

# **Berks County**

## **2020 Proposed Budget**



**County Commissioners' Meeting**  
**November 21, 2019**

# Berks County

## Commissioners' 2020 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 discretionary 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 2020 Budget Highlights

- Headcount Increase 20.5 FTE – Jail 18 CO's/Library Tech/Facility Project Mgr.
- Average wage increase 1.5% - ECI index 2.7%. Total Wages \$116.6M/Incr. \$1.7M
- Closure of CRC building – saves \$671K
- Net Fringe benefit cost increase 2.75% - ECI index 3.5%
- Pension Contribution \$4.9M.
- Net Debt service \$40.2M – No new debt financing in 2020
- Berks Heim Net Income \$3.2M – Lower OT/benefit and debt cost
- General Fund support \$17.4M - CYS, DRO, MHDD, & 911
- New programming BCPS R3 pre-apprentice program \$239K
- New SCTA/BARTA contribution \$400K
- Maintains the following commitment to:
  - **GREP \$300K with \$200K match opportunity**
  - **RACC \$3.25M – Sponsor operating stipend obligation**
  - **Library System \$3.3M includes \$900K to RPL**
  - **Park System \$3.6M for operations and park improvements**
  - **COCA \$1.7M for drug and alcohol treatment**

# Berks County 2020 Budget

<b>General Fund: (In Millions)</b>	<b>2020</b>
Total Revenue	\$236.8
Total Expense	\$256.6
(Less)Total Adjustments	(\$17.4)
<b>Net Surplus/(Deficit)</b>	<b>(\$37.2)</b>

<b>All Funds: (In Millions)</b>	<b>2020</b>
Total Revenue	\$541.3
Total Expense	\$577.4
Plus(Less)Total Adjustments	\$3.5
<b>Net Surplus/(Deficit)</b>	<b>(\$32.6)</b>

- No tax increase
- Tax rate 7.657 Mills - \$18.3M per Mill
- Net Tax Billing of \$140M - Assessed Value Growth 0.67%

# Berks County Tax Impact Deficit 2020

## (In Millions)

	2020
<b>Total County Budget Surplus/(Deficit)</b>	<b>(\$32.6)</b>
LF Fund surplus	(\$1.5)
Use of Restricted Fund Balance	\$0.5
Use of BCRC Fund Balance	\$0.1
General Fund - Funded Capital	\$18.0
2020 Expenditure for 2013 Bond Defeasance	\$12.6
<b>Tax Impact Budget Surplus/(Deficit)</b>	<b>(\$2.9)</b>

- Unable to overcome the loss of revenue and new staff at the Jail.
- Use of general reserves for one-time capital & debt expenditures - GFOA best practice.
- Bond redemption, refinance & maturities saves \$8.8M in 2021:
  - 2013 Bond - \$1.3M
  - 2019 refinancing - \$0.7M
  - 1993/2010D maturity in 2020 -\$6.8M

# Berks County 2020 Budget Risk Factors

- Timing of new jail decision and related cost
- Aaa bond rating downgrade
- Tipping fee revenue – outcome of landfill litigation
- State budget cuts & new unfunded mandates
- Additional staff – Jail/Court House-Service Center Security
- Tax base growth slows
- Claim trend and inflation worker comp & health costs
- Pension assets returns lower than assumption
- Managed Care impact on Berks Heim bed utilization
- Federal immigration policy changes
- Outcome of CBA negotiations
- Guarantee of RACP grant ineligible costs
- Resolution of Airport Authority debt

# Berks County 2020 Capital Plan Highlights

## 2020 Summary Capital Plan (Millions)

County Bridges	\$3.3	911 Radio GPS Solution	\$1.2
Facility Security Upgrade	\$2.8	Facility NG Conversion	\$4.1
WWTP Renovations	\$2.3	Lighting Control System	\$0.8
Ag Center Renovations	\$1.9	Parking Lot Improvements	\$0.9
IS Hardware Software Upgrades	\$1.4	HRMS Payroll Software Phase 1	\$2.6
Ag Land Preservation	\$1.0	Other Projects	\$5.8
<b>Total Capital</b>			<b>\$28.1</b>

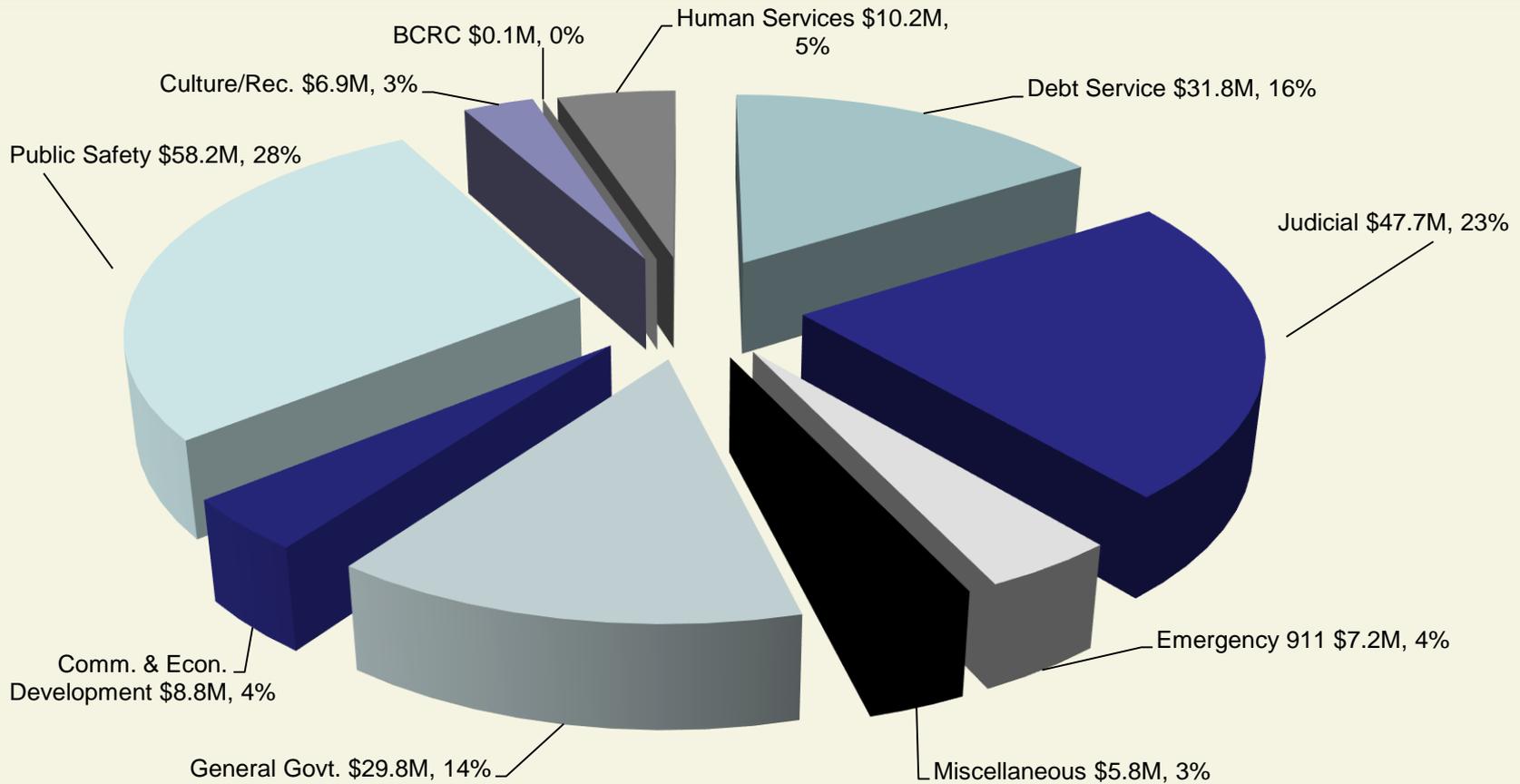
### Currently not included:

- **New Jail Design & Construction Own or Lease**
- **Antietam Park – Angora Fruit Farm Buildings**
- **Allegheny Aqueduct renovation**
- **HVAC Control System BH**

### Note:

- **IS – CYS CMS, network servers, switches, San Storage replacement, Oracle servers refresh**

# 2020 Proposed Budget Consumption of Taxes and Fund Balance By Function



# Berks County Proposed 2020 Budget Schedule

- November 21, 2019      Present 2020 Budget
- December 12, 2019      Adopt 2020 Budget
  
- Public Review
  - **County Commissioners' Office**
  - **Budget Office**
  - **County Website**      [www.countyofberks.com](http://www.countyofberks.com)

# Comments and Questions

