

Berks County

2023 Proposed Budget



County Commissioners' Meeting
November 17, 2022

Berks County 2023 Budget

(In Millions)

General Fund:	2023
Total Revenue	\$269.9
Total Expense	\$271.2
Less Total Adjustments	\$14.1
Net Surplus/(Deficit)	<u>(\$15.4)</u>

All Funds:	2023
Total Revenue	\$645.0
Total Expense	\$658.3
Less Expense Adjustments	\$1.3
Net Surplus/(Deficit)	<u>(\$14.6)</u>

- Operating Deficit (\$3.8M)
- No tax increase
- Tax rate 7.657 Mill
(Tax \$766 per \$100K AV)
- Net 2023 Tax Duplicate Billing of \$145.2M (+\$1.9M)
- Assessed Value Growth 0.94% (PY 0.92%)
- Total Tax Rev \$150.4M (+\$1.7M billing/interims/TC)

Berks County Tax Impact Surplus (Deficit) (In Millions)

	(Incr.) Decr.
Total County Budget (Deficit)	(\$14.6)
Berks Heim Net Income	(\$1.9)
Liquid Fuel Fund	\$1.1
Spec. Leg/Hazmat/Act 198/Parking Garage Funds	\$0.2
Act 13 Green Space Fund	\$0.4
Aging Fund	(\$0.4)
BCRC Fund	\$0.2
General Fund - Capital	\$11.2
Operating Budget Surplus (Deficit)	(\$3.8)

- 12.31.23 Projected unassigned reserves \$168.3M
- Use of General Fund reserves for one-time capital & debt expenditures - GFOA best practice.

Berks County Commissioners' 2023 Budget Goals

- No property tax increase
- Balanced operating budget without use of reserves
- Limit wage growth to projected inflation
- Limit headcount growth
- No new debt
- Fund new facility infrastructure needs with reserves
- No new, unfunded programs
- Maintain commitment to farmland preservation, education, economic development, library, and park systems
- Maintain long term financial stability
- Prioritize capital improvement to:
 - Facility, Park & Bridge infrastructure projects
 - Technology/Software

Berks County 2023 Budget Highlights

- Headcount Increase 45.5 FTE (**25.5BH/7Elections/3HR/2Comm Ctr/2DA/6Other**)
- Wage Increase \$6.8M/5.63% - Oct. CPI 7.7%/Sept. ECI State & Local Gov. 4.4%
 - **FTE Increase \$1.7M/Competitive adjustment \$0.7M/Base COLA \$4.4M**
 - **Average COLA Incr. 3.66%, Competitive increase 0.59%, combined 4.25%**
- Net Fringe Benefit Decrease (\$1.4M)/(3.46%) - ECI 5% (Lower Pension ADC)
- Pension ADC \$0.0M – Decrease (\$3.3M) (**Change in Valuation Methods**)
- Debt Service \$16.3M - No new debt (**Increase in Scheduled P&I \$0.8M**)
- Human Svc/911Support \$14.1M – Increase \$0.7M (**911+\$1.2M debt/CYS (\$0.5M) IV-E**)
- New South Campus Location (**Annual rent \$550K per year**)
- Maintains the following commitment to:
 - **Economic Development \$970K (Personnel/Business outreach/GRCA\$500K)**
 - **RACC \$3.25M - Sponsor operating stipend plus \$1.0M RDA**
 - **BCPS \$236K - R3 Pre-Apprentice program plus \$50K RDA**
 - **Library System \$3.7M - includes \$900K to RPL**
 - **Parks System \$3.9M - Operations and park improvements**
 - **COCA \$1.425M - Drug and alcohol treatment/\$300k RDA**
 - **SCTA/BARTA \$475K - 5% increase to maximize state funding**

Berks County 2023 Budget Highlights Cont'd

- GF Revenue \$269.9M, increase \$32.3M, +13.59%
 - American Rescue Plan (ARP) Lost Revenue \$29.6M
 - Real Estate Tax \$1.7M
- All Funds Revenue \$645.0M, increase \$74.1M +12.98%.
 - Covid/ARP Fund – Revenue recognition \$29.4M
 - Berks Heim \$11.1M – IGT/MDO1 \$6.4M/Act 24/54 grant \$1.0M/ Higher census \$3.6M
- GF Expense \$271.2M, increase \$38.6M, +16.60%
 - IGT contribution to State, increase \$5.6M
 - Community/infrastructure support \$27.3M
 - Capital plan \$4.6M
 - Personnel cost \$3.7M
 - Lower Debt (\$1.1M) & JPO placement costs (\$1.1M)
- All Funds Expense \$658.3M, increase \$81.7M, +14.71%
 - ARP Fund Expense - Transfer to GF \$29.4M
 - BH \$10.3M – Personnel \$4.4M and net asset transfer to GF \$5.6M
- BH IGT - County pays \$14.9M/BH receives \$22.9M/BH nets \$8.0M - 2023

Berks County 2023 Capital Plan Highlights

2023 Summary Capital Plan (Millions)

County Bridges	\$4.4	Archives - Racking Equip	\$0.3
Facility Upgrades	\$7.6	Park Trails/ Facilities	\$1.4
Hardware Software Upgrades	\$1.2	Berks Heim Equip/Facility	\$0.7
Ag Land Easements	\$1.0	Other Equipment/Upgrades	\$1.0
Total Capital			\$17.6

Currently not included:

- **Ag Center Renovation** - pending receipt of updated plan costs

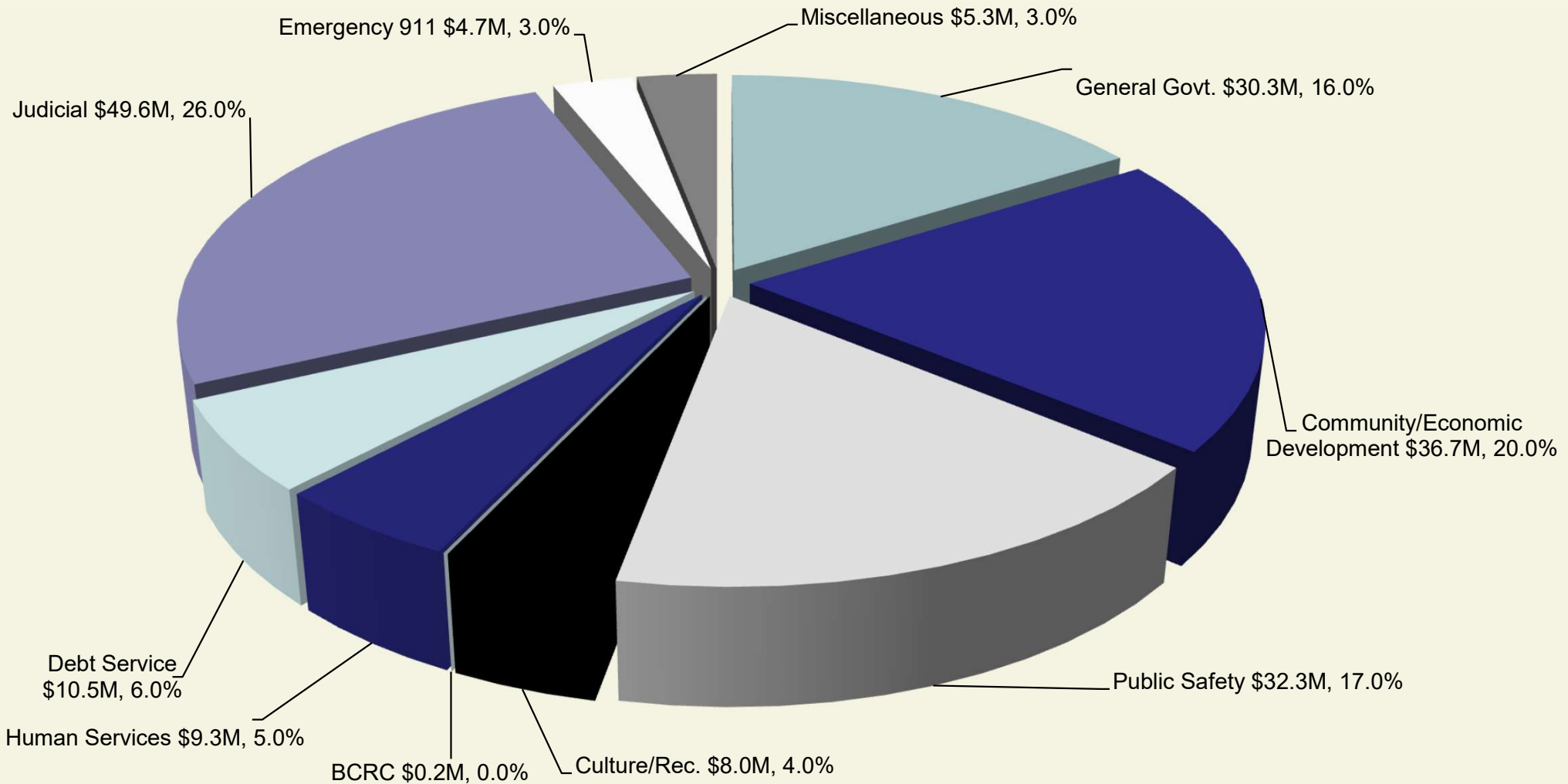
Highlights:

- **Info Systems Hardware/Software** – CYS Case Mgmt., Network servers & refresh
- **Bridges** – Ebling Memorial, Deysher's, Moselem Springs, Monocacy
- **Facility Renovation** – South Campus fit-out \$5M, Lighting control system, BCRC windows
- **Parks** – Trail enhancements – Union Canal, Antietam, Red Bridge Stairway, Gring's Mill Bridge
- **Other** – Prison A-unit drain/waste pipe/vent, Mansion exterior, Yard doors, Weapons rack
- **Berks Heim** – Compactor, Kitchen grease trap, Hot water heater, PT whirlpool spa

Berks County 2023 Budget Potential Risks/Rewards

- Covid and financial impacts:
 - Berks Heim Census growth - 302 to 364 during 2023 (**currently 280**)
 - Staffing and O.T. costs
 - Tight labor market (**availability and wage pressure**)
- Inflation and interest rate impacts on:
 - CBA wage negotiations
 - Healthcare costs
 - Interest earned on reserves (**assume avg 1.25bps - \$1.7M**)
 - Claim trend - worker comp & health costs (**benefit from higher vacancies**)
 - Pension assets performance and value at 12.31.22 (**assume \$480M**)
 - Continuation of IGT program - Berks Heim
- State budget cuts & unfunded mandates
- Jail ADP budget 850 (**currently 700 to 740**)
- Tri-county passenger rail funding (**assume no cost to county in 2023**)

2023 Proposed Budget Consumption of Taxes and Fund Balance By Function



Berks County Proposed 2023 Budget Schedule

Next Step

- Adopt 2023 Budget December 15, 2022

- Public Review
 - **County Website** www.countyofberks.com
 - **Budget Office**
 - **Commissioner Office**

Comments and Questions

