

2021 ADAMS COUNTY BUDGET

Commissioners of Adams County

Randy L. Phiel
Chairman

Jim Martin
Vice Chairman

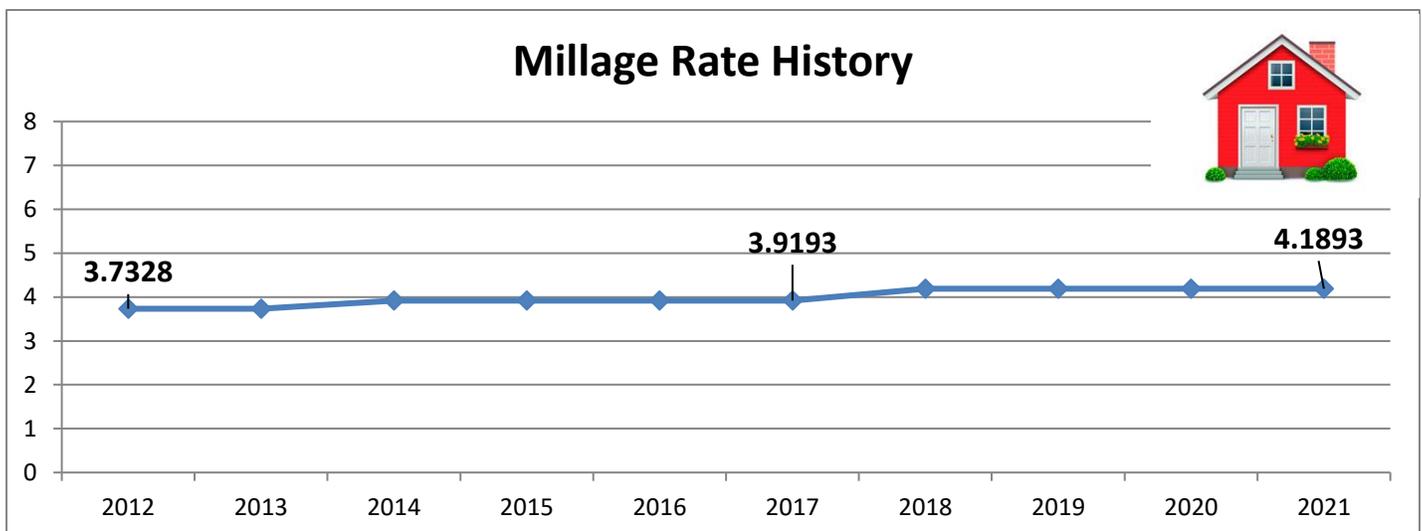
Marty Qually
Commissioner



TO: The Citizens of Adams County:

The Adams County budget for 2021 was prepared being mindful of the difficulties of COVID-19 and the state of the economy. The 2021 budget has been proposed with no tax increase. The budget maintains critical services, continues sensitivity to the taxpayer, and protects the quality of life that we value in Adams County. This budget is a continuation of the financially sound practices Adams County government has established and embraced. The budget supports the mission of the county to provide services like 911 and Veterans' Affairs that promote the health, safety, and the well-being of County residents. The County is dedicated to providing these services through the most efficient and effective means possible given our limited resources, and in an open, honest, and caring manner. As with past budgets, the 2021 budget prepares the County for the future.

As you know the year 2020 has been an unusual time with many challenges, but also many accomplishments. The Adams County staff have done a highly commendable job of addressing and adapting to challenges that we have encountered in 2020, with the largest being COVID-19. To be part of and observe such tremendous teamwork is a blessing. Through the dedicated work of County Departments to find operational efficiencies and minimize the rising costs of goods and services necessary to operate and delivery required services to the community the County is able to put forth this budget with no tax increase. Examples of these services include 911 calls, license to carry, and recording of deeds.



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County Narrative (*continued*)



The three County Commissioners constitute the chief governing body of the County. The Commissioners are vested with policy-making authority to provide certain local services and facilities on a county-wide basis. Administrative powers and duties of the County Commissioners encompass 911 call center and emergency services, veterans' affairs, voter registration and elections, human services, operation of a county jail, personnel management, operation and maintenance of 40 vehicular and 2 pedestrian bridges, appointment of county personnel, assessment of property, and budget and finance management. The Commissioners are the sole contractors for the county, as such, they make

contracts and purchases for all purposes expressly or implicitly authorized by law. The position of commissioner is a county-wide elected office with a term of four years; their current term is 2020-2024. The County Commissioners sit jointly as members of the Retirement Board, Salary Board, Election Board, and Prison Board.

The total budget for 2021 is \$71,347,911. In total the revenue is projected at \$68,245,546 with expenses of \$71,347,911. Fortunately, through good fiscal practices of the Commissioners the County is in a good position to utilize reserves of \$3,102,365 to balance the budget.

The Adams County population of 102,023 has exhibited a good deal of stability, which is favorable considering that many rural counties in the commonwealth are experiencing population decline. Wealth levels are average with per capita income and median family income at 93.6% and 105.1% of national medians, respectively. The county's poverty rate of 8.8% is a good deal below the national rate of 14.1%. Over the last five years the tax base has increased at a compound annual rate of 0.7%. Given the relatively modest amount of new development underway, primarily residential, we expect the tax base to remain stable.

In 2020, the COVID-19 pandemic began to disrupt the world. It has completely transformed our current operations. The changes related to COVID-19 have impacted every department and every service that the County provides. We do not know if there will be permanent impacts related to COVID-19 but will continue to consider best practices and make changes based on the current needs. There are more uncertainties than ever before. For the first time ever, the State passed a five-month budget and did not guarantee funding beyond that budget. At all levels of government and business, there are additional risks. A substantial amount of services is funded with state and federal dollars, which we will continue to monitor closely.

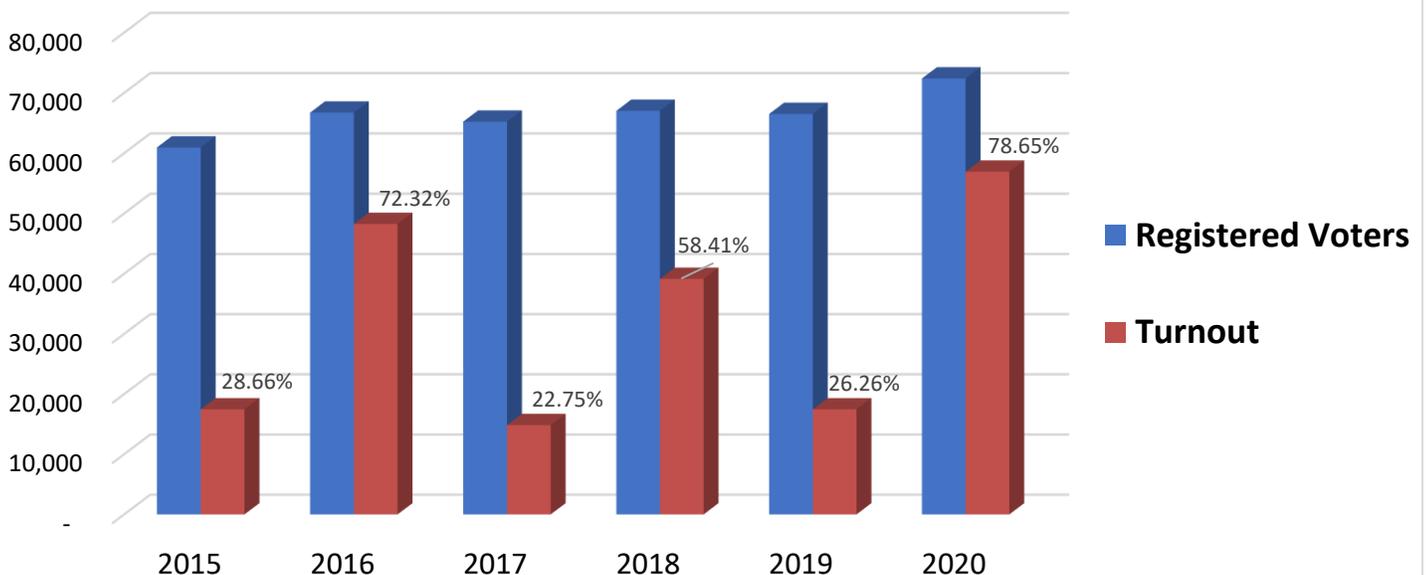
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County Narrative (*continued*)

Due to various impacts caused by COVID-19, Adams County is in a stable, yet changeable short-term financial situation as we enter the 2021 budget cycle. Stable in the sense that current revenues and expenses are in rough equilibrium and changeable due to the higher than usual number of variables that exist due to the impacts of COVID-19 on revenues, the increased direct and indirect costs associated with the pandemic, and the unpredictable CARES Act monies sent to the County. The County continues to face the structural imbalance between natural growth in the real estate market and other revenues versus the increasing expenditures related to continued pressures to provide additional services and other increasing costs. We expect these pressures to be increased due to the pandemic, but we are not yet able to predict the full impact on 2021 and beyond.

The 2020 General Election was unlike any in the history of Adams County. The County set up a secure process to assure the integrity of the election. In addition, measures were implemented to address COVID-19 safety protocols for the well-being of all those working the election and those voting. Adams County turn-out reached record proportions at 78.6%. Of Adams County's 72,388 registered voters, 56,930 voted in some manner. There were 37,239 in person ballots, 19,084 mail in ballots, and 607 provisional ballots that were securely processed. The staff integrity of the election in Adams County was top notch. The extensive planning, preparation, and execution of the election, by county administration, staff, and poll workers, resulted in an election day that was secure and efficient. The Adams County Board of Elections and the Elections Office were efficient and transparent. The volume of mail-in ballots was certainly a challenge to overcome, but staff did an outstanding job of processing approximately 19,084 mail-in ballots. During the counting of the votes, both political parties watched the process in person and via video to make sure the process was safe and secure. The election in Adams County shows that good planning, dedication, and execution for this inalienable right assures a secure and efficient election process.

Voter Turnout for the General Election



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County Narrative (*continued*)

On July 09, 2020 Moody's Investors Service assigned a Aa2 general obligation unlimited tax (GOULT) rating to Adams County, PA's \$10 million General Obligation Bonds, Series A of 2020 and \$25.5 million General Obligation Bonds, Series B of 2020 (Federally Taxable). Moody's indicated that the County's management is strong as evidenced by conservative budgeting practices which have resulted in sustained, ample reserves. The Aa2 rating reflects the county's large, stable tax base, average resident wealth, and strong financial position. Additionally, the rating reflects the county's slightly elevated debt burden and manageable pension liabilities. The coronavirus crisis is not a key driver of this rating action as currently it is not seen as an immediate, material credit risk to Adams County. However, the situation surrounding the coronavirus is rapidly evolving and the longer-term impact will depend upon both the severity and duration of the crisis. Proceeds from the Series A bonds will be used to finance various capital improvements across the county. Proceeds from the Series B bonds will be used to advance refund all or a portion of the county's outstanding General Obligation Bonds, Series of 2012.

In 2020, the County developed a three-year capital improvement plan focused on assuring quality service to the community, improving efficiency of operations, and maintaining existing infrastructure. A portion of these projects will be funded from bond proceeds. In the 2021 budget year there are projects to improve information technology \$115,000, improve security in county buildings \$90,100, enhance judicial operations \$390,212 and assure ongoing infrastructure at the prison \$373,669. The Mercy House, an eight-bed recovery house for males, is close to completion and will begin serving our community in 2021. Courthouse improvements in the Prothonotary's office have been completed and improvements in the Sheriff's office continue to progress well. These renovations have been performed by the internal staff of Building and Maintenance and IT, which has saved the County considerable money. The upgrades are an improvement operationally and maximize efficiencies while enhancing service to the community.

With all things considered, the County can take satisfaction with its financial situation in 2021. The success the County has had balancing the budget without a real estate tax increase can be attributed to slowing the growth in short- and long-term costs, prudent borrowing and savvy debt management, and working with staff to improve cost efficiency. We expect with good fiscal management and vision combined with reasonable economic conditions, that Adams County government will continue a very steady and positive path. The 2021 Adams County Budget meets the County's budget objectives and addresses the major policy issues that face the County. As the County enters a new year and looks forward to future years, we will continue to strive to meet the needs of Adams County's citizens efficiently and effectively.