

2021 ADAMS COUNTY BUDGET

Budget Overview

Dear Board of County Commissioners and Adams County Residents:

The Finance Team is pleased to present a balanced budget for 2021 to the Board of Commissioners and Adams County citizens. Our budget indicates a healthy budget, steady growth, decreased debt, strong cash reserves and a positive outlook. Services to the citizens of Adams County is our primary goal. This budget was balanced using a modest amount of reserves and a collaborative effort from all the County departments. Finally, the leadership from the Board of Commissioners and in accordance with the Commonwealth of Pennsylvania County Code, fiscal policies and Adams County Finance and Budget Office made this year's process a success.

Moreover, this budget embodies the organizational core values, strategic goals and planning efforts by the Commissioners to provide an overall better quality of life in Adams County. By providing a more efficient government; preserving agriculture and growing our economy; utilizing the criminal justice system; delivering emergency preparedness; and fostering healthy communities, these all encompass the elements of a successful strategic plan represented in Adams County, Pennsylvania's 2021 Adopted Budget.

Our budget format is presented in summary by four sections; the General Fund; the Special Revenue Funds; the Hotel Tax Fund; and Special Funds (Bridged Funds). For each section you will find Funding Sources and Expenditures broken out by function type according to Governmental Accounting Standards Board. (GASB).

First, an aggregate view for all budgeted funds (services) for 2021 where revenues and expenditures total \$71.3 million. This includes utilizing reserves in the amount of \$3.1 million. In addition, the County prepared a separate Capital Budget to be funded by the 2020 General Obligation Bonds Series A the County has other funds that we are not required to budget for and are identified on page 58.

General Fund

The County's largest major fund, the General Fund, includes all operations except for what makes up the Special Revenue Funds and Special Funds. The General Operating Fund Revenues adopted in 2021, excluding transfers and appropriated fund balance, totaled \$50.7 million, a little less than a 1% increase over the 2020 adopted General Fund.

There are twenty-nine departments/programs/division that make up the General Fund services. These include: Building and Maintenance, County Complex, Clerk of Courts, Commissioners, Controller, Cooperative Extension, Coroner, Court Administration, District Attorney, Elections/Voter Registration, Emergency Services, Finance/Purchasing, Human Resources, Information Technology, Planning and Development, Conservation District, Protective Inspections, Prison, Central Processing, Prothonotary, Public Defender, Register/Recorder, Security, Sheriff, Solicitor, Tax Services, Treasurer, Veteran's Affairs, and Victim Witness. The County allocates all salaries and benefits directly to their perspective program.

Including net transfers, the General Fund for 2021, produced a negative contingency reserve of \$2.8 million, while anticipating \$2.8 million from fund balance reserves, ending up with a balanced budget. This includes covering the subsidy for the special funds. In total, the County budgeted a Contingency Reserve of \$3.1 million. In addition to the General Operating Fund, the County balanced the Hotel Tax Fund utilizing \$57 thousand from Hotel Tax Contingency reserve and \$247,850 to balance the Other Special Funds, utilizing Act 13/Liquid Fuels Contingency reserve. While reviewing the financial metrics of the County, it was determined the County has a solid and healthy Fund Balance to utilize a modest portion toward 2021's budget and waive a tax increase this year.

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Budget Overview (*continued*)

The **General Fund revenues** decreased overall from 2020 to 2021 approximately \$640,000, or 1.15%, relating to the following factors.

- The largest noticeable decrease with revenues is attributed to the fact the County brought onto their budget books the Hotel Tax Fund. In previous years, the County would budget for the distributions of the Hotel Tax under the Transfers section of the General Fund budget. A more efficient and transparent method to budget is to budget the entire fund separately. In 2021, the transfer for the Hotel Tax was removed from the general fund and instead budgeted in the Hotel Tax Fund. In comparing the transfers in on the general fund side, you will see a negative variance between 2021 to 2020 approximately \$1.7 million.
- Another significant factor contributing to the overall decrease in revenues, was attributable to working and collaborating with Tax services during this pandemic and adjusting the collection rate to reflect more accurately along with tax appeals resulting in a decrease of our projected revenues by approximately \$400,000.
- Court Revenues decreased approximately \$268,000 in 2021. The decrease in revenue is due to COVID-19. Due to the pandemic, the Re-Entry program has been shut down and will continue to be into 2021. Re-Entry program revenue was the largest part of the decrease in revenue.
- Finally, due to the COVID-19 Pandemic and the economy, the interest rates were significantly reduced. The impact to the Treasurer's projections resulted in an approximate decrease of \$150,000 between 2020 and 2021.

Highlights of the **General Fund expenditures** overall show a decrease of approximately \$640,000 primarily due to the following programs:

- Comparing 2021 to 2020, The Adams County General Fund shows a decrease in expenditures due to the 2020 General Obligation Bond Issue of \$25.5 million. The Bond issue encompassed Series A and Series B. Series A is earmarked for various capital projects and Series B is an advanced refunding of previous issues. As a result of the structuring of the Series B refunding, the County's revised debt service scheduled produced a significant savings and therefore reduced the debt service payments in the 2021 Budget of approximately \$1.5 million. Other factors such as growth in the following programs contributed to the net decrease in the general fund. Although the County had an overall decrease in general fund expenditure growth was inevitable.
- Budgeted expenditures under the Courts increased approximately \$576,000 in 2021. The two main areas that expenditures increased the most are: line items related to personnel costs such as salaries and benefits and professional services. The personnel costs increased mainly due to the cost of living increase and a rise in health insurance cost. Professional Services increased mainly due to an increased cost in electronic monitoring for adults.
- The Adams County Adult Correctional Complex also showed growth in expenditures of approximately \$350,000 between 2021 and 2020, attributed to Professional Services contracts for inmate medical & mental health services as well as an increase in the inmate food service program. This increase also includes growth in minor equipment for 2021 due to a safety project whereas a request for updated hand-held radios and updated WiFi access points throughout the Complex.