

# 2026 BUDGET ADDRESS

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MAYOR J. WILLIAM REYNOLDS

OCTOBER 30, 2025

# TAMMY WENDLING

SVP OF BETHLEHEM INITIATIVES  
GREATER LEHIGH VALLEY CHAMBER OF COMMERCE



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# Thank You to Our Silver Sponsors!



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# Thank You to Our Community Partners!



MORAVIAN  
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# ELECTED OFFICIALS AND DIGNITARIES





# THANK YOU!



# DIGITAL PROGRAM



# UPCOMING EVENTS







**November 14 - December 21**

**Fridays & Saturdays 12PM - 8PM**  
**Sundays 12PM - 6PM**



**LIVE ADVENT  
CALENDAR**

**December 1 - 23**  
**Nightly @ 5:30PM**



# WALNUT WEEK

NOVEMBER 2025

**17 | Press Conference**

Walnut Street Garage at 3:30PM

**18 | Meet the Coalition for Appropriate Transportation**

Walnut Street Garage from 4-7PM

**19 | The Rooftop Gathering: Oasis Preview Event**

Walnut Street Garage from 12-1:30PM

**20 | Grand Opening & Ribbon Cutting Celebration**

Walnut Street Garage at 4PM

**21 | Walkin' on Walnut**

Celebrating our Walnut Street Businesses from 5-7PM

*Featuring Steak & Steel, Tavern at the Sun Inn  
& McCarthy's Red Stag Pub & Whiskey Bar*







**FRIDAY, NOVEMBER 28 AT 5:00 PM**  
**BETHLEHEM'S PAYROW PLAZA**



*Citizens' Christmas City Committee Presents*

*57th Community  
Advent Breakfast*

**SATURDAY, DECEMBER 6, 2025**

\$18 PER GUEST | MORAVIAN VILLAGE | 8:00AM - SEATING  
8:30AM - PROGRAM

526 WOOD ST, BETHLEHEM, PA 18018

GUEST SPEAKERS



NEVILLE & LINDA  
GARDNER



# MAYOR J. WILLIAM REYNOLDS

CITY OF BETHLEHEM







# Our Financial Rules

1. Sustainable revenues pay sustainable expenses.
2. Be honest (and don't fear the explanation).
3. Math is not an opinion or a feeling.
4. Short term heroes are the long term villains.

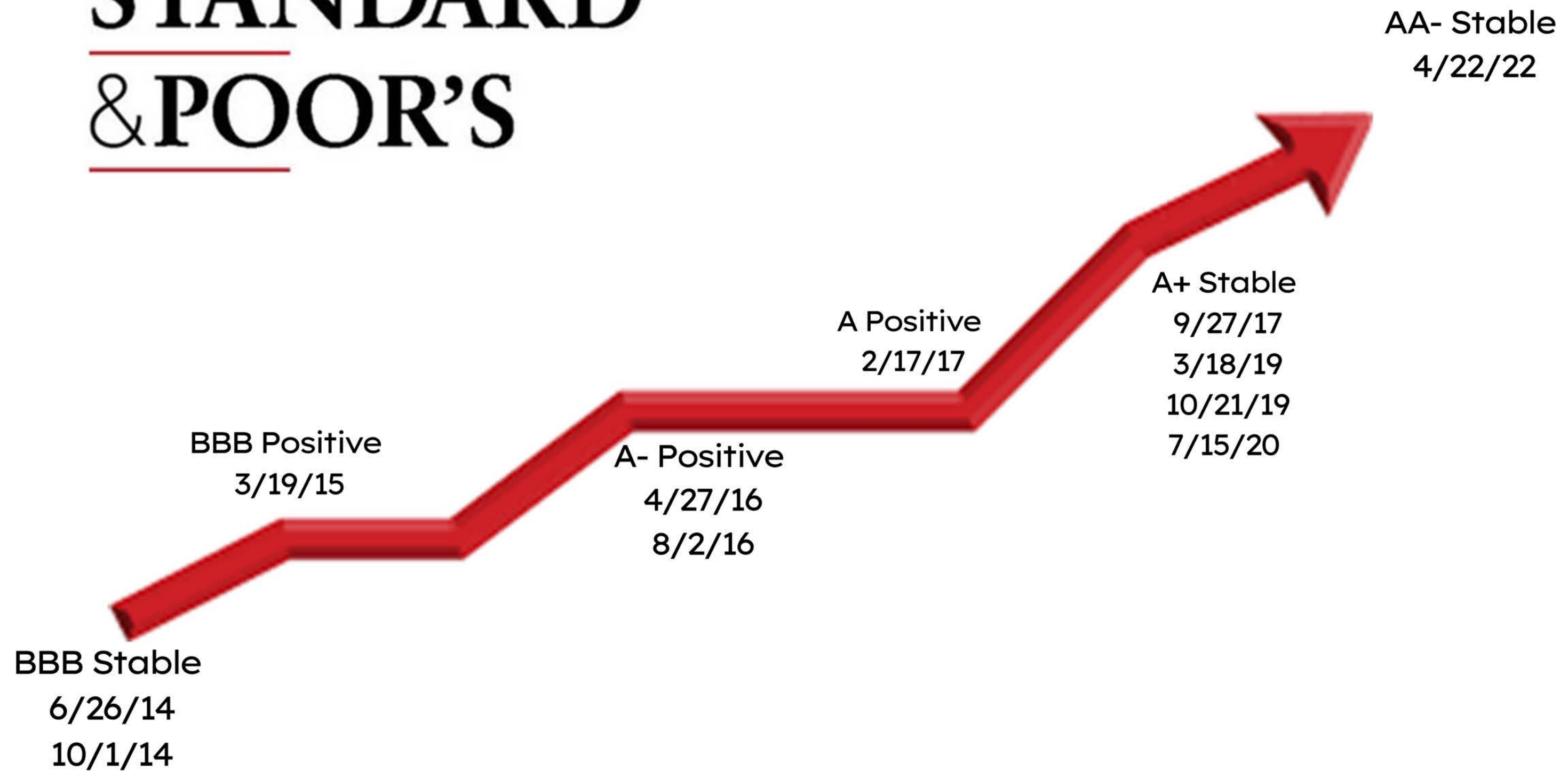
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# STANDARD & POOR'S





# Our Promise To Our Employees

The City will always keep our salary,  
pension, and healthcare obligations.





# Our 4 Recurring Budget Expenditures To Watch

#1 Debt Service

#2 Pensions

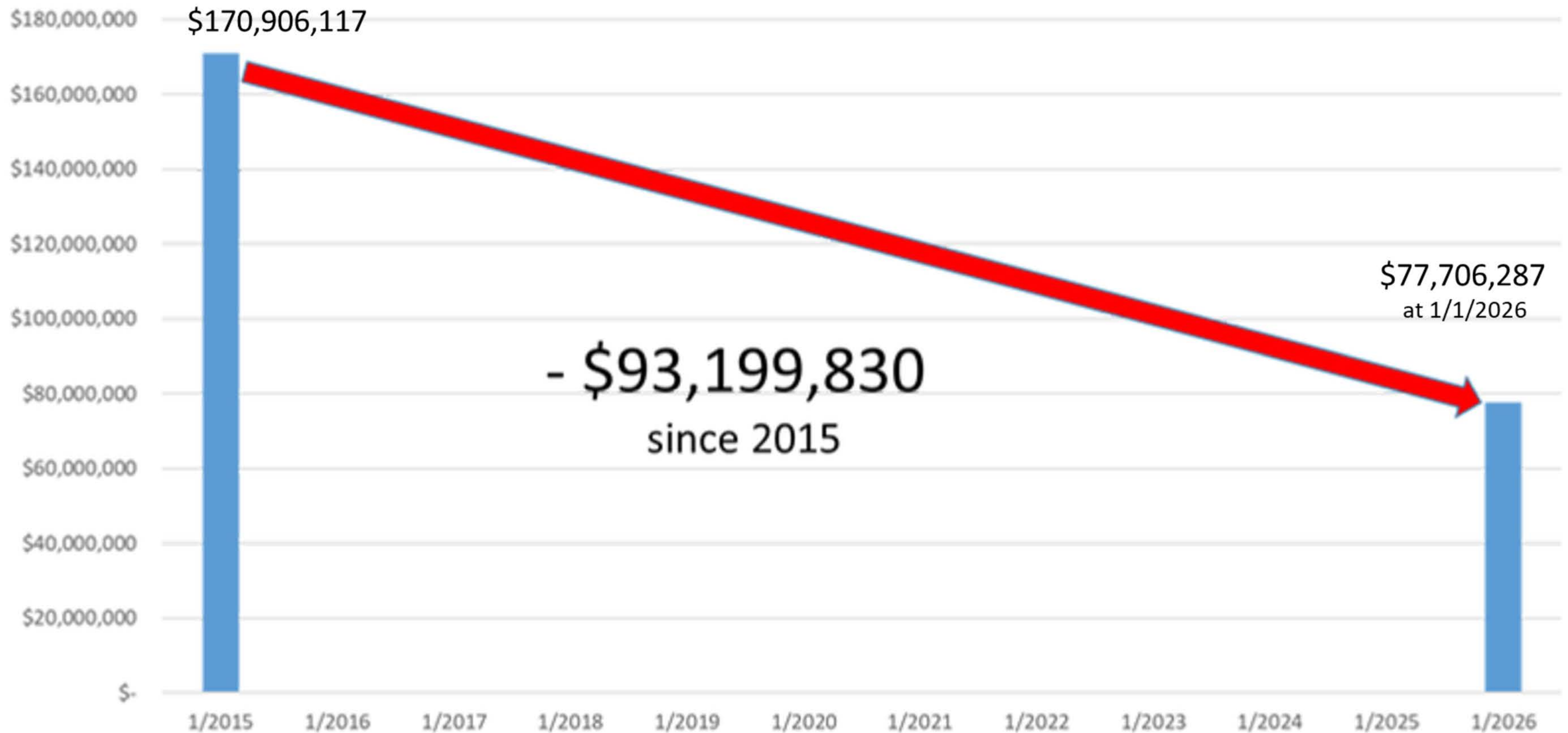
#3 Medical

#4 Salary



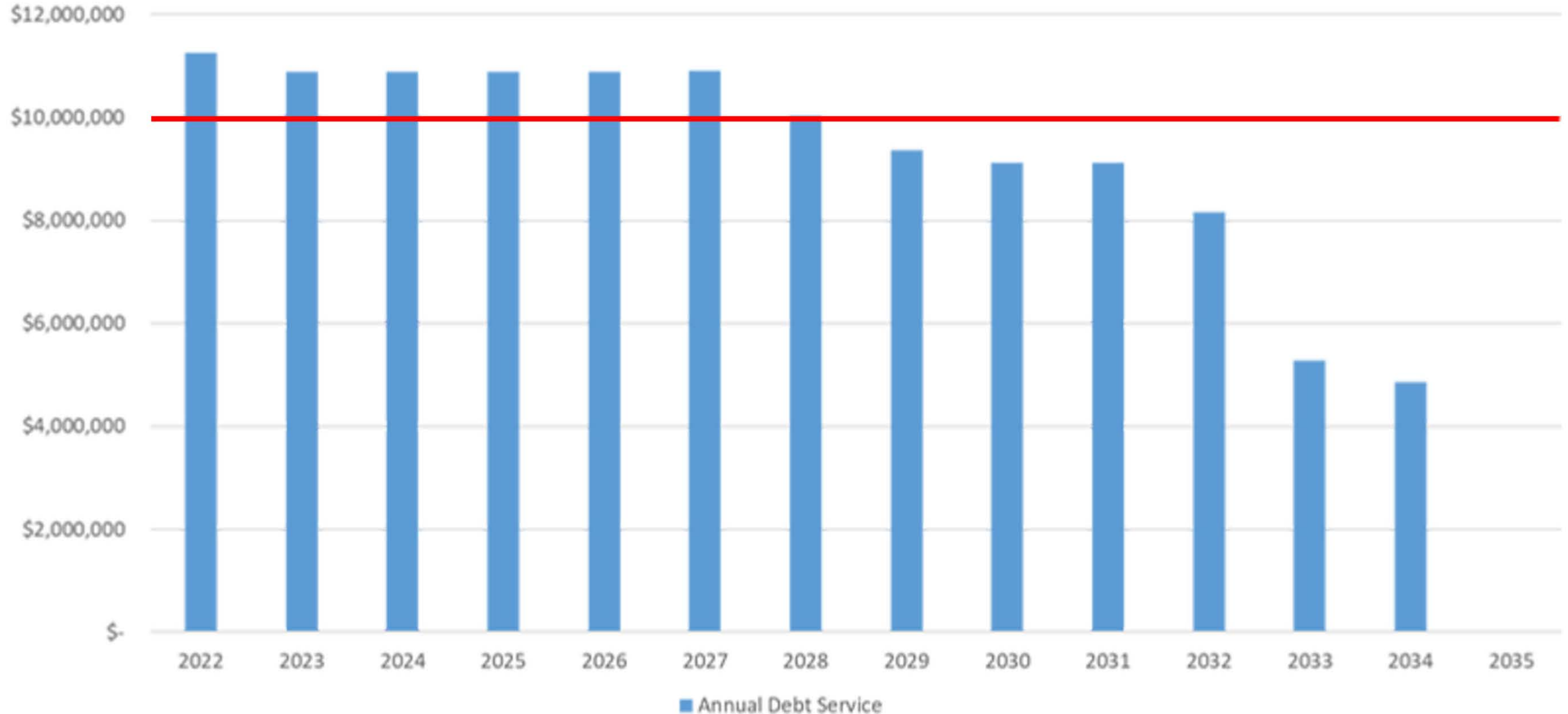


# Paying Debt Off Aggressively 2015-2026

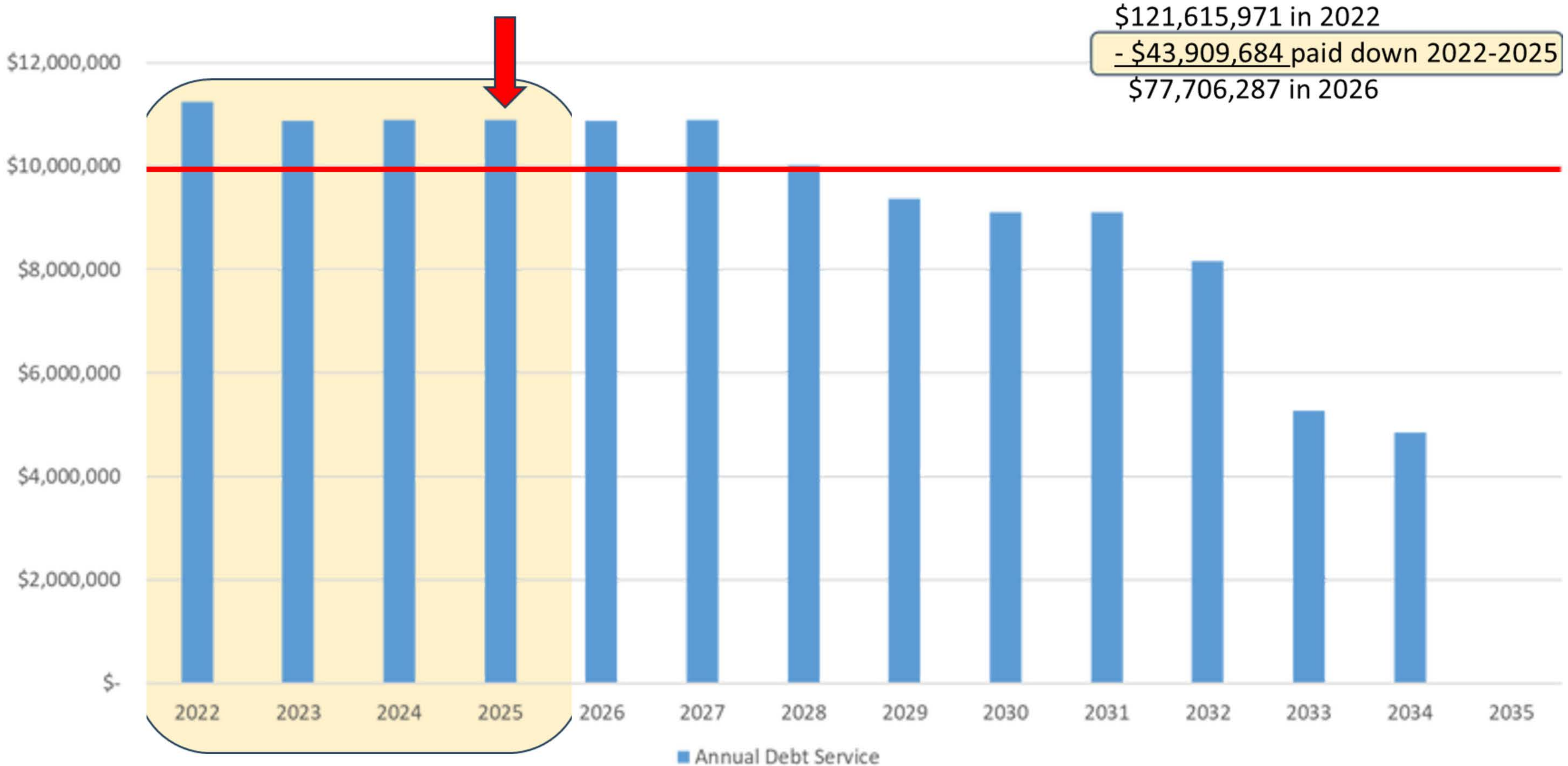


# Annual Debt Service 2022-2034

(Total Debt \$121,615,971)

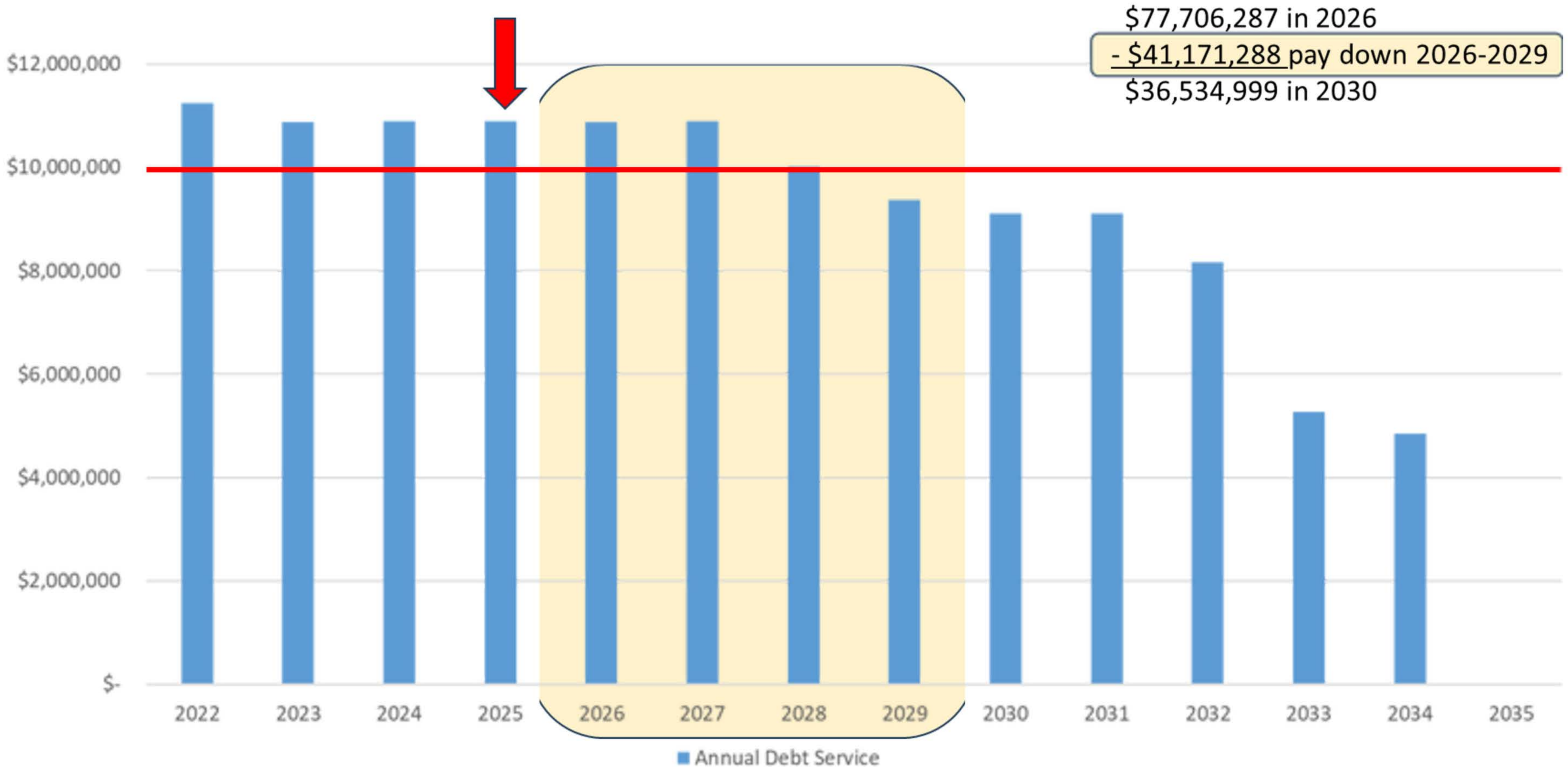


# Annual Debt Service

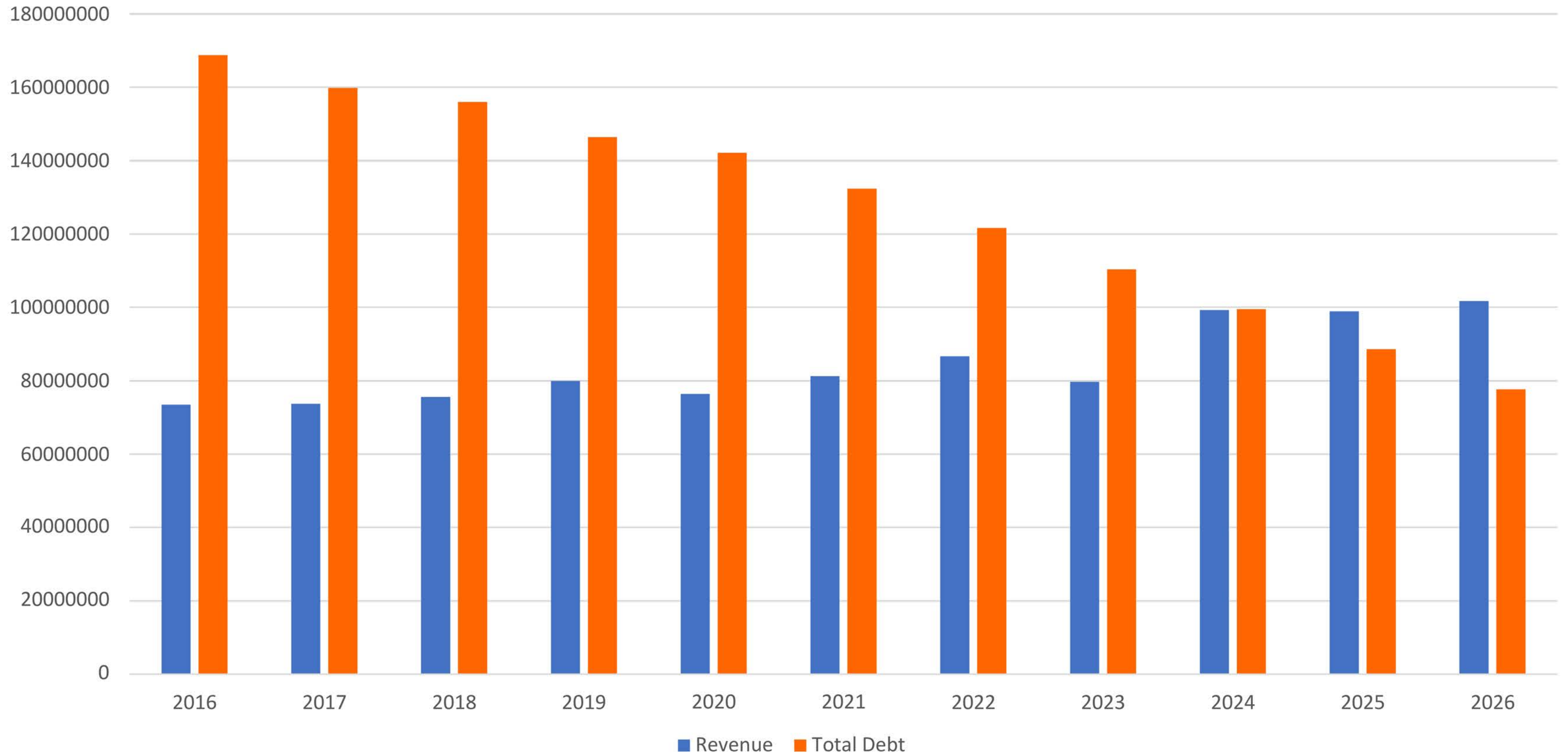




# Annual Debt Service



# The Tide Turned



# Pension Payments

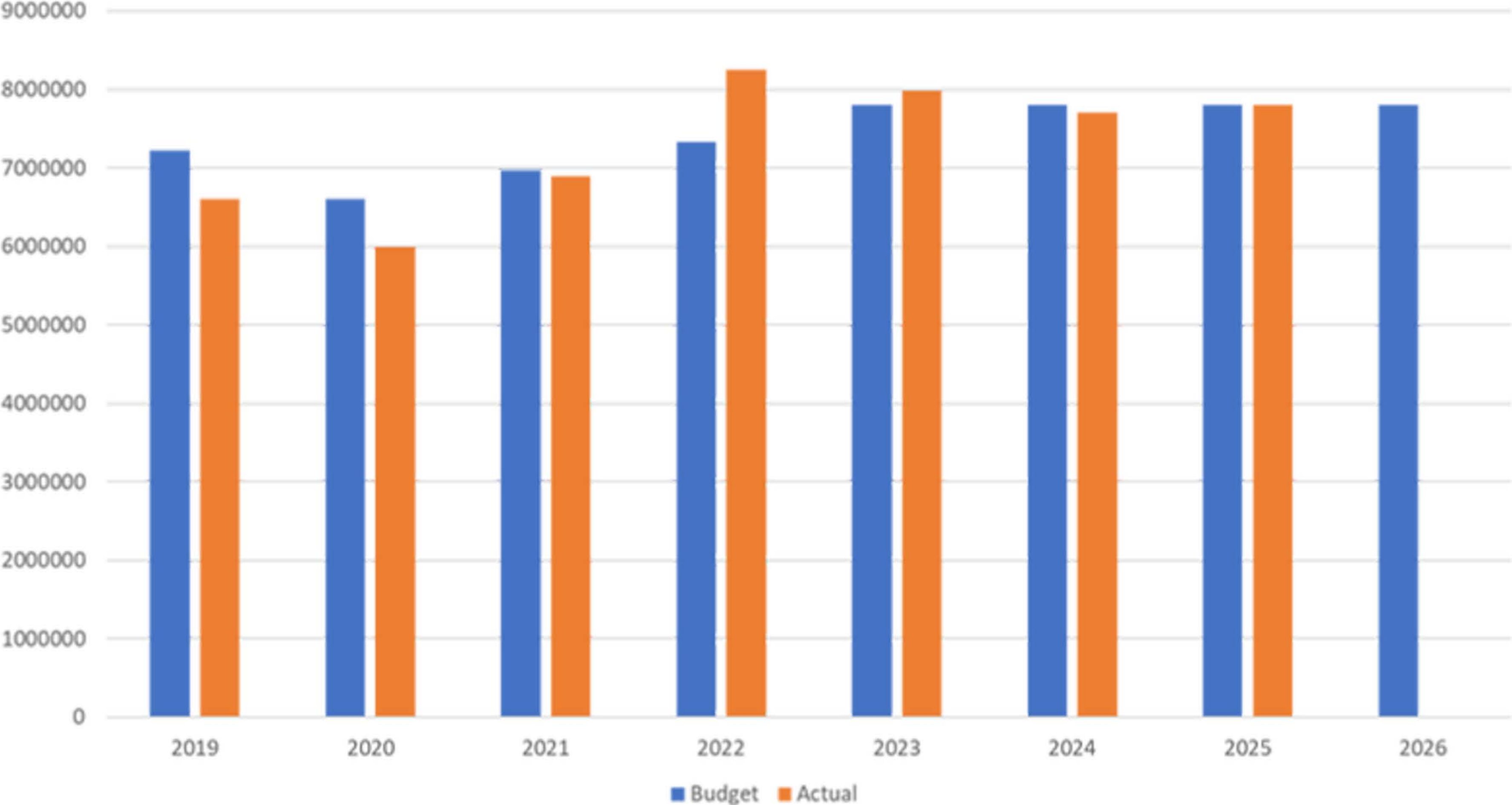
	<u>Police (347)</u>	<u>Fire (222)</u>	<u>PMRS (714)</u>	<u>Total</u>
2026 Total:	\$7,864,610	\$3,586,957	\$4,938,278	\$16,389,845
2025 Total:	\$7,869,539	\$3,662,763	\$4,801,629	\$16,333,931
2024 Total:	\$6,780,557	\$3,371,777	\$4,136,388	\$14,288,722



# Pension Fund

- Three pension funds are 92% funded (**this is good and unusual for cities**).
- Pension payments increased dramatically for 2025 and 2026 due to the 2021-2022 market/portfolio performance (+15% 2021, -10% 2022).
- The 2023-2024 market/portfolio performance was much better (11% 2023, 9% 2024) which will help pension payments in 2027 and 2028.

Medical – General Fund





# 2026 Sustainable Expense Changes

- #4 Salary Increases **\$1,526,979**
- Reduction of lease payments/line items **-\$310,000**

Significant New Sustainable Expenses: **\$1,216,979**





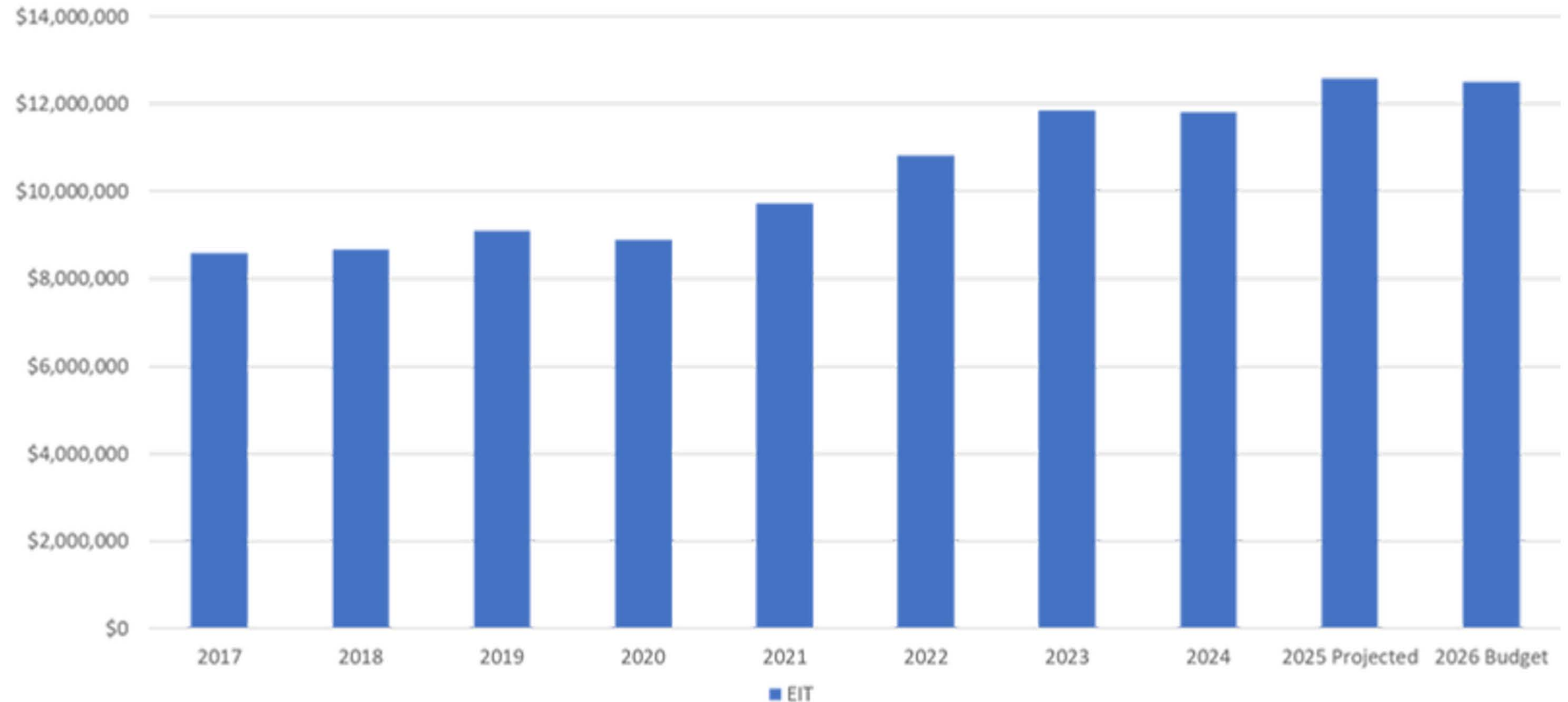
# 2026 Sustainable Revenue Picture

- Earned Income Tax Growth = \$600,000
- Natural Real Estate Tax Growth = \$444,636
- Act 42 (host fee) = \$1,500,000
- Assorted Business Development Revenue Growth = \$250,000
- EMS Revenue = \$300,000
- Code Inspection Revenue = \$200,000
- State Subsidy Pension = \$300,000
- ARPA Lost Revenue 2022-2025 = -\$2,000,000
- Interest Income = -\$350,000

Significant New Sustainable Revenues: \$1,244,636



# Earned Income Tax (1.0%)





# 2026 Budget = Investing in Public Safety

- Police/Fire Salaries = **3%** increase
- 2026 new vehicles budget = **\$4.1 million**
- 2020-2025 new vehicles purchased = **\$6.9 million**





# A 6<sup>th</sup> & 7<sup>th</sup> New Apparatus for the Front Line Since 2020

2019

	<u>Year</u>	<u>Price</u>
L1	2009	\$ 749,776
L2	2016	\$1,198,725
E1	2013	\$ 521,615
E3	2000	\$ 224,986
E5	1998	\$ 589,182
E6	2009	\$ 447,016
E7	2000	\$ 224,986
E9	2002	<u>\$ 238,431</u>
Total		\$4,194,717

Average age = 13.1 years



2026

	<u>Year</u>	<u>Price</u>
<i>L1</i>	<i>2026</i>	<i>\$2,545,000</i>
L2	2016	\$1,198,725
E1	2024	\$1,300,000
E3	2020	\$ 800,000
E5	2020	\$1,089,000
E6	2020	\$ 783,000
<i>E7</i>	<i>2026</i>	<i>\$1,230,000</i>
E9	2022	<u>\$ 850,000</u>
Total		\$9,715,725

Average age = 5.7 years



# 68% of fleet replaced in last 5 years

## 2022

7 Patrol vehicles  
Pick-up truck  
Van  
2 Harley-Davidsons

## 2024

4 Patrol vehicles  
Van  
Harley-Davidson

## 2025

8 Patrol vehicles  
2 Inspector vehicles

## 2026

5 Patrol vehicles (+)

## 2023

6 Patrol vehicles  
3 Pick-up trucks  
Harley-Davidson





# Reducing Firefighter Vacancy Time

2024: 15 new recruits sent to 2 acadmies

2025: 12 new recruits sent to 2 academies

2026: Proposed New Recruit Training Budget = \$300,000

(funds 15 more recruits)



- Before 2024, there had been only one recruiting class a year.
- Due to six months of training, retirements and vacancies can currently take 7-19 months to replace in a fire station.
- By adding a second class, that time has been reduced to 7-13 months.



# Construction Permits

- Construction permits have increased substantially in the past five years.
- Budget proposal to add two employees to assist in handling increase in construction permit activity.
- Permit related fees have not been changed since 2004.

Year	Construction Permits Issued	Employees
2024	4,553	6
2023	3,876	6
2022	3,749	6
2021	3,427	6
2020	2,986	6

# A quiet story of responsibility - The 27th pay

- Occurs once every 11 years for bi-weekly employers
  - 26 paydays x 14 day intervals = 364 (not 365, or 366 in leap years)
  - A biweekly City salary bill = \$2 million
  - Since the last 27<sup>th</sup> pay in 2016, the City has been putting aside x amount of dollars every year to avoid a lumpsum problem in 2026.
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# Park Improvements Past 5 Years

- **Memorial Pool - 2021**
- **Rose Garden Phase I - 2021**
- **Greenway Phase 5 - 2022**
- **Monocacy Way Phase I - 2022**
- **Fairview Park - 2023**
- **Saucon Park Improvements - 2025**
- **Rose Garden Phase II - 2025**
- **Friendship Park - 2025**
- **Dutko Park - 2026**
- **Monocacy Way Phase II – 2026**
- **Greenway Completion - 2026**





# Investing in Our Parks

- 2026 Budget and Non-utility capital improvement program establishes a \$10 million investment over the next 5 years.
- Final 40-in-10 parks plan will be presented in February 2026 with next set of new park projects.





# Northside Alive's Friendship Park





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