.0	-
110	1680	<b>Total MIS</b>	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
110	1685	<b>Total GIS</b>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
110	3110	<b>Total Telecommunications</b>	13.0	13.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0	11.0	-
110	3120	<b>Total Police - Sworn</b>	40.0	40.0	36.0	36.0	37.0	36.0	40.0	37.0	37.0	38.0	38.0	-
110	3120	<b>Total Police - Civilian</b>	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
110	3130	<b>Total Animal Control</b>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
110	3620	<b>Total Building</b>	6.5	6.5	6.5	6.5	5.5	5.5	5.5	6.5	5.5	5.5	5.5	-
110	5010	<b>Total Hwy Admin</b>	3.7	3.5	3.5	2.6	3.0	3.5	3.5	3.5	2.5	3.5	3.5	-
111	5015	<b>Total Community Beautification</b>	-	-	-	-	-	-	1.0	0.5	0.9	0.9	0.9	-
110	5020	<b>Total Signs &amp; Signals</b>	1.0	1.0	0.7	1.2	1.0	1.0	1.0	1.3	1.0	1.0	1.0	-
110	5060	<b>Total Sanitation</b>	3.0	3.0	3.0	1.4	3.1	3.6	3.4	4.0	3.5	3.5	3.5	-
110	6772	<b>Total Seniors</b>	6.0	6.0	6.0	6.0	6.0	7.0	6.0	6.0	6.0	6.0	6.0	-
110	7110	<b>Total Parks Admin</b>	5.0	4.0	4.0	4.0	4.0	5.0	4.0	4.0	4.0	4.0	4.0	-
110	7120	<b>Total Parks &amp; Rec</b>	5.0	5.0	5.8	4.4	-	-	-	-	-	-	-	-
110	7145	<b>Total Parks &amp; Rec/Highway Maint</b>	-	-	-	-	5.0	5.0	6.5	5.3	5.5	5.0	5.0	-
110	8020	<b>Total Planning</b>	4.5	4.5	4.5	4.5	5.5	5.5	5.5	4.5	4.5	5.5	5.5	-
110	8590	<b>Total DPW Admin</b>	3.8	3.3	3.0	4.4	3.7	4.1	4.1	3.7	4.5	3.7	3.7	-
110	8595	<b>Total Stormwater</b>	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.0	-
210	5010	<b>Total Highway Admin</b>	-	-	-	-	-	2.8	2.4	-	-	3.0	3.0	-
210	5011	<b>Total Roads</b>	53.0	51.0	51.5	52.0	48.4	42.6	40.0	45.8	46.9	43.9	43.9	-
220	8510	<b>Total Water Admin</b>	5.0	4.7	4.2	2.9	3.3	3.1	2.6	4.1	3.7	3.5	4.0	0.5
220	8530	<b>Total New Salem Purification</b>	10.1	10.4	10.6	8.9	8.9	8.7	9.1	10.5	10.5	10.5	10.2	(0.3)
220	8535	<b>Total Clapper Purification</b>	4.9	3.6	4.4	5.1	5.1	5.3	5.0	4.5	4.5	4.5	4.5	-
220	8540	<b>Total Transmission</b>	11.5	10.5	10.5	11.0	12.8	13.7	12.9	12.0	11.5	13.0	13.0	-
230	8510	<b>Total Sewer Admin</b>	5.5	5.2	4.7	2.9	3.0	2.8	2.3	3.7	4.3	3.1	2.8	(0.2)
230	8515	<b>Total Collection</b>	8.0	8.0	7.0	8.0	8.0	8.0	8.5	8.0	7.5	8.0	8.0	-
230	8545	<b>Total Treatment</b>	6.0	7.0	7.0	7.0	6.0	6.0	6.0	7.0	7.0	6.0	6.0	-
<b>Grand Total</b>			232.0	227.0	216.0	212.0	213.0	213.0	213.0	218.0	216.0	217.0	217.0	-

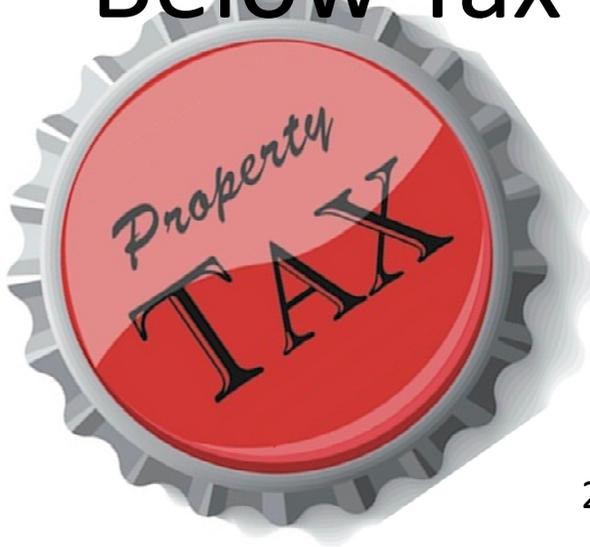
# Property Tax Levies & Rates

District	2016		2017		Change in Levy		Change in Rate	
	Property Tax Levy	Tax Rate	Property Tax Levy	Tax Rate				
<b>General Fund</b>	2,101,400	0.58057	2,373,757	0.64905	272,357	13.0%	0.068	11.8%
<b>Highway</b>	6,120,535	1.69096	6,179,710	1.68971	59,175	1.0%	(0.001)	-0.1%
<b>Water District</b>	2,137,704	0.57001	2,146,180	0.56689	8,476	0.4%	(0.003)	-0.5%
<b>Sewer District</b>	1,423,905	0.44115	1,427,648	0.43859	3,743	0.3%	(0.003)	-0.6%
<b>EMS</b>	1,174,064	0.30464	1,183,891	0.30417	9,827	0.8%	(0.000)	-0.2%
<b>PILOTs</b>	323,582		346,447		22,865	7.1%	N/A	N/A
<b>Vista Lighting District</b>	12,311		12,395		84	0.7%	N/A	N/A
<b>Tax Levy</b>	13,293,501		13,670,028		376,527	<b>2.8%</b>		
<b>Tax Rate</b>		3.587		3.648			0.061	1.7%

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

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

# Below Tax Cap for Sixth Straight Year



Year	Tax Cap %	Growth Factor	Pension Exclusion	Additional Cap Space*	Maximum Levy Increase Under Cap	Tax Levy Change	Tax Rate Change (Avg.)	CPI
2012	2.00%	0.51%	1.39%	0.00%	3.90%	1.79%	2.27%	2.10%
2013	2.00%	0.57%	0.40%	16.12%	19.09%	-3.38%	7.45%	1.50%
2014	1.66%	0.47%	0.00%	1.61%	3.74%	1.13%	3.04%	1.60%
2015	1.56%	0.75%	0.00%	2.02%	4.33%	1.76%	-4.73%	0.10%
2016	0.73%	0.20%	0.00%	1.48%	2.41%	0.63%	-0.20%	1.00%
2017	0.68%	0.85%	0.00%	1.40%	2.93%	2.83%	1.71%	2.30%

Since 2012, we have been under the cap by **\$1.2 million**

\* Relates to carryover from prior year and change in PILOT receivables