

Berks County

2021 Proposed Budget



County Commissioners' Meeting
November 19, 2020

Berks County

Commissioners' 2021 Budget Goals

- No property tax increase
- Balanced operating budget without use of reserves
- Limit wage growth to projected CPI
- 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 and Aaa stable outlook bond rating
- Prioritize capital improvement to:
 - Facility & bridge infrastructure projects
 - Technology/Software

Berks County 2021 Budget Highlights

- Funded Headcount Decrease 23 FTE - BH (20.5)/ Added 3 Assistant Directors
- Average wage increase 1.77% - ECI index 2.5%
- Health & Dental benefits decrease (2.9%) - ECI 1.8%
- Pension Contribution \$5.7M - Increase \$0.8M
- Net Debt service \$16.8M - No new debt
- Berks Heim Net Loss (\$1.1M) - Funded with BH Net Assets
- General Fund support \$13.3M - CYS \$6.7M, DRO \$2.3M, MHDD \$0.9M, 911 \$3.5M
- New Programming – In-source Children Alliance Center
- Maintains the following commitment to:
 - **Economic Development \$750K (Personnel/Marketing/Business outreach)**
 - **RACC \$3.25M - Sponsor operating stipend obligation plus \$600K CDBG Capital**
 - **BCPS \$249K - R3 Pre-Apprentice program plus \$50K CDBG**
 - **Library System \$3.5M includes \$900K to RPL - \$150K increase to member libraries**
 - **Park System \$3.7M for operations and park improvements**
 - **COCA \$1.7M for drug and alcohol treatment includes \$300k from CDBG**
 - **SCTA/BARTA \$420K - 5% increase to maximize state funding**

Berks County 2021 Budget (In Millions)

General Fund:	2021
Total Revenue	\$238.9
Total Expense	\$233.5
Plus Total Adjustments	(\$13.3)
Net Surplus/(Deficit)	(\$7.9)

All Funds:	2021
Total Revenue	\$539.3
Total Expense	\$548.3
Plus Total Adjustments	(\$0.3)
Net Surplus/(Deficit)	(\$9.3)

- No tax increase
- Tax rate 7.657 Mill
\$18.5M per Mill
- Net 2021 Tax Duplicate Billing of \$141.8M
- Assessed Value Growth
1.04% over 2020
0.94% over 2019
- Total Tax Rev \$147.8M
Increase \$2.6M
(Duplicate/interims/tax claim)

Berks County Tax Impact Surplus 2021

(In Millions)

	2021
Total County Budget Surplus/(Deficit)	(\$9.3)
Use of BH Unrestricted Net Assets	\$1.1
Change in Committed/Restricted/Assigned	\$0.7
Change In Special Leg Fund Balance Inc/(Dec)	\$0.1
Change in BCRC Fund Balance Inc/(Dec)	\$0.1
General Fund - Funded Capital	\$9.3
Tax Impact Budget Surplus/(Deficit)	\$2.0

- Use of general reserves for one-time capital & debt expenditures - GFOA best practice.
- Using Berks Heim (BH) unrestricted net assets to balance a small net loss. We will re-evaluate for the 2022 budget.

Berks County 2021 Capital Plan Highlights

2021 Summary Capital Plan (Millions)			
County Bridges	\$3.2	Prison infrastructure	\$1.4
Facility Security Upgrade	\$0.9	Facility NG Conversion	\$0.7
WWTP Renovations	\$0.6	Lighting Control System	\$0.8
Facility Renovations	\$2.4	Park infrastructure	\$0.9
IS Hardware Software Upgrades	\$1.1	HRMS Payroll Software Phase 2	\$1.0
Ag Land Preservation	\$1.0	Other Equipment/Upgrades	\$1.7
Total Capital			\$15.7

Currently not included:

- New Jail Design & Construction Own or Lease - TDB
- Antietam Park – Angora Fruit Farm Buildings - TDB
- Ag Center Renovation pending outcome of Fed RLP process
- Elections electronic poll books (\$1.1M)

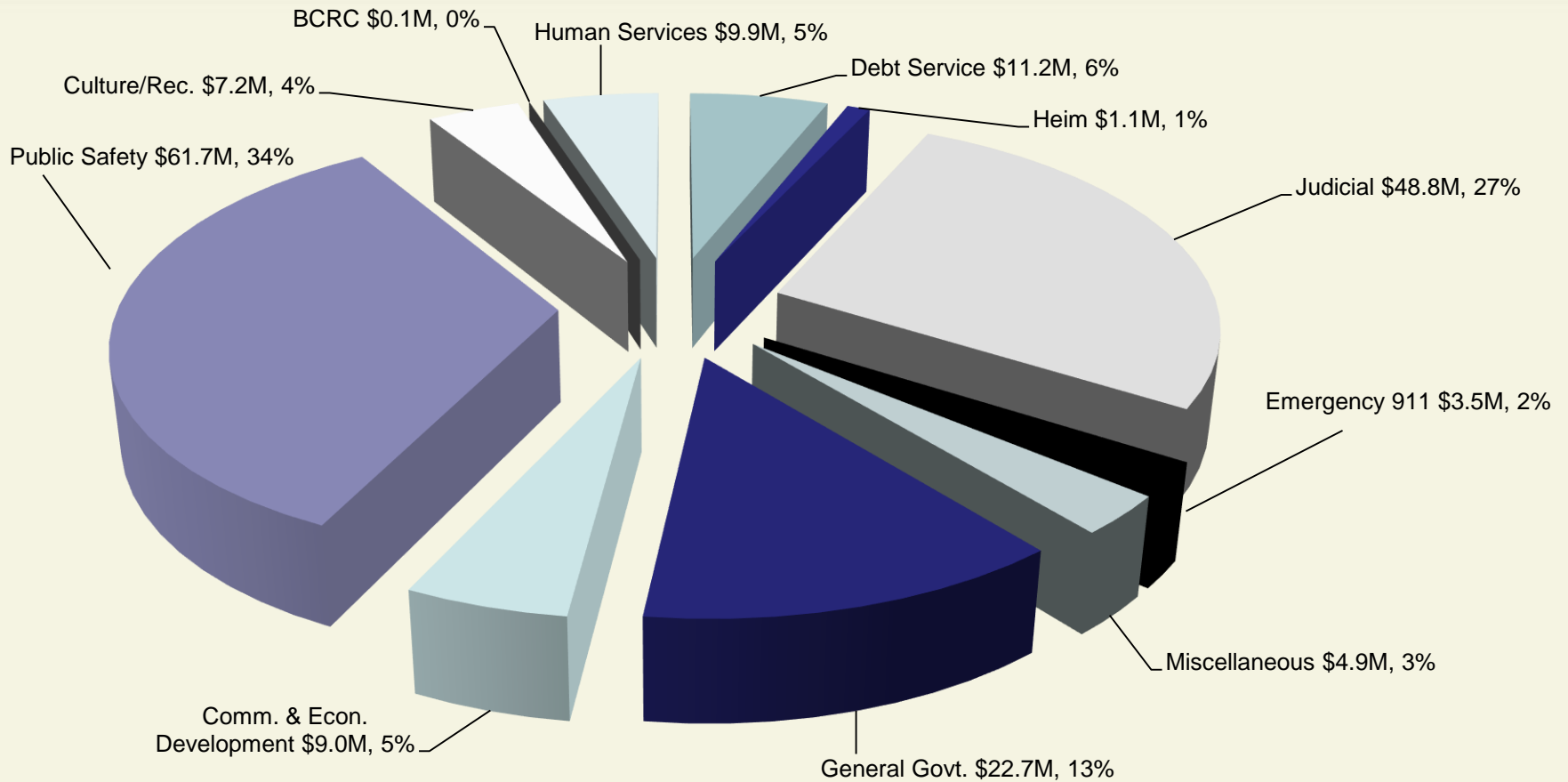
Note:

- IS - CYS CMS, network servers, switches, SAN storage, Oracle EBIZ Upgrade
- Facility Renovations – HVAC control automation, fire pump, exterior doors, storm water pipe
- Parks - canal lock, Allegany Aqueduct, parking lot/lighting, barn repairs, YRF, BNC walk path
- Prison – conduit replacement, drain-pipe, sally port, hot water storage tanks, driveway/parking lot

Berks County 2021 Budget Potential Risks/Rewards

- Covid 19 duration and financial impacts:
 - Berks Heim Census growth - 310 to 365 during 2021
 - Testing BH \$75K/Jail \$200K/Contact Tracing \$70K
 - PPE - enough on hand, at current consumption levels, for County needs
 - Sanitation supplies - 2021 Budget \$55K Facilities/\$20K Departments
 - Staffing and O.T. costs
 - Tax base - bankruptcies
 - State budget cuts & unfunded mandates
 - New Covid Grants
- Outcome of CBA negotiations
- Claim trend and inflation worker comp & health costs
- Pension assets performance and valuation method changes
- Managed Care impact on Berks Heim rates
- Continuation of IGT program - Berks Heim
- Timing of new Jail decision and related cost
- Tipping fee revenue - outcome of landfill litigation
- Jail ADP budget 950 - Impact of pretrial electronic monitoring

2021 Proposed Budget Consumption of Taxes and Fund Balance By Function



Berks County Proposed 2021 Budget Schedule

Next Step

- Adopt 2021 Budget December 17, 2020
- Public Review
 - **County Website** www.countyofberks.co
 - **Budget Office**
 - **Commissioner Office**

Comments and Questions

