

## **2020 BUDGET OVERVIEW**

The proposed 2020 Budget has been reviewed by the Finance Committee and Council, and the proposed Budget is being presented for public review.

The combined 2020 Budget is composed of the General Fund, Sewer Fund, Health & Sanitation Fund, Library Fund, Liquid Fuels Fund and Fire Fund.

**General Fund:** This Fund provides the funds necessary to cover the cost of all other services provided to Borough residents not covered by any of the other Fund budgets, including, but not limited to: Police Protection, Fire Protection, Public Works operations, Parks & Recreation programs, General Administration, Tax Collection, Legal & Engineering Services, Planning & Zoning, Code Enforcement, etc.

The 2019 anticipated revenues from the sale of General Fixed Assets include one-time proceeds of \$222,940.

Of the Fund Balance, 0.5 mill or \$115,130 are committed to the debt service of the Public Works Construction project.

### **REVISIONS**

#### **#410 - POLICE**

The hiring of one (1) additional full-time Police Officer increases the Total 410 - Police expenditures to a total of \$1,033,301.08.

#### **#482 - EMPLOYER CONTRIBUTION**

Increase the Employer Contribution to the Police Pension Fund in addition to the mandatory contribution (Act 205) by \$106,047.48.

#### **#486 – INSURANCE**

Increase the Worker's Comp Insurance premium for an additional Police Officer.

#### **#487 – EMPLOYEE BENEFITS**

Increase (Disability Insurance, Capital Blue Cross, Employer's FICA, Employer's Unemployment) for an additional Police Officer.

#### **#492 – INTERFUND OPERATING TRANSFERS**

Reserve \$100,000 for large capital expenditures throughout the year.

Reserve \$55,284.69 for Community Development projects (e.g. matching grants for façade improvements, low-interest loans for entrepreneurs, public art) throughout the year.

**TAX RATE INFORMATION**

Subject to Council’s adoption and the Mayor’s approval, the annual property tax rate will be increased by 0.5mills.

The Assessed Valuation provided by the County of Lehigh Assessment Office for 2019 is as follows:

<b>Totals for Fountain Hill</b>	<b>Parcels</b>	<b>Value</b>
Taxable Assessed	1,598	229,925,200
Exempt Assessed	38	193,482,300

Using the recommended tax rate of 9.61 mills, which includes the Fire Tax at 0.08 mills and Library Tax at 0.40 mills, the amount generated in gross tax would be **\$2,209,773** (\$229,945,200 divided by \$1,000 x 9.61). The Borough typically collects approximately 95% of the gross tax during the calendar year. The amount anticipated to be collected for budget purposes in 2020 is **\$2,099,284**.

0.08 mills go into the Fire Fund to be used towards any debt service on the purchase of Fire Trucks and payment of a PEMA (Pennsylvania Emergency Management Agency) Loan used to finance a Fire Truck purchase.

0.40 mills go into the Library Fund to pay for Library services offered by the Bethlehem Area Public Library.

**One (1) mill represents \$1.00 per \$1,000 of assessed value or:**

**(Assessed Value divided by \$1,000) = (\$229,945,200 divided by \$1,000) = \$229,945.20**

**Tax Rate on each \$100 of Assessed Value:**

<b>General Purpose</b>	<b>9.13 mills</b>	<b>\$0.913</b>
<b>Library</b>	<b>0.40 mills</b>	<b>\$0.040</b>
<b>Fire</b>	<b>0.08 mills</b>	<b>\$0.008</b>

**Sewer Fund:** This Fund covers the cost of the treatment of residential and commercial and limited industrial sanitary sewer waste by the City of Bethlehem wastewater treatment facility. Pursuant to the inter-municipal agreement, the City of Bethlehem increased the Bulk Sewer rate from \$2.288 to \$2.481 per 1,000 gallons for all flows metered as of January 1, 2020.

Also included are funds for the repairs and maintenance of the Borough’s sanitary Pump & Meter– including the replacement cost of \$7,000 for a new **Data Logger** at the Broadway sewer meter station - and the sanitary sewer lines – including the initial **Manhole** televising, cleaning, testing, and grouting for a portion of the Borough. This is an effort to reduce the influx and infiltration of stormwater into the sanitary sewer system.

As a result of a sanitary sewer waste increase – mainly due to the influx and infiltration of stormwater into the sanitary sewer – the expenditures for the City of Bethlehem Treatment Charges (#429.363 Expenditure Code) are increased from \$500,000 (budgeted in 2019) to \$746,284 (based on a quarterly consumption of 75,200,000 gal.).

On average, each person uses about 80-100 gallons of water per day for indoor home uses (source: <https://www.usgs.gov/special-topic/water-science-school...>). Based on that assumption and to narrow the range between the billable consumption and the customer charge (per quarter) in each sewer line size group (see table below), the below rates are proposed for the billing quarters beginning in January 2020.

	<b>Size</b>					
	<b>1" and under</b>	<b>1" - 2"</b>	<b>2" 3"</b>	<b>3" - 4"</b>	<b>4" - 5"</b>	<b>6" - 8"</b>
<b>Base Rate:</b>	<b>\$110.00</b>	<b>\$440.00</b>	<b>\$1,350.00</b>	<b>\$2,400.00</b>	<b>\$7,800.00</b>	<b>\$13,000.00</b>
<b>Base Allowance:</b>	<b>20,000</b>	<b>80,000</b>	<b>180,000</b>	<b>320,000</b>	<b>500,000</b>	<b>720,000</b>
<b>Surplus Rate:</b>	<b>\$9.95</b>	<b>\$9.95</b>	<b>\$9.95</b>	<b>\$9.95</b>	<b>\$9.95</b>	<b>\$9.95</b>

**Health & Sanitation Fund:** This Fund covers the cost of refuse collection and the Borough’s curbside recycling collection program - under a contract with Republic Services Lehigh Valley Division. 2020 will be the final year of the Borough’s contract with Republic Services. The Borough will be soliciting bids for a new contract in 2020. The quarterly collection rate is proposed to stay at \$102.

**Liquid Fuels Fund:** This Fund receives State Aid dollars and allocates the State Aid for various purposes. Each year, the State Aid funds are partially utilized to pay for the lease/purchase cost for replacement of Public Works vehicles and for road improvements. In 2020, Liquid Fuel funds will, in part, be expended for Wiley Street reconstruction in conjunction with the UGI gas line replacement project. The cost is estimated at \$136,020.

**Library Fund:** Incorporated into the Municipal Tax Rate is 0.40 mill which is dedicated to paying the annual cost of the Borough’s participation in the Bethlehem Area Public Library (BAPL) system. For 2020, the BAPL is requesting a 2.5% increase in local funding, totaling \$87,301.

**Fire Fund:** Incorporated into the Municipal Tax Rate is 0.08 mill goes into the Fire Truck Fund to be used towards any debt service on the purchase of Fire Trucks and payment of a PEMA Loan used to finance a Fire Truck purchase.