

Berks County

2019 Proposed Budget



County Commissioners' Meeting
November 15, 2018

Berks County Commissioners' 2019 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 Aa1 stable outlook bond rating
- Prioritize capital improvement to:
 - Facility & bridge infrastructure projects
 - Technology/Software

Berks County 2019 Budget

General Fund:	(In Millions)
Total Revenue	\$230.2
Total Expense	\$233.0
Less: Total Adjustments	\$12.6
Net Surplus/(Deficit)	(\$15.4)
General Fund - Funded Capital	\$13.8
Use of Restricted Fund Balance	\$0.0
Net Operating Surplus/(Deficit)	(\$1.6)

- No tax increase
- Tax rate 7.657 Mills - \$18.2M per Mill
- Net Tax Billing of \$139M - Assessed Value Growth 0.67%

All Funds:	(In Millions)
Total Revenue	\$534.4
Total Expense	\$548.3
Less: Total Adjustments	\$0.8
Net Surplus/(Deficit)	(\$14.7)
General Fund - Funded Capital	\$13.8
Use of Restricted Fund Balance	\$0.9
Net Operating Surplus/(Deficit)	\$0.0

Berks County 2019 Budget Highlights

- Headcount decrease 4.5 FTE – 2,173 to 2168.5
- Average wage increase 2.69% - Trailing 12 month Sept. CPI 2.3%
- Health & dental benefit cost increase 1.5% - Trailing 12 month CPI 2%
- Pension ARC \$4.218M – Assumes 5% asset growth in 2018
- Debt service – All funds - \$28.6M – No new debt financing in 2019
- Berks Heim revenue increase \$2.4M – IGT \$1.7M, MA Rate \$260K
- Capital Plan \$22.3M – Funded by General Fund reserve \$13.8M
- General Fund contribution \$12.6M to CYS, DRO, MHDD, & 911 Systems
- General Fund Commitment \$12.9M – Defeasance of 2013 Bonds in 2020
- Maintains the following commitment to:
 - **GREP \$300K with \$200K match opportunity**
 - **RACC \$3.25M – Sponsor operating stipend obligation**
 - **Library System \$3.1M includes \$900K to RPL**
 - **Ag Land Preservation \$1M for new certifications**
 - **Park System \$3.4M for operations and park improvements**
 - **COCA \$1.7M for drug and alcohol treatment**

Berks County 2019 Capital Plan Highlights

2019 Summary Capital Plan			
County Bridges	\$5.9M	Jail Roof Replacement	\$1.0M
Land Records System	\$3.1M	Steam Plant Decentralization	\$1.0M
WWTP Renovations	\$2.5M	Lighting Control System	\$0.8M
Ag Center Renovations	\$1.9M	Parking Lot Improvements	\$0.7M
CYS Case Management System	\$1.3M	Vehicle Replacements	\$0.6M
Ag Land Preservation	\$1.0M	Other Projects	\$2.5M
Total Capital			\$22.3M

Currently not included:

- **New Voting System - \$4M - \$4.5M**
- **Security System Upgrade**
- **Berks Heim Roof**
- **Additional Phases of Steam Plant Decentralization**
- **HR/Payroll Software**
- **New Jail**

Berks County Forecast: 2020 – 2023

(In Millions)

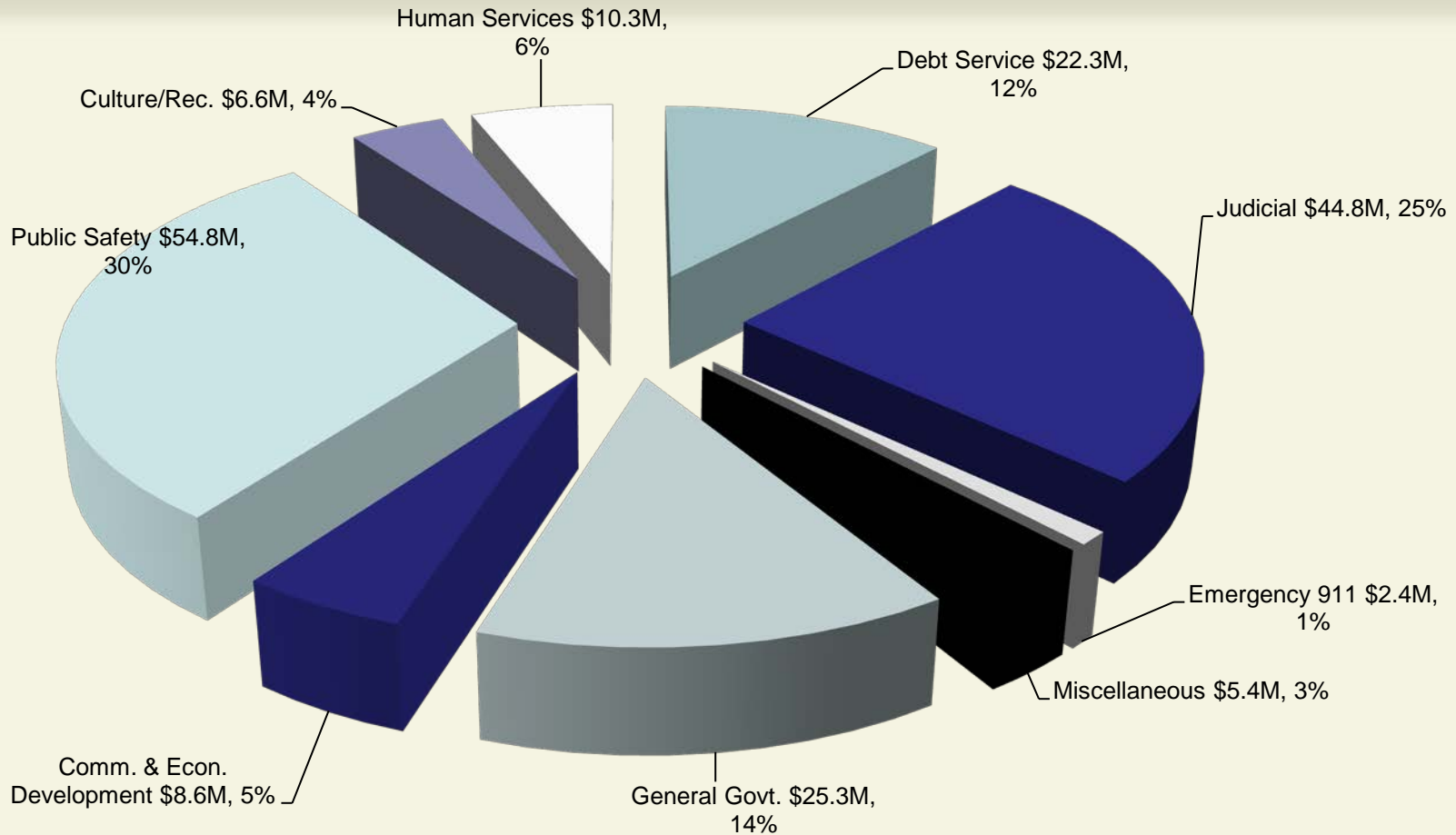
	2020	2021	2022	2023
Total County Budget Surplus/(Deficit)	(\$17.8)	\$1.7	(\$1.7)	(\$13.8)
Change in LF Fund Balance Inc/(Dec)	\$0.1	(\$1.1)	(\$2.3)	\$1.6
Change In Special Leg Fund Balance Inc/(Dec)	\$0.3	\$0.3	\$0.4	\$0.4
Change in BCRC Fund Balance Inc/(Dec)	\$0.1	\$0.1	\$0.1	\$0.1
General Fund - Funded Capital	\$3.2	\$1.7	\$1.4	\$1.6
2020 Expenditure for 2013 Bond Defeasance	\$12.9	\$0.0	\$0.0	\$0.0
Tax Impact Budget Surplus/(Deficit)	(\$1.2)	\$2.7	(\$2.1)	(\$10.1)

	2020	2021	2022	2023
Tax Increase	0.88%	0.00%	1.65%	7.33%
Fund Balance - Unassigned	\$104.5	\$105.6	\$102.0	\$90.3
# of Months Coverage - Total Expenditures	2.35	2.37	2.28	1.96

Berks County Forecast Risks 2020 - 2023

- Aa1 Bond Rating downgrade – higher interest costs for borrowing
- 911 Phone Fee sunsets at end of 2019 – currently \$8M in revenue
- ACA Tax Repeal – Starts in 2022 at \$294k, grows to \$729k in 2023
- Tipping Fee Revenue – Landfill Litigation
- State Budget Cuts
- New Fed/State Mandates – For example, voter verifiable paper trail
- Tax base growth does not achieve the estimated .55% growth per year
- Rate of Inflation impacts 2020 – 2023 – CBA Wage Negotiations & Self Insured Health Costs
- Pension Asset Returns
- Health Choices (Managed Care) Impact – Berks Heim MA Revenue
- BCRC remains at current location - \$1.1M to General Fund every year

2019 Proposed Budget Consumption of Taxes and Fund Balance By Function



Berks County Proposed 2019 Budget Schedule

- November 15, 2018 Present 2019 Budget
- December 20, 2018 Adopt 2019 Budget

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

Comments and Questions

