

City Council passes the 2021 budget

The Bethlehem Gadfly Budget December 17, 2020

 *Latest in a series of posts on the City Budget* 

View the Mayor's **2021 Proposed Budget**

Inarguably, the prime responsibility for the hard-working part-timers who make up our City Council is approval of the City budget.

City Council passed the 2021 City budget Tuesday night December 15 at the regularly scheduled City Council meeting, the last of the year, after 4 previously held budget meetings.

Numbers are definitely not Gadfly's metier, but he'll spend 2-3 posts trying to fill you in on the budget doin's.

Some budget highlights:

- \$87.4m
- 5% tax increase (average +\$46 per homeowner)
- cut 4 firefighters
- cut 2 Service Center staff
- draw \$1m from reserve
- add \$60 stormwater fee
- Councilman Callahan was the lone nay vote on several portions of the budget

Councilman Colon comparing us positively with other cities (2 mins.):

Councilman Reynolds on Council acting responsibly (2 mins.)

Selections from Sara K. Satullo, "Bethlehem passes budget with 5% tax hike and new stormwater fee." lehighvalleylive.com, December 16, 2020.

Bethlehem City Council Tuesday night backed a 5% tax increase to help the city weather the economic fallout of the coronavirus pandemic and created a new stormwater fee.

The \$87.4 million spending plan cuts six jobs through attrition and means the average homeowner of a home with an assessed value of \$50,000 would pay \$46 more a year in city taxes.

It passed in a 6-1 vote with Councilman Bryan Callahan dissenting due to the tax hike and cuts to the city fire department through attrition.

The budget includes no new jobs or programs. It cuts four firefighters from each city platoon as well as two Bethlehem Service Center employees, estimated to save \$500,000 annually in salary and benefits. Bethlehem's workforce will drop to a low of 588 people, from a high of 670 back in 2010.

Council also voted to create a new stormwater fee that was postponed amid the pandemic. It's needed so the city can comply with a federal mandate to cut pollution in stormwater to protect Bethlehem's waterways.

For single-family detached residential properties, the rate will be \$60. The fees for other properties will be set via a city formula.

Councilwoman Olga Negron earlier this month raised concerns about a blanket fee vs. a tiered fee for homeowners. She reiterated those concerns Tuesday night, saying she'd be happy to pay more so her neighbors on a fixed-income don't get hit with a fee they cannot afford.

Negron is also worried about the burden this might present to the Bethlehem Housing Authority and the Bethlehem Area School District, which could pass those increased cost on to taxpayers.

City Public Works Director Michael Alkhal told council Tuesday evening the city is working to incorporate guidelines to offer certain residents up to a 50% discount on the fee based on income and property size.

Budget projections for next year show the city starting the year with a \$4.5 million budget hole, largely driven by skyrocketing pension costs and a \$1 million drop in earned income taxes. The spending plan is making up the loss with the tax hike and \$1 million from city cash reserves.

The Bethlehem Gadfly