

Berks County

2022 Proposed Budget



County Commissioners' Meeting
November 18, 2022

Berks County

Commissioners' 2022 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 and Aaa stable outlook bond rating
- Prioritize capital improvement to:
 - Facility & bridge infrastructure projects
 - Technology/Software

Berks County 2022 Budget Highlights

- Headcount Increase 7 FTE (2 Assistant Directors/3 Judicial Staff/2 Coordinators)
- Average Wage Increase 2.19% - Sept. ECI 2.4% (Civilian EEs 4.2%, \$120.6M/+\$2.6M)
- Net Fringe Benefit Decrease (6%) - Benefit ECI 1.8% (\$40M/(-\$2.7M) Pension & RX)
- Pension Contribution \$3.3M - Decrease (\$2.4M) (12.31.21 Asset Value \$561M)
- Net Debt Service \$15.5M - No new debt (Decrease (\$1.4M) Maturities & Refi)
- Berks Heim Net Income \$1.2M (IGT/MDO1 +1.4M & Pension and Health (\$.7M))
- General Fund Support \$13.4M (CYS \$6.6M, DRO \$2.3M, MHDD \$0.9M, 911 \$3.5M)
- New South Campus Location (Increase in Rent Budget \$550K per year)
- No ARPA Funds (Formal expenditure plan not yet determined)
- Maintains the following commitment to:
 - **Economic Development \$891K (Personnel/Business outreach/GRCA)**
 - **RACC \$3.25M - Sponsor operating stipend plus \$600K CDBG**
 - **BCPS \$254K - R3 Pre-Apprentice program plus \$50K CDBG**
 - **Library System \$3.6M - includes \$900K to RPL**
 - **Parks System \$3.7M - Operations and park improvements**
 - **COCA \$1.425M - Drug and alcohol treatment plus \$300k from CDBG**
 - **SCTA/BARTA \$441K - 5% increase (Maximize state funding)**

Berks County 2022 Budget (In Millions)

General Fund:	2022
Total Revenue	\$237.5
Total Expense	\$232.6
Less Total Adjustments	\$13.4
Net Surplus/(Deficit)	(\$8.5)

All Funds:	2022
Total Revenue	\$570.0
Total Expense	\$575.8
Less Expense Adjustments	\$1.0
Net Surplus/(Deficit)	(\$6.8)

- No tax increase
- Tax rate 7.657 Mill
(Tax \$766 per \$100K AV)
- Net 2022 Tax Duplicate Billing of \$143.1M (+\$1.3M)
- Assessed Value Growth 0.45% (PY 1.47%)
- Total Tax Rev \$148.5M (+\$0.7M billing/interims/TC)

Berks County Tax Impact Surplus 2022

(In Millions)

	(Incr.) Decr.
Total County Budget (Deficit)	(\$6.8)
Liquid Fuel Fund	(\$0.4)
Spec. Legislation/Act 198/Parking Garage funds	\$0.2
Act 13 Green Space Fund	\$0.2
Hazmat Fund	(\$0.1)
BCRC Fund	(\$0.3)
General Fund - Capital	\$7.0
Tax Impact Budget (Deficit)	(\$0.2)

- Use of General Fund reserves for one-time capital & debt expenditures - GFOA best practice.

Berks County 2022 Capital Plan Highlights

2022 Summary Capital Plan (Millions)			
County Bridges	\$2.4	Prison infrastructure	\$1.3
Facility Upgrades	\$2.1	Park infrastructure	\$0.8
IS Hardware Software Upgrades	\$2.4	Nursing Home Equipment	\$0.6
Ag Land Preservation	\$1.0	Other Equipment/Upgrades	\$1.1
Total Capital			\$11.7

Currently not included:

- New Jail Design & Construction - TDB
- Antietam Park – Angora Fruit Farm Buildings - TDB
- Ag Center Renovation pending agreement with BCCD and Fed RLP process (\$8.2M)

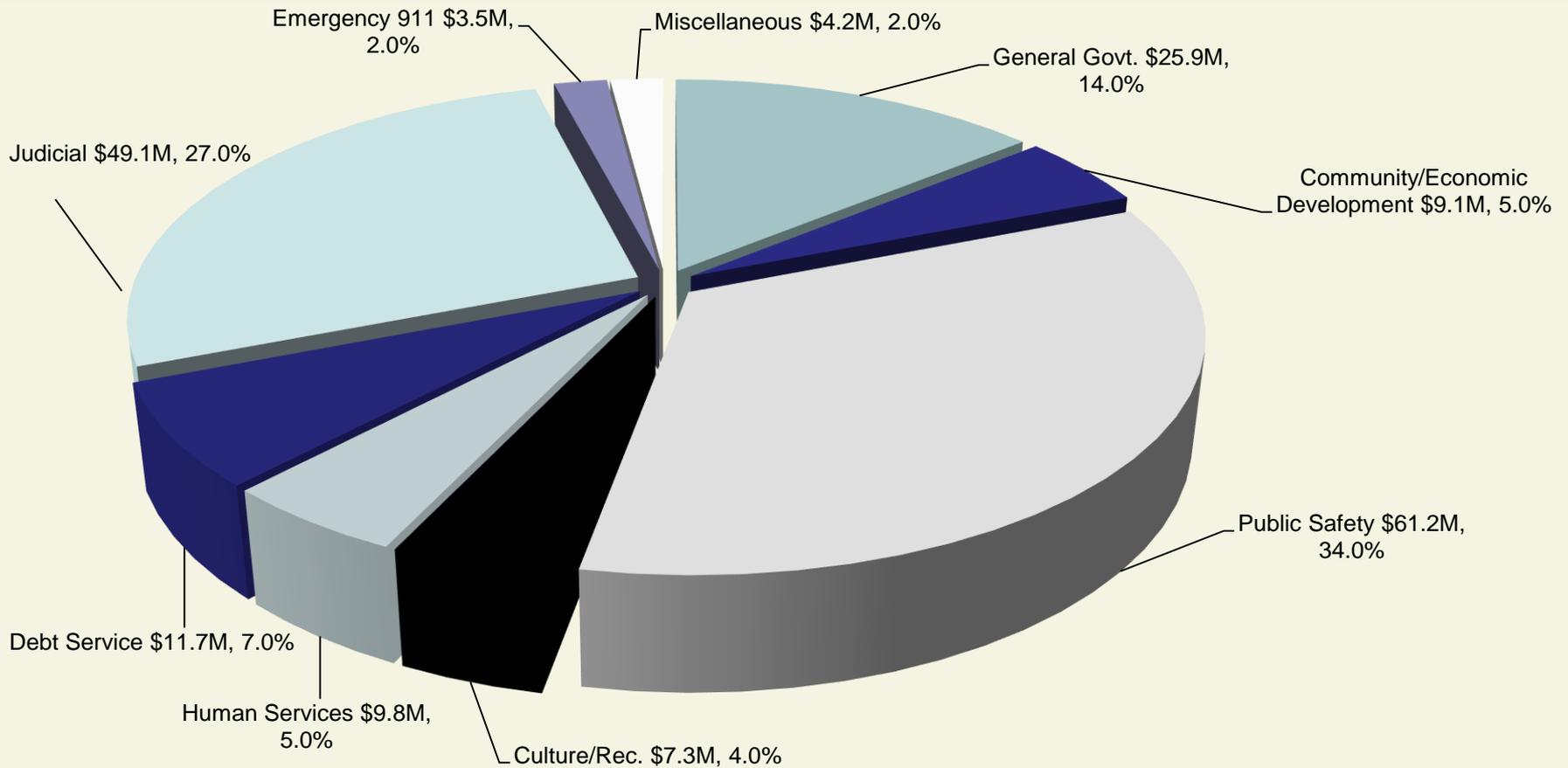
Note:

- IS – CYS Case Mgmt., network servers, switches, SAN storage, Oracle EBS Upgrade
- Facility Renovations – Ag Ctr. parking lot, CH Doors, fire protection SC/CH, lighting control
- Parks – Grings Mill bridge/dam/trail repairs, Allegany Aqueduct, BNC walk path, Gruber WW fence
- Prison – Conduit/gutter repairs, A-unit drain-pipe/vent, resurface driveway/parking lot/sally port
- Berks Heim – Kitchen equipment, cooling tower upgrade, A/C RTU freezers/refrigerators

Berks County 2022 Budget Potential Risks/Rewards

- Covid 19 duration and financial impacts:
 - Berks Heim Census growth - 310 to 365 during 2022 (308 @11.8.21)
 - Staffing and O.T. costs
 - Tax base - bankruptcies
 - State budget cuts & unfunded mandates
 - New Covid Grants (BH not yet awarded –not in budget)
- Inflation and interest rate impacts on:
 - CBA wage negotiations
 - Healthcare costs
 - Interest earned on reserves (assume avg .75bps - \$1.8M)
- Claim trend - worker comp & health costs (benefit from higher vacancies)
- Pension assets performance and value at 12.31.21
- Continuation of IGT program - Berks Heim (2022 net benefit \$5.8M/+\$1M)
- State budget cuts & unfunded mandates
- Jail ADP budget 875 (currently under 800)
- Tri-county passenger rail decision/funding (assume no cost to county)

2022 Proposed Budget Consumption of Taxes and Fund Balance By Function



Berks County Proposed 2022 Budget Schedule

Next Step

- Adopt 2022 Budget December 16, 2021
- Public Review
 - **County Website** www.countyofberks.co
 - **Budget Office**
 - **Commissioner Office**

Comments and Questions

