

City gets an A+ ! (1)

The Bethlehem Gadfly Budget, Gadfly's posts November 14, 2018

(1st in a series of posts on the Budget)

Proposed 2019 Budget

What's the City budget? Any idea?

Ballpark of \$75,000,000/yr.

That's \$1000 per Bethlehem resident.

Wow! Gadfly never knew.

Gadfly knows you will say he needs a life, but he is looking forward to 5 budget meetings over the next couple weeks.

The Mayor has proposed the 2019 budget (see the link above), and now Council goes over it closely over the course of these 5 meetings.

It may be about the most important work that Council does.

Gadfly has attended meetings over the last few weeks where Council members have applauded the current A+ credit rating the City enjoys, which, I gather, in fairly recent history was not always so good.

Gadfly will report on the proceedings.

Nicole's articles will fill you in on the Mayor's proposal.

[Nicole Radzievich, "Bethlehem could see a tax hike next year." *Morning Call*, November 10, 2018.](#) (contains video of the mayor announcing)

Bethlehem Mayor Robert Donchez on Friday called for a 3.8 percent tax increase to balance a \$78 million budget. The proposal would cost the average property owner an extra \$34 a year, but the city will get enough money to fill a \$3 million budget hole. The city's pension payment is expected to increase by \$2.2 million next year. The debt payment will rise by \$250,000, and there are contractual raises in employee salaries. Donchez said the proposal will allow the city to maintain its strong balance sheet, which prompted Standard & Poor's to award it an A+ credit rating, and keep the city safe, clean and a quality place to live. Council President Adam Waldron said he had not received the budget as of Friday morning, but a small tax increase is expected. "The budget is very challenging because so many costs are fixed. There is little discretionary once you factor in public safety, pensions and health care," Waldron said. "At each of the five budget hearings, council will do its best to identify anything unnecessary, but overall the administration has made some very positive decisions in the last couple years to get where we are ... in regards to our bond rating and personnel head count."

The tax increase will cover about \$1 million of the projected budget hole next year. Bethlehem would make up another \$1 million by reducing department budgets to what was spent in 2017. The city also will save about \$750,000 when the operation of its 911 center is turned over to Northampton County by June of next year.

The proposed budget in Bethlehem would mean a tax hike of 0.67 mills in the Northampton County part of the city, bringing the total millage to 18.22 mills, and 0.21 mills in the Lehigh County part, bringing the total to 5.71 mills. The owner of a home assessed at \$50,000 in Northampton County part would pay a \$911 tax bill to the city.

Nicole Radzievich, “Here’s what Bethlehem’s proposed \$5 million bond would go toward.” *Morning Call*, November 10, 2018.

Bethlehem Mayor Robert Donchez has proposed to borrow nearly \$5 million to go toward covering some big-ticket projects in the next couple years.

For instance: Memorial Pool, Fire Dept trucks, Roads, Police body cameras.

For example:

Memorial pool

The city is hoping to make some waves with a new flagship pool on Illicks Mill Road. The old one, which was built 61 years ago, has been out-dated and in need of repairs. The city is about to launch a \$4.5 million project to reconstruct it with more slides and more modern water play features, hoping to remake it as a destination pool. The pool was closed this year and is expected to be closed most of or all of next year while the construction takes place. (The neighborhood pools remain open.) The city has secured about \$1.5 million in state grants for it and earmarked \$600,000 brought in from recreation fees.

In the Gadfly house, budget times are narrow times.

Budget is a 4-letter word. “Holy Budget!” can often be heard rattling the windows.

Though there is an A+ rating for the City — and maybe because of it — there will be winners and losers.