



**TOWNSHIP OF BETHLEHEM**  
Board of Commissioners

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**Treasurer:**  
Thomas G. Rutherford

**Township Manager:**  
Melissa A. Shafer

November 17, 2014

**Bethlehem Township Commissioners,**

The 2015 Bethlehem Township Preliminary Budget is respectfully submitted to the Commissioners and citizens of Bethlehem Township. As presented, the Budget does not propose a tax increase.

Over the course of the last two months, management met with all departments to review their budgets and recommended cuts where appropriate. The goal was to balance the budget and continue providing the same level of service to the community that is expected from a First Class Township. Four publicly advertised budget hearings were then held with the Board of Commissioners to review all aspects of the budget document. Additional modifications were made during this time as well to preserve the Township's conservative spending practices.

The forecasted beginning fund balance for each fund as well as revenue and expenditure projections are below:

<b>Fund</b>	<b>Forecasted Beginning Fund Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Year End Fund Balance</b>
General Fund	3,449,843.00	15,012,974.00	16,998,994.00	1,463,823.00
Capital Fund	125,000.00	3,826,820.00	3,821,820.00	130,000.00
Sewer Fund	0.00	4,886,860.00	4,886,860.00	0.00
Liquid Fuels Fund	208,906.00	624,500.00	645,750.00	187,656.00

It is important to note that the Township is projecting an operational deficit for the 2015 General Fund of approximately \$1,579,120. The Township is able to make up this deficit by directing monies from the projected \$3,449,843 available fund balance. With an additional \$406,900 being transferred to the Capital Fund for major projects and purchases, the Township is projecting a \$1,986,020 reduction in the Fund Balance, as reflected in the chart below.

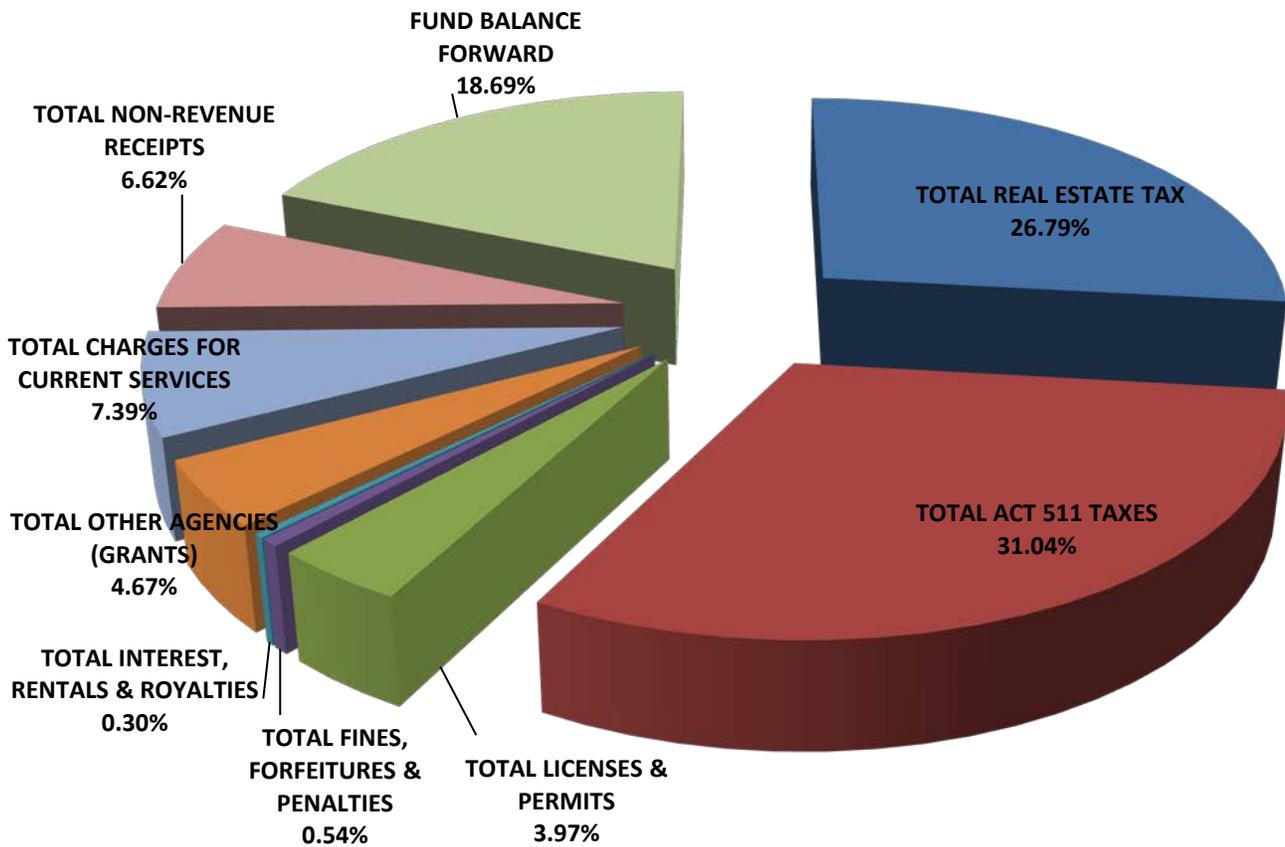
<b>\$15,012,974</b>	<b>2015 REVENUE</b>
<b>(\$16,998,994)</b>	<b>2015 EXPENSES</b>
<b>(\$1,986,020)</b>	<b>2015 FUND BALANCE REDUCTION</b>
<b>(\$1,579,120)</b>	<b>2015 OPERATING DEFICIT</b>
<b>(\$406,900)</b>	<b>2015 TRANSFER TO CAPITAL (SEE 410)</b>
<b>(\$1,986,020)</b>	<b>2015 FUND BALANCE REDUCTION</b>
<b>\$2,949,843</b>	<b>2014 OPENING FUND BALANCE</b>
<b>\$500,000</b>	<b>2014 PROJECTED INCOME/(LOSS)</b>
<b>\$3,449,843</b>	<b>2015 PROJECTED OPENING FUND BALANCE</b>
<b>(\$1,986,020)</b>	<b>2015 PROJECTED FUND BALANCE REDUCTION</b>
<b>\$1,463,823</b>	<b>2015 PROJECTED ENDING FUND BALANCE</b>

The Township does not have a Fund Balance Policy in place, however most recommendations fall between 12% - 18% of the General Fund Budget. Our current reserve level is projected to be close to 10%, which is something that we will be watching and monitoring throughout the year.

### **General Fund Revenues**

The largest two revenue sources in the General Fund are the Act 511 Taxes (Real Estate Transfer, Earned Income, Business Mercantile Tax and Local Service Tax) at 31% and Real Estate Taxes at 27%. Fund Balance Forward is the third largest, making up 19% of the Township's Annual Revenue. See the following chart for more information.

## 2015 GENERAL FUND REVENUE



The bulk of the “Charges for Current Services” include the Community Center memberships and programming fees. The “Non-Revenue Receipts” include items that we sell (maps, photocopies, and auctioned equipment) as well as reimbursable engineering costs. “Other Agencies” includes grant funding. “Licenses & Permits” are cable franchise fees and construction permits. “Fines, Forfeitures & Penalties” are code enforcement and vehicle code violations. “Interest, Rentals & Royalties” is primarily the DUI Center at the Coolidge Building and the cell tower rental at the Township’s Hope Road property.

### Real Estate Tax

The 2015 Budget proposes maintaining the General Real Estate Tax of 5.99 mils. This levy equates to an average annual tax of **\$521 (assuming a 2% discount)** for a taxpayer with a property valued at \$177,618 median market value/\$88,809 median assessed housing value in Bethlehem Township.

In 2014, that same property owner paid **\$940 (assuming a 2% discount)** in Real Estate Taxes to Northampton County and **\$4,438 (assuming a 2% discount)** to the Bethlehem Area School District.

The real estate tax amount in the 2015 Budget accounts for the majority of the residents taking advantage of the 2% discount period, which 87% of Bethlehem taxpayers did in 2014, as well as 94% who paid in the discount/base period.

The breakdown of Real Estate Taxes can be seen on this actual 2014 Bethlehem Township Tax Bill.

<p>▼ MAKE CHECKS PAYABLE TO ▼</p> <p><b>BETHLEHEM TOWNSHIP</b>  <b>4225 EASTON AVENUE</b>  <b>BETHLEHEM, PA 18020</b>  <b>(610) 814-6460 • WWW.BETHLEHEMTWP.COM</b></p>		<p><b>BETHLEHEM TOWNSHIP – REAL ESTATE TAX BILL – 2014</b></p> <p>ASSESSED VALUATION: \$137,800.00      BILL NO. 59          TAX RATE (MILLS): 5.99</p>																	
<table border="1"> <tr> <th>BILLING DATE</th> <th>TAX MAP PARCEL NO.</th> </tr> <tr> <td>2/1/2014</td> <td>[REDACTED]</td> </tr> </table>		BILLING DATE	TAX MAP PARCEL NO.	2/1/2014	[REDACTED]	<table border="1"> <tr> <td>DISCOUNT 2%</td> <td>\$16.51</td> <td><b>\$808.91</b></td> <td>by 3/31/2014</td> </tr> <tr> <td>BASE</td> <td></td> <td>\$825.42</td> <td>by 6/2/2014</td> </tr> <tr> <td>PENALTY 10%</td> <td>\$82.54</td> <td>\$907.96</td> <td>after 6/2/2014</td> </tr> </table>		DISCOUNT 2%	\$16.51	<b>\$808.91</b>	by 3/31/2014	BASE		\$825.42	by 6/2/2014	PENALTY 10%	\$82.54	\$907.96	after 6/2/2014
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<p>MAILING ADDRESS:</p> 		<p>LOCATION: [REDACTED]</p> <p>OFFICE HOURS: MON - FRI: 8:00AM - 4:30PM          DROP BOX AVAILABLE OR VISIT OUR WEBSITE AT WWW.BETHLEHEMTWP.COM FOR CREDIT CARD/ ELECTRONIC ACH PAYMENTS. BY PHONE 1-800-272-9829.</p> <p>NOTICE: TAXES BILLED HEREON ARE NOW DUE AND PAYABLE AND DEMAND FOR PAYMENT THEREOF IS HEREBY MADE IN ACCORDANCE WITH ACT NO. 394 1945. IF TAXES ARE PAID BY MORTGAGE CO., PLEASE FORWARD TO SAME. IF PROPERTY WAS RECENTLY SOLD, PLEASE FORWARD BILL TO NEW OWNER. BOTH COPIES AND A SELF-ADDRESSED AND STAMPED ENVELOPE WILL BE REQUIRED FOR RETURN RECEIPT, OTHERWISE NO RECEIPT WILL BE RETURNED. CHECKS SUBJECT TO COLLECTION.</p>																	
<p><b>REMITTANCE COPY</b></p>		<p><b>PAYMENT RECEIVED</b>          MAR 24 2014  <b>BETHLEHEM TOWNSHIP</b></p>																	

This resident’s property is assessed above the average in Bethlehem. For the discount period, they paid \$808.91 in 2014.

**Earned Income Tax**

Bethlehem Township Earned Income Tax rate is one half of 1%. The interesting exception to this tax is if a person working in this township lives in a municipality without an EIT, Bethlehem Township collects the full 1% of the tax. This revenue source is expected to generate \$3,650,000 in 2015. According to the 2010 Census, there are 8,777 households in the township with a median annual household income in Bethlehem Township is \$82,209. This translates into an average annual earned income tax payment of approximately \$415.

**Other Taxes**

The township is fortunate to have a diverse tax base to support its operations.

Real Estate Transfer Tax

The Real Estate Transfer Tax is levied at one half of 1% of the value of all real estate that is transferred within Bethlehem Township. The BASD receives the other .5% of this transfer tax.

Revenue is budgeted for 2015 at \$600,000. This revenue line has steadily decreased in the past several years due to the state of the economy. The 2015 estimate is an attempt to be conservative, but the hope is that the housing market continues to show improvements.

#### Local Services Tax (Formerly the Emergency and Municipal Services Tax)

Anticipated revenue in 2015 is estimated at \$575,000. This \$52 annual tax is levied on all individuals that work within a municipality for the purpose of supporting police, fire, emergency services, road construction and/or maintenance in accord with the Local Tax Enabling Act. The Township provides for an exemption for those persons who make less than \$12,000 per year. BASD receives \$5 from each person taxed by the LST.

#### Business Privilege/ Mercantile Tax

The Business Privilege Tax is a \$10 License Fee collected annually for those businesses operating within the township, including home-based businesses.

The Mercantile Tax serves as a Gross Receipts Tax with a shared millage rate between the school district and the township. Each entity receives .75 mills for retail and 0.75 mills for wholesale. Since 1988, Bethlehem Township has been grandfathered into the Mercantile Tax along with 60% of the first class townships in our region. Per state legislation, no new municipalities are permitted to enact such a tax.

From 2009 – 2013, the township engaged professional services of Robert Susko, CPA, to audit township-based businesses to ensure we were optimizing the Mercantile Tax collection rate. Mr. Susko was responsible for finding approximately \$1,000,000 in proceeds that were either under-reported or not being reported by businesses. These findings were relayed to Berkheimer Associates and are now included on the Township's tax rolls.

#### **Zoning/Subdivision/Land Development Fees and Building Permits**

The Township is anticipating several development projects to get underway in 2015; primarily, the continued construction and completion of the major Madison Farms land development on Freemansburg Avenue. The anchor Shop Rite is currently under construction along with retail space and several of the approved apartment buildings. New permits for additional apartment buildings are expected to be issued in the coming year as well as permits for anticipated tenants of commercial spaces within Madison Farms. At roughly \$23,000.00 per building permit per apartment building, the Township can expect significant income in the upcoming year from the Madison Farms project. Meanwhile, the Lehigh Valley Industrial Park VI gains new tenants or benefits from expansions such as the "Luxury Lane" Project and Flexicon expansion, respectively. Additionally, several other smaller independent business projects are commencing construction which will continue into the upcoming year; People First Credit Union, Freemansburg Dental, American Bank and Manorcare at Arden Court are all either under way or expected to fully commence in 2015 with expected permit revenues ranging from buildings permits to inspectional permits and requisite township impact fees.

Meanwhile, towards the close of 2014, the Township has been presented with sketch plans for proposed projects such as a multi-use site at the old V-7 and a new office park north of the PennDOT Park and Ride. The Township also anticipates a land development application for the

Green Pond site, but the scope of those plans is unknown at this point. These projects are only proposals which will still need to complete the entire land development process, but are strong illustrations in the continued market interest within the region and Bethlehem Township.

**Investments**

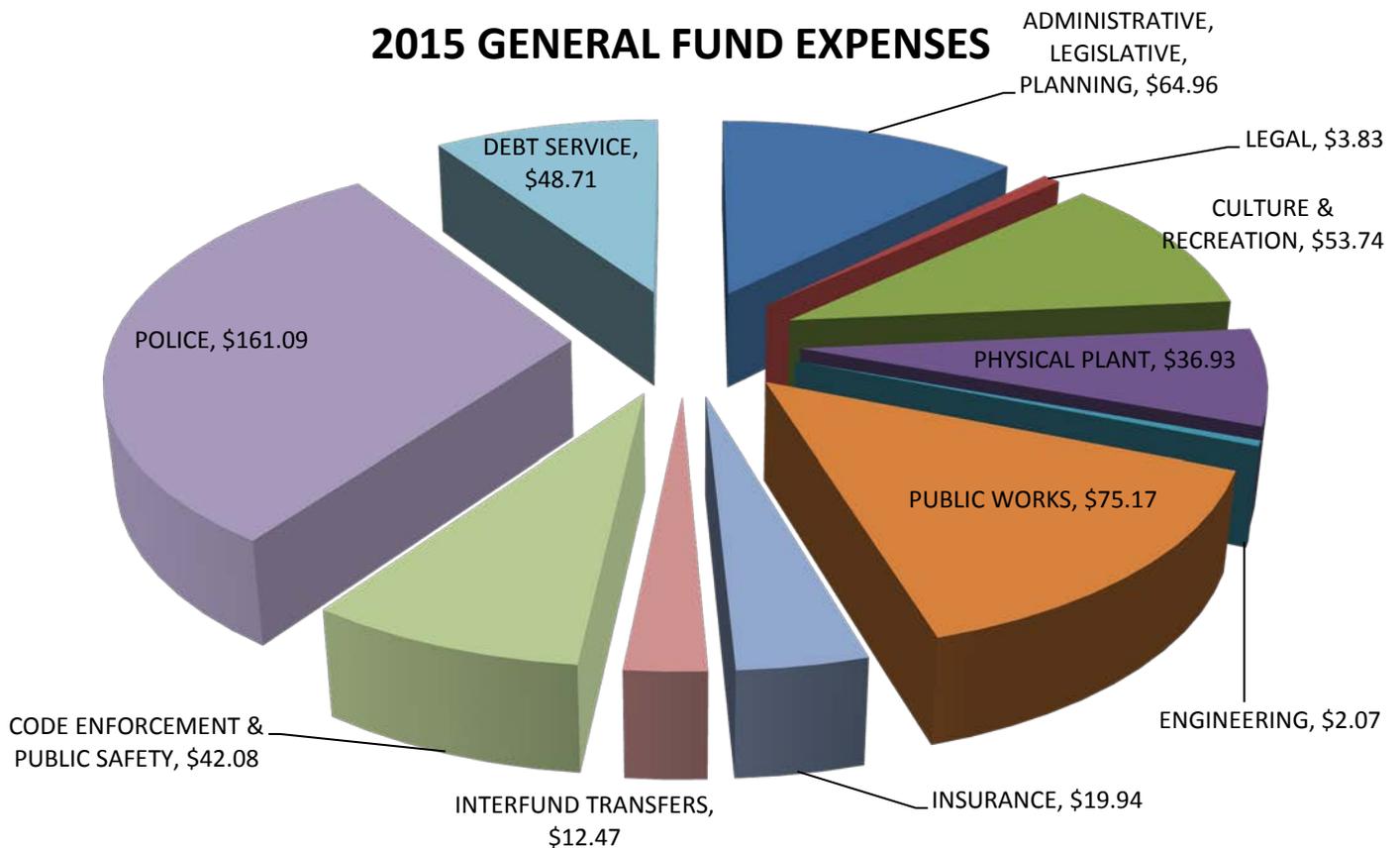
Pension

The Minimum Municipal Obligation for 2015 is budgeted at \$1,500,000 for the pension plans. This obligation is offset by just under \$500,000 in state aid from the Commonwealth, making the Township’s out-of-pocket expenses for both plans total almost \$1,000,000.

State Aid is based on unit value; Police Pension Participant is given 2 unit values and Non-Uniform Pension Participant is given 1 unit value. A unit value is calculated by the state on an annual basis and is currently valued at approximately \$3,500-4,000 per unit.

**General Fund Expenditures**

*The largest expenditure categories in the General Fund are Police, Insurance, Administration, and Public Works. Instead of simply showing the percentage breakdown of the General Fund, the following chart shows exactly how the average property owner’s local tax dollars of \$521 will be spent.*



## **General Fund Expenditure Highlights**

### Personnel

In a municipality of Bethlehem's size, personnel costs make up a significant portion of the budgeted expenditures. This is because local government is a service-based industry. Ten years ago, Bethlehem Township had 93 full time employees (prior to the Community Center opening). Through attrition, we are heading into 2015 with 85 full time employees. With the opening of the Community Center, we also now employ 150 part time workers.

Notable personnel changes for 2015 include the hiring of a full time permit clerk for the Construction Department. The Police Department hired an officer in 2014 and he is currently enrolled in the Police Academy. He will start full time on the force in the spring of 2015.

Bethlehem Township has three labor unions: Police Benevolent Association, Teamsters, and AFSCME. The Township staff is currently negotiating all three bargaining unit contracts. We are aiming to have three year contracts in place with each union.

### Insurance Costs

Health insurance is purchased through Benecon, a municipal insurance pool. In 2015, we are estimating that health insurance costs will be \$2,100,000, a 2% increase over 2014 rates. In 2014, we did receive a reimbursement check from Benecon for a plan savings of over \$200,000.

Commercial Liability and Worker's Compensation is budgeted for \$650,700 in the General Fund and \$80,500 in the Sewer Fund. Life Insurance costs \$13,000 out of the General Fund.

Short Term Disability and Long Term Disability are self-funded through the Township.

## **Public Safety**

### Police

The police department has a budget that will support its operations for 2015. The department is focusing on community policing, as they are looking to expand the bicycle unit and concentrate on more foot patrols in our neighborhoods and local businesses. And of course the motorcycles are always out on patrol. DARE is currently underway in the elementary schools and will continue in 2015. The Citizens Police Academy will take place in the fall of 2015. National Night Out, a community favorite, will be held again in August with even more activities for families to learn about public safety.

The Vice Unit will benefit from a Sergeant taking on full time responsibilities in that department to handle major crimes affecting our community. The promotion of an officer to Corporal is also slated for 2015.

Training is a priority for the Police Department and will continue to be a focus in 2015. The Bethlehem Township Police Department is an accredited agency through the Pennsylvania Law Enforcement Accreditation Program, a title that only a few departments in the state can boast, and they strive to maintain the highest level of standards.

Four vehicles are slated to be purchased in 2015, and we will be pursuing Gaming Authority Grants for the purchase of three of them. Also on the Grant list will be new AED's for all Township Buildings and Police Vehicles.

Technology is a major part of police work, and the Township will be investing in additional software and hardware upgrades for the police operations, including cameras, lap tops, crime mapping, and servers for data storage.

A new officer will be starting in 2015 and the department will be analyzing its staffing needs throughout the year to see if a currently vacant position will need to be filled in 2016. Currently the department employs 35 individuals serving as patrolmen, corporals, sergeants, detectives, and administrators.

The Police maintain the following vehicles, listed here along with their anticipated replacement dates:

<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>Est. Replacement Date</b>	<b>Current Condition</b>
<b>2011</b>	Ford	Crown Victoria	<b>2016</b>	<b>Good</b>
<b>2008</b>	Ford	Crown Victoria	<b>2015</b>	<b>Fair</b>
<b>2014</b>	Ford	Explorer SUV	<b>2019</b>	<b>New</b>
<b>2010</b>	Ford	Expedition	<b>2016</b>	<b>Fair</b>
<b>2013</b>	HarDav	FLHTPI	<b>2022</b>	<b>Good</b>
<b>2008</b>	Ford	F-250	<b>2018</b>	<b>Good</b>
<b>2013</b>	Ford	Interceptor	<b>2018</b>	<b>Good</b>
<b>2013</b>	Ford	Explorer	<b>2018</b>	<b>Good</b>
<b>2008</b>	Ford	Crown Victoria	<b>2015</b>	<b>Poor</b>
<b>2011</b>	Ford	Crown Victoria	<b>2016</b>	<b>Fair</b>
<b>2006</b>	Ford	Crown Victoria	<b>2015</b>	<b>Poor</b>
<b>2013</b>	Ford	Interceptor	<b>2018</b>	<b>Good</b>
<b>2005</b>	Chevy	Tahoe	<b>2016</b>	<b>Fair</b>
<b>2005</b>	HarDav	FLHTPI	<b>2018</b>	<b>Fair</b>

<b>2013</b>	HarDav	FLHTPI	<b>2022</b>	<b>Good</b>
<b>2004</b>	Ford	Crown Victoria	<b>2015</b>	<b>Fair</b>
<b>2003</b>	Dodge	Intrepid	<b>2015</b>	<b>Poor</b>
<b>2013</b>	Dodge	Charger	<b>2020</b>	<b>Good</b>
<b>2011</b>	Ford	Crown Victoria	<b>2016</b>	<b>Fair</b>
<b>2014</b>	Ford	Explorer SUV	<b>2019</b>	<b>New</b>
<b>2014</b>	Ford	Explorer SUV	<b>2019</b>	<b>New</b>
<b>2007</b>	Load Rite	DUI Trailer	when needed	<b>Fair</b>
<b>2009</b>	Ford	Crown Victoria	<b>2015</b>	<b>Fair</b>
<b>2000</b>	Honda	Civic LX	<b>N/A</b>	<b>Fair</b>
<b>2009</b>	Ford	E-150 Van	<b>2019</b>	<b>Good</b>
<b>2010</b>	Ford	Fusion	<b>2017</b>	<b>Good</b>
<b>2007</b>	Mitsubishi	Eclipse	<b>N/A</b>	<b>Good</b>

Fire and EMS

The 2015 Budget will continue to support the Fire and Emergency Medical Services of both the Nancy Run and Bethlehem Township Volunteer Fire Companies.

The Fire Relations Committee, made up of two commissioners, staff, and representatives of the fire companies, continues to meet on a quarterly basis to review capital needs, operating issues, and general fire relations. Based on the recommendations from this Committee, a Five Year Capital Plan was adopted and both Fire Companies have vehicles either on order or in specifications under review.

Applications have been made to the Northampton County Gaming Authority for \$350,000 towards the Nancy Run Ladder Truck which is currently on order. The remaining financial responsibility of approximately \$700,000 will be included in the Series 2014 Borrowing that the Township authorized earlier in the year.

Applications have been made to the Monroe County Gaming Authority for \$150,000 towards the purchase of Bethlehem Township Volunteer Fire Company's Heavy Rescue Truck. The remaining \$650,000 will be included in the Series 2014 Borrowing that the Township authorized earlier in the year. Both of these trucks are over 15 years old and are at the end of their useful life as an emergency vehicle.

### Emergency Management

In 2014, the Board of Commissioners appointed Fire Inspector/Assistant Commercial Code Inspector Angela Kelly as the Emergency Management Coordinator (EMC). CJ Kuronya of the Bethlehem Township Volunteer Fire Company was appointed Deputy EMC. As this document is being prepared, Mrs. Kelly is also being considered for appointment as the Township Fire Marshal.

The Fire Marshal will be responsible for the continuation of pre-planning for new/existing construction, as well as working closely with the fire companies on emergency responses and fire investigations.

In 2014, the Office of Emergency Management updated the Township Resource Manual, the Emergency Operations Plan, and achieved Basic PEMA certification required for EMC position.

In 2015, the staff plans on creating a Damage Assessment Team, updating Outside Resources included in Manual, and achieving Advanced PEMA certification required for EMC position.

Fire Inspections are ongoing and in 2015, the staff will be conduct risk/hazard analysis of Township to prioritize fire inspections and creating a comprehensive list of commercial properties.

### **Planning and Construction**

The Planning, Zoning and Construction Department in 2015 is striving to continue to provide exceptional customer service and working towards an expedited permitting process for smaller zoning permits of a pedestrian nature that will benefit township residents such as faster issuance of permits for sheds or fences.

The Department is also expecting to finalize a supplement to the 1995 Township Recreation and Open Space Plan and will also be reviewing the now 10 year old Comprehensive Plan and Fee Schedule for possible updates in 2015.

They are currently examining possible options for traffic mitigation on the William Penn Highway in partnership with Township boards and commissions as well as the regional planning agency and PennDOT.

Land Development proposals of varying size and nature have been submitted in sketch plan format over the past several months and the Department expects to spend much of 2015 reviewing proposals in a thorough manner to ensure full execution of all township ordinances in partnership with the Planning Commission and Board of Commissioners.

Finally, the announcement of the PennEast Pipeline that will impact the entire region and Bethlehem Township directly is a major priority of review and research, like many other municipalities in the area the Township intends to fully pursue actions to protect the safety and quality of life of its residents while complying with state and federal processes for the proposed utility.

## **Public Works**

The Public Works Department employs 18 people, including two mechanics, to maintain the township roads, parks and open spaces, stormwater facilities and basins, ball fields and miles of trail, as well as the fleet of township vehicles. The proposed 2015 Budget will support their operations.

A Five Year Road Improvement Schedule has been proposed. The 2015 paving project of \$240,000 will be funded out of the Liquid Fuels Fund, which is state aid that we receive for the miles of township-owned roadway that we are responsible for maintaining. The complete Five Year Road Improvement Schedule is included at the end of this report.

Street maintenance is budgeted at \$87,000 for the patching and repairs and vehicle services necessary.

Street sweeping is done on a regular basis from March/April till October, weather permitting. The Township street sweeper can make three passes of the township in one year with an annual budget of \$23,000.

The snow and ice control budget has increased this year to avoid last year's cost overruns for salt purchases. Additionally, there is a Capital Fund expenditure proposed for a brining system, which would be outfitted on one truck and be used in preparation of storm events for major roads, intersections, hills, and other areas of icing concern.

Storm Sewer Maintenance and Construction costs budgeted for 2015 of \$24,000 will allow us to maintain the current system. The township recognizes that stormwater runoff is one of the biggest issues our still-growing township faces. This issue will not be able to be solved by street or neighborhood, but by a comprehensive plan for the entire township. The staff hopes to bring options for addressing stormwater concerns to the Commissioners in 2015.

All Capital Purchases have been absorbed into the Liquid Fuels Budget (discussed later in this document).

Brodhead Road – grant funding is the primary desire right now. Engineering 2015. But we can look to Liquid Fuels year one + borrowing and then identify a payback from liquid fuels to loan.

The Township received a \$7,500 grant for a Trash and Recycling Study in 2014. This study recommended the expansion of the existing Yard Waste Recycling Center and the staff will be looking at implementing that recommendation in 2015 by applying for 902 Grant funding for a Cardboard Compactor and Phase 3 electric service.

Public Works maintains the following vehicles:

<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>Estimated Replacement Date</b>
1995	GMC	DUMP	2015
1997	GMC	DUMP	2016
2000	GMC	TRUCK	2016
2001	GMC	DUMP	2017
2001	GMC	DUMP	
2001	GMC	SIERRA	2015
2001	CHEVROLET	TAHOE	2015
2003	FEDERAL	SWEEPER	2017
2002	GMC	DUMP	
2003	GMC	DUMP	
2004	GMC	DUMP	
2005	GMC	DUMP	
2005	GMC	TRUCK	
2006	GMC	TRUCK	
2006	GMC	DUMP	
2008	GMC	DUMP	
2008	GMC	TRUCK	
2008	GMC	DUMP	
2011	INTERNATIONAL	DUMP	
2011	INTERNATIONAL	DUMP	
2012	CHEVROLET	Dump	
2013	FORD	DUMP TRUCK	

## **PPIS**

The Physical Plant and Information Services (PPIS) Department manages the township's facilities, information technology systems, and sewer system. The major purchase for 2015 will come out of the sewer fund for a new CCTV truck. This truck is estimated to cost approximately \$70,000 a year for a five year lease. The CCTV truck is crucial to the preventative and emergency response operations of the sewer department, including pipe cleaning and lining projects.

The department will also continue lining sewer pipe, a cost effective alternative to traditional pipe replacement. They will continue maintaining the sewer pump stations as well.

This department oversees the GIS mapping of the township, and manages the street light outage reports.

PPIS oversaw the website update in 2014 and will continue monitoring the technological needs of the township and making recommendations for improvements for efficiencies and long term cost-savings.

## **BTCC**

The Community Center is going into its tenth year of operation in 2015, and our focus this year is on making sure that the center is able to meet the growing needs of our community. The Township has budgeted for pool retiling and new equipment, as well as an architectural study to look at potential areas of renovation.

The Capital Fund has replacements slated for fitness equipment – ellipticals and spin bicycles this year, as last year was treadmill replacement.

One important note, we have been seeing changes in membership packages in 2014, and will continue to track this trend into 2015. We are seeing less family memberships bought and more individual ones and day passes. And with popular insurance reimbursement programs, our Community Center is one that is now serving more senior citizens than children.

However, the Community Center always strives to have a balance of community events and activities, and also will be looking at more family weekend programming going into 2015. Our goal is to continue serving all ages of the community with quality recreation and fitness and family fun.

## **Other Funds**

### Liquid Fuels

Act 89 of 2013 came with a promise of \$35 million in extra revenues for local road improvement projects in the state of Pennsylvania. For 2015, we are budgeting \$624,000, which is \$40,000 more than we had originally estimated earlier in the year. PennDOT is projecting that by 2019 we will be receiving over \$800,000 in Liquid Fuels funding. This additional funding will allow us to tackle major projects like Brodhead Road, which has an estimated price tag for repairs of over \$2 million.

Municipalities are permitted to utilize Liquid Fuels funding for Street Light Energy and Maintenance, and in 2015, the Township has just under \$200,000 set aside for this.

Twenty percent of Liquid Fuels funding is also available for vehicle purchases. In 2015, the Township has budgeted for two new vehicles for the Public Works staff, as the current staff vehicles will be unable to pass inspection for last year. One has already been sold at online auction, and the other will be auctioned in 2015. The township is also looking to replace a dump truck with a five year lease and a replacement pickup truck with a snow plow, also paid out of the Liquid Fuels fund.

#### Recreation Fund

The Township collects recreation contributions during the land development process and utilizes those funds for improvements to the township park and recreation system. Recently enacted legislation will now expand the allowable uses for these funds. There are several Capital Items slated for this use, including the Rehabilitation Design of 14<sup>th</sup> Street Park and a new bathroom facility at the North Forty Fields, totaling \$130,000. There is almost \$500,000 in the Recreation Fund.

#### Traffic Impact Fund

The Township collects Traffic Impact Funds during the land development process and utilizes those funds for traffic improvements in specifically designated areas within the Township. In 2015, the township staff will be looking at updating the Traffic Impact Study to ensure compliance with state regulations. There is approximately \$3,500,000 in the Traffic Impact Fund, and state regulations permit the Township to utilize 50% of the funds towards improvement projects within the designated area.

#### **Debt**

In 2014, the Township authorized a \$10 million line of credit with a three year draw down and five year repayment schedule to pay for capital projects. An outline of those items is included below.

#### **Capital Reserve Fund**

The 2015 Budget recommends a transfer of \$406,900 from the General Fund to the Capital Fund to support, among other items, Community Center purchases, repairs, and an architectural review of possible renovations to the facility.

To diversify our revenue stream and alleviate some pressure on the General Fund, the Township is pursuing almost \$2 million in grant funding for vehicles and park improvements.

The final option for Capital Project funding is financing just under \$1,500,000 through the 2014 Series Borrowing, including a police car port, engineering and design for road improvement projects, and fire vehicle purchases.

It is important to note that expenditures from the Capital Fund will require a future vote from the Board of Commissioners to move forward.

## **Sewer Fund**

No rate modifications are being recommended for this year. However, future increases per the City of Bethlehem's Treatment Facility Upgrade will be realized at some point. We are looking into modifications to our current sewer billing system in an effort to make it more streamlined and user friendly. We have held meetings with the City of Bethlehem and are trying to work with them to improve the timely distribution of sewer bills to our residents.

## **Conclusion**

I am confident that this budget is a reliable financial plan for 2015 and that we have put Bethlehem Township in a position to continue to offer first-rate services to its residents and businesses.

Respectfully submitted,

Melissa A. Shafer  
Township Manager