

Berks County

2024 Proposed Budget



County Commissioners' Meeting
November 16, 2023

Berks County Commissioners' 2024 Budget Goals

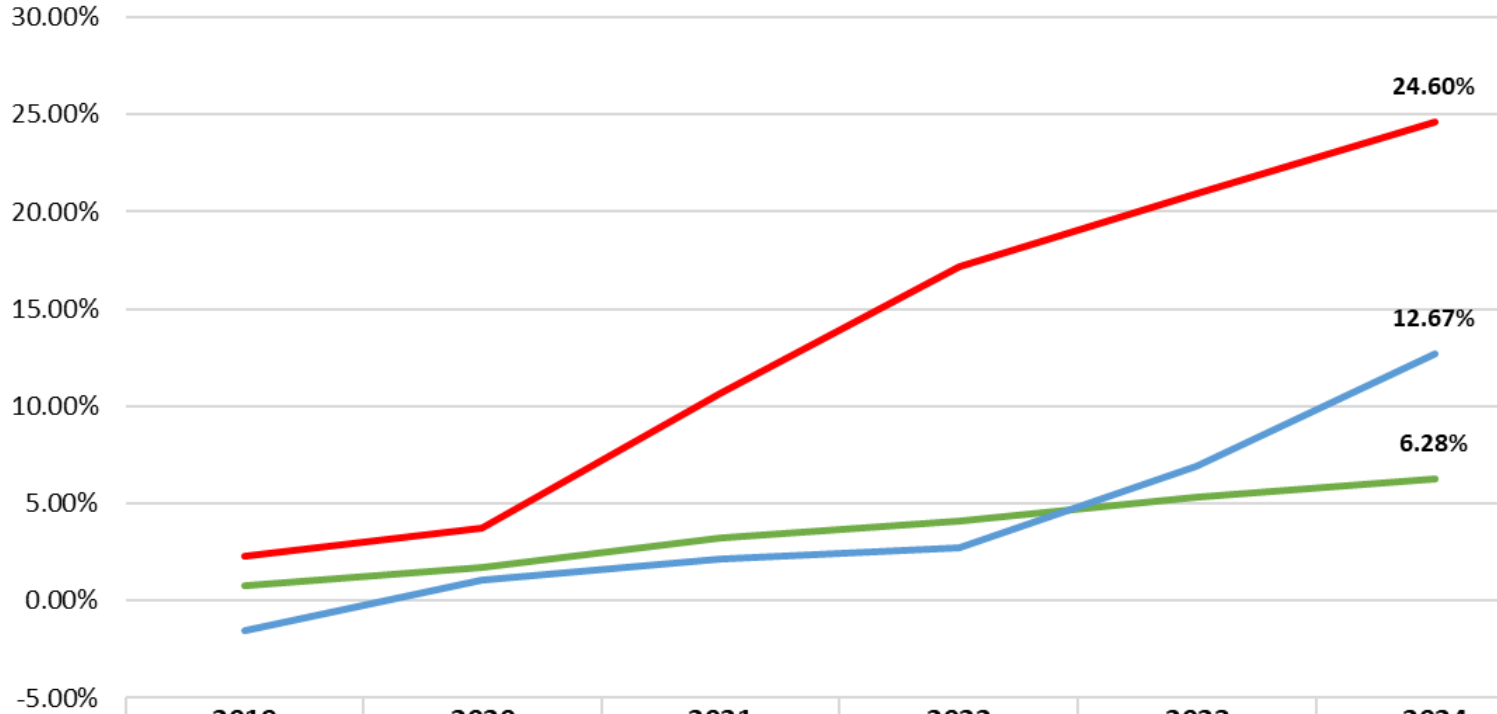
- No property tax increase
- Balanced operating budget without use of reserves
- Limit wage growth to projected inflation
- Limit headcount growth
- No new debt
- Fund new facility infrastructure needs with reserves
- No new, unfunded programs
- Maintain commitment to farmland preservation, education,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

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

	(Incr.) Decr.
Total County Budget (Deficit) - All Funds	(\$60.1)
Berks Heim Net Income	(\$4.2)
Liquid Fuel Fund	(\$2.4)
Spec. Legislation/Act 198/Parking Garage Funds	(\$0.3)
Act 13 Green Space Fund	\$0.0
Aging/Human Service Development Funds	(\$0.4)
BCRC Fund	\$0.0
Hazmat Fund	(\$0.0)
Agland Preservation Restricted Fund Balance	(\$0.1)
General Fund - COVID Community and IMAGINE Berks Expenditures	\$31.6
General Fund - Capital	\$22.7
Operating Budget - Tax Impact (Deficit)	(\$13.2)

- One-time use of General Fund committed reserves for COVID Community and IMAGINE Berks support.
- Use of General Fund reserves for one-time capital & debt expenditures - GFOA best practice.

Cumulative CPI-U vs. Assessed Tax Growth vs. Personnel Growth Rates



CPI-U

2.30%

3.70%

10.70%

17.20%

20.90%

24.60%

Assessed Value Change

0.80%

1.74%

3.20%

4.12%

5.35%

6.28%

Total Personnel Change

-1.52%

1.10%

2.16%

2.72%

6.90%

12.67%

Additional Reasons for Operating Deficit

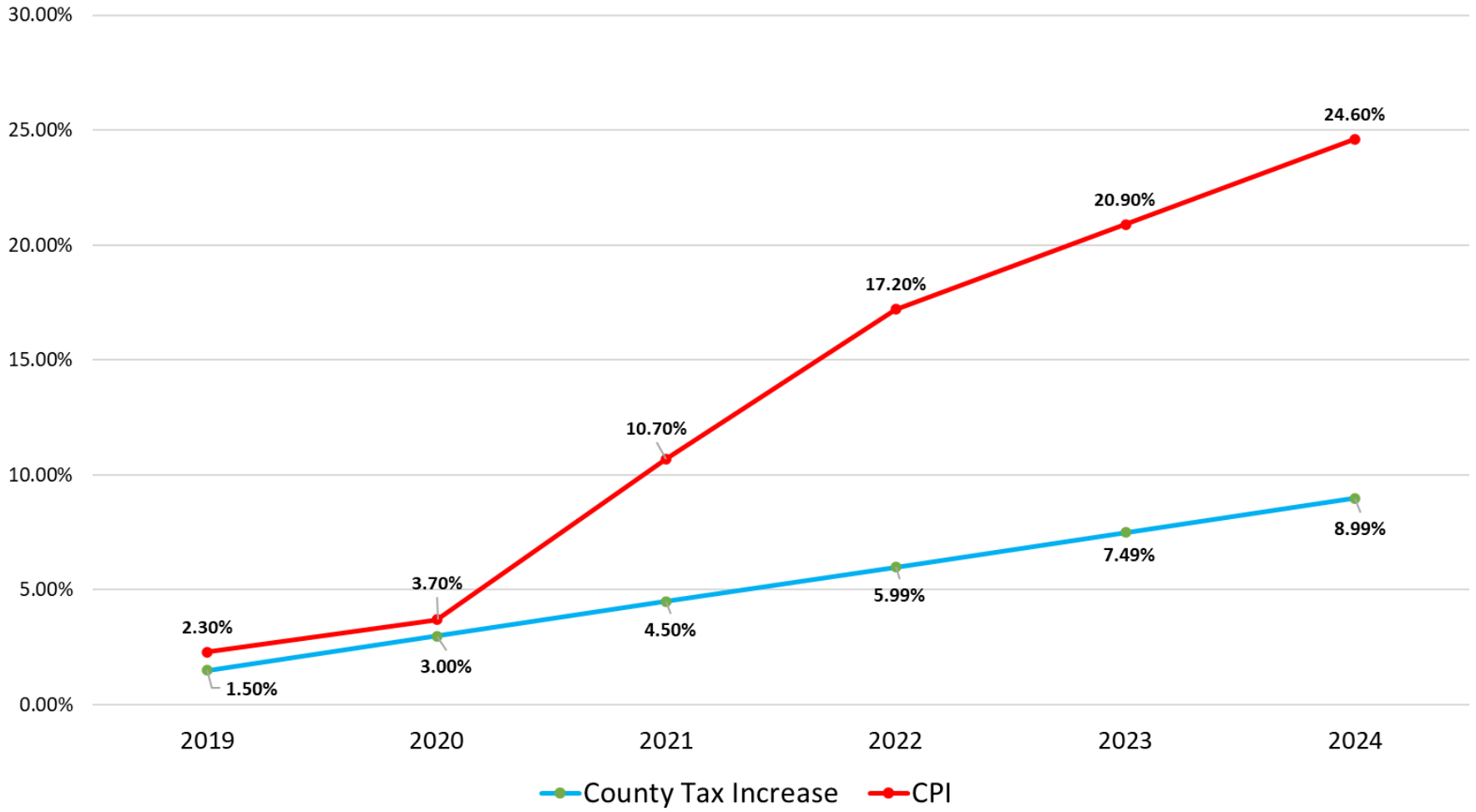
- Berks County Residential Center (BCRC) closure
- Growth in inmate health services
- South Campus location addition
- Expansion of Economic Development
- Expansion of Election Services
- Additional security – facilities and cybersecurity
- Inflationary increases on contracted services

Updated Berks County Tax Impact Surplus (Deficit) (in Millions)

	(Incr.) Decr.	
	Without Inc	With Inc
Total County Budget (Deficit) - All Funds	(\$60.1)	(\$46.9)
Berks Heim Net Income	(\$4.2)	(\$4.2)
Liquid Fuel Fund	(\$2.4)	(\$2.4)
Spec. Legislation/Act 198/Parking Garage Funds	(\$0.3)	(\$0.3)
Act 13 Green Space Fund	\$0.0	\$0.0
Aging/Human Service Development Funds	(\$0.4)	(\$0.4)
BCRC Fund	\$0.0	\$0.0
Hazmat Fund	(\$0.0)	(\$0.0)
Agland Preservation Restricted Fund Balance	(\$0.1)	(\$0.1)
Use of Fund Balance for COVID Community and Imagine Berks Expenditures	\$31.6	\$31.6
General Fund - Capital	\$22.7	\$22.7
Operating Budget - Tax Impact (Deficit)	(\$13.2)	\$0.0

- Recommend a tax increase of **8.99%**
- New tax rate of **8.345** Mills
- Change in Tax per \$100K Assessed Value
 - Previously \$765.70
 - New Rate \$834.54
 - Increase of \$68.84

Cumulative CPI-U vs. 2024 Proposed Tax Rate Increase Averaged Over 2019-2024



Year	2019	2020	2021	2022	2023	2024	Total
CPI-U	2.30%	1.40%	7.00%	6.50%	3.70%	3.70%	24.60%

SOURCE : Bureau of Labor and Statistics Consumer Price Index historical tables for U.S. City Average (CPI-U) through September 2023 historical tables, 2024 estimated at 2023 rate

Berks County 2024 Budget

(In Millions)

General Fund:	2024
Total Revenue	\$269.8
Total Expense	\$309.7
Less Total Adjustments	\$14.4
Net Surplus/(Deficit)	(\$54.2)

All Funds:	2024
Total Revenue	\$606.0
Total Expense	\$651.8
Less Expense Adjustments	\$1.1
Net Surplus/(Deficit)	(\$46.9)

- Recommend a tax increase of **8.99%**
- New tax rate of **8.345** Mills
- Net 2024 Tax Duplicate Billing of \$161.3 **(+\$15.2M)**
 - **\$2M tax base growth**
 - **\$13.2M tax rate**
- Assessed Value Growth 0.93% **(PY 1.22%)**
- Total Tax Rev \$166.3M **(+\$15M billing/interims/TC)**

For comparison to 2023 Adopted Budget see written budget message

Berks County 2024 Budget Highlights

- Interest increases: \$4.1M on reserves and \$2.5M ARP
- Headcount Decrease 48 FTE - primarily closure of BCRC
- Wage Increase \$4.9M/3.76%
 - **Comparatively Sept. CPI-U 3.7%/ECI State & Local Gov. 4.8%**
 - **Decreases - FTE reduction \$3.8M/Turnover \$0.7M**
 - **Increases - competitive adjustments \$4.8M/Base COLA \$4.6M**
- Net Fringe Benefit Increase \$1.1M or 2.7% – excluding Pension
- Pension ADC increase \$3.9M – market value of pension assets
- Debt Service \$14.3M - No new debt, decrease of (\$2.1M)
- Human Svc/911Support \$14.4M – Increase \$0.4M
- Maintains the following commitment to:
 - **Economic Development \$1.0M (Personnel/Business outreach/GRCA\$500K)**
 - **Library System \$3.9M - includes \$900K to RPL**
 - **Parks System \$5.8M - Operations and park improvements (capital)**
 - **SCTA/BARTA \$499K - Sponsor, 5% increase to maximize state funding**
 - **RACC \$3.25M – Sponsor, operating stipend plus \$1.0M Redevelopment Authority (RDA)**
 - **BCPS \$164K - R3 Pre-Apprentice program plus \$50K RDA and \$300K Whole Home Repair Grant**
 - **COCA \$1.425M - Drug and alcohol treatment plus \$300k RDA**

Berks County 2024 Capital Plan Highlights

2024 Summary Capital Plan (in Millions)			
County Bridges	\$1.5	IS Hardware/Software	\$1.5
South Campus Fit-Out	\$6.3	Jail Improvements	\$1.4
Facility Upgrades	\$8.5	Communications CTR Upgrade	\$0.7
Parks Facility Improvements	\$2.4	Ag Land Easements	\$1.0
Vehicles	\$1.6	Other Equipment/Upgrades	\$1.2
Total Capital			\$26.1

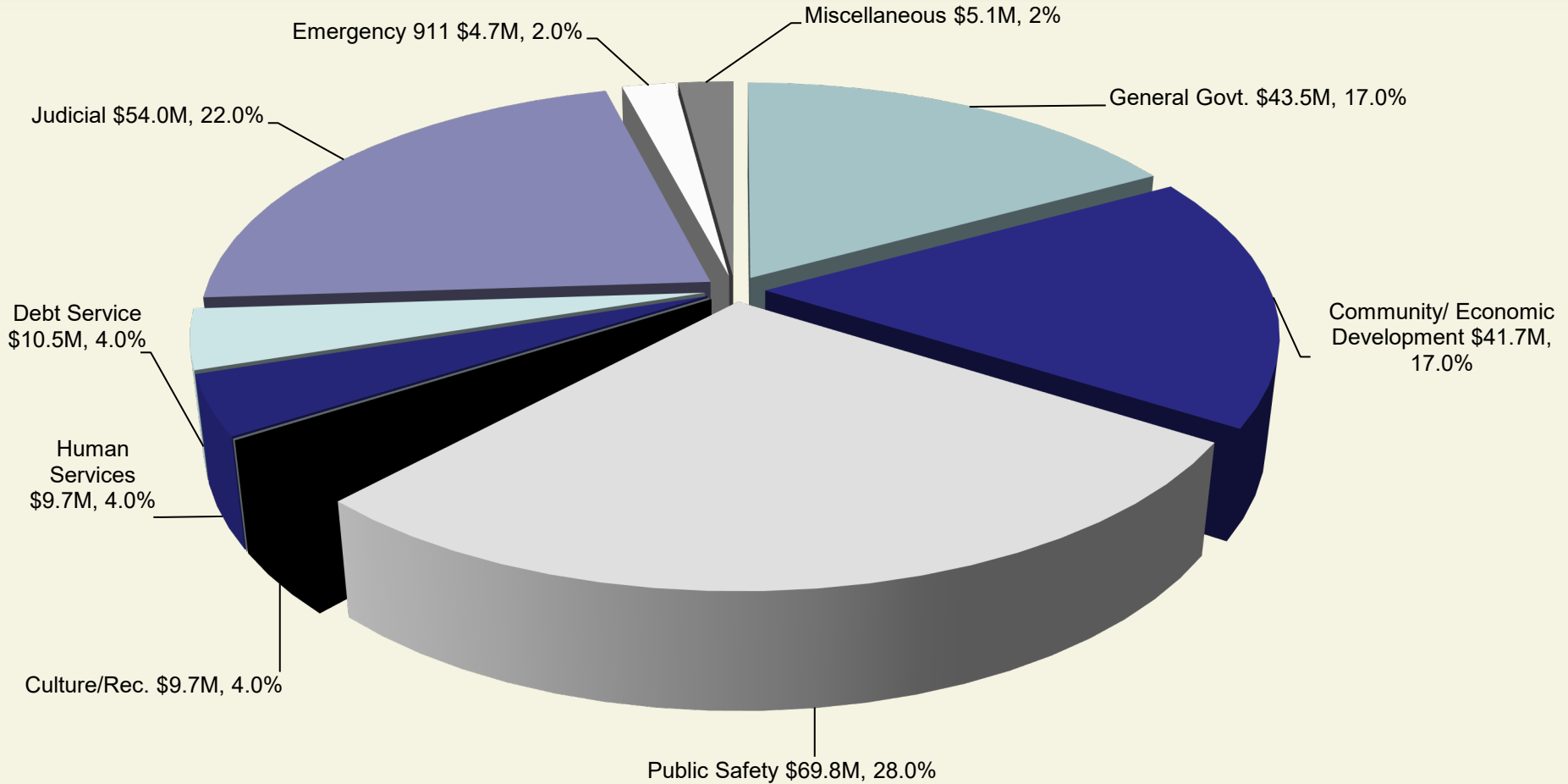
Highlights:

- **Info Systems Hardware/Software – Case management, firewall, network switches**
- **Bridges – Berks Road Bridge, Griesemer’s Mill**
- **Facility Upgrades– CRC renovations, Ag Center, Steam Plant improvements, lighting control system**
- **Parks –Gring’s Mill Bridge and Beidler House**
- **Prison – Driveway/parking lot paving, inmate yard fencing**

Berks County 2024 Budget Potential Risks/Rewards

- Berks Heim impacts:
 - Berks Heim Census growth - 305 to 340 during 2023 (**currently 305**)
 - Staffing, agency, and O.T. costs
 - Tight labor market (**availability**)
 - Continuation of IGT program - Berks Heim
- Inflation and interest rate impacts on:
 - CBA wage negotiations
 - Healthcare costs
 - Interest earned - rate changes
 - Pension assets performance and value at 12.31.23 (**assume \$475M**)
- Headcount changes and enrollment in healthcare plans
 - Claim trend - worker comp & health costs (**benefit from higher vacancies**)
- State budget cuts & unfunded mandates
- Growth in Jail ADP (**782 at 9/30/2023**)
- County of Berks run shelter care facility and youth detention center
- 9-1-1 fee renewal or sunset
- Debt guarantees
- New funding for discretionary programs

2024 Proposed Budget Consumption of Taxes and Fund Balance By Function



Berks County Proposed 2024 Budget Schedule

Next Step – Public Review

- Adopt 2024 Budget December 14, 2023
- 2024 Proposed Budget Book, Message, and Presentation are available at the following locations:
 - **County Website** www.countyofberks.com
 - **Budget Office**
 - **Commissioners' Office**

For more information on IMAGINE Berks see the following link:

- [IMAGINE Berks Strategic Plan](#)

Comments and Questions

