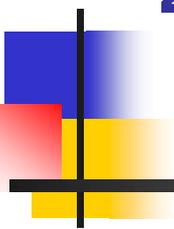


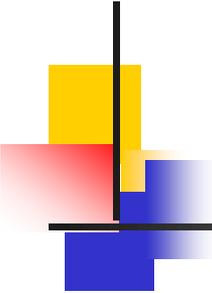
# Town of Bethlehem

## 20/20 Advisory Committee



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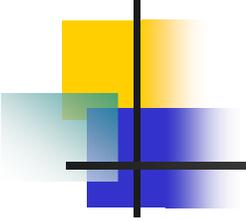
Committee Meeting  
October 17, 2008  
Elsmere Fire House, Poplar Drive  
7:30 – 9:15 a.m.



# Agenda

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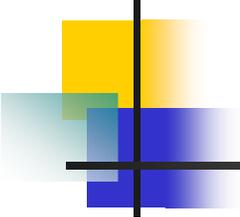
1. Co-Chair Report – Terri Egan and Ken Ringler
2. Report from Community Survey Sub-Committee, Pam Robbins
3. Report from Communications Sub-Committee, John Piechnik
4. Report from Financial Modeling Sub-Committee, George Leveille
5. Presentation of Projected Town Finances, Jack Cunningham and Suzanne Traylor
6. Next Meeting: Friday, November 21, 2008



# RECENT HEADLINES

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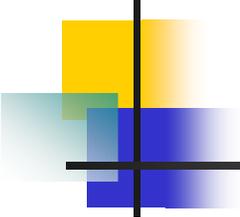
- **Stratton Proposes 2.9% Tax Increase for Schenectady**
- **Albany Sees 4.9% Tax Increase in 2009 (\$96.00 to the average homeowner)**
- **Colonie to Raise Property Tax (increase of 3 cents over current assessment)**
- **Cohoes seeks 3.96% tax rise**
- **Bethlehem to raise taxes nearly 7%**



# The Headlines You Won't See

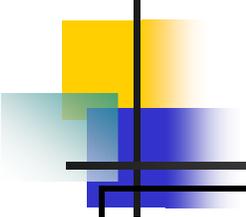
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- **Schenectady's tax increase is the dollar equivalent to a 15% increase here in Bethlehem**
- **Albany's tax increase is the dollar equivalent to a 14% increase here in Bethlehem**
- **Cohoes' tax increase is the dollar equivalent to a 22% increase here in Bethlehem**
- **Colonie's one time tax is the dollar equivalent to a 39% increase here in Bethlehem**
- **Bethlehem's Town tax rate remains the second lowest in the area (even after 6.89% increase)**



# ALL PERCENTAGES ARE NOT EQUAL

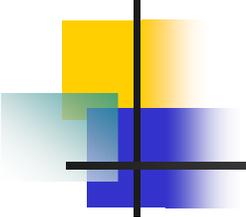
Location	Announced Increase for 2009	Town of Bethlehem Equivalent	Cost to Homeowner Per \$100,000
Albany	4.9%	25%	\$64.00
Schenectady	2.9%	23%	\$60.00
Cohoes	3.96%	41%	\$56.25
Colonie	3% + \$100	42%	\$108.00
<b><u>Bethlehem</u></b>	<b><u>6.89%</u></b>	<b><u>6.89%</u></b>	<b><u>\$17.45</u></b>



# Real Dollar Cost per \$100,000 Assessed Value for 2009

Municipality	Cost to Homeowner per \$100,000 Assessed Value in 2009
<b>Guilderland</b> *includes special assessment Dist	\$268
<b>Bethlehem</b>	<b>\$270</b>
<b>Colonie</b>	\$288/\$388
<b>Niskayuna</b>	\$398
<b>Albany</b>	\$854
<b>Schenectady</b>	\$2,145
<b>Cohoes</b>	\$1,671

# TAXES PER \$100,000 OF ASSESSED VALUE

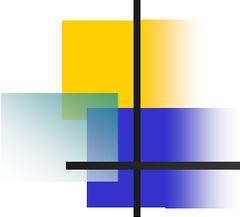


	2008	Est. 2009	Change
General Fund	42.31	44.00	1.69
Highway Fund	124.29	131.74	7.45
Water Dist #1	55.74	62.87	7.13
Sewer District	30.82	32.00	1.18
<b>Total Town Tax</b>	<b>253.16</b>	<b>270.61</b>	<b>17.45</b>

Overall increase of 6.89%



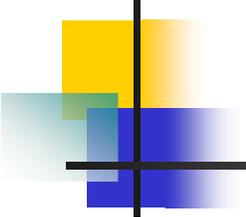
**Note: excludes Albany County taxes and other special districts**



# THE FACTS ABOUT OUR TOWN BUDGET

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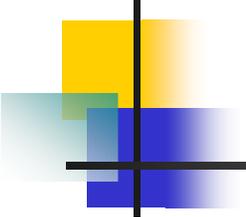
- Property taxes are the **ONLY** revenue stream over which the Town Board has control
- Property Tax revenue account for 24% of the proposed 2009 Town budget
- Sales and Mortgage tax revenue accounts for 30% of the proposed 2009 Town budget
- It would require a property tax increase of 28% to close the 2009 proposed budget gap - \$70.71 per \$100,000
- Annually the Town draws down fund balances to meet expenditures – Approximately \$4 million since 2005.



# WHAT ARE WE DOING TO MANAGE COSTS?

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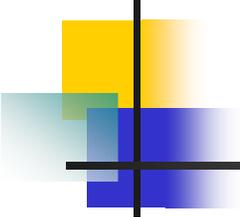
- Reduced Water budget by \$150,000 from 2008 budget
- Reduced Health Insurance benefit costs for retirees saving \$250,000 annually
- Consolidated Fleet Management to reduce redundancy saving an estimated \$50,000 in 2008
- Reduced Equipment expenditures by \$35,000 from 2008 budget
- Reduced overall operating expenses by \$110,000 – doing more with less
- Implemented a hiring freeze to help manage current and future costs
- Reduced overtime expenditures by \$30,000 in 2009 budget
- Place moratorium on all non-discretionary spending to ensure that budgeted spending does not get ahead of revenue
- Launched an initiative to explore new revenue generating initiatives



# OTHER BUDGET INITIATIVES

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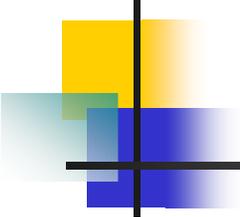
- Encouraging new revenue streams
  - User Fees
  - Colonial Acres Golf Course
- Joined Health Insurance Consortium Study with Albany County to examine self funded insurance program
- Joined Albany County Storm Water Management consortium to reduce overall cost of Storm Water Management program
- Joined PSAP (911) consolidation study with Albany County
- Persist with Automation initiatives designed to deliver government services while reducing costs.
  - SCADA
  - Automation of Parks registration programs
  - Improved Park access system
  - On-line assessment information and property valuation tools
  - Electronic newsletter
  - Electronic agenda system



# SERVICE INITIATIVES FOR 2009

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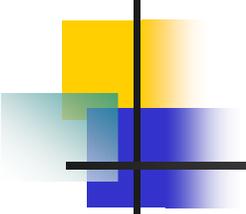
- Complete the 20/20 initiative
- Complete a Capital Plan to identify future facility needs of the Town
- Complete an analysis of the Town's projected financial condition through 2014
- Continued growth of GIS mapping to help reduce the future costs of asset management
- Complete a Grant Audit for the Town
- Continue the \$5 million Sewer Pump Station upgrade project
- Initiate a feasibility study on the purchase of a service garage and facility for DPW
- Complete Water Plant and Waste Water Plant upgrade studies



# SERVICE INITIATIVES FOR 2009

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- Build sidewalks on Feura Bush Rd, Elsmere Avenue and Orchard Street
- Help implement the revenue recovery program for the Town's two ambulance service providers
- Begin development of the Simmons Road property
- Install new Elm Avenue Park pool filter system
- Complete Planning Initiatives:
  - Farmland Protection
  - Open Space Protection
  - Delaware Avenue Study
  - Route 9W Study
  - Thruway Interchange Feasibility Study
  - LWRP

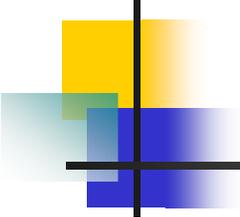


# Summary of Expenditures – All Funds (in thousands)

	<b>2008</b>	<b>2009</b>	<b>Change</b>
Salary & Benefits	\$20,459	\$21,350	891
Equipment Costs	\$ 2,399	\$ 2,364	( 35)
Operating Expenses	\$13,110	\$13,000	( 110)
Debt Service	\$1,657	\$ 1,953	296
Total 2009	\$37,625	\$38,667	1,042

Overall increase in expenditures

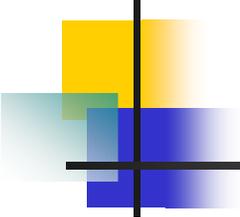
**2.8%**



# WHAT TO WATCH FOR IN 2009

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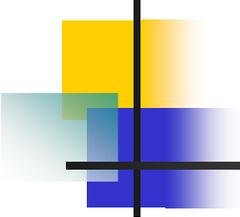
- Watching economic news closely
  - Sales and Mortgage tax accounts for 30% of overall budget and 67% of the General Fund Budget
  - Economic downturn will impact sales tax revenue
  - Housing market downturn will impact mortgage tax revenue
- Economic downturn could impact public safety costs
- Highway budget is weather sensitive
- Petroleum cost could help or hurt the budget for 2009



# GENERAL FUND EXPENTIDURE OVERVIEW

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- Increase to staff by one full time police officer at mid-year.
  - Brings number of officers to 44
- Health insurance up 14%
  - Up \$156,000 overall, to \$2,062,000
- Retirement system costs stable for 2009 but increases are anticipated for 2010
- Expenditures increase 4.7% in 2009
- Proposed General Fund increase of \$1.69 per \$100K

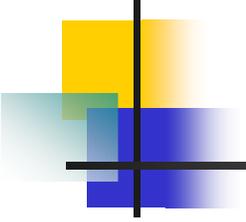


# HIGHWAY FUND EXPENDITURE OVERVIEW

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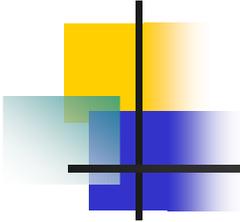
- Expenditures up 4.7%
- Service demands continue to rise
- Fuel costs are significant portion of budget and impact cost
- Costs for paving materials and petroleum based products continue to rise dramatically
- Staff levels remain at 56 – Efficiencies with DPW staff being sought
- Proposed Highway Fund increase of \$7.45 per \$100K

# WATER & SEWER FUND BUDGET HIGHLIGHTS



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- Managing aged infrastructure
- Meeting emergency infrastructure failures
- Planning for major infrastructure upgrades
  - Sewer Pump Station Upgrade
  - Trunk-line Study and upgrade
- Managing cost of goods and services that are increasing at a rate greater than the CPI
  - Chemicals
  - Steel
  - Fuel
- Proposed Sewer District rate increase of \$1.18 per \$100k
- Proposed Water District rate increase of \$7.13 per \$100k



**AS WE CONTINUE TO INVEST**  
**IN OUR COMMUNITY**

**OUR COMMUNITY**  
**CONTINUES TO BE A GOOD**  
**INVESTMENT**

## ALL FUNDS

	<u>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Actual</u>	<u>2007 Actual</u>	<u>Budget 2008</u>	<u>Proposed 2009</u>	<u>Projected 2010</u>
Total Revenues	31,515,910	32,522,983	33,806,514	34,655,629	35,072,000	36,891,000	38,329,749
Total Expenditures	28,376,756	31,519,461	32,124,582	33,729,486	37,044,000	38,667,000	40,708,618
Transfer (to) from other Funds	(750,000)	(165,000)	(2,925,000)	(1,689,000)	0	0	0
Excess (Deficit) Revenue to Exp	2,389,154	838,522	(1,243,068)	(762,857)	(1,972,000)	(1,776,000)	(2,378,869)
Fund Balance Beginning	9,318,057	11,707,211	12,545,733	11,302,665	10,539,808	8,567,808	6,791,808
<b>Fund Balance Ending</b>	<b>11,707,211</b>	<b>12,545,733</b>	<b>11,302,665</b>	<b>10,539,808</b>	<b>8,567,808</b>	<b>6,791,808</b>	<b>4,412,939</b>
Excess (Deficit) to 15% Target	11,281,560	12,072,941	10,820,796	10,033,866	8,012,148	6,211,803	3,802,310
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Total Revenues	39,824,609	44,529,496	46,880,653	49,355,952	51,961,946	54,705,537	
Total Expenditures	42,858,033	45,120,937	47,503,322	50,011,498	52,652,105	55,432,136	
Transfer to other Funds	0	0	0	0	0	0	
Excess (Deficit) Revenue to Exp	(3,033,423)	(591,441)	(622,669)	(655,546)	(690,159)	(726,599)	
Fund Balance Beginning	4,412,939	1,379,516	788,075	165,406	(490,140)	(1,180,298)	
<b>Fund Balance Ending</b>	<b>1,379,516</b>	<b>788,075</b>	<b>165,406</b>	<b>(490,140)</b>	<b>(1,180,298)</b>	<b>(1,906,897)</b>	
Excess (Deficit) to 15% Target	(5,049,189)	(5,980,065)	(6,960,092)	(7,991,864)	(9,078,114)	(10,221,718)	
Revenue increase:	3.90%	<i>Growth in revenue and expenditures based on trends in all funds per OSC data</i>					
Expenditure Increase:	5.28%						

## GENERAL FUND

	<u>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Actual</u>	<u>2007 Actual</u>	<u>Budget 2008</u>	<u>Proposed 2009</u>	<u>Projected 2010</u>
Total Revenues	15,027,314	15,230,673	16,145,760	16,467,415	16,496,000	17,450,000	18,060,750
Total Expenditures	13,573,657	15,413,635	16,145,232	16,663,912	16,965,000	18,192,000	19,216,210
Transfer (to) from other Funds	(1,250,000)	(565,000)	(200,000)	0	0	0	0
Excess (Deficit) Revenue to Exp	203,657	(747,962)	(199,472)	(196,497)	(469,000)	(742,000)	(1,155,460)
Fund Balance Beginning	5,583,703	5,787,360	5,039,398	4,839,926	4,643,429	4,174,429	3,432,429
Fund Balance Ending	5,787,360	5,039,398	4,839,926	4,643,429	4,174,429	3,432,429	2,276,969
Excess (Deficit) to 15% Target	3,751,311	2,727,353	2,418,141	2,143,842	1,629,679	703,629	(605,462)
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Total Revenues	18,692,876	19,347,127	20,024,276	20,725,126	21,450,505	22,201,273	
Total Expenditures	20,298,082	21,440,864	22,647,985	23,923,066	25,269,935	26,692,632	
Transfer to other Funds	0	0	0	0	0	0	
Excess (Deficit) Revenue to Exp	(1,605,206)	(2,093,737)	(2,623,709)	(3,197,940)	(3,819,430)	(4,491,359)	
Fund Balance Beginning	2,276,969	671,763	(1,421,974)	(4,045,682)	(7,243,623)	(11,063,052)	
Fund Balance Ending	671,763	(1,421,974)	(4,045,682)	(7,243,623)	(11,063,052)	(15,554,412)	
Excess (Deficit) to 15% Target	(2,372,949)	(4,638,103)	(7,442,880)	(10,832,083)	(14,853,543)	(19,558,307)	
Revenue increase:	3.50%	<i>Growth in revenue and expenditures based on analysis of past data from 2002 to 2006</i>					
Expenditure Increase:	5.63%						

## HIGHWAY FUND

	<u>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Actual</u>	<u>2007 Actual</u>	<u>Budget 2008</u>	<u>Proposed 2009</u>	<u>Projected 2010</u>
Total Revenues	4,928,200	5,391,642	5,714,424	5,884,400	6,131,000	6,366,000	6,609,818
Total Expenditures	5,252,073	5,464,378	5,663,522	5,751,969	6,379,000	6,741,000	7,102,992
Transfer (to) from other Funds	500,000	400,000	(250,000)	(89,000)	0	0	0
Excess (Deficit)	176,127	327,264	(199,098)	43,431	(248,000)	(375,000)	(493,174)
Fund Balance Beginning	1,526,744	1,702,871	2,030,135	1,831,037	1,874,468	1,626,468	1,251,468
Fund Balance Ending	1,702,871	2,030,135	1,831,037	1,874,468	1,626,468	1,251,468	758,294
Excess (Deficit) to 15% Target	915,060	1,210,478	981,509	1,011,673	669,618	240,318	(307,155)
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Total Revenues	6,862,974	7,125,826	7,398,745	7,682,117	7,976,342	8,281,836	
Total Expenditures	7,484,422	7,886,336	8,309,832	8,756,070	9,226,271	9,721,722	
Transfer to other Funds	0	0	0	0	0	0	
Excess (Deficit)	(621,449)	(760,510)	(911,087)	(1,073,953)	(1,249,929)	(1,439,886)	
Fund Balance Beginning	758,294	136,846	(623,665)	(1,534,752)	(2,608,705)	(3,858,634)	
Fund Balance Ending	136,846	(623,665)	(1,534,752)	(2,608,705)	(3,858,634)	(5,298,520)	
Excess (Deficit) to 15% Target	(985,818)	(1,806,615)	(2,781,227)	(3,922,116)	(5,242,575)	(6,756,779)	
Revenue increase:	3.8%	<i>Growth in revenue and expenditures based on analysis of past data from 2002 to 2006</i>					
Expenditure Increase:	5.4%						

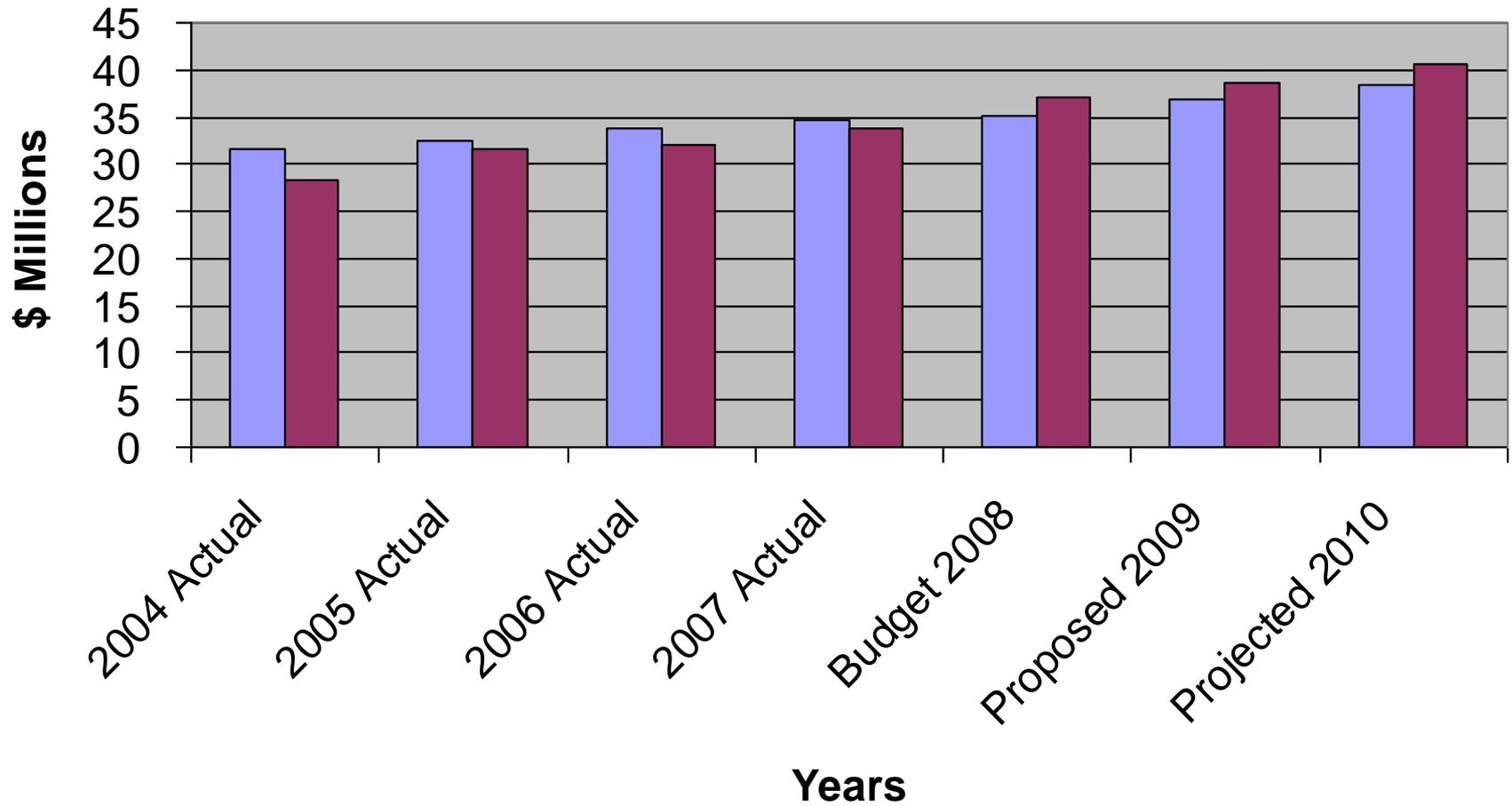
## WATER FUND

	<u>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Actual</u>	<u>2007 Actual</u>	<u>Budget</u> <u>2008</u>	<u>Proposed</u> <u>2009</u>	<u>Projected</u> <u>2010</u>
Total Revenues	7,568,101	7,949,396	7,972,190	8,110,530	8,476,000	8,925,000	9,162,405
Total Expenditures	6,319,860	7,124,349	6,765,801	7,528,482	9,433,000	9,300,000	9,658,050
Transfer (to) from other Funds	0	0	(1,600,000)	(1,300,000)	0	0	0
Excess (Deficit)	1,248,241	825,047	(393,611)	(717,952)	(957,000)	(375,000)	(495,645)
Fund Balance Beginning	1,798,910	3,047,151	3,872,198	3,478,587	2,760,635	1,803,635	1,428,635
Fund Balance Ending	3,047,151	3,872,198	3,478,587	2,760,635	1,803,635	1,428,635	932,990
Excess (Deficit) to 15% Target	2,099,172	2,803,546	2,463,717	1,631,363	388,685	33,635	(515,718)
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Total Revenues	9,406,125	9,656,328	9,913,186	10,176,877	10,447,582	10,725,488	
Total Expenditures	10,029,885	10,416,035	10,817,053	11,233,509	11,666,000	12,115,140	
Transfer to other Funds	0	0	0	0	0	0	
Excess (Deficit)	(623,760)	(759,708)	(903,867)	(1,056,632)	(1,218,418)	(1,389,653)	
Fund Balance Beginning	932,990	309,230	(450,478)	(1,354,344)	(2,410,977)	(3,629,394)	
Fund Balance Ending	309,230	(450,478)	(1,354,344)	(2,410,977)	(3,629,394)	(5,019,047)	
Excess (Deficit) to 15% Target	(1,195,253)	(2,012,883)	(2,976,902)	(4,096,003)	(5,379,294)	(6,836,318)	
Revenue increase:	2.7%	<i>Growth in revenue and expenditures based on analysis of past data from 2002 to 2006</i>					
Expenditure Increase:	3.9%						

## SEWER FUND

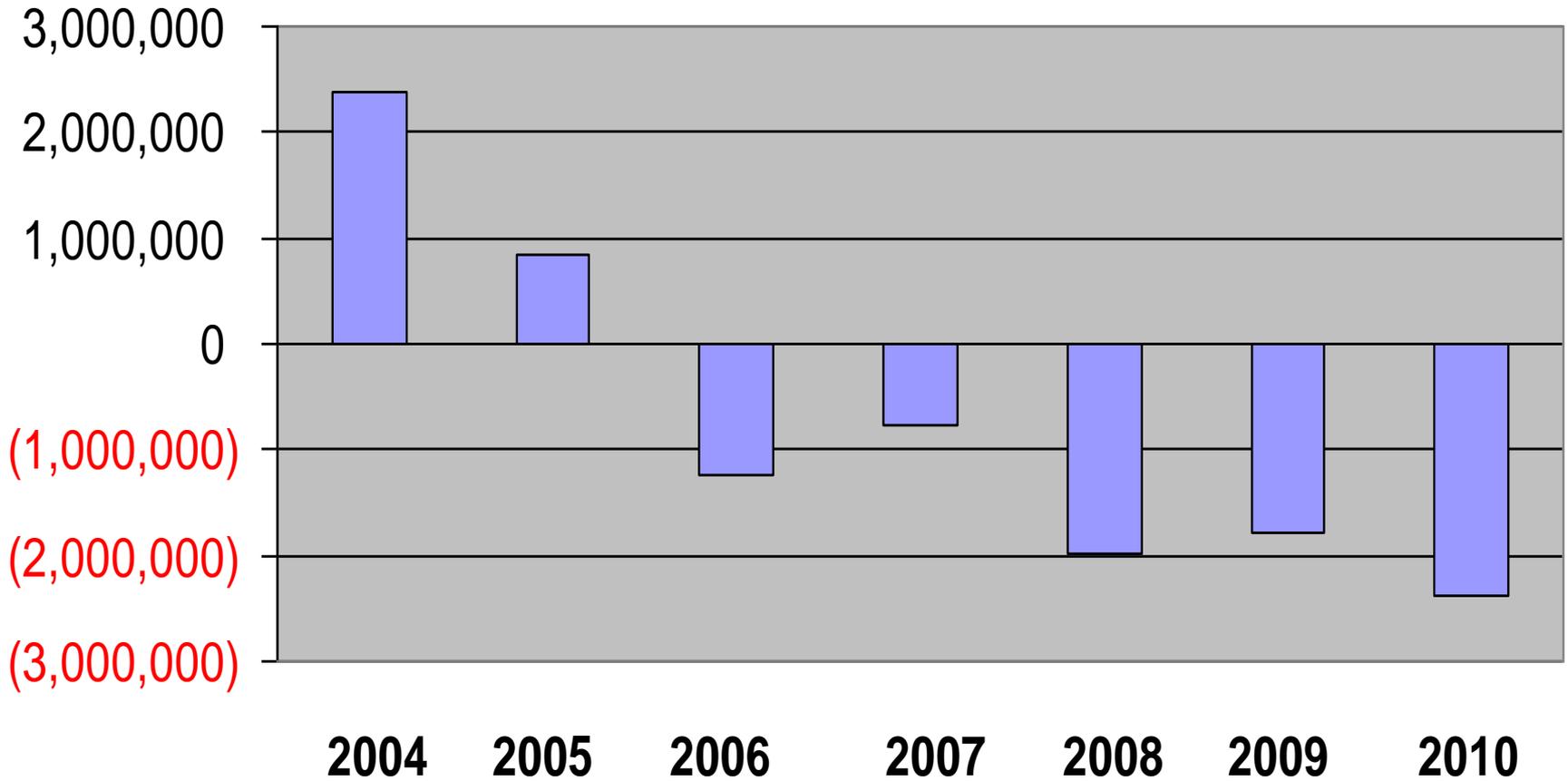
	<u>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Actual</u>	<u>2007 Actual</u>	<u>Budget 2008</u>	<u>Proposed 2009</u>	<u>Projected 2010</u>
Total Revenues	3,992,295	3,951,272	3,974,140	4,193,284	3,969,000	4,150,000	4,140,870
Total Expenditures	3,231,166	3,517,099	3,550,027	3,785,123	4,267,000	4,434,000	4,650,823
Transfer (to) from other Funds	0	0	(875,000)	(300,000)	0	0	0
Excess (Deficit)	761,129	434,173	(450,887)	108,161	(298,000)	(284,000)	(509,953)
Fund Balance Beginning	408,698	1,169,827	1,604,000	1,153,113	1,261,274	963,274	679,274
Fund Balance Ending	1,169,827	1,604,000	1,153,113	1,261,274	963,274	679,274	169,321
Excess (Deficit) to 15% Target	685,152	1,076,435	620,609	693,506	323,224	14,174	(528,302)
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
Total Revenues	4,131,760	4,122,670	4,113,600	4,104,550	4,095,520	4,086,510	
Total Expenditures	4,878,248	5,116,794	5,367,005	5,629,452	5,904,732	6,193,474	
Transfer to other Funds	0	0	0	0	0	0	
Excess (Deficit)	(746,488)	(994,124)	(1,253,405)	(1,524,902)	(1,809,212)	(2,106,963)	
Fund Balance Beginning	169,321	(577,166)	(1,571,290)	(2,824,695)	(4,349,597)	(6,158,809)	
Fund Balance Ending	(577,166)	(1,571,290)	(2,824,695)	(4,349,597)	(6,158,809)	(8,265,772)	
Excess (Deficit) to 15% Target	(1,308,904)	(2,338,809)	(3,629,746)	(5,194,015)	(7,044,518)	(9,194,793)	
Revenue increase:	-0.2%	<i>Growth in revenue and expenditures based on analysis of past data from 2002 to 2006</i>					
Expenditure Increase:	4.9%						

## Structural Budget Gap (All Funds)



■ Total Revenues ■ Total Expenditures

# Operating Projection (all funds)



# Erosion of Fund Balance

