

# **20/20 Advisory Committee**

## **FINAL REPORT**

**December 28, 2011**

*Submitted to:*

**Town of Bethlehem**

**Supervisor Sam Messina & Members of the Town Board**

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**1. Letter from the 20/20 Co-Chairs**

Dear Supervisor Messina and Members of the Town Board:

On behalf of the members of the Bethlehem 20/20 Advisory Committee (20/20), we are pleased to submit this final report for our 2011 work plan. Among other things, 20/20 was tasked with reviewing the recommendations set forth in the original 20/20 report (issued in June 2009) and to develop a work plan for 2011 that would implement some of the recommendations designed to strengthen our town government, reduce costs and increase efficiencies. This report presents our findings and recommendations, developed over the course of the last year, which will hopefully provide the Town with valuable information and ideas that can help the Town confront the fiscal and operational challenges that lie ahead. This report would not have been possible without the active participation and insight provided by Supervisor Messina and many of the Town's highly capable staff and we want to thank them for their participation. In particular, we extend our gratitude to Robin Nagengast who provided invaluable administrative support to 20/20.

In reconstituting 20/20, the Town confirmed its commitment to more actively involving its citizens in the process of modernizing and finding more efficient approaches to delivering its programs and services. The original 20/20 report provided meaningful recommendations that have guided the committee's efforts in producing the work products included in this final report. Our final effort has been the completion of a Citizen Engagement and Leadership Plan (Section 4), which suggests a variety of ways to better formalize citizen participation as a cornerstone of Town governance.

There has been a tremendous amount of work undertaken by the committee as evidenced by the seven work products included in this final report. We want to extend our gratitude to 20/20's volunteer members both past and present. Their willingness to serve and the quality of their work is a testament to the incredible community in which we all live.

We hope that we have been successful in providing ideas and information that will assist the Town in making decisions that will sustain Bethlehem as a great place to live and work. There is no doubt that the Town continues to face significant challenges. However, we remain highly optimistic that the Town's proactive efforts to involve its citizens in addressing these challenges will reap benefits and will position the Town as a model for other municipalities. We are grateful for the opportunity to have served as Co-Chairs of the 20/20 Advisory Committee.

Sincerely,



Terri Egan



George Leveille

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**2. 20/20 Advisory Committee Members (as of December 2011)**

Terri Egan, Co-Chair  
40 Leaf Rd.  
Delmar, NY, 12054  
egantee@aol.com

Kevin Crawford  
24 Longwood Drive  
Delmar, NY 12054  
Kcrawford3@nycap.rr.com

Dianne Kansas  
101 Murray Avenue  
Delmar, NY, 12054  
dbkansas@nycap.rr.com

George Leveille, Co-Chair  
21 Gladwish Road  
Delmar, NY, 12054  
glev9119@gmail.com

Kimberly Finnigan  
17 Constitution Drive  
Glenmont, NY 12077  
kfinnigan@coopererving.com

John Piechnik  
9 So. Helderberg Pkwy.  
Slingerlands, NY, 12159  
jpiechnik@aol.com

Steve Baboulis  
59 Dorchester Ave.  
Selkirk, NY, 12158  
sbaboulis@nycap.rr.com

John Guastella  
8A Claremont  
Delmar, NY 12054  
john@ourtownebethlehem.com

Ted Putney  
141 Barent Winne Rd.  
Selkirk, NY, 12158  
tedputney@earthlink.net

Keith Bennett  
182 Westchester Dr.  
Delmar, NY, 12054  
keithb@secsupply.com  
(Co-Chair, Economic  
Development Sub-Committee)

Susan Hager  
80 Voyage Dr.  
Glenmont, NY, 12077  
skhager@nycap.rr.com  
(Co-Chair, Modernization Sub-  
Committee)

Joseph Richardson  
8 Hughes Common  
Slingerlands, NY 12159  
jpr132@nycap.rr.com  
(Co-Chair, Economic  
Development)

James Blendell  
4 So. Helderberg Pkwy.  
Slingerlands, NY, 12159  
jblendell@nycap.rr.com

Terry Hannigan  
64 Columbine Dr.  
Glenmont, NY, 12077  
terry@hannigan.pro  
(Chair, Intergovernmental Sub-  
Committee)

Pam Robbins  
27 Bittersweet Lane  
Slingerlands, NY, 12159  
probbins@prainc.com

John Clarkson  
26 N. Helderberg Pkwy  
Slingerlands, NY, 12159  
jclarksn@gmail.com

John Hudacs  
61 Paxwood Road  
Delmar, NY 12054  
jfhudacs@verizon.net

Brian Stenson  
(formerly)  
33 Ruxton Rd.  
Delmar, NY, 12054  
brianstenson@gmail.com

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**3. Final 20/20 Work Plan Status Report**

Action Item	Purpose	Activities Conducted	Status/Next Steps
Consider reorganization and unification of the Town's Public Works and Highway Departments	To improve and sustain operating and organizational efficiencies	<ul style="list-style-type: none"> <li>• Three meetings with affected departments, Human Resources, Comptroller</li> <li>• Reviewed preliminary financial forecast prepared by Comptroller</li> <li>• Gathered information on personnel and staffing matters</li> <li>• Draft report circulated to participants and final draft approved by committee</li> </ul>	<ul style="list-style-type: none"> <li>• Sense among DPW-Highway that they have been doing more than fair share of efficiency-finding</li> <li>• Suggested 20/20 look more closely at other large departments</li> <li>• Final report to be submitted to Town Board and presented at December 28, 2011 meeting</li> </ul>
Strengthen the Town's financial and administrative management capacity	To improve Town financial management and capital planning, and implement applicable IMAC recommendations	<ul style="list-style-type: none"> <li>• Numerous Interviews and meetings with Town staff</li> <li>• Several sub-committee meetings</li> <li>• Preliminary report prepared and circulated to 20/20 members</li> <li>• Final Report submitted to Town Board in November</li> </ul>	<ul style="list-style-type: none"> <li>• Several policy level recommendations presented to Town Board for consideration and implementation</li> </ul>
Consider Changes for Elected and Appointive Offices	Evaluate/suggest 21st century governance and management structure supporting operational improvements	<ul style="list-style-type: none"> <li>• Report published in April</li> <li>• Two public meetings conducted</li> <li>• Town Board decides against holding public hearing to consider extension of the Town Supervisor's term of office from two to four years</li> </ul>	<ul style="list-style-type: none"> <li>• Report remains with Town for future reference</li> </ul>
Establish new Town-wide economic development partnership	To share in the burdens and benefits of managing sustainable community growth	<ul style="list-style-type: none"> <li>• Efforts proceeded slowly during Vista peak</li> <li>• Partnership scenario has been prepared</li> <li>• Meetings have been held with two major school districts</li> </ul>	<ul style="list-style-type: none"> <li>• Initiative has been included in economic development strategy submitted to Town Board in December 2011</li> </ul>

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Action Item	Purpose	Activities Conducted	Status/Next Steps
Update and Implement a Town-Wide economic development strategy	Encourage responsible economic growth that is consistent with the Town's Comp Plan	<ul style="list-style-type: none"> <li>• Numerous sub-committee meetings</li> <li>• Ad placed in national journal</li> <li>• Adaptive reuse best practices report completed</li> <li>• Draft strategy completed and approved by BIDA</li> <li>• Strategy presented to Town Board on December 14, 2011</li> </ul>	<ul style="list-style-type: none"> <li>• Town and Bethlehem IDA to lead implementation of strategy</li> </ul>
Virtual Community Center to facilitate community use of existing meeting space in Town, Fire District, School and Library facilities	One-stop shopping for meeting space, promoting citizen access; benefits include increased utilization, cost avoidance (for additional space), and greater cooperation among taxing jurisdictions	<ul style="list-style-type: none"> <li>• Several meetings held with involved organizations</li> <li>• Preliminary recommendations made to 20/20</li> <li>• Bethlehem Library supportive of initiative</li> <li>• 20/20 determined that while this is promising and potentially helpful, this was not at a level of priority that could command limited 20/20 resources</li> </ul>	<ul style="list-style-type: none"> <li>• Preliminary work turned over to Town for further action if desired</li> </ul>
Municipal - School District Service Sharing	Evaluate Potential Savings and Service Improvements from Town-School Shared/Consolidated Services;	<ul style="list-style-type: none"> <li>• This Town led inter-governmental initiative never gained traction and was hampered by a few factors including executive level staff changes at two of the Town's three school districts as well as competing priorities brought on by the State's imposed tax cap</li> </ul>	<ul style="list-style-type: none"> <li>• This remains a very important topic which the Town should continue to pursue with Albany County, its school districts and special taxing districts</li> </ul>
Discuss, facilitate, and evaluate Cooperative and Shared Service Opportunities	Savings and Service Improvements	<ul style="list-style-type: none"> <li>• This Town led inter-governmental initiative never gained traction and was hampered by a few factors including executive level staff changes at two of the Town's three school districts as well as competing priorities brought on by the State's imposed tax cap</li> </ul>	<ul style="list-style-type: none"> <li>• This remains a very important topic which the Town should continue to pursue with Albany County, its school districts and special taxing districts</li> </ul>

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Action Item	Purpose	Activities Conducted	Status/Next Steps
Develop Principles for Prioritization	To assist in developing a common, objective framework for considering the relative value of Town services	<ul style="list-style-type: none"> <li>• Draft principles presented to Town Board in January 2011</li> <li>• Final report submitted to Town Board in September, 2011</li> </ul>	<ul style="list-style-type: none"> <li>• Can be used as a guide by Town Board in evaluating budgetary and programmatic changes</li> </ul>
Develop a plan to enhance and cultivate Citizen Engagement and leadership related to Town needs, priorities and challenges	Well informed citizens will support informed decision making on the challenges facing the Town regarding growth, environmental protection, fiscal responsibility, and programs and services	<ul style="list-style-type: none"> <li>• Committee has fostered an open environment for discussion of Town related issues</li> <li>• Committee has had numerous interactions with Town staff</li> <li>• Committee has recommended greater public involvement in decisions about future Town governance</li> <li>• Committee's efforts are a good example of citizen engagement at work</li> </ul>	<ul style="list-style-type: none"> <li>• Committee to present its Plan to the Town Board at its December 28, 2011 meeting</li> </ul>
Identify Best Practices for Adaptive Reuse in Commercial Districts	To retain community character while adapting to new economic uses	<ul style="list-style-type: none"> <li>• Researched best practices at both state and national levels</li> <li>• Submitted to Town in July 2011 and presented to Town Board on August 10, 2011</li> </ul>	<ul style="list-style-type: none"> <li>• Town should develop adaptive reuse priorities and consider code amendments to support adaptive reuse</li> </ul>

## **4. Citizen Engagement and Leadership Plan**

### **A. Introduction: the 20/20 Vision for Citizen Engagement**

There are unprecedented financial pressures on Town government that will very likely require changes to programs and service levels that Town residents have grown accustomed to. Following two years of study and investigation, the 20/20 Advisory Committee (20/20) has gained a clearer appreciation of the vital role citizens must play as “SHAPERS” rather than merely “CONSUMERS” of public policy. Having achieved this understanding, we feel it is essential that the Town of Bethlehem’s government develop and employ a broad base citizen engagement and leadership initiative. Such a program would strive to encourage citizen involvement, enhance the understanding of government operations, reduce conflict, increase trust and cultivate a civic capacity that would result in more timely and effective decision making. To these ends we have outlined a range of ideas focusing on; issues to be considered, methods and elements of such an initiative, measurement tools and recommended steps to be taken.

### **B. Key Issues to be Considered**

For the past four years, 20/20 has met regularly to discuss many of the issues and challenges facing Town government. Through its interaction with Town officials and staff, 20/20 has developed a strong understanding of the key issues facing the Town. While the following issues are representative of the types of current topics that would be pertinent to a citizen’s engagement initiative, 20/20 acknowledges the need for flexibility to be able to react to new and unanticipated issues which emerge from time to time:

- **The form and function of Town Government:** this follows the 20/20 report on Town governance that suggested potential conversion of certain elected offices to appointive status.
- **Right sizing Town services:** Like most governmental units, the Town’s operating and capital expenses are growing at a faster rate than Town revenue sources, which is unsustainable. The Town will have to make difficult decisions about service and investment priorities as well as tax and user fee levels.
- **Intergovernmental cooperation and cost sharing:** There are programs and services which are common among multiple town taxing jurisdictions but it remains challenging, for a variety of reasons, to foster improved interaction and inter-jurisdictional solutions.
- **Asset management:** The Town is both large in area and population and therefore has extensive infrastructure in the form of roads, buildings, water/wastewater treatment facilities, pipes and drainage facilities, parks, equipment etc. There are naturally tensions between investing in asset maintenance and current operating needs.
- **Open Space:** How does the Town maintain its desirable rural/suburban character while encouraging a balanced tax base that can support desired levels of programs and services, and ensure that Town infrastructure is properly maintained?

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**C. Citizen Engagement Methods and Elements**

There are a variety of ways that the Town can foster enhanced citizen engagement including the following, which are loosely grouped together under an overriding topic:

- **Elected officials and senior Town staff are active participants and advocates for citizen engagement:**
  - Consider formation of council member led work groups keyed to priority issues
  - Establish discussion periods at regular board meetings with Q&A and follow –up on previous sessions
  - Bring citizens into the decision making process as the key issues, programs or policies are being developed and provide them with the necessary and relevant information to understand the basis upon which a decision has to be made
  - Encourage citizens to establish or suggest agenda items for discussion at Board meetings
- **Go to the Citizens:**
  - Engage other civic organizations like the Chamber, school boards and volunteer organizations
  - Wherever possible, involve demographically representative groups of the impacted population
  - Conduct activities in neighborhood facilities including schools
  - Engage the business community through a consistent business visitation program and through periodic business/government forums
  - Develop a strong public educational, marketing and communications component to inform Town residents about the importance of enhanced citizen engagement and to stimulate increased participation
- **Provide more accessible information and feedback mechanisms:**
  - Formalize processes for providing feedback to citizen input
  - Use of DVD's and "white papers" on current issues facing the Town
  - Use survey tools to disseminate information and gather opinion
  - Use topic based focus groups, workshops and meeting forums
  - Use transactional activity (like tax payments) to disseminate information and gather input
  - Provide for a highly interactive framework to encourage education and information exchange
  - Enhance web casting of official meetings and special programs
  - Engage Town youth using social media and other relevant tools
  - Establish reporting mechanisms to document discussions for broader dissemination

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- Establish specific performance measures for individual engagement efforts

**D. Measurement Tools and Methods**

There are a variety of quantitative and qualitative methods for measuring the effectiveness of an enhanced citizen engagement initiative, including the following:

- local election voter turnout;
- the number of volunteers who participate in Town lead or supported activities;
- increased citizen interest in serving the Town in leadership (board) or volunteer capacity;
- increased pool of candidates for public office;
- attendance at public meetings and number of public meetings held;
- number of visits (hits) on Town web site;
- letters to the editor and editorial content in local media; and,
- use post participation surveys/review to determine participant satisfaction that different viewpoints have been heard and considered.

**E. Recommendations**

Time constraints did not permit 20/20 to conduct a public meeting to discuss its draft report prior to submittal to the Town Board. However, this report, prepared by a voluntary citizen's committee, is itself an example of how citizen engagement and leadership can help to improve citizen awareness, understanding and participation in Town policy and decision making.

The following are the specific recommendations of 20/20 with regard to implementing an enhanced citizen engagement and leadership plan:

- 1) As a first step, the Town should convene a public meeting to discuss the 20/20 citizen engagement plan and to obtain citizen input regarding implementation.
- 2) The Town's leadership should commit to participating in a public engagement program and to consider the output of the program in its policy making process.
- 3) A team of senior Town staff and elected officials should be identified to be responsible for the public engagement program.
- 4) A demographically representative advisory committee should be organized to work with Town officials to implement the program.
- 5) Formal implementation could be launched with a dual charge to identify the most important topics for public discussion and to review all existing Town policies and practices regarding citizen participation in order to formalize standards for all Town boards.
- 6) The Town should build an unbiased and easily accessible information framework regarding its most pressing issues. Included in this information should be a discussion of the choices or decisions which will have to be made.

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- 7) The Town should establish appropriate “one-stop” infrastructure for public engagement through a specific citizen engagement strategy that would include times, places, and methods of meetings and communications to foster citizen engagement.
- 8) The Town could establish a framework for engagement through tools such as a leadership development program and a series of topical interactive workshops on key Town issues.
- 9) Recognize its limitations but nonetheless continue to expand opportunities for interactive web access.

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**Other 20/20 Work Products:**

**A. 21<sup>st</sup> Century Governance Report**

## 21st Century Town Governance & Management Structure Bethlehem 2020 Implementation Committee

### Background

This report flows from the original Bethlehem 2020 Report, which specifically called for “a nonpartisan committee to evaluate opportunities for modernizing Town government, including exploring consolidation of Town departments, encouraging shared services, and changing some of the Town’s elected offices to professional appointments.” This work has been influenced by the opportunities for cost savings identified in other studies, our own preliminary reviews of town functions, as well as the steady drumbeat for more modern, efficient and effective government at all levels. The options presented for consideration are based on available research and our discussions, and attempt to answer the question: What is the right governance model for Bethlehem?

### Modernization Options *for Town Board consideration and Voter approval*

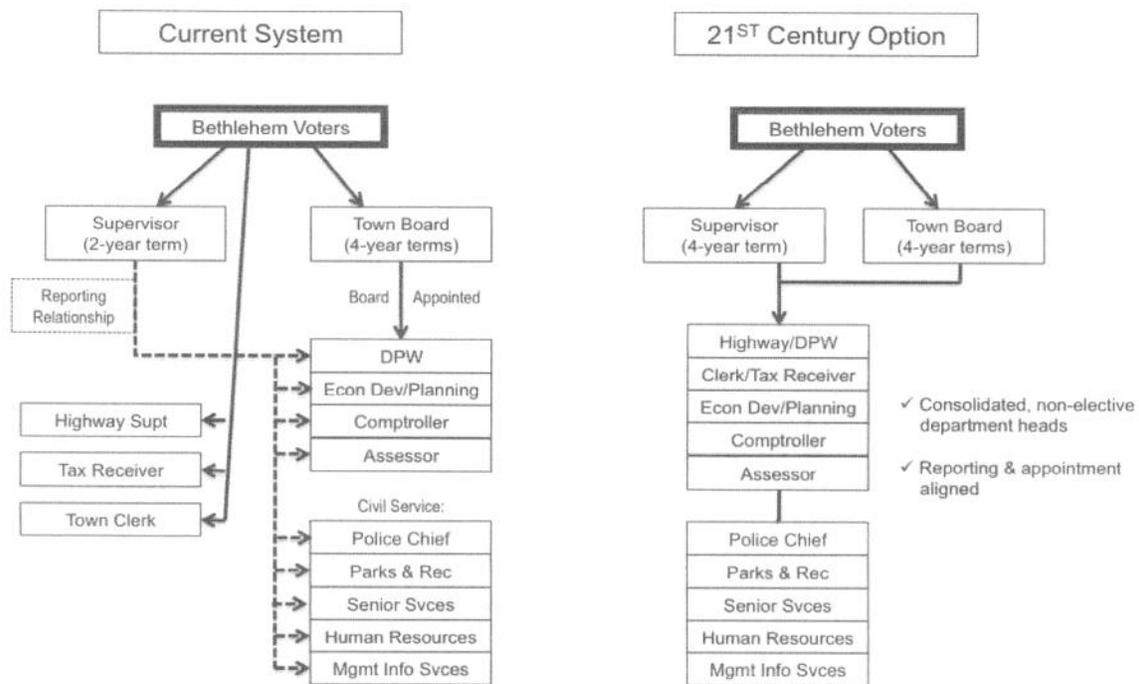
- Lengthen the term for Town Supervisor from two to four years
- Move to appointed department heads for all Town departments, eliminating elective offices for Highway Superintendent, Tax Receiver and Town Clerk  
*Note: Neither current incumbents nor those to be elected this fall would have their terms affected by this option, which would also require voter approval*
- Consider giving the Town Supervisor power to appoint or nominate some key policy-related positions, or conform their terms to the Supervisor’s

### Rationale

As a major and complex municipality, with a population of 33,000 (larger than most small cities), Bethlehem could benefit from a modern governance system with stronger executive control, streamlined management and without independently managed “silos.”

- Stronger executive control could help Bethlehem address long-standing issues and forge partnerships with other taxing jurisdictions.
- Moving from elected to appointed department heads (for the 3 of 12 Town departments where they still exist) would modernize and provide consistency in the Town’s management structure.
- It would facilitate coordination or consolidation of currently separate operations for Highways/DPW and the Clerk/Tax Receiver offices.
- Streamlined management and departmental consolidation would allow for lower costs and more effective services. Our study of consolidation possibilities for DPW and Highways tentatively concurs with the 2006 Interdepartmental Management Advisory Committee (IMAC) report that significant savings are possible; IMAC consolidation alternatives projected efficiencies of \$300,000 to \$425,000 annually. Additionally, a current review of Town financial management operations suggests consolidation of certain departments and duties could generate annual savings while preserving services and strengthening financial management.

- A modern governance system may help Town leaders respond to today's fiscal challenges, rapidly changing environment and economic development opportunities.
- By establishing Bethlehem as a leader in local government efficiency and restructuring, we could position our Town to capitalize on state government interest and grant opportunities.



### Review Process and Findings

In developing these options, we have reviewed available research and spoken with local government experts at the Association of Towns, several academic institutions, and to officials in other Towns that have made changes. We also spoke to the Town Attorney and current and previous Town officials (although this does not imply endorsement of our findings). To the extent possible we have sought examples from other local governments, although in some areas comprehensive data are lacking.

We acknowledge that those currently holding elected department head positions may have a different view than ours of the efficacy of these changes, and hearing from those officials will be an important part of the discussion. Further, we want to emphasize that these options should not be construed as criticism of any elected or appointed official or their staff. We simply believe that more efficient and effective organizational structures are available to address the significant challenges that Bethlehem faces.

Referenda are required for these options, which would give Bethlehem voters the power to decide whether they wish to continue certain department head positions as elective offices or change the length of the Supervisor's term. Any voter-approved changes would be prospective, and would not affect current officeholders or those to be elected this fall.

#### **Four-Year Term for Supervisor**

Bethlehem's Town Supervisor currently serves for a two-year term. This compares to four-year terms for the other Town Board members. Towns can choose to move to a four-year supervisor term through a public referendum, and many have. A total of 279 towns have done so to date, nearly 30 percent of the 932 towns statewide. While unfortunately there is no unifying study detailing these individual decisions or comparing results, usually the choice is made along the same lines that led to four-year terms for mayors and governors – simply that a longer period is advisable for a leader to successfully implement improvements. We think that a four-year term would give Bethlehem's Supervisors a more workable timeframe within which to make improvements. Many observers, including previous Bethlehem Supervisors, believe that a two-year electoral cycle simply isn't enough time. We would also note that of all the towns who have gone to a four-year term, none have returned to two.

We believe that a longer term of office, in combination with other recommended options, would be beneficial. Many Bethlehem residents think of the Town Supervisor as they would a mayor or a chief executive, and are likely unaware of how little executive control that office possesses (with the exception of certain financial matters). The difficulty our Town has experienced in resolving some long-standing issues (for example, many raised by the Interdepartmental Management Advisory Committee or "IMAC" study) tells us that providing our elected Town Supervisor with a stronger hand administratively would be a positive step. A longer term of office would also provide a more stable timeframe within which to develop partnerships with other taxing jurisdictions, develop partnerships, and be in a position to act more effectively on priorities like economic development.

#### **Moving Away from Elected Department Heads**

Having elected department heads within Town Government appears to have notable disadvantages, and the elective posts of Highway Superintendent, Tax Receiver, and Town Clerk could be eliminated in favor of appointive professional positions, making them consistent with the other nine Town Department Heads (many of which head larger operations). This change would also allow for consolidating the operations of currently separate, though similar, departments including the Highway Department, the Department of Public Works, and the offices of the Clerk, Tax Receiver, and possibly other financial or clerical operations. These changes would also more clearly focus accountability for Town affairs with our elected Town Board and Supervisor, which we believe is appropriate.

**Departments with Elective Heads**

Highway Department (60 staff)  
Tax Receiver (3 staff)  
Town Clerk's Office (3 staff)

**Other Town Departments**

Department of Public Works (60 staff)  
Economic Development & Planning (10)  
Police Department (60 staff)  
Parks & Recreation (10 staff)  
Senior Services (6 staff)  
Comptroller's Office (4 staff)  
Assessor (4 staff)  
Human Resources (3 staff)  
Management Information Svcs (4 staff)

The current arrangements, it should be noted, are somewhat an accident of history, and even a casual observer would probably wonder at the differentiation. That is, why the heads of the Highway, Clerk and Tax Receiver offices are elective, whereas, for example, the Commissioner of Public Works, the Director of Economic Development and Planning, and the Comptroller are not. In truth, as has been acknowledged in recent Commission reports and academic studies, this distinction is purely historical. Offices created in the early 1900s or before were historically elected, whereas those created later are not. The current system, based on the somewhat dated default provisions of the Town law, bears little relation to how large the departments are or how complex the functions.

The options we suggest are in full concurrence with the findings of the Lundine Commission on Local Government Efficiency (see Appendix 2), which concluded that separately elected posts may stand in the way of shared or combined services. Simply put, the tradition of elected Tax Receivers, Clerks and Highway Superintendents is a vestige of a time when towns in New York were almost exclusively rural, generally without a municipal workforce, a full-time supervisor, independent audits, or any of the other modern management tools of which Bethlehem already has the benefit.

We note that the majority of towns statewide (577, or 62% of the total number) have already chosen to eliminate tax receivers/collectors as a separate elective office, usually placing that responsibility with town clerks (whether elective or appointive). There is anecdotal evidence that more communities are taking up these changes. For example, in Onondaga County the Towns of Dewitt and Geddes have eliminated their positions of tax receiver (the Geddes referendum passed most recently by a vote of 530 to 55 and the change is expected to save about \$100,000). Referenda have also recently passed in communities like Wheatfield and Van Buren.

A majority of towns continue to have elected town clerks, although 43 appoint their clerks (as do villages). Whether elected or appointed, the town clerk acts as the secretary of the town board, has custody of the records of the town, accepts filings required by law, and serves as the records access officer for purposes of the Freedom of Information Law; many other duties vary by town.

In the case of highway superintendants, a much smaller proportion of towns have moved away from elective office (873 town highway superintendents remain an elective office; 59 are now appointed). While a unified study is lacking, the idea of eliminating the elected office and combining the highway function with a Department of Public works is increasingly coming under discussion as towns across the State search for new ways to do more with less. In Chemung County, where a concerted effort to share services is underway, several towns have converted to an appointed highway superintendant. Generally, when towns eliminate an elected highway superintendent, this function is combined with the operations of Departments of Public Works, which are also labor-intensive operations involving heavy equipment. Note that this issue applies exclusively to towns, as cities and villages do not have elected highway superintendants. The common sense proposition is that separate departments with separate workforces and equipment inventories must offer opportunities for efficiency and performance enhancement if combined. As noted earlier, a previous analysis for Bethlehem projected potential savings in the \$300,000-\$425,000 range (IMAC study).

The options we suggest would make changes only for future terms; they do not involve removing any sitting elected officials, including both those currently holding office, as well as those to be elected this fall. As referenda are required, these options would give Bethlehem voters the power to decide whether or not they wish to continue elective offices for the three Town departments where they still exist. Any changes approved by voters would be prospective, and as described in these options, changes first take effect for terms commencing in 2014.

We stress that the presentation of these options should in no way be seen as criticism of current officeholders, or of the work done by the employees in the Departments they head. We have no reason to believe that these Departments are functioning poorly. We simply believe that there are better organizational structures available that can yield cost savings and operational improvements and that there is little modern day rationale for having elected offices to head these three departments. The historical rationale, direct democracy, was designed at a time when towns were almost exclusively rural and their functions were few.

Bethlehem has eliminated an elective office previously with good results, and now has an appointed assessor providing excellent service. We suspect that Town residents are likely more interested in operational improvements than in maintaining elective offices where no policy-making role exists and which many believe to be outdated. The changes we suggest, if approved by the Town Board and the voters, could help reduce costs, improve operations, and achieve efficiencies over time. However, our strong preference is that they will be implemented in a way that avoids layoffs.

### **Appointment and Term of Department Heads**

We think there would be a benefit to giving the elected Town Supervisor the power to directly appoint or nominate some department heads (subject to approval by the Town Board). The terms for appointive posts should also be reviewed, aligning appointive terms to the Supervisor's term where appropriate.

In Bethlehem, the supervisor currently appoints only the deputy supervisor (an uncompensated position with no staff) and an administrative assistant. The people who lead the 12 operating Town departments are either appointed by the Town Board (as a whole, including the Supervisor), elected by the voters, or filled through a civil service process (i.e., subject to competitive examination, professionally qualified, with neither the Supervisor nor Board free to make at will appointments).

We believe that providing the Supervisor with appointment or nominating power for some key posts, in combination with other modernization options, would be beneficial. Many Bethlehem residents think of the Town Supervisor as they would a mayor, and may be unaware of how little executive control the office possesses, with the exception of certain financial matters. Making some key department heads truly answerable to the Supervisor would enhance management control.

### **Town Department Heads by Method of Appointment**

#### **Elected**

- Town Clerk: (2-year term, current incumbent N. Moquin)
- Highway Superintendent: (2-year term, current incumbent G. Sagendorph)
- Receiver of Taxes: (4-year term, current incumbent N. Mendick)

#### **Appointed**

- Commissioner of Department of Public Works (by Board, 1-year term, J. Cansler)
- Comptroller (by Board, 2-year term, S. Traylor)
- Assessor (by Board, 6-year term, P. McVee)
- Director of Economic Development & Planning (by Board, 1-year term, M. Morelli)

#### **Civil Service**

- Parks & Recreation – N. Lanahan, Administrator
- Senior Services – J. Becker, Director of Senior Services
- Human Resources – M. Tremblay-Glassman, HR/Payroll Manager
- Management Information Services – J. Dammeyer, Director
- Chief of Police – L. Corsi

We are suggesting a reconsideration of Town management positions, possibly including giving the Town Supervisor direct appointment power for some positions, or the power to nominate positions subject to Town Board approval. In combination with reconsideration of elective department heads, this would allow the Town to

reach a current and comprehensive consensus, with a consistent rationale and approach to department head positions. Giving the Town Supervisor appointment or nominating power would require referenda, although aligning terms would not. Since we envision that choices in this area will take some time, we have not outlined referenda for these purposes in the timeline below.

We expect that those department heads currently appointed through a civil service process would be left as is – i.e., professionally qualified, subject to competitive examination, and with neither the Supervisor nor the Board free to make at will appointments. Individuals in these positions, like other town employees, will continue to serve without respect to electoral changes either in Supervisor's office, or the Town Board generally.

Currently the appointive department heads include the Director of Economic Development and Planning and the Commissioner of Public Works (both are subject to a one-year appointment by the Town Board), the Comptroller (appointed by the Board for a two-year term which overlaps supervisor terms), and the Assessor (appointed by the Board for a six-year term, as specified in state law). In addition, if any of the elective offices for Tax Receiver, Clerk and Highway Superintendent were to be converted to appointed positions, these or successor positions would be part of the consideration. In this report we are not considering the Town Attorney (which is not a department head position and serves at the pleasure of the Town Board) or the Justice Court operation (a component of the court system).

In some areas, neutral competence may be the highest value – with Board appointment and overlap of supervisor terms preferred (e.g., the Comptroller and possibly Town Clerk if the position becomes appointive). In other areas, the Town may be better served by having Department Heads serving with and answerable to the Town Supervisor. Although we have not attempted to determine which positions these would be, our thought is that it should be those positions with the greatest involvement in policy. The goal would be for a rationalized approach explicitly adopted by the Town to reflect modern day conditions. Possibly the Town could seek State assistance in reaching these determinations, with a view toward developing better information on the most advantageous organizational structure for modern suburban towns.

### **Timeline**

Voter approval is required for all changes affecting elective offices, and there is a long lead-time to make changes. Accordingly, we would like to see a discussion begin now, with a public information effort preceding referenda, which could be placed on the November 2011 ballot but not to take effect until 2014.

We think these changes might best be approached as a group of referenda on modernization of town governance on this fall's ballot. If approved, changes could take effect for terms beginning pursuant to the next election, which in most cases would be January 2014. This approach would not affect any incumbent

officeholders, nor would it affect the terms for those elected this fall, although certainly those seeking elective office could become involved in the discussion.

While it is possible to hold a referendum at any time, scheduling them separately from regular elections carries additional costs and participation is usually far lower. For example, the Town of Malta held a special referendum on March 15 to abolish the elective office of Receiver of Taxes and transfer the function to the Town Clerk, but the measure tied 71 to 71, in extremely low turnout for a town of over 13,000.

Bethlehem 2020 will continue to look at specific efficiencies and improvements available through consolidating highway/DPW and Town financial management functions, with updates to the Town Board helping to inform the discussion. However, we do not believe that a Town-wide discussion should wait until completion of these studies.

We believe that these modernization options are common-sense propositions backed by Commission reports and other examples. Voters need not wait for the details of implementation choices, which will in any event be made over time by Bethlehem's elected leaders. And while we believe that there will be savings associated with these actions, as a nonpartisan Citizen's Advisory Committee, we are not empowered to make the specific operational decisions that will be required to implement changes, and which will determine the level of savings.

Following is a suggested timeline. The rationale for beginning this process now is that (i) adequate lead time is needed for leaders to discuss and citizens to consider these options, and these issues would be more in focus in a local election year, and (ii) if the Town chooses to move forward with modernization options that could be replicated elsewhere, Bethlehem could be well-positioned to compete for the Governor's new Local Government Performance and Efficiency Program.

**Public Discussion:** To begin immediately

1. 2020 Implementation Committee acts on submission of the report to the Town Board (completed - April 6, 2011)
2. Release the Bethlehem 2020 Implementation Committee report (will be posted to town web site on 4/21) with agenda for Town Board Meeting
3. Second quarterly 2020 update to town board – April 27
4. Encourage questions and comments from the public; continue input opportunities for town department heads. (ongoing)
5. Town Board, community leaders and civic groups consider and discuss Modernization Options (public forums May-July)
6. Subsequent Updates from Bethlehem 2020 Subcommittees looking into possible operational improvements, as well as any other available studies, could help to further define potential savings or other effects (ongoing)
7. July – 3<sup>rd</sup> quarterly 2020 update to town Board

8. August – Town Board considers local laws to authorize one or more referenda; which must be adopted on or before September 9, 2011 (see NOTE on timing below)
9. November 8, 2011– referenda on ballot for voter action

**Four Referenda:** Could go to voters in November 2011

1. Extend the term of Town Supervisor to four years, taking effect for the term beginning January 2014 (i.e., applying to the supervisor elected in 2013)
2. Eliminate the elected position of Receiver of Taxes and transfer duties to another officer, effective 2016 (or 2014 for consistency)
3. Eliminate the elected position of Highway Superintendant, to take effect January 2014
4. Convert the position of Town Clerk from elective to an appointee of the Town Board, effective for the term beginning January 2014 (& possibly extend the term to 4 years to overlap the supervisor's term)

NOTE: These changes affecting elected offices require the Town Board's adoption of a local law subject to a mandatory referendum at a general election held not less than 60 days after the adoption of thereof. This would mean town Board adoption, after a public hearing, on or before September 9, 2011 (assuming only the regular meeting schedule of the Town Board, this would imply adoption at the August 24 meeting). Further, local laws must be introduced and in final form at least 7 days (exclusive of Sundays) before passage. This would mean introduction at the August 10 meeting and scheduling of public hearing(s) for August 24 or an intervening date between the 16th and 24th of August.

**Departmental Changes:** Timeline to be determined, pending public discussion, Town Board decisions, and further analysis.

- Potential Highway/DPW and Clerk/Receiver Consolidations – detailed work and consideration by the Town Board and Supervisor will take time; 2020 Implementation Committee will present additional work in this area for their consideration by September 2011.
- Review Town Department Head positions – comprehensive evaluation of positions including whether some should be directly appointed or nominated by the Town Supervisor. Changes to the Town Supervisor's powers to appoint or nominate some would require referenda, but as the timeline is yet to be determined for these choices, we have not included such referenda in this outline.

**Note:** Appendix I (following) includes an Illustration of this suggested timeline by year, providing an example of when elections and appointments would occur.

## Appendix I – Supporting Information

### Illustrative Timeline by Year

For illustrative purposes, here is a listing of the positions to be elected/appointed, by year, demonstrating how the process would change if referenda were put on the ballot in 2011 by the Town Board and approved by voters.

#### **2011 (November Election)**

- Supervisor election, for a two-year term (2012-2013)
- Two town board members to be elected to four-year terms
- Town Clerk election for a two-year term
- Highway Superintendent election for a two-year term
- Receiver of Taxes election for a four-year term
- Four Referenda go to Voters (assumed to pass, for purposes of this timeline)

#### **2013 (November Election)**

- Town Supervisor Election, for a four-year term (2014-2018)
- Two town board members to be elected to four-year terms

#### **2014 (January)**

- Town Board appoints a Town Clerk for a two-year period (2014-2016)
- Highway Superintendent is now an appointed position, possibly combined with DPW, appointed by the Board or Supervisor, for a term to be determined.

#### **2016 (January)**

- Town Clerk appointed by Board for a four-year term
- Receiver of Taxes elected in 2011 term would end, and at this point the position could be eliminated, with the function being carried out by another Town office

### Statewide Town Organizational Statistics

(source: NYS Association of Towns)

Of 932 Towns Statewide:

- 647 town supervisors have a 2-year term, 279 have a 4-year term
- 889 towns have elected town clerks, whereas 43 appoint their clerks
  - 403 town clerks have a 2-year term, 518 clerks have a 4-year term
  - 577 town clerks serve as tax collectors or receivers
- 873 town highway superintendents are elected; 59 are appointive
- 441 town highway superintendents have a 2-year term; 447 a 4-year term

### Process for Conversion from Elected to Appointed

To convert any of the three elected Department Heads (Highway, Receiver or Clerk) to an appointive office, a local law passed by the town board, as well as a mandatory referendum of the voters is required. Voter approval can occur on a general election day or by a special referendum, provided the Town Board passes a local law at least 60 days before the election date. Separate local laws, and therefore referenda, are necessary for conversion of each position. Timing challenges include that it would be awkward to have a proposal converting positions to appointed at the same time voters are electing people to such offices. However, separate special referenda carry additional costs and participation may be lower. Referenda are therefore usually enacted with a delay (taking effect at the end of terms).

## Appendix II – Lundine Commission Extract

### Lundine Commission on Local Government Efficiency Recommendations on Elected vs. Appointed Town Officers

Extract from Final Report, p. 46, available online at:

[http://www.nyslocalgov.org/pdf/LGEC\\_Final\\_Report.pdf](http://www.nyslocalgov.org/pdf/LGEC_Final_Report.pdf)

#### Conversion of Elective Offices to Appointive

**The following administrative positions should be converted from elected to appointive offices by statute: town highway superintendent; town clerk; assessor; town tax receiver and collector.**

Making changes at the local level requires a lot of willing parties. When the change that is proposed is functional, impacting a specific service rather than the entire structure of a municipality, resistance is frequently mounted by the local official in charge of that function. When the local official is elected, rather than appointed, merging of municipal departments or service sharing with another municipality becomes quite difficult.

We believe that there is no need to elect people who carry out administrative functions and that direct state action to convert these positions is warranted rather than relying on town-by-town referendum. These non-policymaking offices demand specific skills. Many of those currently in positions we propose for conversion have that specific knowledge and should be retained.

We also recommend the elimination of the office of elected assessor (at the end of current elective terms). Although most municipalities have already taken this step, assessors are still elected in about 150 municipalities. Assessors who submitted testimony to the Commission emphasized the service they provide to their constituents, and we have no doubt that most are responsive to the electors of their districts. Many will be able to continue that service as appointed officials, or as employees of a county assessing unit. Town tax receivers and collectors made similar arguments. While we appreciate the viewpoints offered, it is the Commission's finding that these are not policymaking, and therefore do not require direct accountability to the electorate. These are professional or administrative functions that would better be handled through an appointive or civil service process. Moreover, the existence of elected officials in these roles may stand in the way of consolidating functions. Similarly, elected town tax receivers and collectors should be converted to appointed positions at the end of current elective terms and the requirement that receiver/collectors be town residents should be eliminated.

For more information, see the Lundine Commission Brief on Conversion of Elected Local Offices: [http://www.nyslocalgov.org/pdf/Conversion\\_of\\_Elected\\_Local\\_Offices.pdf](http://www.nyslocalgov.org/pdf/Conversion_of_Elected_Local_Offices.pdf)

Other 20/20 Work Products:

**B. Commercial District Adaptive Reuse Best Practices Report**

## MEMORANDUM

**To:** Members of the Bethlehem Town Board  
**From:** Bethlehem 20/20 Advisory Committee, Economic Development Sub-Committee  
**Subject:** **Commercial District Adaptive Re-Use Best Practices**  
**Date:** June 25, 2011

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At the request of the Town Board, the 20/20 Economic Development Sub-Committee has researched best practices related to commercial district adaptive re-use best practices. The following are the key findings of this research.

- **Body of Literature:** There is not a large body of literature related to suburban adaptive re-use strategies and best practices. The overwhelming majority of documented adaptive reuse practices and regulations relate to: historic preservation, urban revitalization, and brownfield reclamation.
- **Benefits of Adaptive Reuse:** Adaptive reuse is the process of adapting and re-purposing old buildings and sites while retaining key community characteristics. Among the benefits of adaptive re-use are the following:
  - a. optimizing public infrastructure investment;
  - b. preserving community character;
  - c. breathing new economic life into underproductive property with the potential for new jobs and public revenues;
  - d. restoring properties to productive uses; and,
  - e. discouraging sprawl and reducing the pressure to develop greenfield (undeveloped) sites.
- **Smart Growth:** Adaptive re-use is recognized as a key ingredient of “Smart Growth” as it relates to, among other things, directing development towards the built environment, creating walkable neighborhoods, providing a variety of transportation choices, and preserving open space.
- **“Greyfields”:** Suburban adaptive re-use most closely aligns with “Greyfield” redevelopment, where the original design and use of a site has not evolved with changing market, demographic, and traffic patterns.
- **Adaptive Reuse Policy:** A community’s master plan (Comprehensive Plan) is the critical location for expressing a community’s desire for adaptive reuse. It should identify the types of desired redevelopment and specific target areas where resources should be prioritized for adaptive reuse purposes. In addition, it should identify a “toolbox” including guidelines, regulations, and incentives to encourage adaptive reuse.

- **Barriers to Adaptive Reuse:** There are often significant barriers to adaptive re-use including among others, the following:
  - a. the age, structural and environmental condition of a property;
  - b. building and zoning code limitations; and,
  - c. marketability and financial feasibility.
  
- **Use of Incentives:** Adaptive use guidelines and regulations should be included in a communities land use code and regulations. Recognizing that adaptive reuse can often pose financial and design challenges, these regulations often include provisions that provide incentives to encourage re-use. Among other things, this might include the following:
  - a. flexibility related to permitted uses;
  - b. relief of parking requirements;
  - c. density bonuses; and,
  - d. the waiver of non-conforming building regulations.
  
- **Codifying Adaptive Reuse Guidelines:** As an example of incorporating specific adaptive re-use guidelines in local land use code, the Township of West Bradford, Pennsylvania outlines the following Guidelines and Best Practices in it's Manual of General Design Guidelines:
  - a. continue to adaptively re-use buildings to extend their lifespan and utility;
  - b. rehabilitate existing buildings to accommodate new uses;
  - c. promote adaptive re-use at all times as an alternative to demolition; and,
  - d. make use of existing building features in adaptive reuse
  
- **Case Study: Phoenix, Arizona:** The City of Phoenix, Arizona adopted an adaptive reuse program in the late 2000's for a context that has similarities to the Town of Bethlehem particularly with regard to adaptive reuse of former single family residences and older shopping centers. The City has received national environmental and livability awards for its program. Among the key features of the Phoenix program is the adoption of the International Existing Building Code and the provision of incentives including expedited timeframes, staff support and guidance, and reduced fees. The program has resulted in a re-energized small business community and strong, walkable neighborhood mixed use districts. In terms of best practices, the Phoenix program is nationally recognized as one of the most effective and emulated programs. Attached to this report is an article which provides an excellent overview of the Phoenix program.

**Attachment:** "New Lives for Old Buildings"

# New Lives for Old Buildings

## *How one city is smoothing the way for adaptive reuse.*

Frank Fairbanks | June 17, 2009

All over Phoenix, neighborhoods are re-energizing, one small business at a time. Locally owned, one-of-a-kind restaurants, shops, cafés and service providers give Phoenix a unique identity. Business owners welcome a steady stream of regulars through their doors and know many of their customers on a first-name basis. Though the economic slowdown persists, consumers are choosing to spend dollars locally, which helps employment and boosts sales tax revenues that fund basic city services.

Here at City Hall, we're well aware of the challenges that small businesses face when trying to remodel an existing building into a new use. It can be quite difficult to update a building and improve a site from decades past into a contemporary use that meets current development codes. Time and again, we encountered small-business owners who had invested time and financial resources into buying or leasing older or historic buildings, only to discover that the buildings they selected could not easily be converted to their intended purpose without adding substantial costs and time to the project. We wanted to find ways to help these small-business owners realize their vision and achieve success in the neighborhoods they'd chosen. By studying best practices and consulting with small business owners, artists, cultural, neighborhood and community organizations, we developed an adaptive reuse pilot program for downtown-area buildings that were up to 2,500 square feet in size and at least 25 years of age.

Our Development Services Department took the lead assisting and promoting the adaptive reuse of existing structures for new development. Maintaining safety and helping business owners reduce their time and costs were guiding priorities. The Adaptive Reuse Program proactively offers advice and support to small businesses seeking to convert homes and fire stations into restaurants, or warehouses into artist studios or art galleries.

In 2007, we established an Office of Customer Advocacy -- a one-stop shop within the Development Services Department -- and placed it in a visible first-floor City Hall location. Staffed by employees with extensive experience and knowledge about development, the OCA encourages small business owners to contact it early to understand requirements before committing to a building. "Our Office of Customer Advocacy is like a primary care physician," explains Deputy City Manager David Cavazos. "One staff person handles a small business owner's case and connects them to various city resources. When buildings are built new, it's easier to comply with existing requirements -- remodeling increases the challenges. We want to give people revitalization options besides knocking down buildings."

Development Services staff responded to the challenges frequently identified by customers, collaborating with a multi-department Adaptive Reuse Task Force to implement changes within the program's first 120 days. The task force was charged with creating innovative processes and policies, streamlining procedures, and amending codes to promote adaptive reuse. Its achievements resulted in significant customer cost and time savings by:

- o Adopting the International Existing Building Code to provide relief from modern building code requirements while maintaining safety.

- o Improving staff training and customer education by focusing on fire rating, structural analysis, plumbing, mechanical and accessibility requirements -- areas identified as priorities by customers. An Adaptive Reuse Manual is under development.
- o Minimizing the application of code requirements by clarifying the definition of "change of occupancy" and by distinguishing between art spaces used for retail purposes versus gallery functions.
- o Removing requirements for separate water meters and allowing use of the existing domestic line to connect new sprinkler systems.
- o Collaborating with the Fire Department to ease fire sprinkler requirements for adaptive reuse projects that do not exceed 1,500 square feet and meet certain criteria.
- o Assigning a fire protection engineer to review sprinklers, fire hydrants and access requirements in all adaptive reuse projects for the most efficient yet safe application. We now accept an evaluation report certifying the existence of minimum life safety requirements instead of requiring a full set of drawings for a building permit.
- o Accelerating approval processes for historic preservation and zoning adjustment.
- o Easing parking requirements when possible, which results in less paving, space savings onsite and reduced stormwater retention requirements.
- o Allowing a facility that has not changed occupancy to be vacant for up to three years without requiring a new certificate of occupancy.
- o Reducing the number of toilet-room fixtures needed in certain occupancies, allowing for unisex bathrooms.
- o Eliminating the need for site improvements other than parking (landscaping, street lighting, setbacks, sidewalks) where projects include interior remodeling only. Existing driveways may remain without modification if they are not on an arterial or collector street.

Thanks to this innovative program, we have helped several small businesses establish themselves in neighborhoods where they actively contribute to the vibrancy of our community. We recently made the adaptive reuse program permanent and expanded the criteria to include properties citywide, and increased the eligible building size to 5,000 square feet. Many older buildings and strip centers will now benefit from this program. We continue to consult with all parties on new ways to make our processes easier, smoother and less expensive for our customers.

This article was printed from: <http://www.governing.com/columns/mgmt-insights/New-Lives-for-Old.html>

**Other 20/20 Work Products:**

**C. Principles of Prioritization**

## Town of Bethlehem, 20/20 Advisory Committee

### Principles for Prioritization of Town Programs and Operations

The 2020 Implementation Committee developed these questions during the early stages of their review of town programs and services. These were presented to the Town Board in January as part of the 2020 work plan, which the Board approved.

The goal of these principles is to provide an objective framework for consideration of the relative value of town operations and services. These principles are now recommended to the Board as a tool for making decisions about the town budget, as well as for reviewing options for consolidation and shared services, in an environment in which the town faces very serious fiscal challenges.

#### Legal and Regulatory

- Is the service mandated by law or regulation? Does the mandate come with funding?
- Can the service be classified as one critical to public health or safety?
- Where lies the authority or control for changing or improving the scope of services or their administration and fees?

#### Extent of Benefit, Utilization and Satisfaction

- Does the service provide equal benefit to every taxpayer or does it serve a narrower constituency?
- What is the extent of utilization? Can the services be measured by units and cost per unit? If not, how is the service measured?
- Based on the 20/20 survey results in 2009, what was the overall satisfaction with the service? Does the department providing the services have any mechanism in place to periodically assess customer satisfaction? How current is the information we have?
- Is the community's preference or value known for the service?

#### Who Pays?

- What is the net cost to town taxpayers after reflecting fees or other revenue? What are the opportunities to increase or impose fees?
- Is the service scalable (in terms of frequency, for example) and can a fee structure against scale be considered in relation to the economy? i.e. A smaller number of dedicated users of a particular service may need to pay more in relation to a service utilized by a significantly larger number of residents.
- Is there an opportunity to reduce cost or improve quality?

#### Opportunities for Leveraging and Consolidation

- What is the opportunity to leverage other funding to match town or other local investment? For example, would this program or service qualify for strategic or grant funding initiatives at other levels of government (federal, State or local), foundations or other not-for-profit organizations?
- Is the service also provided by another jurisdiction in (or near) the town? Can someone else provide the service at lower cost, including the private sector? Would sharing or consolidating the service reduce costs, avoid new expenditures or improve effectiveness?

**Other 20/20 Work Products:**

**D. Opportunities for Strengthening the Town's Financial Management Capacity**

**REPORT OF THE BETHLEHEM 20/20 ADVISORY COMMITTEE**  
**OPPORTUNITIES FOR STRENGTHENING THE TOWN'S FINANCIAL**  
**MANAGEMENT CAPACITY**

**EXECUTIVE SUMMARY**

As part of its work plan for 2011, the 20/20 Advisory Committee agreed to furnish the Town Board with information and ideas that can assist in strengthening Town financial management systems and practices. The committee benefitted from the participation of several Town employees in completing this report. This Executive Summary is provided to outline and summarize the report and its findings and recommendations.

**A. Organization of the Report:**

The full report is organized as follows:

- Introduction: Discussion of the committee's methodology and purpose in undertaking the report;
- Section A: Discussion of the Town's cash management system;
- Section B: A discussion of the various Town departments and their role in the Town's financial and cash management systems;
- Section C: Observations of the committee regarding existing financial and cash management systems and practices;
- Section D: Recommendations for strengthening Town financial management systems and practices; and,
- Section E: Organizational considerations for restructuring existing systems.

**B. Observations, existing systems and practices:**

The Town's cash management system is decentralized and highly integrated with opportunities for improved efficiencies through organizational and policy changes. The following are the Committee's observations on existing financial and cash management systems and practices:

1. Financial administration workload is distributed among many departments in Town government, many of which have extensive dealings with Town residents and other members of the public.
2. Expenditure control appears to be well managed.
3. Financial transactions involving the public are dispersed throughout town government.
4. In addition to accepting receipts, most departments currently manage the deposit of funds in local financial institutions
5. Workload involving receipt transactions varies greatly by season among Town departments.
6. The comptroller has significant responsibility for investment of cash, purchasing and financial reporting

**REPORT OF THE BETHLEHEM 20/20 ADVISORY COMMITTEE  
OPPORTUNITIES FOR STRENGTHENING THE TOWN'S FINANCIAL  
MANAGEMENT CAPACITY**

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7. All departments use a town-wide integrated financial system that includes general ledger, purchasing, inventory, accounts payable, accounts receivable, procurement card, work orders, and payroll.
8. The Town is increasing opportunities for online payment of taxes, water and sewer fees, and Park and Recreation registration.
9. The Town has an extensive array of physical assets (infrastructure) including streets and highways, water and sewer piping, pumping stations and treatment plants, parks, and buildings but no priorities are established for capital investments and no plan exists to fund such investments in these assets.

**C. Recommendations for Strengthening Town Financial Planning and Management:**

The following are the committee's recommendations with regard to strengthening the Town's financial management practices.

1. The Town should prepare a multi-year financial plan that projects revenue and expenses of the Town, by major fund.
2. The Town Board should adopt a formal policy regarding the maintenance of fund balances.
3. The Town should conduct a cost/benefit analysis of the Town's role as tax collection agent for other taxing jurisdictions to document that the Town is fairly compensated for its work on behalf of the other taxing jurisdictions.
4. The Town should consider the costs and benefits of collecting omitted taxes.
5. The Town should continue to automate payment options for tax, program and service related fees
6. The Town should complete a comprehensive capital investment and financing plan.

**D. Organizational considerations:**

Many of the above recommendations can be implemented without significant organizational changes. However, the Town Board should evaluate those organizational changes which have the potential to produce improved efficiencies and sustainable cost savings. The following organizational considerations are provided for the Town's review:

1. The Town should formalize financial management employee sharing agreements and processes to maximize efficiency.
2. The Town should consider opportunities for consolidating functional responsibilities for cash management.
3. The Town should consider the costs of benefits related to transferring property assessment to the County level.
4. The Town should consider a more formalized approach to grant procurement and management.

**REPORT OF THE BETHLEHEM 20/20 ADVISORY COMMITTEE  
OPPORTUNITIES FOR STRENGTHENING THE TOWN'S FINANCIAL  
MANAGEMENT CAPACITY**

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**FULL REPORT**

The 20/20 Advisory Committee was established by the Town Board to enhance and expand citizen participation in Town government and to assist the Town in obtaining citizen's input on a variety of challenges, opportunities and issues being faced by Town government. As part of its approved work plan for 2011, the Committee agreed to review the Town's financial management systems and practices and to make recommendations in this regard. The report that follows provides an overview of the Committee's methodology and purpose, a description of the various Town departments involved in cash and financial management, observations regarding existing systems and practices, recommendations for improving financial management, and a brief discussion of organizational considerations.

**Introduction: Methodology and Purpose**

The Town's current governmental structure assignment of finance-related powers and duties follows closely the general prescription authorized in New York State's Town Law. However, this law and the traditional structure adhered to by many towns reflects a largely 19<sup>th</sup> Century public finance environment when almost all towns were rural. Most towns had small populations, few public services other than road maintenance, and no real role in public safety or public works. For the Town of Bethlehem to meet its severe fiscal challenges successfully and to minimize the potential for future problems requires that it evaluate and strengthen the Town's present financial management structure and its ability for comprehensive and prudent financial planning.

Preparation of this report has been the responsibility of several members of the Modernization Sub-Committee of 20/20. The committee has interviewed the various Town employees involved in financial management and has also drawn upon the experience of the sub-committee members, several of who have held senior financial management positions in State government. The data utilized in this report has been provided by the Town Comptroller's Office and MIS Department. 20/20 would like to thank the many Town employees who assisted the committee in preparing this report.

The purpose of the report is to provide the Town Board with information and ideas that can assist in strengthening Town financial management systems and practices. While the focus of the report is on systems and practices, the report also provides a discussion of organizational considerations. Although it was beyond the scope of this report to analyze potential efficiencies and cost savings in great detail, there is strong consensus among participants in the process that financial efficiencies and costs saving opportunities exist if the Town Board is willing to consider restructuring the organizations responsible for financial management. Given the recent announcement that the Town Comptroller would be leaving Town employment, it would appear to be an appropriate time for the Town to consider organizational changes.

A. **Decentralization and Integration of Cash Management:**

During its review of Town financial management practices, 20/20's orientation was to assist in identifying opportunities for more efficient design of the overall system. The notion of centralizing and streamlining processes was certainly an area of analysis. The committee discovered that cash management and cash receipting points in Town were decentralized, and for good, practical reasons, due to the remote point of sale locations around town.

**REPORT OF THE BETHLEHEM 20/20 ADVISORY COMMITTEE  
OPPORTUNITIES FOR STRENGTHENING THE TOWN'S FINANCIAL  
MANAGEMENT CAPACITY**

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The cash management system is comprised of what is effectively cashier responsibilities located at different locations in Town where cash payments are made. This includes the Town Clerk, the Receiver of Taxes, the Town landfill, Colonial Acres Golf Course, and Parks and Recreation. All cash receipting systems in use in Town have an interface to the town-wide financial system (GMBA). Financial interfaces are also built into any department's billing systems in Town. When these systems are implemented, the Comptroller's Office plays an important role helping to set up the individual department's financial accounts into these systems. What accounts to credit and debit, suspense accounts, receivable accounts, payable accounts and bank codes are all set in the System Control portion of the applications. Access to this area of the software is restricted to the Comptroller.

Setting up the financial accounts in this manner is the financial management component of the cash management system. The Comptroller's Office can "drill" into these accounts from the main financial system to review any charges or receipts. All areas that receive cash are really just conducting basic cash management for their receipts, balancing the drawers to ensure the cash, check and credit card charges in the system match the monies in the drawer. Once balanced, the funds are deposited into the bank account. No cashiers or departments are deciding where to credit or debit funds, the interfaced system does it all automatically from the setup work with the Comptroller's Office.

**B. Discussion of Existing Systems and Practices**

Financial and cash management responsibilities involve many Town departments. This section presents a brief profile of each of these involved departments and their responsibilities in this regard.

1. The **Tax Receiver** is a full-time elected official whose principal responsibility is to collect payments of various taxes and assessments from owners of taxable real property in the Town. Tax payments attributable to jurisdictions other than the Town are collected and then distributed to those jurisdictions. The following taxes and other payments are made to the Tax Receiver: Town, School, County and Special District property taxes; water and sewer permits and usage fees; planning and zoning fees; retiree health payments; and, building permit fees.

In 2010, the Tax Receiver handled 66,424 individual payments, collecting nearly \$102 million in total revenue. Roughly one-third of these payments are made in person. Reflecting the tax collection calendar, workload in this department is decidedly seasonal – collections are highest in January and September when more than 42% of total annual transactions are completed. In most other months, the Department handles between 3,000 and 4,500 transactions versus an average of about 14,000 transactions in each of January and September. To help cope with this predictable increase in workload, the Tax Receiver's office obtains temporary staff assistance from other Town departments.

2. The **Town Clerk** is a full-time elected officer. The Clerk has a wide range of responsibilities including serving as the records management officer for all town records. The Town Clerk's office is the repository of vital statistics and town records and publishes notices of public hearings, assists in voter registration, issues licenses and permits, reviews Town Board agenda materials for public release and compiles Town Board meeting minutes. The following are the principal financial transactions handled by the Town Clerk: marriage licenses; birth and death certificates; dog licenses and park tags; handicapped parking permits; hunting/fishing licenses;

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landfill permits; bingo/game permits; mobile home/trailer permits; certificates of registry; bicycle registration; FOIL requests; sale of lawn bags; and, emergency alarm permits.

In 2010, the Town Clerk handled 18,010 individual payments, collecting slightly more than \$63,000 in total revenue. These transactions averaged \$3.50 each, reflecting the fact that almost all are very small dollar transactions - nearly 10,000 involved the sale of bio-degradable paper bags, another 4,200 were for dog licenses and 2,350 were for copies of records.

3. The **Highway Department** is headed by the Highway Superintendent, an elected Town officer. The department accounts for about one-quarter of the Town's employees and the vast bulk of them perform operational duties; the department has a small administrative staff. This staff is responsible for purchasing, payroll, fleet management (a function that covers *all* Town vehicles), work orders and management of cash receipts. Two Highway Department locations – the Town landfill and the compost facility – receive moneys from users. Moneys are collected each day, and then transferred to the Department's offices. The Department deposits the funds weekly or bi-weekly during "slow" season. The Department also maintains four fueling stations for Town vehicles using an automated fuel tracking system integrated with the fleet management system.

In 2010, the Highway Department handled more than \$340,000 in revenue from these activities. Some of the department's cash receipting systems do not record an actual number of transactions due to the remote locations of the collection points (landfill, compost facility).

4. The **Comptroller** serves as the Town's Chief Financial Officer (CFO). The Comptroller is appointed by the Town Board and is responsible for purchase order approvals, paying vendors for goods and services purchased by the various departments, investing funds, securing financing for capital projects, reporting on the Town's financial condition, working with external auditors, and preparing the Town's annual budget and audits.

Although the Comptroller handles relatively few transactions involving the receipt of funds (449 in 2010), these involve considerable sums - \$12.2 million in total – and include receipts from Albany County and the State.

5. The **Parks and Recreation Department** manages the Town's various recreation venues including all Town parks and the Colonial Acres Golf Course. Cash management responsibilities are, as with several other departments, decentralized and highly integrated. Receipts are collected at different locations – main office in the Town Park, the pool, the golf course, and online for activity registration and park pass renewals. Receipts are deposited daily. In 2010, the department received from all revenue sources almost \$644,000 at its various locations.

All Parks and Recreation cash receipting points are fully integrated with the Parks RecTrac system (point of sale, pass and activity registration, pool visits). An automated summary interface to the town-wide finance system records all financial transactions from every RecTrac cash receipting point.

6. The **Justice Court** clerk handles all receipts of fines imposed by the Town's two justices. Pursuant to State guidelines, each Justice must separately account for the fines imposed and collected. In 2010, the Justice Court handled more than 7,500 financial transactions, with total revenue collected of nearly \$1.1 million. Receipts are deposited daily.

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7. **The Human Resources Department** is headed by the Town's Human Resource/Payroll Manager, and is responsible for preparation of payroll, benefit administration, Civil Service administration and the personnel/recruitment function.
8. The **Department of Public Works** is directed by the appointed Commissioner of Public Works. DPW provides three major services; the treatment and distribution of potable water, the collection and treatment of sanitary waste, and the provision of engineering services. The water for town use is collected and treated at two locations, the Clapper Road Water Treatment Facility in Selkirk and the New Salem Water Treatment Facility (and nearby wells) in the Town of New Scotland. It is distributed from these locations to town residents primarily in densely populated areas. Sewage is collected primarily from the most densely populated areas of the town and is processed at the Town's treatment facility in Cedar Hill. The Department maintains 190 miles of water mains, 165 miles of sewer lines, 37 pump stations, and 8 water storage tanks. There are still locations in the town where residents have individual wells and septic systems. DPW services are supported by a water/sewer usage fee that is adjusted annually based on DPW expenses. DPW's administrative section participates in the Town's financial management system by processing water and sewer use bills and issuing water and sewer extension permits.
9. **Town Supervisor's Office:** The Town Supervisor obviously plays an important role in Town financial management especially with regard to development of the Town's annual operating budget, participation in capital project planning, and in spearheading policy and operational improvements.
10. **Office of Emergency Services:** Funds to reimburse the Town for expenses incurred for approved disaster projects are provided by both the State and Federal governments. In correcting the damage caused by the disaster, the town maintains detailed information on the all cost incurred cost. These costs are reviewed by the State and Federal governments and then payment is made to the town. Upon receipt of the payments by the town, the funds are distributed to the individual departments for the costs incurred. These payments are not recorded as revenue by the town since they are a reimbursement of an expense. The Office is staffed by the Bethlehem Emergency Management Officer, a part-time position averaging \$60 per week.
11. **Town Assessor's Office:** The Town Assessor's Office is directed by the Town Assessor, an appointed position. The Assessor plays a critical role in Town financial management by setting and defending property assessments, and helping to ensure equitable taxation among property classes. The Assessor also assists other Town taxing jurisdictions by defending tax certiorari proceedings. The Assessor shares one full time equivalent (FTE) position with the Tax Receiver's Office to assist in managing the seasonal flow of transactions.
12. **Management of Information Systems:** The Management of Information Systems (MIS) Department provides the functional framework for the Town's financial and cash management systems. The department is led by the Director of Management Information Services, a civil servant, and provides systems, technology and computer related support for all Town departments. MIS purchases and maintains desktop and server hardware and software and maintains the network on which they communicate. MIS stores and protects business critical digital data necessary for Town operations. The MIS Department also integrates Town users to the external users they must report to, such as the State, County and financial institutions.

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**C. Observations: Existing Financial Management Systems and Practices**

The committee's review of the Town's existing financial management systems is summarized by the following observations:

1. *Financial administration workload is distributed among many departments in Town government, many of which have extensive dealings with Town residents and other members of the public.*

Although the data are not comprehensive, this workload is heavily concentrated in four offices: the Tax Receiver, the Town Clerk, Parks and Recreation, and, the Comptroller. The Tax Receiver and Town Clerk have responsibilities involving transactions with the public while the Comptroller's workload involves central budgeting, accounting and financial reporting.

2. *Expenditure control appears to be well managed.*

Only the Comptroller and Deputy Comptroller are authorized to approve the purchase of supplies and materials. Departments wishing to procure goods and services complete an electronic requisition in the centralized purchasing/inventory system. The requisition is then automatically routed to the department for approval. Once approved, the requisition is automatically routed to the Comptroller and Deputy Comptroller for approval. The Comptroller/Deputy Comptroller check for fund availability and conformance to the Town's purchasing policy. Once approved the Purchase Order prints at the selected department or is emailed to the vendor. The Town also utilizes BidNet for procuring goods, the Capital Region Purchasing Group (CRPG) bid notification system to easily secure the best possible pricing.

3. *Financial transactions involving the public are dispersed throughout town government.*

Receipts of funds are most heavily concentrated with the Tax Receiver, Justice Court and the Town Clerk, although Parks and Recreation, Senior Services and the Highway Department all interact with the public on financial transactions. The Chart I in the Appendix shows the current workload distribution for revenue collection transactions. Tax Receiver has significant responsibility for the receipt and processing of some 66,000 payments annually; this is more than three times the number of revenue collection transactions by the Town Clerk (the second busiest department as measured by the number of transactions) and the Receiver accounts for more than two-thirds of the financial transactions (defined as involving the receipt of money) that occur annually in Town Government.

4. *In addition to accepting receipts, most departments currently manage the deposit of funds in local financial institutions.*

On various schedules, which are determined by each department, the following offices deposit receipts in Town bank accounts: Tax Receiver; Town Clerk; Justice Court; Highway Department; Parks and Recreation; and, Senior Services.

5. *Workload involving receipt transactions varies greatly by season among Town departments.*

Not surprisingly, most revenue, nearly one-half in total, is collected in September when school tax bills are due. January is also a heavy month, reflecting payments of town and county taxes. Town-wide numbers are shown in Chart II in the Appendix. This seasonality shown in the chart characterizes the workload of the various departments as well:

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- 42% of the Receiver's workload occurs in two months – January and September, when most real property tax payments are made.
- The Town Clerk's financial workload is generally level with an uptick in April, May and June.
- Activity in the Justice Court is generally stable.
- Parks and Recreation shows the predictable increase in the summer months.

6. *The Comptroller has significant responsibility for investment of cash, purchasing, and financial reporting.*

Workload is more evenly spaced during the year, but there are significant increases in workload associated with Town budget preparation (July through October) and completion of the audited financial statements (January through April.)

7. *All departments use a town-wide integrated financial system that includes general ledger, purchasing, inventory, accounts payable, accounts receivable, procurement card, work orders, and payroll.*

Most departments use a common cash receipting system, the Sungard Public Sector Cash Receipts system, to account for receipts, an improvement over previous years when each department used its own manual system. However, three departments use their own system, which provide applications designed specifically for the unique functions of that department. The Parks and Recreation uses RecTrac, which has an automated financial summary interface to Sungard Cash Receipts. The Town Clerk has a manual summary interface to Sungard. The Justice Court uses a completely stand-alone system to maintain each judge's account as mandated by New York State. Each month, the Justice Court transfers the Town's share of receipts to the Town, which is recorded in the Sungard system.

8. *The Town is increasing opportunities for online payment of taxes, water and sewer fees, and Parks and Recreation registration, among other things.*

The Town currently accepts online payments for registration in Parks Department programs. The Town also accepts online payments for Police Accident Reports and is in the process of establishing online payment for tax and water/sewer bills, which is expected to be implemented in January 2012. The Justice Court is in the process of establishing online payment for Court fines, although no date has been set for implementation. Note that online payment options are outside of the Town's control for Justice Court, since the Town uses the NYS Office of Court Administration's software vendor. The Town also offers automatic bank drafting for tax and water/sewer bill payments.

9. *The Town has an extensive array of physical assets (infrastructure) including streets and highways, water and sewer piping, pumping stations and treatment plants, parks, and buildings but no priorities are established for capital investments and no plan exists to fund such investments in these assets.*

Town staff estimate that this infrastructure has a replacement cost in excess of \$1.0 billion. The Town recently completed a basic capital planning document covering 10 years and we believe this is a significant improvement over many jurisdictions that have no such document. However, the capital plan does not adequately establish capital investment priorities for the Town or identify a plan to finance those investments.

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The town's annual capital budget is prepared by the DPW and includes fund requests for all town infrastructure, facilities, and vehicles. The request provides amounts needed for each item and the financing source for the upcoming budget year – whether operating funds, borrowing or capital reserve. The priority of need for any given item is indicated only by the year in which it is shown, whether the expenditure is projected for the upcoming budget year or one of three out-years included in the request. For example, in a given year, there is no distinction between the priority for buying a vehicle or eliminating a hazardous condition. In addition, there is no narrative in the budget that defines why the investment is being requested.

This plan provides some background for the annual capital budget request, but is more general in nature. The Supervisor's Capital Budget (2011) lists requests by organizational areas, but does not appear to be in priority order. It also includes items that would seem to be more appropriate in a department's operating budget.

Although the adoption of the Town of Bethlehem 10-Year Capital Plan in December 2009 represents a significant advance, this document is termed an "Interim Status report" and more needs to be done. A key finding in a 2009 audit by the Office of the State Comptroller still applies, "The Town (Board) has not adopted a written long-term capital plan that could guide how Town officials identify, coordinate, and fund capital acquisitions, infrastructure maintenance, and equipment purchases."

See: <http://osc.state.ny.us/localgov/audits/swr/2009/capitalplanning/bethlehem.pdf>

The absence of a comprehensive capital plan, including a financing strategy, means that capital reserve funds, borrowing and operating funds are not considered as part of an overall strategy for managing the needed investments facing the Town.

**D. Recommendations for Strengthening Town Financial Planning and Management:**

Based on the committee's review of existing Town financial management systems and practices, the following recommendations for strengthening Town financial management are provided:

1. *The Town should prepare a multi-year financial plan that projects revenue and expenses of the Town, by major fund.*

The projection would provide a basic roadmap that the Town Board can use to make broad policy and budgetary decisions. It would highlight key decision points regarding the level of taxation, capital investment options and the funding level for reserves. The plan should be provided to the Town Board for its consideration during budget-making season and should be updated following adoption of the annual budget. The plan should cover the budget year plus four subsequent years. We recommend that the Town follow the general guidelines set out by the Office of the State Comptroller.

2. *The Town Board should adopt a formal policy regarding the maintenance of fund balances – i.e. budget reserves.*

The Committee takes no position regarding the appropriate size of the reserve but note that many public finance experts regard a budget reserve level of 5% to 10% as prudent, depending on several factors including the volatility of a government's revenue structure. The Town's General Fund's primary revenue source is sales tax, while the Water and Sewer fund rely on use based fees and the Highway fund is most dependent upon real property taxes. We recommend that the

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fund balance policy stipulate a nominal funding level in each of the four major funds – general fund, highways, water and sewer - expressed as a percentage of the average level of revenue in each fund, over, say, the last two years. We further suggest that the policy allow the Town Board to appropriate a portion of the reserve upon its finding that the Town faces a fiscal exigency caused by an extraordinary decline in revenue or an unanticipated and material expense. The policy should also outline a schedule by which the “borrowing” from the reserve would need to be repaid so that the reserve funds are replenished to the nominal funding level.

3. *The Town should conduct a cost/benefit analysis of the Town's role as tax collection agent for other taxing jurisdictions.*

The Town collects real property taxes for all taxing jurisdictions within the Town. At face value, this would appear to be an efficient approach for the jurisdictions. Ostensibly, the Town is compensated for its overhead in this regard through the receipt of interest and penalties collected on delinquent school tax payments only; there is no compensation from the taxing jurisdictions for the property tax payments. A formal analysis of this arrangement should be conducted to document that this is an equitable formula for reimbursing the Town's overhead. Consideration should be given to alternative approaches including having all the taxing jurisdictions participate on a more equitable basis in the cost of tax collection or collecting the taxes on their own. Also, the Town should consider having its banking institutions accept tax payments in order to reduce the amount of transactions and their attendant cost. It is our understanding that the Town of Guilderland and the City of Cohoes have pursued this approach with some success. The committee believes that the Tax Receiver's office conducts its business in a highly professional manner, but also believes that there should be more formalized documentation that the current collection process is the most efficient and effective approach for the Town.

4. *The Town should consider the costs and benefits of collecting omitted taxes.*

Many properties in Town carry real property exemptions that might be tied to Veteran status, STAR or agricultural use, among others. When an exempted property is transferred to a party that is ineligible for existing exemptions, the exemption is not prorated to the date of transfer but rather, the exemption is dropped the following tax year. In effect, the new property owner receives an exemption that they are not entitled to at the expense of the taxing jurisdictions and other taxpayers. The Town should evaluate whether or not the non-entitled exemptions (known as omitted taxes) should be collected.

5. *The Town should continue to automate payment options for tax, program and service related fees.*

The Town currently processes almost 100,000 revenue collection transactions annually of which only a small percentage are made electronically. The Town should continue to automate payment options with an eye towards reducing the physical need for staff to process revenue collection transactions. When the online tax payment system goes live in 2012, the service user will pay a convenience fee to the processing entity and there is no cost to the Town for the service, the software, or the credit card payment.

6. *The Town should complete a comprehensive capital investment and financing plan.*

As noted above, the Town has completed a comprehensive needs assessment of capital investments and this represents a laudable first step in developing a comprehensive investment strategy. The 10-year Capital plan is a comprehensive and well-prepared document and should be used in the development of the capital budget request. Listed below are specific

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recommendations that we believe would improve the Town's capital planning and capital budgeting process:

- a. *The capital plan and budget should be separated in two sections, one section for new facilities and the second for rehabilitation of existing facilities.* The item in each group should be justified on its own merits. The need should be identified following the categories used by NYS government agencies in presenting their capital request – these include health and safety, preservation of facilities, accessibility, mandated by law, etc.
- b. *The capital plan should reflect a comprehensive investment financing strategy endorsed by the Town Board.* This strategy should articulate, at least in summary form, how the Town intends to finance its capital spending, from three major sources: annual operating funds, capital reserves in each major fund, and borrowing. As background for this effort, the Town should prepare a debt affordability study that would examine the Town's current and projected debt load, credit rating, and debt service burden *vis a vis* the overall Town budget.
- c. *The capital budget should only be used for replacing or improving facilities and high-cost equipment, not for operating expenses.* In that sense, the replacement of most vehicles and equipment should be included in a department's operating budget not in the capital budget where it disguises the true cost of operating a department.
- d. *The capital budget process should be amended to eliminate unnecessary steps that could create potential delays.* At present, the Town Board approves a capital budget item request and then requires the applicable department to come before it again for approval. Once an item is approved in the budget and funds are made available to implement it, the project should not be brought back to the board for a second time unless the cost or the scope changes. This would allow the project to be completed with out delay and on a schedule.

**E. Organizational Considerations:**

In addition to the recommendations provided above, the following are organizational considerations that should be considered as improvements are implemented. Many of the recommendations can be implemented without significant organizational changes. However, to gain efficiencies and sustainable costs savings in performing financial management functions, the Town Board should at the very least analyze the potential financial and budgetary benefits that could be realized if organizational changes are made.

1. *Formalize financial management employee sharing agreements and processes*

As previously indicated, several Town departments involved in financial and cash management currently share personnel to provide for seasonal variations in work load. The committee lauds this personnel sharing as appropriate but in researching this matter, there have been indications from those involved that a more formalized and documented approach would be beneficial.

2. *Consider opportunities for consolidating functional responsibilities for cash management*

The Town Board should consider the potential benefits of centralizing certain financial management functions to determine whether or not sustainable cost savings can be achieved through organizational restructuring. Although it is outside the scope of this report to evaluate the potential financial benefits, it is the consensus of the committee that there is potential for sustainable cost savings if certain cash and financial management responsibilities were consolidated. As an example, the Town might consider the costs and benefits of incorporating the duties of the Receiver of Taxes office with the Town Clerk's Office. The Town Clerk has broader statutory responsibilities than just cash management, so it might be beneficial to

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consolidate some cash management responsibilities into the Clerk's office. The Clerk's Office already utilizes the Sungard Cash Receipts system, so it would be minimal effort to set up collection point for the other receivables for the Clerk's office. Among its other capabilities, the Sungard Cash Receipts system can handle Lock Box payments (payments made at a financial institution). In addition, the Town Clerk has offered to be an additional collection point for tax and water payments, which should be evaluated under any circumstance.

3. *The Town should consider the costs of benefits related to transferring property assessment to the County level*

There has been discussion regarding consolidation of assessment at the County level. Proponents argue that it would provide more consistency in assessment practices county-wide and that while there would be chargebacks to the Town, it would be a cost saving measure for all parties. Opponents express concern about the loss of local autonomy and the sheer magnitude of a County level function. The committee takes no position in this matter other than suggesting that it should be carefully considered as the Town explores ways to lower its cost of business.

4. *The Town should consider a more formalized approach to grant procurement and management.*

The Town should consider developing a grants management staff resource to work with departments to identify and apply for state and federal grants-in-aid, oversee the implementation process and ensure post-award reporting requirements are met. This position also could be established on a part-time basis and the Town should consider appointing this individual on a cooperative basis with the local school districts or another local government(s). In this regard, the Town's enterprise software suite vendor (Sungard Public Sector) offers a software module for Grants Management, which should be explored as part of this capability. The software manages and tracks grants with an easily accessible repository which includes all submitted and issued grants along with an audit trail conforming to the requirements of the grantor.

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Appendix 1

**Chart 1:** Current workload distribution for revenue collection transactions:

<b>Town Departments Receipts: 2010</b>					
	<u>Receipts</u>	<u>% of Total</u>	<u>Transactions</u>	<u>% of Total</u>	
Receiver	\$101,882,462	87.6%	66,424	68.2%	
Clerk	63,080	0.1%	18,010	18.5%	
Highways	339,937	0.3%	557	0.6%	
Comptroller	12,215,966	10.5%	449	0.5%	
Parks	644,000	0.6%	4,410	4.5%	
Justice Crt.	1,088,023	0.9%	7,531	7.7%	
	<u>\$116,233,468</u>		<u>97,381</u>		

**Chart 2:** Workload involving Town receipt transactions

<b>Town Receipts by Month: 2010</b>					
	<u>Receipts</u>	<u>% of Total</u>	<u>Transactions</u>	<u>% of Total</u>	
January	\$22,491,941	19.4%	14,958	15.4%	
February	6,803,518	5.9%	7,256	7.5%	
March	2,536,690	2.2%	6,719	6.9%	
April	1,914,633	1.7%	6,615	6.8%	
May	3,503,656	3.0%	7,083	7.3%	
June	1,531,880	1.3%	7,484	7.7%	
July	4,008,806	3.5%	6,130	6.3%	
August	1,398,412	1.2%	6,576	6.8%	
September	57,122,951	49.3%	17,012	17.5%	
October	10,641,400	9.2%	6,584	6.8%	
November	2,538,011	2.2%	6,878	7.1%	
December	<u>1,416,258</u>	1.2%	<u>4,086</u>	4.2%	
Total Year	<u>\$115,908,156</u>		<u>97,381</u>		

**Note:** Minor variation in total receipts inconsequential for purposes of this report

Other 20/20 Work Products:

- E. Report on Reorganization and Unification of the Town's Highway and Public Works Departments

**20/20 Advisory Committee Final Report  
December 28, 2011**

**REPORT ON REORGANIZATION AND UNIFICATION OF THE TOWN'S HIGHWAY AND  
PUBLIC WORKS DEPARTMENTS**

**INTRODUCTION**

As part of the 20/20 work plan for 2011, the Committee agreed to consider ways to improve and sustain operating and organizational efficiencies including the possible reorganization and unification of the Town's Department of Public Works (DPW) and Highway Department (Highway). As part of its efforts in this regard, 20/20 would also review, assess and report on various opportunities for shared services between the departments. During this process, we concentrated on not only DPW and Highway but also the Department of Parks & Recreation (Parks), which shares some similar functional areas such as lawn mowing and equipment with the other two departments. The Town's Comptroller and Human Resources offices also actively participated in the discussion.

There were several meetings where many department heads, as well as supporting staff, provided historical information as well as an update of current processes. Beyond that general review and discussion there was an inability to move beyond the way things currently are to any new arrangement for several reasons. There was a general sense among Town staff participating that these particular program areas had maximized the opportunities to share services to obtain any further significant savings. There was also a general reluctance to tackle the department consolidation issue since the Town Board had recently expressed its opposition to the consideration of conversion of elected positions, including the Highway Superintendent, to an appointed position. The Highway Superintendent had recently indicated his opposition to the elimination of any elected position including his own at a public meeting. And another complicating factor was the DPW Commissioner resigned before the conclusion of the 20/20 meetings. However, we have reached a point where we can summarize some important findings and set forth recommendations for next steps.

**PRIOR ANALYSIS AND PROGRESS MADE**

In or around 2006, the Interdepartmental Management Advisory Committee (IMAC) and staff reviewed the possibility of a Highway/DPW service consolidation. A situational analysis was completed; strategic planning elements identified; and three separate alternative organizational structures proposed, as well as the related costs/savings. The strategic planning concepts were presented to the Town Board but before a complete analysis of the costs and benefits was completed, the Board voted against the potential conversion of the elected Highway Superintendent position to an appointed position, effectively terminating the consolidation analysis. At that time, the Highway Superintendent (same as the incumbent) publically supported the consolidation and elimination of the elected position. 20/20 thought this was a good place to start its current assessment and because of the similarity of many program functions, Parks and Recreation was invited to join the process.

During the initial meeting of the shared services subcommittee, it became apparent that the current situation was different from the situational analysis presented in 2006. While no formal organizational structure changes were adopted by the Town Board, the department heads for Highway and DPW indicated that they had implemented many of the suggestions made during the 2006 IMAC process and had realized savings and improved processes, although a specific dollar amount was not identified. It was apparent that the department heads did not feel that there was much opportunity for any additional changes within Highway or DPW that would result in any significant savings.

**20/20 Advisory Committee Final Report**  
**December 28, 2011**

**OBSERVATIONS/REVIEW OF CURRENT STRUCTURE AND PROCESSES**

At the request of 20/20, Highway, DPW and Parks provided substantial information on the workforce employed by each program, including but not limited to, number of employees, job titles and civil service listing. It was clear that as a result of attrition the departments are operating at lower staffing levels than in the past. Further, the Department of Labor has issued a ruling the temporary agency workers must be paid "prevailing wage" which has fiscally precluded the hiring of seasonal workers. There was discussion about the potential for creating a critical mass of certain staff that would be a more "flexible and fluid" work force that could be deployed as directed by Department heads. We explored the possibility of clearly setting forth at the time of employment that their duties may be interchangeable between different town programs-Highway, DPW or Parks-for example, a DPW employee may be required to assist Highway with snowplowing. By sharing staff, it would reduce the overall number of staff each program area required which could be achieved by attrition and/or retirements. 20/20 learned that the Town has, in fact, started such a practice but there are some other things the Town could do to strengthen the Department heads' ability to share staff, and resources/equipment and satisfy program requirements with an overall reduced number of employees. For example, although the Town utilizes an employee as a procurement coordinator, the Town Board approved the purchase by Highway of a large truck, but it is unknown if inquiry was made of DPW or Parks to determine if such a purchase was actually necessary or if there was another Town owned asset which could have been utilized. In addition, there was no suggestion about outsourcing any services, which could possibly result in cost savings.

20/20 also requested that Highway, DPW and Parks provide us with a listing of each of their work functions, together with the season each function is primarily performed. As a result, the Department heads produced a "seasonal maintenance workload matrix" that summarizes functions performed by each program during particular seasons, as well as the approximate number of staff required to accomplish the workload. 20/20 heard that staff was already sharing services/staff in many ways and the staff provided 20/20 with an "existing shared services matrix". The identified matrices are attached.

We also started a review of the fiscal impact of staff and work function sharing. 20/20 was provided with expense trends since 2005 for DPW and Parks and it is clear that a more substantial analysis needs to be completed, and the analysis needs to include Highway. 20/20 was also provided with fund balance projections over the next 3 years with varied inputs. In addition to those expenses that we know are increasing (fuel, health, retirement), there are several distinct issues that threaten the fiscal stability of the various funds, for example: 2% property tax cap; expiration of the very favorable BIDA PILOT agreement with Selkirk Cogen which ends in 2012; and increase in payments to the City of Albany under the existing water contract. While DPW argues that the water and sewer funds are stable and sufficient, there is no built in capacity to accommodate the significant capital improvements the Town needs to invest in its infrastructure. As a result of the termination of the Selkirk Cogen PILOT agreement as well as a pending assessment challenge, the Highway Fund could suffer a nearly \$1 million loss of revenue and the General Fund could lose over \$500,000. Parks, which comprises less than 10% of the General Fund, continues to evaluate its programs on a cost/benefit analysis and is currently assessing some possible restructuring opportunities as a result of an imminent retirement.

It is clear that while the departments have made progress implementing some recommendations from 2006 and are trying to find ways to manage their resources, expense, revenue and staff, the fiscal realities facing the Town over the next several years, requires these Department heads and others to

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**December 28, 2011**

identify, assess and implement new processes and evaluate and implement a new organization structure that will be more efficient. It is also abundantly clear, that it is not only Highway, DPW and Parks that need to be challenged to find better, more efficient ways to perform their functions—all departments must engage in serious fiscal and programmatic review. “Doing more with less” can no longer be maintained and continued operation of Town programs may now mean doing “less with less”.

**AREAS FOR FURTHER REVIEW/RECOMMENDATIONS**

1. Review civil service titles/town job descriptions to determine if current staff can be required to perform other town functions than those they were originally hired to do.
2. Standardize the hiring process so that the Town can maintain maximum flexibility in assigning staff to those areas that require additional resources.
3. Using the drafted seasonal maintenance workload and existing shared services matrices, engage in further evaluation to maximize the ways the departments can share staff and schedule work to be as efficient as possible. Once those opportunities are identified, formalize the sharing agreements and processes.
4. Review and assess the likelihood of success of challenging the Department of Labor finding related to the payment of prevailing wage to temporary staff workers.
5. Review organizational structure and assess each new “hire” and evaluate how best to maximize the Town’s ability to meet its needs. Consider opportunities for consolidating functional responsibilities and providing increased capacity. For example, do not backfill the Deputy DPW Commissioner just to fill it; take advantage of upcoming Parks retirement to assess whether there is a way to better manage without the necessity of rehiring. Identify all organization-wide opportunities for shared services and consolidation and then assess the cost/benefit to determine potential savings to the Town. Such a review must involve all Town departments, including the Town’s Police Department which accounts for over 40% of the General Fund.
6. Examine the scope and level of services provided by each Department using the Principles for Prioritization as one tool to assist the Town in making decisions about the allocation of diminishing resources.
7. Identify town functions that could be outsourced and then do a cost benefit analysis to determine if the Town could realize savings from such outsourcing.
8. Explore the opportunity for cross-jurisdictional interaction and cooperation and inter-municipal sharing of services and possible consolidation.

This Committee recognizes that some of the recommendations set forth above have been initiated by the Town staff and encourages the staff and Town Board to consider the balance of the recommendations as well as benefits of a reorganization and unification of town departments.

# Town of Bethlehem: Seasonal Maintenance Workload Matrix

23 June 2011

	Winter	Spring	Summer	Fall
<b>Parks</b>	<p>Staff: 1 FT Maint. Supt.; 5 FT Maint. Men; No Season Maint. Staff = 6 FTE</p> <ul style="list-style-type: none"> <li>• Ice skating rink maintenance</li> <li>• Snow plowing</li> <li>• Landscaping, cutting brush, etc.</li> <li>• Building maintenance</li> <li>• Indoor painting</li> <li>• Equipment repairs</li> <li>• Building projects</li> </ul>	<p>Staff: Additional 5 seasonal mowers, 2 seasonal golf course maint.</p> <ul style="list-style-type: none"> <li>• Ball Field preparation</li> <li>• Dock instillation</li> <li>• Restore water service to locker room, fountains, sprinklers, etc.</li> <li>• Pool and Concession prep.</li> <li>• Golf course prep.</li> <li>• Mowing</li> <li>• Playground maint.</li> <li>• Grounds clean up</li> </ul>	<p>Staff: Additional 8 college age seasonal help; mid May- mid August</p> <ul style="list-style-type: none"> <li>• Pool operation</li> <li>• Golf course operation</li> <li>• Mowing, trimming</li> <li>• Ball field maint.</li> <li>• Trash pickup</li> </ul>	<p>Staff: some seasonal mowers and golf course maint. remain</p> <ul style="list-style-type: none"> <li>• Mower maint.</li> <li>• Golf course maint.</li> <li>• Ball field maint.</li> <li>• Water services winterized</li> <li>• Remove docks and fishing platform</li> <li>• Leaf pickup</li> <li>• Trash pickup (large picnics in season)</li> <li>• Pool closure maintenance</li> <li>• Golf course closure maint.</li> </ul>
<b>Highway</b>	<p>Staff: 55 Highway FT, 3 Sanitation FT, 1 Signs &amp; Signals FT, No seasonal/Part time. Total: 59</p> <ul style="list-style-type: none"> <li>• Snow &amp; Ice Control</li> <li>-Plow, salt, snow removal</li> <li>-Open catch basins &amp; cross culverts</li> <li>-Clear sidewalks, crosswalks, bus stops</li> <li>-Address icing issues</li> <li>-Snow fence, sand barrels</li> <li>-Mailbox repair</li> <li>• Brush collection/ Christmas Trees</li> <li>• Signs &amp; Signals</li> <li>• Compost Facility – Screening</li> <li>• Transfer Station, Recycling – Dumpsters, Transfer Trailer</li> <li>• Fleet Maint.</li> <li>• Facility Maint.</li> </ul>	<p>Staff: Additional 6 PT, Total: 65</p> <ul style="list-style-type: none"> <li>• Brush Collection</li> <li>• Leaf Collection</li> <li>• Lumber / Wood Collection</li> <li>• Lawn repair</li> <li>• Mailboxes, Dead End Barricades</li> <li>• Signs &amp; Signals</li> <li>• Compost Facility</li> <li>• Transfer Station, Recycling- Dumpsters, Transfer Trailer</li> <li>• Fleet Maintenance</li> <li>• Facility Maintenance</li> <li>• Drainage Work</li> <li>• Tree Work</li> <li>• Litter Collection</li> <li>• Shoulder Maintenance</li> <li>• DPW Water / Sewer Breaks</li> <li>• Manhole Repair</li> <li>• Parades &amp; Events</li> <li>• Jet / Clean Storm Sewer Lines</li> <li>• Litter Collection</li> <li>• DPW Water / Sewer Breaks</li> <li>• Manhole Repair</li> <li>• Parades &amp; Events</li> <li>• Jet / Clean Storm Sewer Lines</li> <li>• Blacktop Patching - Highway, DPW</li> <li>• Blacktop Paving of roads, sidewalks, and parking lots</li> </ul>	<p>Staff: Additional 12 PT, Total: 71</p> <ul style="list-style-type: none"> <li>• Brush Collection</li> <li>• Signs &amp; Signals</li> <li>• Compost Facility</li> <li>• Transfer Station, Recycling- Dumpsters, Transfer Trailer</li> <li>• Fleet Maintenance</li> <li>• Facility Maintenance</li> <li>• Drainage Work</li> <li>• Tree Work</li> <li>• Litter Collection</li> <li>• Shoulder Maintenance</li> <li>• DPW Water / Sewer Breaks</li> <li>• Manhole Repair</li> <li>• Parades &amp; Events</li> <li>• Jet / Clean Storm Sewer Lines</li> <li>• Blacktop Patching - Highway, DPW</li> <li>• Blacktop Paving of roads, sidewalks, and parking lots</li> </ul>	<p>Staff: Additional 8 PT, Total: 67</p> <ul style="list-style-type: none"> <li>• Brush Collection</li> <li>• Leaf Collection</li> <li>• Signs &amp; Signals</li> <li>• Compost Facility</li> <li>• Transfer Station, Recycling- Dumpsters, Transfer Trailer</li> <li>• Fleet Maintenance</li> <li>• Facility Maintenance</li> <li>• Drainage Work</li> <li>• Tree Work</li> <li>• Litter Collection</li> <li>• Shoulder Maintenance</li> <li>• DPW Water / Sewer Breaks</li> <li>• Manhole Repair</li> <li>• Parades &amp; Events</li> <li>• Jet / Clean Storm Sewer Lines</li> <li>• Blacktop Patching - Highway, DPW</li> <li>• Blacktop Paving of roads, sidewalks, and parking lots</li> </ul>

	Winter	Spring	Summer	Fall
	<ul style="list-style-type: none"> <li>• Cold patch/pot hole repair</li> <li>• Drainage work</li> <li>• Jet/ Clean storm sewer lines</li> <li>• Manhole repair</li> <li>• Tree work</li> <li>• Litter collection</li> <li>• Shoulder maintenance</li> <li>• Grandall/ Ditching</li> <li>• Cut brush</li> <li>• Special projects</li> <li>• -Cover landfill</li> <li>• -Facility upgrades</li> <li>• Safety training</li> <li>• DPW Water/ Sewer Breaks</li> <li>• Holiday decorations</li> <li>• Parades &amp; Events</li> <li>• Respond to emergencies</li> </ul>	<ul style="list-style-type: none"> <li>• Parades &amp; Events</li> <li>• Jet / Clean Storm Sewer Lines</li> <li>• Blacktop Patching - Highway, DPW, Parks &amp; Recreation, General Town</li> <li>• Community Beautification</li> <li>• "Flags and Flowers" Program</li> <li>• Sweep roads, sidewalks, and parking lots</li> <li>• Grade dirt roads &amp; stone parking lots - Highway, Parks &amp; Recreation</li> <li>• Mowing &amp; Trimming - Cul-de-sac's, Roadside, Guide Rail, DPW</li> <li>• Road Construction</li> <li>• Pipeline Installation</li> <li>• Respond to Emergencies</li> </ul>	<ul style="list-style-type: none"> <li>• sidewalks, and parking lots</li> <li>• Topsoil Restoration</li> <li>• Community Beautification</li> <li>• "Flags and Flowers" Program</li> <li>• Sweep roads, sidewalks, and parking lots</li> <li>• Mowing &amp; Trimming - Cul-de-sac's, Roadside, Guide Rail, DPW</li> <li>• Road Construction</li> <li>• Sidewalk Projects</li> <li>• Respond to Emergencies</li> </ul>	<ul style="list-style-type: none"> <li>• Topsoil Restoration</li> <li>• Community Beautification</li> <li>• "Flags and Flowers" Program</li> <li>• Sweep roads, sidewalks, and parking lots</li> <li>• Mowing &amp; Trimming - Cul-de-sac's, Roadside, Guide Rail, DPW</li> <li>• Road Construction</li> <li>• Sidewalk Projects</li> <li>• Respond to Emergencies</li> </ul>
	<p>Staff: 58 FT, No Seasonal, No PT</p> <ul style="list-style-type: none"> <li>• Snow &amp; Ice Control at Pump Stations, Tanks, 308 Kenwood, Adams St</li> <li>• Equipment/Vehicle Fleet Maint.</li> <li>• Facility Maint.</li> <li>• Pump Station Maint.</li> <li>• Repair/Overhaul Pumps and Motors</li> <li>• Jet/Clean Sewer Lines as needed</li> <li>• Manhole Repair</li> </ul>	<p>Staff: 58 FT, No Seasonal, No PT</p> <ul style="list-style-type: none"> <li>• Water Main Flushing</li> <li>• Repair driveways and lawns damaged during winter season</li> <li>• Grinder pump maint.</li> <li>• Restock materials/ prep for summer tasks</li> <li>• Clean/ maintain outside WTP clarifiers</li> <li>• Root control/ removal</li> <li>• Conduct required flow tests</li> </ul>	<p>Staff: 58 FT, 5 Seasonal, No PT</p> <ul style="list-style-type: none"> <li>• Replace water mains</li> <li>• Repair and paint fire hydrants</li> <li>• Clear right-of-ways and easements</li> <li>• Mow and landscaping around WWTP, WTP, and 308 Kenwood</li> <li>• Paint exterior equipment and lines</li> <li>• Repair/ replace manholes</li> <li>• Replace or re-line sewer mains</li> </ul>	<p>Staff: 58 FT, No seasonal, No PT</p> <ul style="list-style-type: none"> <li>• Water Main Flushing</li> <li>• Wellfield maintenance</li> <li>• Winterize facilities and tanks</li> <li>• Restock gravel and fill for winter emergency repairs</li> <li>• PRV and valve maintenance</li> <li>• Remove fake geese from reservoir</li> <li>• DAFT maintenance</li> <li>• Tank inspections</li> </ul>
<b>DPW – Field Operations</b>				

	Winter	Spring	Summer	Fall
	<ul style="list-style-type: none"> <li>• Mandatory Training &amp; Certification</li> <li>• Repair DPW Water &amp; Sewer Main Breaks</li> <li>• Paint interior pipes</li> <li>• Clean/maintain inside WTP clarifiers and filters</li> <li>• Portable generator maint.</li> </ul>		<ul style="list-style-type: none"> <li>• Empty/ Clean/ Maintain WWTP Aeration tanks</li> <li>• Empty/ Clean/ Maintain WWTP clarifiers</li> <li>• Outside facility maintenance</li> <li>• Dredge backwash lagoon</li> <li>• Clean out drying ponds at NSWTP</li> <li>• Dam repair and maintenance</li> <li>• Stage III dredging and maintenance</li> <li>• Algae controls &amp; removal at reservoir</li> <li>• Water Tank maintenance &amp; painting</li> <li>• TV sewer lines</li> <li>• Construction &amp; stormwater inspections</li> <li>• Dredge settling pond at CRWTP</li> </ul>	

**Notes:**

1. DPW tasks do not include year-round tasks such as: operation of two water treat plants on a 24/7/365 basis; maintain operation of well fields; continuous operation of WWTPs at South Albany and Dinmore Road; daily maintenance of sanitary sewer pumping stations; maintenance of 7 water storage tanks; maintenance at interconnections; maintenance at remote facilities (PRV's, Heiderberg Spring, etc.); reservoir and watershed patrols; water and sewer effluent testing and sampling; operation of Call Center; utility billing; customer service; meter reading; SCADA maintenance; planning reviews; capital project management; stormwater management; etc.
2. Parks tasks only reflect maintenance-related tasks. Recreational programming and management are not reflected above.

# Town of Bethlehem: Existing Shared Services Matrix

23 June 2011

Receiving Offering	DPW – Admin & Field Ops	DPW - Engineering	Parks	General Town	Highway
<p><b>DPW – Admin &amp; Field Ops</b></p>	<p>Not applicable</p>	<ul style="list-style-type: none"> <li>Install &amp; repair water services for facilities</li> <li>Maintain grinder pumps at facilities</li> <li>Assist with maintenance of septic system at Elm Ave Park</li> <li>Assist with work at pool complex as needed</li> <li>Provide light towers for volleyball court and special events</li> <li>Provide electrical and water services at Dog Park</li> <li>Provide staff to assist with facilities construction as needed</li> </ul>	<ul style="list-style-type: none"> <li>Administer Town Call Center for all incoming calls to Town (funded by water and sewer funds)</li> <li>Assist with plumbing and electrical problems at facilities</li> <li>Support of work orders system</li> <li>Fleet management</li> <li>Maintain grinder pump at Little Red Schoolhouse</li> <li>Coordinate generator service contract</li> <li>Assist with water and sewer repairs at Town facilities as needed</li> <li>Manage Town-wide phone system</li> </ul>	<ul style="list-style-type: none"> <li>Assist with manpower and equipment for snow plowing</li> <li>Vacuum and jet storm drainage system as requested</li> <li>Provide electrical expertise on building projects</li> <li>Mowing of cemetery near WWTP</li> <li>CCTV inspections of storm sewers as needed</li> <li>Assist with water service repairs as needed</li> <li>Assist with maintenance of North Street spoil site</li> </ul>	<ul style="list-style-type: none"> <li>Technical guidance &amp; support on resident complaints (e.g., slope failures, drainage, traffic control, etc.)</li> <li>Preparation and compliance support of required DEC stormwater permits for projects</li> <li>Assistance with development &amp; implementation of stormwater Best Management Practices for facilities</li> <li>Design services for minor projects</li> <li>Coordination with regulators</li> <li>Project management of major projects</li> <li>Construction administration and</li> </ul>
<p><b>DPW – Engineering</b></p>	<ul style="list-style-type: none"> <li>Preparation and compliance support of required DEC stormwater permits for projects</li> <li>Assistance with development &amp; implementation of stormwater Best Management Practices for facilities</li> <li>Design services for minor projects</li> <li>Coordination with regulators</li> <li>Project management of major projects</li> <li>Construction administration and</li> </ul>	<ul style="list-style-type: none"> <li>Preparation and compliance support of required DEC stormwater permits for projects</li> <li>Assistance with development &amp; implementation of stormwater Best Management Practices for facilities</li> <li>Design services for minor projects</li> <li>Assist with development and implementation of long-term parks planning studies</li> <li>Assist with application, procurement and</li> </ul>	<ul style="list-style-type: none"> <li>Assist with the development of long-term facilities plans</li> <li>Design services for minor facilities projects</li> <li>Project management of major facility improvement projects</li> <li>Construction administration and observation</li> <li>Manage Town's stormwater management program</li> <li>Lead energy management initiatives</li> <li>Grant application and management for energy</li> </ul>	<ul style="list-style-type: none"> <li>Assist with manpower and equipment for snow plowing</li> <li>Vacuum and jet storm drainage system as requested</li> <li>Provide electrical expertise on building projects</li> <li>Mowing of cemetery near WWTP</li> <li>CCTV inspections of storm sewers as needed</li> <li>Assist with water service repairs as needed</li> <li>Assist with maintenance of North Street spoil site</li> </ul>	<ul style="list-style-type: none"> <li>Technical guidance &amp; support on resident complaints (e.g., slope failures, drainage, traffic control, etc.)</li> <li>Preparation and compliance support of required DEC stormwater permits for projects</li> <li>Assistance with development &amp; implementation of stormwater Best Management Practices for facilities</li> <li>Design services for minor projects</li> <li>Coordination with DOT &amp;</li> </ul>

Receiving Offering	DPW – Admin & Field Ops	DPW - Engineering	Parks	General Town	Highway
<p><b>Parks</b></p>	<p>observation</p> <ul style="list-style-type: none"> <li>Coordinate &amp; review development projects for compliance with Town standards</li> <li>Inspection of development projects for compliance with Town standards</li> <li>Lead long-term planning and studies</li> </ul>	<p>Not applicable</p>	<p>implementation of grants</p> <ul style="list-style-type: none"> <li>Project management of major parks projects</li> <li>Construction administration and observation</li> </ul>	<p>program</p> <ul style="list-style-type: none"> <li>Support Planning &amp; Economic Development with review of development projects</li> <li>Support Building Department with review of building permit, pool permit, and grading applications.</li> </ul>	<p>CDTC on federal funding</p> <ul style="list-style-type: none"> <li>Project management of major projects</li> <li>Construction administration and observation</li> <li>Coordinate &amp; review development projects for compliance with Town standards</li> <li>Inspection of development projects for compliance with Town standards</li> </ul>

Receiving Offering	DPW – Admin & Field Ops	DPW - Engineering	Parks	General Town	Highway
General Town	<ul style="list-style-type: none"> <li>• Management of facilities activities at Adams Street Garage and Town Hall</li> <li>• Accounts receivable for water and sewer (co-funded by water and sewer funds)</li> <li>• Administrative support (co-funded by water and sewer funds)</li> </ul>	Not applicable	<ul style="list-style-type: none"> <li>• Town Clerk sells Dog Park tags</li> <li>• Janitor services at Admin Building</li> </ul>		
Highway	<ul style="list-style-type: none"> <li>• Vehicle maintenance of fleet</li> <li>• Assist with labor, equipment &amp; materials for utility breaks and projects</li> <li>• Asphalt repairs</li> <li>• Mowing of pump stations, inter connections, and outside stations</li> <li>• Maintain North Street disposal site</li> <li>• Assist with snow and ice control</li> <li>• Provide trucks and equipment for seasonal use</li> <li>• Assist with tree work and debris clean up</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicle maintenance of fleet</li> <li>• Assist with drainage complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicle maintenance of fleet</li> <li>• Asphalt repairs to roads and parking areas</li> <li>• Construction assistance on parks and park facilities</li> <li>• Assist with snow and ice control</li> <li>• Provide trucks and equipment for seasonal use</li> <li>• Assist with tree work and debris clean up</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicle maintenance of fleet (Police, Senior Services, Building Dept.)</li> <li>• Traffic control at emergencies &amp; events</li> <li>• Evidence recovery and storage for Police</li> <li>• Assist with parades and special Town functions</li> <li>• Mowing and upkeep at municipal buildings and grounds</li> <li>• Snow and ice control at municipal buildings and grounds</li> <li>• Interior renovation projects at buildings as needed</li> <li>• Construct and maintain sidewalks</li> <li>• Construction and maintenance at "Rail Trail"</li> <li>• Shred confidential materials</li> <li>• Maintain "Flags &amp; Flowers" program</li> <li>• Maintain special lighting</li> </ul>	

Receiving Offering	DPW – Admin & Field Ops	DPW - Engineering	Parks	General Town	Highway
				district equipment <ul style="list-style-type: none"> <li>• Maintain Garden Club planting areas</li> <li>• Supplement personnel and equipment of sign and signal maintenance</li> <li>• Supplement personnel and equipment at Compost facility and Transfer Station)</li> <li>• Maintain landfill closure caps</li> <li>• Year-round maintenance of Compost Facility and Transfer Station</li> <li>• Oversee Recycling Program Coordinator and activities</li> <li>• Coordinate and provide supplemental staff for recycling program events and activities</li> </ul>	

**DPW Support of Other Agencies**

- Administer five different water districts in the Town of New Scotland (provide 90% of municipal water in New Scotland)
- Assist with maintenance of water mains in Town of New Scotland as needed
- Administer the only sewer district in Town of New Scotland
- Assist with maintenance of sewer mains in Town of New Scotland as needed
- Provide shoulder material to New Scotland from our cleaning of Stage III dam
- Assist NYS DOT with drainage control issues as needed

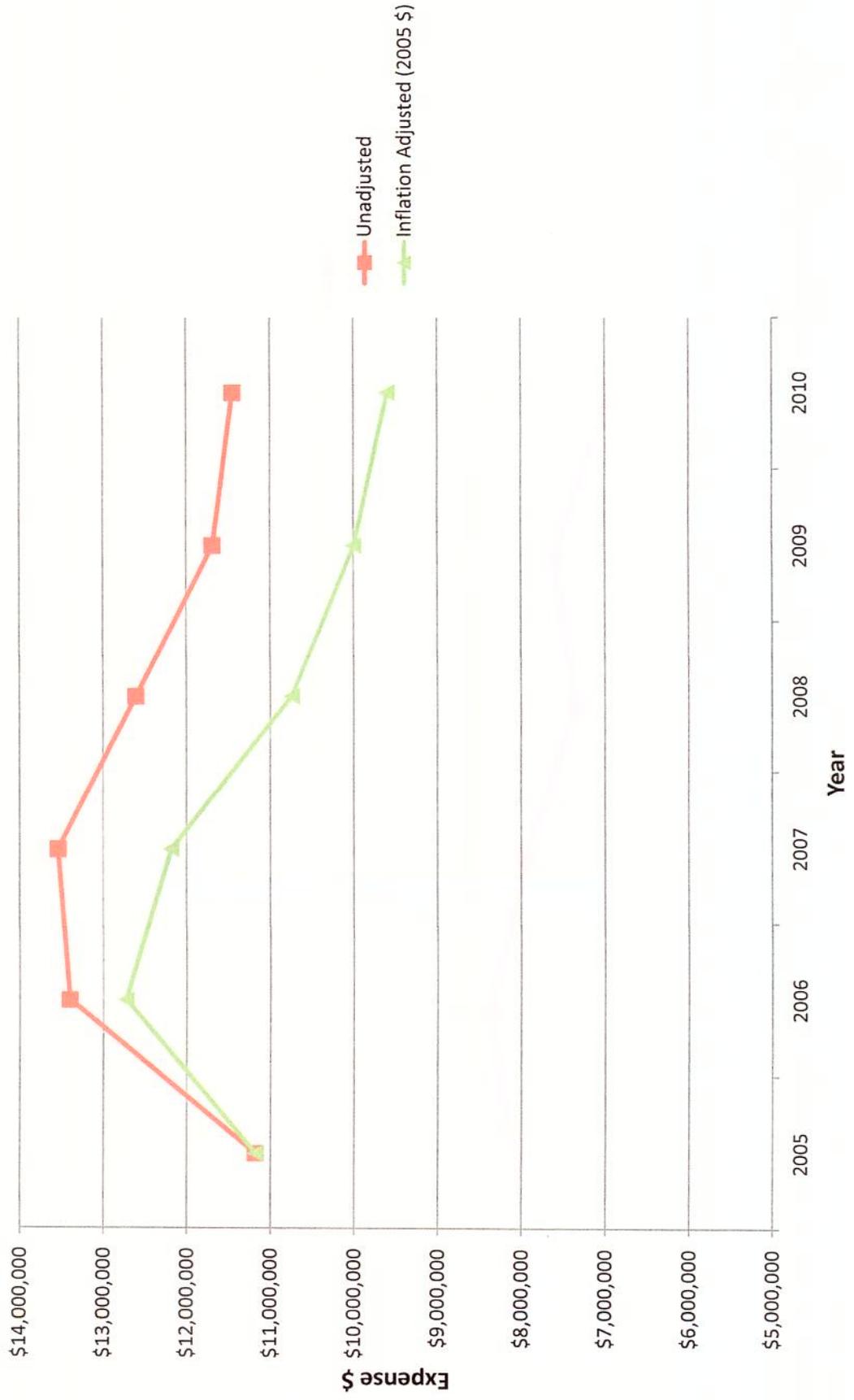
**Highway Support of Other Agencies**

- Fire Departments
  - Support at fire emergencies
  - Snow and ice control at fire facilities
- Bethlehem Central School District – provide access to salt storage facility and assist with loading trucks
- NYSDOT & Albany Co. Highway Department
  - Assist with drainage control issues
  - Provide mowing assistance to maintain sight distance
  - Sharing of materials and resources as needed
- Other Municipalities (New Scotland, Berne, Guilderland, etc.)
  - Provide personnel and equipment for emergency situations
  - Paving operations and hauling of materials

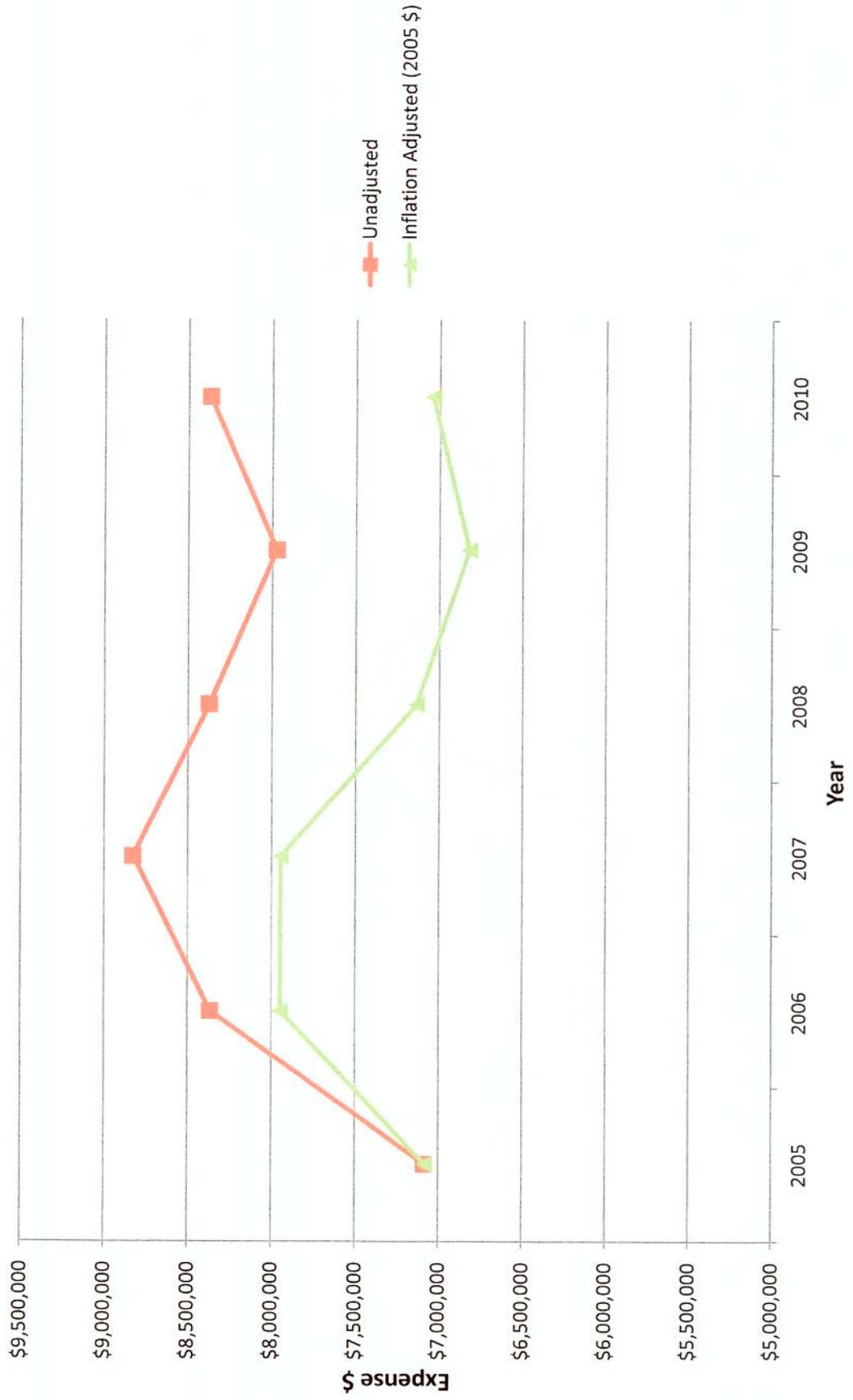
# Parks & Recreation Expense Trend



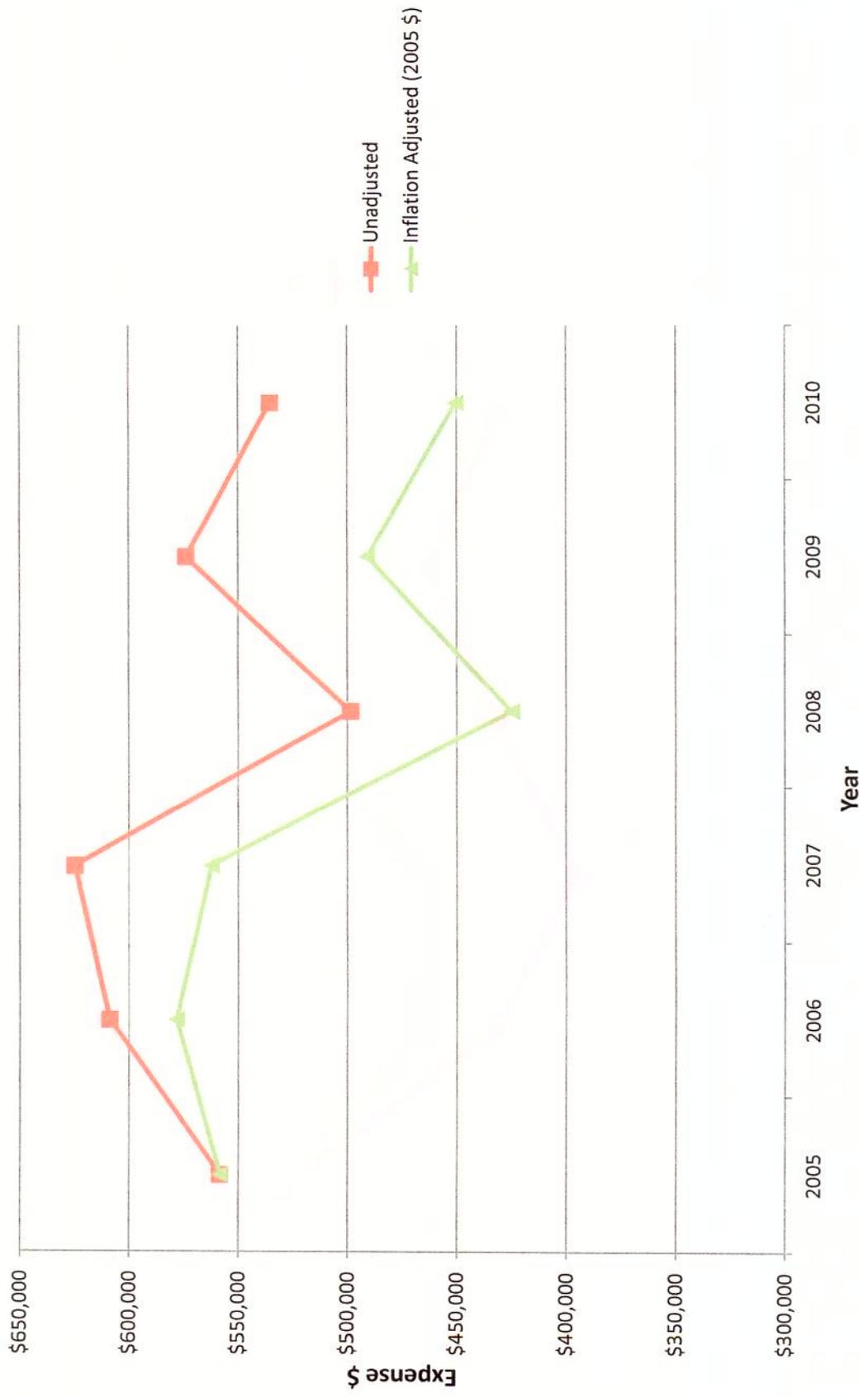
# DPW Expense Trend - All Funds



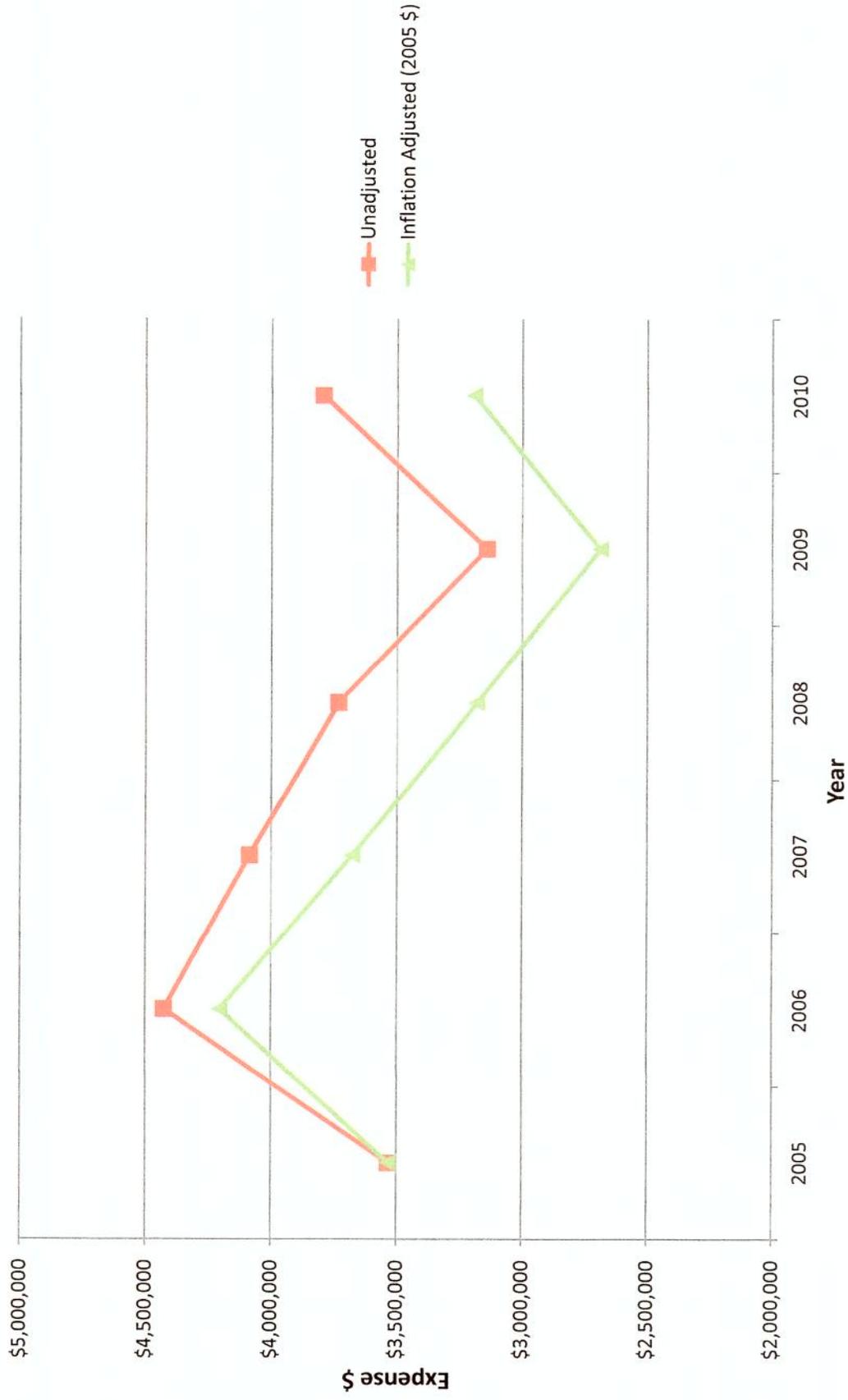
# Water Fund Expense Trend



# General Fund - Engineering Expense Trend



# Sewer Fund Expense Trend



## Inflation Adjustment of DPW Expenditures

Source: Bureau of Economic Analysis  
National Income and Product Accounts Table  
Implicit Deflators for GDP

### Water Fund

Year	Index	Unadjusted	Inflation Adjusted (2005 \$)	Effective Change from 2005 (2005 \$)	Effective % Change YTY
2005 Expense	100	\$7,086,168	\$7,086,168	\$0	
2006 Expense	105.276	\$8,365,807	\$7,946,547	\$860,379	12.14%
2007 Expense	111.112	\$8,828,481	\$7,945,569	\$889,401	-0.01%
2008 Expense	117.348	\$8,374,626	\$7,136,573	\$50,405	-10.18%
2009 Expense	116.892	\$7,972,286	\$6,820,215	-\$265,953	-4.43%
2010 Expense	118.886	\$8,370,534	\$7,040,807	-\$45,361	3.23%

### Sewer Fund

Year	Index	Unadjusted	Inflation Adjusted (2005 \$)	Effective Change from 2005 (2005 \$)	Effective % Change YTY
2005 Expense	100	\$3,534,033	\$3,534,033	\$0	
2006 Expense	105.276	\$4,425,030	\$4,203,266	\$669,233	18.94%
2007 Expense	111.112	\$4,085,125	\$3,676,583	\$142,550	-12.53%
2008 Expense	117.348	\$3,732,369	\$3,180,599	-\$353,434	-13.49%
2009 Expense	116.892	\$3,139,494	\$2,685,807	-\$848,226	-15.56%
2010 Expense	118.886	\$3,793,372	\$3,190,764	-\$343,269	18.80%

### General Fund - Engineering

Year	Index	Unadjusted	Inflation Adjusted (2005 \$)	Effective Change from 2005 (2005 \$)	Effective % Change YTY
2005 Expense	100	\$558,451	\$558,451	\$0	
2006 Expense	105.276	\$608,733	\$578,226	\$19,775	3.54%
2007 Expense	111.112	\$624,688	\$562,215	\$3,764	-2.77%
2008 Expense	117.348	\$498,397	\$424,717	-\$133,734	-24.46%
2009 Expense	116.892	\$573,708	\$490,802	-\$67,649	15.56%
2010 Expense	118.886	\$535,335	\$450,293	-\$108,158	-8.25%

### General Fund - Parks

Year	Index	Unadjusted	Inflation Adjusted (2005 \$)	Effective Change from 2005 (2005 \$)	Effective % Change YTY
2005 Expense	100	\$1,560,549	\$1,560,549	\$1,002,098	
2006 Expense	105.276	\$1,502,212	\$1,426,927	\$868,476	-8.56%
2007 Expense	111.112	\$1,595,365	\$1,435,817	\$877,366	0.62%
2008 Expense	117.348	\$1,732,795	\$1,476,629	\$918,178	2.84%
2009 Expense	116.892	\$1,670,555	\$1,429,144	\$870,693	-3.22%
2010 Expense	119.275	\$1,818,402	\$1,524,546	\$966,095	6.68%

### DPW - All Funds

Year	Index	Unadjusted	Inflation Adjusted (2005 \$)	Effective Change from 2005 (2005 \$)	Effective % Change YTY
2005 Expense	100	\$11,178,652	\$11,178,652	\$10,620,201	
2006 Expense	105.276	\$13,399,570	\$12,728,039	\$12,169,588	13.86%
2007 Expense	111.112	\$13,538,294	\$12,184,367	\$11,625,916	-4.27%
2008 Expense	117.348	\$12,605,392	\$10,741,889	\$10,183,438	-11.84%
2009 Expense	116.892	\$11,685,488	\$9,996,824	\$9,438,373	-6.94%
2010 Expense	119.275	\$11,445,678	\$9,596,041	\$9,037,590	-4.01%

**Other 20/20 Work Products:**

**F. 2011-2012 Town of Bethlehem Economic Development Strategy**

**Town of Bethlehem Economic Development Strategy 2011-2012**  
**20/20 Economic Development Sub-Committee**  
**December 1, 2011**

**1. INTRODUCTION:**

As part of the 20/20 work plan, the 20/20 Advisory Committee (20/20) agreed to prepare an updated economic development strategy. A sub-committee of 20/20 was established for this purpose and the sub-committee collaborated with staff and members of the Bethlehem Industrial Development Agency (BIDA) to develop the strategy. This strategy has been compiled by current and former members of the 20/20 Economic Development Sub-Committee working in concert with Town and Bethlehem IDA staff and officials. The 20/20 Advisory Committee thanks the following individuals who participated in the development of this Strategy document: Keith Bennett, Co-Chair; Joe Richardson, Co-Chair; Steve Baboulis; Tom Connolly; Diane Barber-Kansas; John Guastella; Kyle Kotary; George Leveille; Sam Messina; Mike Morelli; Robin Nagengast; Terry Ritz; Brian Stenson; and, Christo Zemerling.

In recent years the Town of Bethlehem has made a strong commitment to fostering economic development and diversification of the Town's tax base. The policy basis for this commitment is clear in the Town's Comprehensive Plan adopted in 2005. Despite the current economic downturn that has affected regional development, there are still tremendous opportunities for new business development and expansion as the Global Foundries chip manufacturing facility in Malta nears completion. In fact, the Capital Region was recently recognized by the Wall Street Journal as the third leading technology market in the United States. Bethlehem has great potential for capturing some of this business growth due to, among other things, its accessibility to the interstate system, proximity to the Hudson River, regional higher educational institutions, quality of life, and proximity to Albany International Airport.

Unfortunately, the Town is competing against much more sophisticated and resource rich organizations representing other communities in the region. The four counties surrounding Albany County (Saratoga, Schenectady, Greene and Rensselaer) all have strong county-level economic development organizations. There is no comparable entity in Albany County for the Town to rely upon for economic development purposes. In the absence of a strong County program, the Town must provide for its own economic development capabilities. As currently staffed, the Town will be at a distinct competitive disadvantage to compete for new business development in the Region.

Groundbreaking is near for the much heralded Vista Tech Campus project on Rt. 85. It is expected that new development in the New Scotland Road Hamlet District will follow thereafter. While Town residents understand the value of economic development, the availability of jobs, and having a balanced tax base, they are also keenly sensitive to the rural character and nature of our suburban town. Consequently, to best achieve its economic development goals and objectives, the Town must first and foremost build its capacity to compete intra-regionally for new business investment. In this manner, the Town can more effectively manage growth to ensure that it is consistent with the community's future vision as articulated in the Comprehensive Plan. While the various strategy elements outlined below are each tremendously important in their own right, their success depends largely upon the ability of the Town's taxing jurisdictions to have appropriate professional capacity to shepherd each and all of these elements to the desired conclusion. The burdens and benefits of economic development should be shared by the Town's principal taxing jurisdictions.

**2. STRATEGY ELEMENTS:**

The list which follows represents the principal economic development strategy elements. The elements are not presented in order of priority.

- a. **Build the capacity of the Bethlehem IDA (BIDA) to lead economic development:** The BIDA has been the Town's primary economic development organization for many years but has

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experienced a lack of applications and completed projects in recent years. Earlier this year the BIDA successfully managed the complex financing for the Vista Tech Campus but the effort illustrated the BIDA's need for greater professional staff capacity. With the assistance of BIDA counsel and Board members, the Vista project was completed due to the contributions of a variety of Town staff members all of whom have broader responsibilities than just economic development.

At present, there is one Town employee who is paid nominally to act as Executive Director of the BIDA. That individual is also a land use engineer with full time responsibilities for non-economic development functions. Additional economic development capacity is provided by other Town staff, primarily from the Supervisor's Office, the Department of Economic Development and Planning (DEDP) and the Department of Public Works (DPW). Both DEDP and DPW help to facilitate economic development by processing land use approvals associated with new development projects.

To achieve its economic development goals, the Town's taxing jurisdictions must find ways to redeploy existing and find new resources to support at least a *half-time* professional economic development staff person immediately, with efforts continuing to grow this responsibility over time to a full time equivalent position. Unlike existing Town staff that contribute to economic development by managing the project implementation process, this individual would be dedicated to identifying and cultivating multiple new economic development projects and by being an active participant in regional economic development affairs. With new proceeds flowing to the BIDA as a result of the Vista development commencing, there would appear to be sufficient resources to expand the BIDA's staff capacity in the near term. As described below, efforts should be continued to develop a new Town-wide economic development partnership that can provide a supplemental, long-term funding stream to the BIDA to build and maintain the Town's professional staff capabilities and resulting competitiveness.

- b. **Participate in the Capital Region Economic Development Council:** As New York State proceeds with its Regional Council approach to setting regional priorities, every effort must be made to get Town economic development priorities in front of regional policy makers. Town and or BIDA staff should participate in the regional council process and should volunteer to populate working groups established by the Council to undertake its mission.
- c. **Overcome perceptions that the Town is not business friendly:** One of the key issues addressed in the Town's Comprehensive Plan was the need to make Bethlehem a more business friendly community. This was especially focused on the land use approval process. Clear improvements have been made in this area and great care has been taken to make this a cooperative process. It is important for the Town to fulfill its regulatory functions while also advocating for the advancement of important economic development proposals. A balanced and cooperative approach to the advancement of important economic development proposals will assist in continuing to dispel perceptions that the Town is not business friendly.
- d. **Organize a Town based economic development partnership:** In the absence of a County based economic development program for the Town to participate in, it is critical that the Town's taxing jurisdictions build their own capacity to compete for desired investment. Since 2009, 20/20 has endorsed the notion of the Town's principal taxing jurisdictions joining forces in this regard. The underlying principle is that each of the major taxing jurisdictions should share in the burdens and benefits of strengthening the Town's tax base and reducing the burden of residential property owners. While there might be different iterations of how the partnership would work as determined appropriately by the partners, the funding stream would be provided by a reallocation of an agreed upon portion of new Payment in lieu of Taxes (PILOT) collected by BIDA on behalf of the taxing jurisdictions. Preliminary meetings have commenced with the Ravena Coeymans

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Selkirk School District (RCS) and meetings should be scheduled with Albany County and the Bethlehem Central School District during the 4<sup>th</sup> quarter of 2011.

- e. **Continue to implement a business retention and attraction program:** The committee views these functions as core to the staff responsible for economic development. Until such time as the Town's economic development staff capacity is increased, this function can be shared in the short-term by other Town employees (Supervisor, Planning Director, DPW management etc.) to ensure that there is strong communication with the Town's business community.
- f. **Re-vitalize an economic development communications program:** In order to support the Town's efforts to encourage responsible economic growth, the Town must be more consistent in communicating positive messages about ongoing development in the Town. Several years ago the BIDA began publication of a periodic e-newsletter to key "multipliers" in the greater Capital Region. The newsletter experienced good acceptance and the subscription list grew. Publication of the e-newsletter should continue and its content should be broadened to include all development occurring in the Town, not just BIDA supported development. With the absence of resources required to undertake a meaningful advertising and marketing campaign, a focused communications program like the periodic e-newsletter can be an effective means of keeping Bethlehem on the radar screen of area investors, banks, real estate professionals and the media.
- g. **Support of Short-Term Initiatives:** From a programmatic standpoint, the following is a list of the key economic development initiatives that require Town support and leadership in the short term:
  - **Vista Tech Campus:** break ground and advance the first 280,000 ± square feet of mixed use development in the 4<sup>th</sup> quarter of 2011; assist Vista in marketing and attraction of new business to the Campus; explore partnership opportunities with the Bethlehem Central School District (BCSD) tied to new PILOT payments.
  - **New Scotland Road Hamlet Master Plan implementation (NSRH):** the beginning of construction at the Vista will no doubt influence additional development in the NSRH district; a focal point for implementation is the Picotte owned building at the intersection of New Scotland and Maher Roads; focus should also be made on implementing the hamlet design features as outlined in the master plan.
  - **Re-constitute the Selkirk Yards Industrial District Focus Group (SYID):** Many of the Town's largest employers and tax payers are located in the industrial districts surrounding the CSX Rail Yards. There have been some leadership changes within some of the larger businesses in the district and the new leadership has expressed interest in re-igniting the focus group. SYID represents a fabulous opportunity for the Town to partner with some of the Town's largest businesses to help to ensure the long-term viability and competitiveness of the district.
  - **Assist in planning and implementing the appropriate build-out of the remaining sites in the General Commercial District on Rt. 9W:** The General Commercial zoning district at the north end of Rt. 9W is the only location in the entire Town where big box retail can be developed. Encouraging build out of the lands on the east side of 9W north of Magee Drive can greatly expand real property tax revenues while providing a broader base of financial support for improvements in the corridor as outlined in the 9W corridor study. Continued effort should be made by the Town to advance commercial development and desired public improvements in this district.
  - **Development of the MED lands at Thruway Exit 22:** The owner of lands zoned MED (Mixed Economic Development) surrounding Exit 22 on the west side of Rt. 144, has

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appeared before the Town's Development Planning Committee (DPC) with plans to develop a travel center. The owner is very experienced with this development type and is interested in applying to the Town for a rezoning of the land to accommodate the travel center.

Recognizing the realities of the real estate market today, the prospects of a MED development at this location is highly unlikely. Given the level of investment and new employment that the travel center would generate as well as the qualifications of the owner, the Town should work very closely with the property owner and nearby residents to craft a mutually agreeable economic development project at this location. In addition to the obvious benefits of the project, improved viability of Exit 22 might contribute to increased potential for the development of a new I-87 interchange in the vicinity of Clapper Road or for further improvements to Exit 22 that can improve access to central Bethlehem in the 9W and Creble Road corridors.

- **Continue to aggressively pursue adaptive reuse:** In recent years, the Town has achieved several important adaptive re-use projects, which are important for preserving community character and inducing new economic activity. Among the current adaptive re-use priorities are the Picotte Building on New Scotland Road and infill of vacant sites and buildings along the Delaware Ave. corridor. Per the adaptive reuse best practices memo previously submitted by 20/20 to the Town, the Town should consider adding additional incentives to the Town's land use laws and regulations to encourage adaptive reuse of existing sites rather than development of greenfield sites.
  - **Aggressively pursue grants and intergovernmental financial support:** The Town should be poised to pursue grants and intergovernmental funding to support its economic development strategy. Recognizing that current State governmental fiscal conditions have deteriorated significantly, the availability of grants and financial support might be limited and extremely competitive. However, leveraging Town resources with intergovernmental funds is still a highly desirable objective. As indicated above in paragraph 2, b, participation in the Capital Region Economic Development Council will be critical for the Town in creating opportunities for State grants and other intergovernmental financial support.
- h. Support of Long-Term Initiatives:** the following is a list of the key economic development initiatives that are much longer term in nature, but should continue to be discussed and considered especially if the Town is successful in building economic development capacity.
- **Hudson River Corridor:** The committee sees the River as a wonderful natural area but also as an underutilized economic asset that required further consideration. Opportunities in the northern part of the river corridor include the sub-Port district and the "Beacon Harbor" site. Farther south, the commercial area in the vicinity of Thruway Exit 22 should be a priority for development, and the Town should continue to monitor the Job Corps site as a prospective new area for public access and appropriate redevelopment.
  - **Enhance Access to the Interstate System:** The economic well-being of the Selkirk Yards District is hampered by a lack of direct access to the interstate system. The long-planned Selkirk By-Pass remains an important cog in the Town's economic future. Recognizing the existing resource limitations for developing new infrastructure, there is most likely no short term solution to complete this improvement. Nonetheless, this improvement should remain a long term objective to ensure that as the Town continues to grow along the 9W corridor, there is a balanced approach to development in the corridor. Clearly, improved access to the interstate system is required for non-residential development to thrive in this area. In the absence of these improvements, the Town should take steps to manage residential growth in this area to preserve future opportunities for tax base expanding non-residential development in the future.

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- **Hamlet Revitalization:** Thriving hamlet districts can help to sustain the Town's economy and to keep more disposable income circulating within the Town. The potential for a campaign such as "Destination Delmar" in cooperation with area businesses has been identified as an example of advancing hamlet revitalization. Hamlets are also community focal points where residents can gather, shop, recreate and interact with other community. With appropriate capacity, the Town should continue to develop hamlet specific master plans to guide redevelopment of key hamlet areas.

**3. SUGGESTED NEXT STEPS: IMPLEMENTING THE STRATEGY:**

The sub-committee was asked by the BIDA to suggest both short and long term implementation approaches. The key element that will affect implementation is the availability of resources to build the professional staff capacity of the BIDA. Short term implementation will be most dependent upon the availability of BIDA fee income being produced by the build out of the Vista Tech Campus. Long term sustainable capacity will most likely require the implementation of a Town wide economic development partnership, as recommended in this strategy. The following are suggestions regarding the short-term implementation of the strategy:

- a. Consider filling professional vacancies in Town government with a candidate who has either full or part-time economic development responsibilities; this has particular relevance to the Department of Public Works which has one or more senior vacancies as of the date of this report;
- b. Based on the project status, it is anticipated that new fee income from the Vista Tech Campus project in the next several months that will provide more than sufficient resources to add significant staff capacity; in planning for increased staff capacity, the IDA should anticipate a three to five year return on its investment, which means that a multi-year investment must be considered when identifying available resources;
- c. The BIDA might reconsider amending its operating reserve policy to unencumber IDA cash reserves for redeployment to staff expense;
- d. To assist the BIDA in building staff capacity in a timely manner, the Town could subordinate or amend its claim for administrative reimbursement from the IDA until such time as the IDA has sufficient capital on hand to sustain appropriate staffing levels;
- e. Establish and train an interdepartmental team of staff professionals to implement the Town's business visitation program;
- f. Enhance interaction and cooperative initiatives with the Bethlehem Chamber of Commerce, Albany County, the Center for Economic Growth, NYS Economic Development Corporation, and the Capital Region Economic Development Council;
- g. Consider funding the Deputy Town Supervisor position and recruiting a candidate with economic development capabilities; and,
- h. Consider adding staff capacity by the use of independent contractor's rather than employees.