

# BERKS COUNTY

Proposed 2013 Budget

County Commissioners' Meeting  
November 15, 2012

Berks County  
Commissioner 2013 Budget Directives

**Before Raising Property Tax:**

- **Eliminate inefficient processes**
- **Eliminate discretionary programs**
- **Reduce and/or freeze discretionary spending**
- **Enhance non-tax revenues**
- **Reduce headcount**
- **Freeze payroll**

## Berks County

### 2013 Budget Impact of Board Directives

- **Freeze payroll for 2013 – Save \$2.1M**
- **Close Youth Center – Save \$1.4M**
- **Prefunded the pension liability \$63M – Save \$4.1M**
- **Increase Federal immigration net revenue – Save \$800K**
- **Increase fee for service in Row Offices – Save \$772K**
- **Additional head count reduction 28.5 – Save \$1.35M**
- **Reduce Support for BCIDA/Solid Waste – Saves \$59K/\$25K**
- **Support RACC capital stipend with CDBG funds –Save \$250K**

## Berks County 2013 Budget – Changes Since 10.18.12

	Deficit	Tax Impact
2013 Budget Deficit @ 10.18.12	\$12.2M	9.95%
Pre-Fund Pension Liability	(4.1M)	(3.35%)
Freeze Wages	(2.1M)	(1.63%)
Additional 911 Capital	3M	2.37%
Revised Deficit	\$ 9M	7.34%

# Berks County 2013 Tax Summary

	2013	2012
Millage Rate	7.372	6.935
Percent Change	6.30%	
Assessed Value	\$18,539,982,586	\$18,449,695,768
Percent Change	0.49%	0.20%
Net Tax Billing	\$ 130,453,545	\$ 122,124,418
Interims	383,217	440,000
Net Tax Collections	\$ 130,836,762	\$ 122,564,418
Tax Claim Revenue	5,380,000	5,380,000
Total Tax Revenue	\$ 136,216,762	\$ 127,944,418
Less: Tax Refunds	(796,307)	(1,006,285)
Net Tax Revenue	\$ 135,420,455	\$ 126,938,133

**Note: Tax Billing is net of discounts and uncollectibles of 4.6%.**

**Note: 2012 Assessed value/Net tax billing is actual. All other values are as budgeted.**

# Berks County

## 2013 Operating Budget Revenues and Expenditures (in millions)

Funds	2013	2012	Incr. (Decr.)	% Change Incr. Decr.
<b>GENERAL FUND:</b>				
Revenues	\$ 209.3	\$ 200.9	\$ 8.4	4.2%
Expenditures	\$ 204.1	\$ 204.2	\$ (0.1)	0.0%
Net Surplus (Deficit)	\$ 5.2	\$ (3.3)		
<b>ALL FUNDS:</b>				
Revenues	\$ 460.7	\$ 450.2	\$ 10.5	2.3%
Expenditures	\$ 462.0	\$ 464.8	\$ (2.8)	-0.6%
Net (Deficit) Surplus	\$ (1.3)	\$ (14.6)		

Note: Excludes bond funded capital project funds.

Note: Excludes depreciation adjustments for enterprise funds.

# Berks County

## 2013 Budget – Reasons For Tax Increase

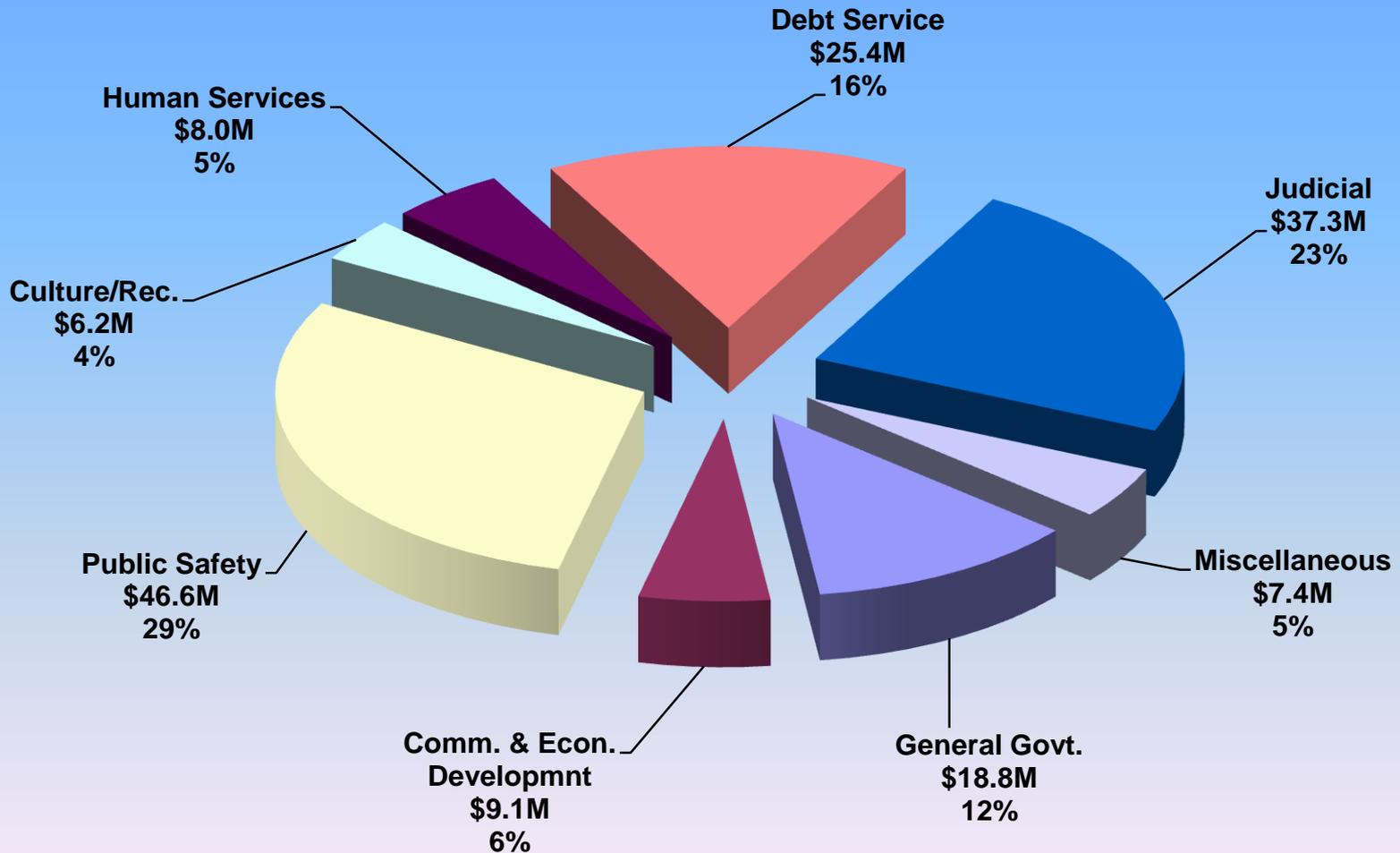
- **Tax base growth significantly less than operating cost inflation**
- **New 911 radio system: (\$4.1M annually)**
  1. Debt service \$2.5M
  2. New positions \$0.2M
  3. System maintenance \$1.4M
- **New debt service for facility repairs (\$3.3M annually)**
- **Federal & State budget cuts: (\$2.3M annually)**
  1. CYS \$1.4M (since 2010)
  2. JPO \$0.9M (since 2010)
- **Increase in personnel costs 2006 – 2013:**
  1. Wages \$11.9M (7yr avg. 1.96%)
  2. Net Benefit costs \$ 4.8M (7yr avg. 2.44%)
- **Use of reserves to fund:**
  1. Unfunded pension liability \$32.5M (lower the ARC)
  2. Fund capital \$10.0M (minimize debt)
  3. Fund municipality 911 radios \$14.7M (Grant \$2.7M/Loan \$12M)

# Berks County 2013 Assessed Value Impact

<b>Millage Rate 2013</b>	<b>7.372</b>
<b>Millage Rate 2012</b>	<b>6.935</b>
<b>Change in Tax Rate</b>	<b>0.437</b>
<b>Decimal Equivalent</b>	<b>0.000437</b>
<b>Rate per Thousand</b>	<b>\$0.437</b>

<b>Assessed Values</b>	<b>Annual Increase</b>	<b>Per Month</b>
<b>\$75,000</b>	<b>\$32.78</b>	<b>\$2.73</b>
<b>\$100,000</b>	<b>\$43.70</b>	<b>\$3.64</b>
<b>\$200,000</b>	<b>\$87.40</b>	<b>\$7.28</b>

# 2013 Recommended Budget Consumption of Taxes and Fund Balance By Function



## Berks County Additional 2013 Budget Highlights

- **Provides for current debt and pension obligation**
- **Provides for debt guarantees – BCIDA and Airport Authority**
- **Maintains commitment to farmland preservation \$1M, RACC \$3.35M, GREP \$0.5M plus match, and BARTA \$0.49M**
- **Maintains commitment to library system \$3.35M**
- **Provides funding assistance - municipal 911 system radios (Loans \$12M and Grant \$1.6M)**
- **Maintains bond rating – Re-affirmed at Aa1- Stable outlook**

# Berks County

## 2013 Capital Plan Summary (in millions)

<b>Total Plan</b>	<b>\$70.9</b>
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➤ <b>Prison Projects</b>	<b>\$5.2</b>
➤ <b>County Bridges</b>	<b>\$11.6</b>
➤ <b>County Parks</b>	<b>\$0.7</b>
➤ <b>Agland preservation</b>	<b>\$1.3</b>
➤ <b>911 Radio System</b>	<b>\$27.1</b>
➤ <b>911 Dispatch &amp; Phone Systems</b>	<b>\$1.1</b>
➤ <b>Facility Projects</b>	<b>\$22.1</b>
➤ <b>Fleet Replacement</b>	<b>\$0.5</b>
➤ <b>Other projects</b>	<b>\$1.3</b>
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	<b>\$70.9</b>
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- **Prison - \$5.2M for security system and building repairs**
- **911 - \$27.1M for replacement of the existing radio system**
- **Park - Antietam Park, Gring's Mill, and Heritage Center Improvements \$700K**
- **Facility - Old Heim and Sanatorium demos, Svc Center and Court House Façade, and Elevators**
- **Bridges - Christman, Buttonwood, Berne Station and Anthony's Mill**

# Berks County

## 2013 Budget Execution Risks

### **Crime impacts on:**

- **Prison population**
- **Children in custody in CYS**
- **Juvenile placements in JPO**
- **Court cases**

### **Operational risks:**

- **Pension investment performance**
- **Employee health**
- **New employees**
- **Final union contract wage increases**
- **Tax base growth - Assessed value versus inflation**
- **Federal/state budget cuts – unfunded mandates**

# Berks County Proposed 2013 Budget Schedule

- December 13, 2012      Adopt Final 2013 Budget
  
- Public Review
  - **County Commissioners' Office**
  - **Budget Office**
  - **County Website**    [www.co.berks.pa.us](http://www.co.berks.pa.us)

# COMMENTS AND QUESTIONS

