

# Berks County

## 2025 Proposed Budget



County Commissioners' Meeting  
November 21, 2024

# Berks County Commissioners' 2025 Budget Goals

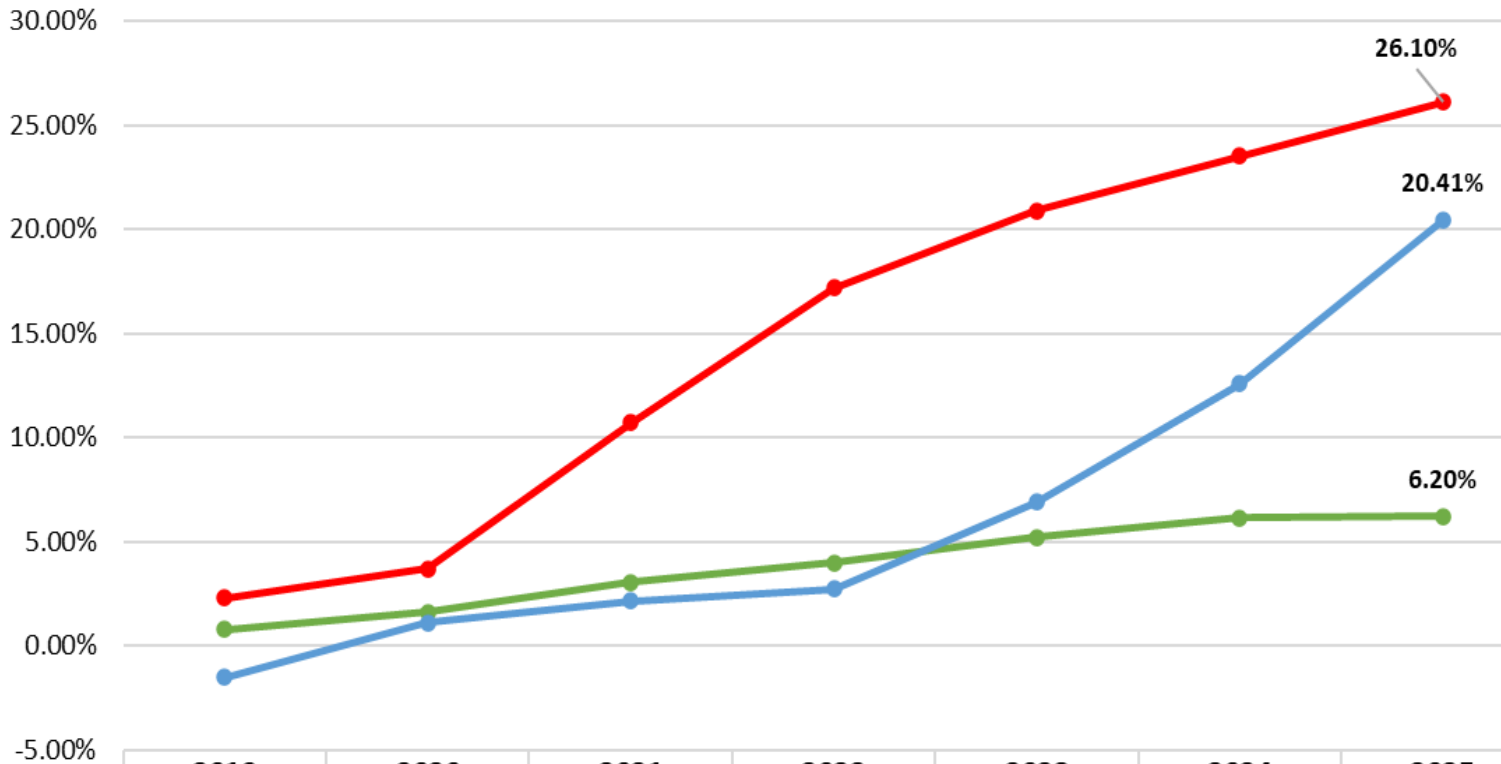
- Balanced operating budget without use of reserves
- Minimize size of tax increase to balance budget
- Limit wage growth to projected inflation
- Limit headcount growth
- Fund new facility infrastructure needs with new debt & reserves
- No new, unfunded programs
- Maintain commitment to farmland preservation,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

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

	(Incr.) Decr.	
	Without Inc	With Inc
<b>Total County Budget (Deficit) - All Funds</b>	(\$37.3)	(\$24.5)
Berks Heim Net Income	(\$2.7)	(\$2.7)
Liquid Fuel Fund	\$0.6	\$0.6
Spec. Legislation/Act 198/Parking Garage Funds	\$0.1	\$0.1
Act 13 Green Space Fund	\$0.3	\$0.3
Aging/Human Service Development Funds	(\$0.5)	(\$0.5)
Bond Proceeds	(\$35.0)	(\$35.0)
Hazmat Fund	(\$0.1)	(\$0.1)
Agland Preservation Restricted Fund Balance	\$0.1	\$0.1
Use of Fund Balance for COVID Community and Imagine Berks Expenditures	\$25.9	\$25.9
Bond Funded Capital	\$18.0	\$18.0
General Fund - Capital	\$17.8	\$17.8
<b>Operating Budget - Tax Impact (Deficit)</b>	<b>(\$12.8)</b>	<b>\$0.0</b>

- Recommend a tax increase of **8.00%**
- New tax rate of **9.013** Mills
- Change in Tax per \$100K Assessed Value
  - Previously \$834.50
  - New Rate **\$901.26**
    - Per year **\$66.80**
    - Per week **\$1.28**

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



**● CPI-U**

**● Assessed Value Change**

**● Total Personnel Change**

**2019**

**2020**

**2021**

**2022**

**2023**

**2024**

**2025**

**2.30%**

**3.70%**

**10.70%**

**17.20%**

**20.90%**

**23.50%**

**26.10%**

**0.80%**

**1.60%**

**3.07%**

**3.98%**

**5.21%**

**6.13%**

**6.20%**

**-1.52%**

**1.10%**

**2.16%**

**2.72%**

**6.90%**

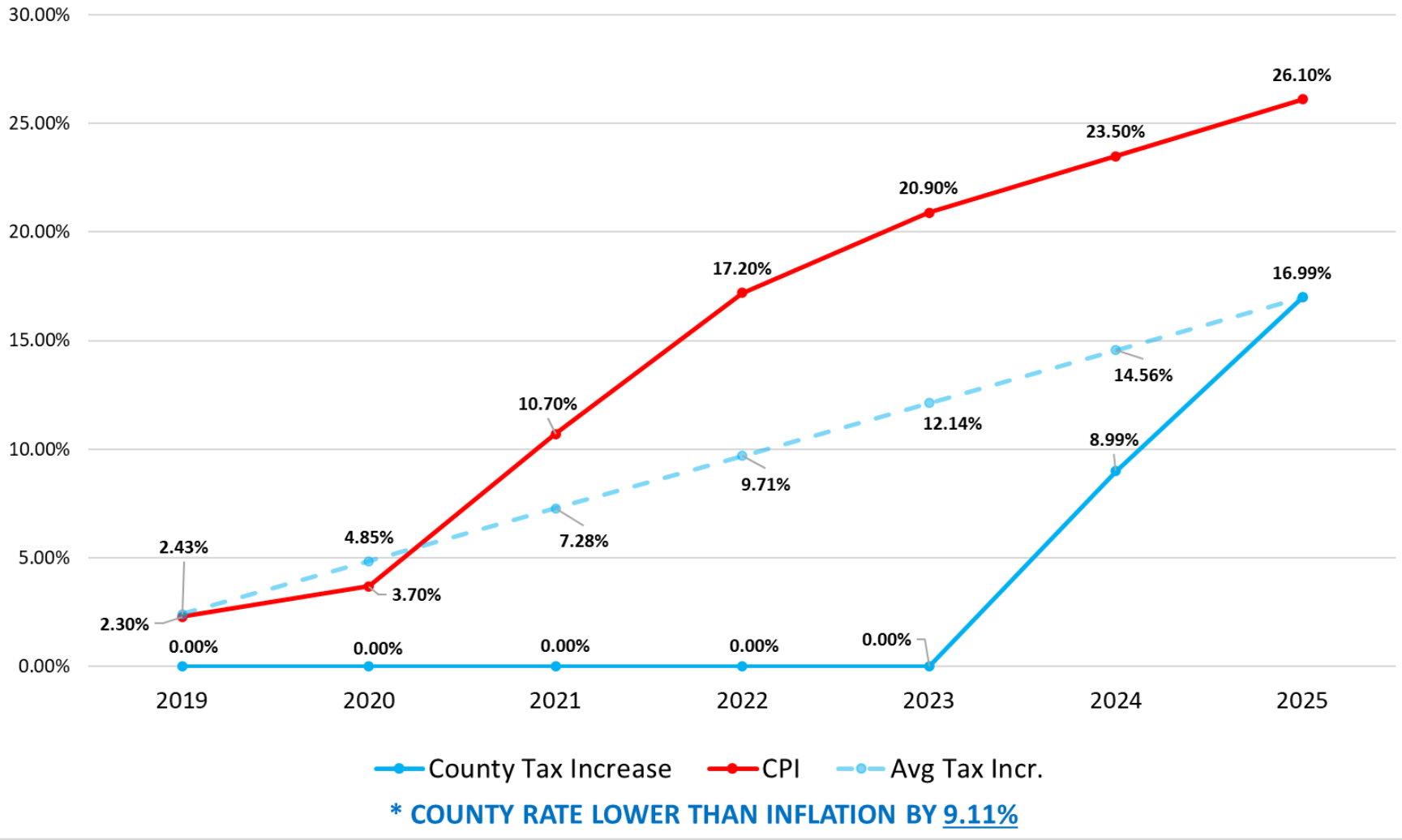
**12.58%**

**20.41%**

# Additional Reasons for Operating Deficit

- Inflationary increases on contracted services
- Higher contribution to Human Service – Most notably 911 capital & personnel costs
- Increase in debt to fund capital plan
- Slower growth in tax base & higher appeals
- Growth in support of strategic partners – PSU Ag Extension, Connections Work, SCTA/BARTA, Schuylkill River Passenger Rail
- Growth in utility costs - higher utilization of North Campus Annex and South Campus facilities and continued rate of inflation

### Cumulative CPI-U vs. Tax Rate Increases 2019-2025



Year	2019	2020	2021	2022	2023	2024	2025	Total
CPI-U	2.30%	1.40%	7.00%	6.50%	3.70%	2.60%	2.60%	26.10%

SOURCE : Bureau of Labor and Statistics Consumer Price Index historical tables for U.S. City Average (CPI-U) through October 2024 historical tables, 2025 estimated at 2024 rate.

# Berks County 2025 Budget

## (In Millions)

General Fund:	2025
Total Revenue	\$284.8
Total Expense	\$310.8
Less Total Adjustments	\$18.0
<b>Net Surplus/(Deficit)</b>	<b>(\$44.0)</b>

All Funds:	2025
Total Revenue	\$662.9
Total Expense	\$686.7
Less Expense Adjustments	\$0.7
<b>Net Surplus/(Deficit)</b>	<b>(\$24.5)</b>

- With 8.0% a tax increase
- New tax rate of **9.013** Mills
- Net 2025 Tax Billing of \$174.1. **Increase of 13.2M**
  - **\$0.4M tax base growth**
  - **\$12.8M rate increase**
- Assessed Value Growth 0.07% (**PY 0.92%**)
- Total Tax Rev \$179.6M **Increase of \$13.9M. Includes current year & interim tax billing, & tax claim collections**

For comparison to 2024 Adopted Budget see written budget message

# Berks County 2025 Budget Highlights

- Interest increase: \$1.0M on higher reserves, lower interest rate average 4.25%
- Headcount (19) FTE- Primarily Berks Heim reduction offset by Youth Shelter increase
- Wage increase \$7.2M or 5.37%
  - **Excluding \$2.4M new Youth Shelter program increase would be \$4.8M or 3.58%**
  - **3.41% avg rate increase/0.17% competitive wage adjustment**
  - **October Employer Cost Index for State & Local Government. Q3 Annualized 3.2%**
- Net fringe benefit increase \$7.0M / 15.92%- Excluding \$1.0M Youth Shelter 13.73%
  - **Pension cost \$6.4M - \$2.7M incr. - Higher wages & plan participants**
  - **Employee health contribution \$4.3M - \$0.5M increase. - higher rate, higher enrollment**
  - **Fringe benefits \$55.2M - \$4.7M increase - inflation, higher enrollment**
- Debt Service \$14.0M – includes \$2.5M for new 2025 debt issue to fund capital



# Berks County 2025 Budget Highlights – Cont'd

- Human Services match & 911 Support of \$18.0M – \$3.7M increase. Includes additional \$2.5M for Emergency 911 capital and personnel costs
- Berks Heim contribution to general fund \$1.5M
  - **Reduce tax burden**
  - **Net income after transfer - \$2.7M**
- Maintains the following commitment to:
  - **Economic Development \$1.1M** (Personnel/Business outreach/GRCA\$500K)
  - **Library System \$4.1M** - Includes \$900K to RPL
  - **Parks System \$6.3M** - Operations and park improvements (capital)
  - **SCTA/BARTA \$524K** - Sponsor, mandatory 5% increase
  - **RACC \$3.25M** - Sponsor, operating stipend plus \$1.0M Redevelopment Authority contribution
  - **Connections Work \$543K** –R3 Program \$252K, New Reentry Works support \$291K
  - **COCA \$1.425M** - Drug and alcohol treatment plus \$300K Redevelopment Authority contribution
  - **Schuylkill River Passenger Rail Authority \$75K**

# Berks County 2025 Capital Plan Highlights

2025 Summary Capital Plan (in Millions)			
County Bridges - Liquid Fuels	\$4.3	Park Facility Upgrades	\$3.2
Facility Upgrades	\$12.5	Berks Heim Upgrades	\$1.1
Space Allocation Fit Out	\$9.6	Ag Land Easements	\$1.0
Emergency 911 Upgrades	\$4.8	IS Hardware/Software	\$0.8
Jail Upgrades	\$4.3	Other Equipment/Upgrades	\$1.5
<b>Total Capital</b>			<b>\$43.1</b>

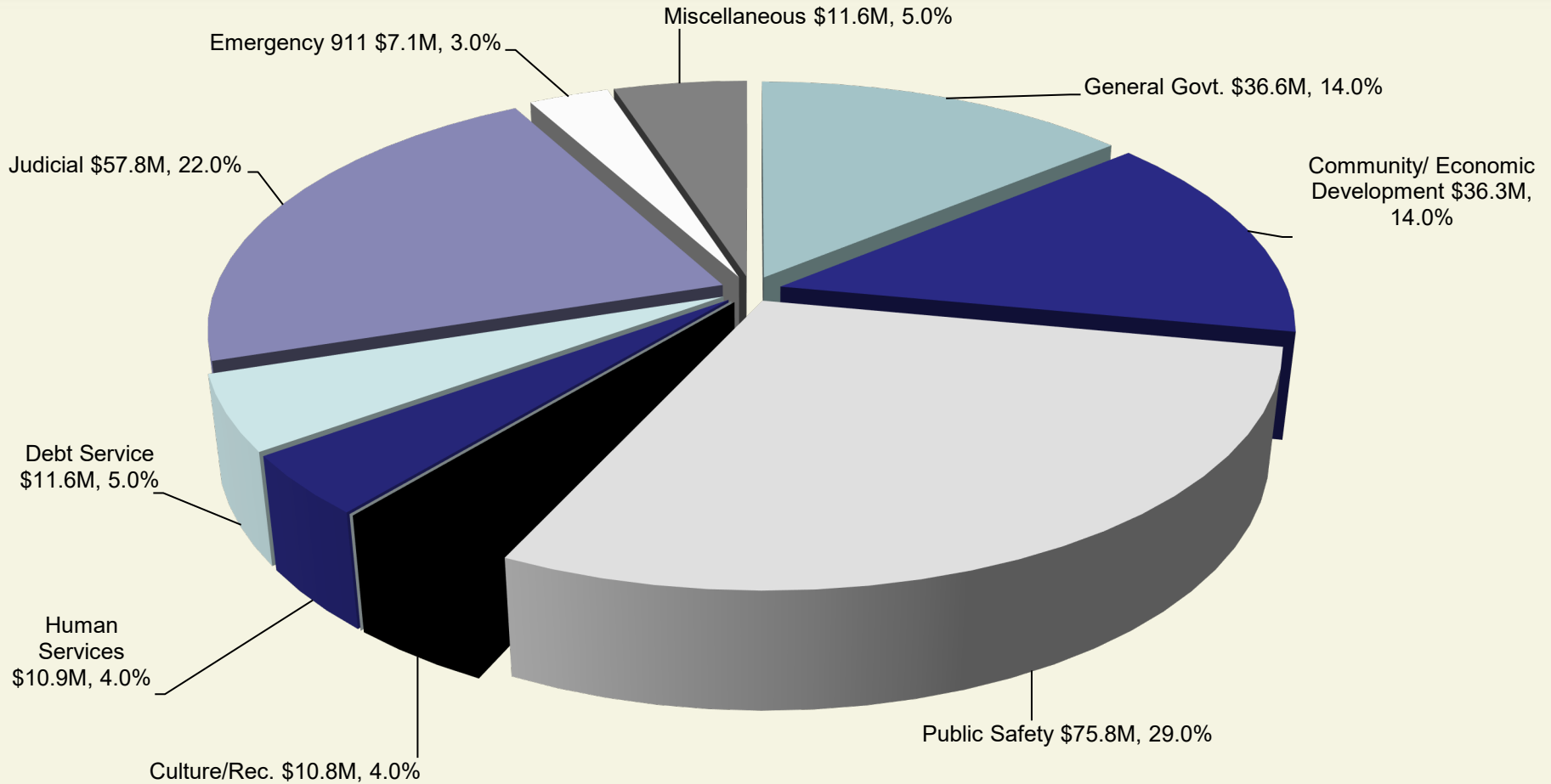
## Highlights:

- Includes carryover from 2024 of \$15.9M. 2025 plan revisions and new requests of \$27.2M
- Includes \$18.0M in new bond financed capital
- Facilities – Ag Center, Steam Plant Decentralization, Berks Rd. Bridge
- County Bridges – Schaffer’s Ford, Griesemer’s Mill
- Parks –Gring’s Mill Bridge
- Jail – Direct NG Connection, Driveway & Parking lot paving
- Communication 911 – Phone System & GPS upgrades

# Berks County 2025 Budget Potential Risks/Rewards

- Berks Heim impacts:
  - Berks Heim Census growth - 320 per day (**currently 318**)
  - Staffing, agency, and O.T. costs
  - Continued tight labor market
  - Continuation of State IGT program (**Current net benefit \$13M**)
- Economy impact on:
  - Pension assets performance and value at 12.31.24 (**assumes \$577M**)
- Headcount changes:
  - Claim trend - worker comp & health costs
- State budget cuts & unfunded mandates
- Growth in Jail ADP (**assumes 800 average daily population**)
- New Shelter Care Facility (**assumes 20 beds - 10 out of county placements**)
- Youth Detention Center (**3 county regional facility & state capital funding**)
- Debt guarantees and loans
- New funding for off-budget discretionary programs

# 2025 Proposed Budget Consumption of Taxes and Fund Balance By Function



# Berks County Proposed 2025 Budget Schedule

## Next Step – Public Review

- Adopt 2025 Budget      December 19, 2024
- 2024 Proposed Budget Book, Message, and Presentation are available at the following locations:
  - **County Website:** [www.Berkspa.gov](http://www.Berkspa.gov)
  - **Budget Office**
  - **Commissioners' Office**

# Comments and Questions

