

## **THE BUDGET PROCESS**

**Viewed as an annual financial plan for the County**, the purpose of this document is to detail the appropriations as necessary with respect to the county services provided and to accurately reflect the sources of revenue used to fund those activities. To that regard, all funds that receive annual appropriations by the County Council have been accounted for through this document. The County's fiscal year runs from July 1 through June 30, with the official fiscal year taken from the year ending date. As an example, this document is prepared for the year July 1, 2005 through June 30, 2006, thereby being the fiscal year 2006 Budget.

Responsibility for the authorization and approval of funding rests with the Budget Team comprised of the County Administrator, Purchasing Manager, Research Analyst and the Director of Finance. The Budget Team maintains the primary responsibility for ensuring that County Council's objectives are examined for available funding and department's requests to fund initiatives are in alignment with the mission and goals of the County. Further, this team performs a detailed review of both revenue and expenditures in order to produce a recommended budget for County Council to review and approve.

Budget preparation, analysis, and reporting is managed and facilitated on an annual basis by the Department of Finance. Included within those responsibilities is the annual budget process which eventually results with the publication of the budget document consisting of the Annual Operating and Capital Budget.

The County's budget process begins in January with the disbursement of information to each respective department and outside agencies. This process is conducted where the Department of Finance provides the budget calendar, necessary documentation, training, and information to each department. During the month subsequent to the disbursement of information to each department, departments submit their budget request including personnel request, operating costs and capital items to the Finance Department by the end of the month. The data is completed and assembled into a central repository. Distribution of this information is sent to each member of the Budget Team.

From this point, a series of meetings occur starting with the Budget Team meeting with each department. The County Administrator and Budget Team meet to discuss the initial budget requests. During this time, department directors present any new budget requests, initiatives, or programs and discuss any new potential revenue sources from their department. In early March the Director of Finance analyzes previous and current revenue trends for recommendations on the following year revenue estimates. In early April, workshops are held with Council and the council debates and requests revisions to budget requests with the entire process ending in presentations to the citizenry through public hearings and final Council adoption via an ordinance in June.

The budgetary level of control resides at the departmental level; therefore, after appropriation, reallocation of appropriated budgets is allowable within the respective departments with a few exceptions. In order to amend the budget, a department director submits a budget adjustment form to the Department of Finance. Finance staff reviews the adjustment for policy compliance and forwards to the County Administrator's office for final approval. Items budgeted under machinery and equipment cannot be used for purposes other than those specified when the budget was adopted.

Transfers between departments within the same fund require County Council approval by ordinance. Transfers between funds require County Council approval by ordinance. Increases in total appropriations require County Council approval by ordinance.

### Capital Budgeting

The Capital Project Fund is used to accumulate resources available and expenditures approved for items that have an estimated life of five or more years and with an anticipated cost of \$75,000 or more. In providing additional detail on the criteria of operating vs. capital, projects that are appropriated may be continuations of previously completed projects. Projects resulting in improvements to enterprise or funds are paid directly from those funds.

The majority of the County's capital projects are financed on a pay-as-you-go basis. The financing mechanism for pay-as-you-go capital is an inter-governmental fund transfer originating from the General Fund. Appropriations for the transfers are made primarily from undesignated/unreserved fund balance. Additional revenue sources include State Department of Transportation funds for qualified street/highway improvements, grants, and interest earnings. As a matter of practice, the County does not customarily enter into contracts creating improvement districts for citizens whereby a re-payment is required for capital work to be completed. These types of projects customarily are qualified as the responsibility of the appropriate party.

Newly identified capital projects are accumulated throughout the year and are added to the "unfunded" project list. Each of these unfunded projects is prioritized on an on-going basis to allow for direct funding when available. The annual budget process appropriates project-specific items, as funding is available. When funded capital projects are completed, any remaining balance is transferred to an unallocated capital project account and routinely Council discussions apply unfunded budgetary appropriations to projects with the highest priority for the funding available. The annual budget document includes a summary page for each newly funded capital project in fiscal year 2006, providing a project scope, financial operating impact and specific funding source.

### Budgeting by Funds

In the early 1900's, state and local governments often used separate bank accounts, commonly known as funds, to control resources set aside for specific purposes. This has evolved into modern day fund accounting used for the purposes of controlling governmental monetary resources that are legally restricted or earmarked for special purposes. Financial reporting treats each government as a collection of separate funds rather than one single entity. For this reason, government budgets are prepared using the fund structure. The Governmental Accounting Standards Board defines a fund as:

A fiscal and accounting entity with a self-balancing set of account recording cash and other financial transactions, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

## **PICKENS COUNTY**

All funds are classified into fund types and the number of funds a government uses can vary. Pickens County currently uses thirty-two funds to account for the use of financial resources. The County's funds are detailed below by fund type.

The County budgets for governmental funds, which include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund, based on the modified accrual basis of accounting. Under this method, revenues (income) are recognized in the period they become measurable and available to finance expenditures of the period and expenditures (expenses) are recorded when incurred with the exception of principal and interest on long term debt, which are recorded when due.

The budgets for the proprietary funds, which include the Enterprise Funds, are prepared using the accrual basis of accounting, with exceptions listed below. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

- ❖ Capital outlay is budgeted as an expenditure in the year purchased.
- ❖ Depreciation is not budgeted.
- ❖ Purchases of inventory are considered to be expenditures when purchased, not when sold or used.

### General Fund

The General fund is a fund type of its own. It is the principal operating fund of a government and is typically used to account for most of a government's operations unless there is a compelling reason to report them in some other fund type. The General Fund uses the modified accrual basis of accounting and budgeting.

### Debt Service Funds

Debt Service funds are used to account for accumulations of resources that will be used to pay debt obligations of the general government. Pickens County has eight debt service funds, which uses the modified accrual basis of accounting and budgeting.

### Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The County has one capital project fund to account for all general capital projects. Appropriations in the Capital funds are presented in the Capital Projects Section.

### Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that can only be legally spent for designated purposes. All Special Revenue Funds use the modified accrual basis of accounting and budgeting. The County uses 21 Special Revenue Funds, which are discussed below:

## **PICKENS COUNTY**

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Tri-County Technical College Fund: This fund is used to account for monies remitted to Tri-County Technical College. Millage is assessed to help fund operations and debt service of the College that is partially funded by three counties in the upstate area.

Library Fund: This fund accounts for the levy and collection of a millage upon all taxable property within the County. Funds received are used to help fund operations of the four Libraries within the County.

Victim Advocate Fund: This fund accounts for revenues received from a state-mandated fee and for the activities mandated by the statute that established the fee. These include services provided to the victims and witnesses of crime perpetrated in the County.

Emergency 911 Fund: Established to account for funds received from users of the Emergency 911 System, these funds are to be used for expenditures necessary to maintain the County's emergency call center. Operationally, this fund is a department within Public Safety, specifically the Sheriff's Department and collects revenues from wired and wireless communication providers on a monthly basis.

Rural District Fire Funds: Established to account for monies collected from citizens to provide fire protection in the unincorporated areas of the County. Currently there are twelve fire districts located within the County. There are nine districts charging a fire fee on each dwelling within the fire district and three fire districts charging a tax on all assessed property within each fire district.

Accommodation Tax Fund: This fund accounts for the County's receipts from the two per cent (2.0%) tax levied on rental of transient accommodations within the County limit. According to statutory provisions these funds are used for the promotion of tourism and the arts.

Accommodation Fee Fund: This fund is used to account for the County's portion of a fee imposed locally on hotels, motels, etc. for promotion of tourism. The fee is equal to one percent (1.0%) of "the rental or charges for any rooms, campground spaces, lodgings or sleeping accommodations furnished to transients by any hotel, inn, tourist court, Bed and Breakfast, tourist camp, motel, campground, residence or any place in which rooms, lodging or sleeping accommodations are furnished to transients for consideration in the County. This fee does not apply to any facilities consisting of less than 6 sleeping rooms, contained on the same premises which is used as an individual's place of abode. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person for a period of ninety continuous days is not considered proceeds from transients"

Road Maintenance Fee Fund: This fund is used to account for the County's receipts from a \$20.00 fee on all owners of every vehicle, required to be registered and licensed in the county by the state department of public safety-division of motor vehicles. The proceeds of such funds shall be specifically used to maintain and improve the county road system as well as to pay for the debt service on any outstanding general obligation bond issued for county road improvements

Public Safety Vehicle Replacement Fund: This fund is used to account for monies that are transferred from the General Fund to be used for the replacement of Public Safety vehicles as they come due for replacement based on the age and mileage of the vehicle.

Recreation Fund: This fund is used to account for monies that are transferred from the General Fund to be used for capital improvements to each of the Recreation departments within the County. Each recreation committee must acquire the County's recognition as a qualified recreation department to be eligible.

#### Enterprise Funds

Enterprise funds are used to account for "business-type" activities whose operations are primarily financed by fees collected from customers. All Enterprise Funds use the modified accrual basis of accounting for budget purposes. Pickens County currently has two enterprise funds.

Sewer System Fund: This fund accounts for the activities of the Public Service Commission Sewer System in providing sewer collection and treatment services to residents and businesses within the system's service area.

Airport Fund: This fund accounts for the operations of the County's airport. Subsidies are made from the General Fund as needed.

### **THE BUDGET DOCUMENT**

The budget document is intended to provide a comprehensive review of the County's financial position with respect to goals and objectives of the budget year. In addition, as a communication tool, significant impacts to the budget process and figures contained herein are detailed to fully disclose information which is necessary in order for staff to provide a true and accurate financial picture. The annual budget document is organized into four primary sections as follows:

Community Profile: Included within the Community Profile is a brief of history of Pickens County, statistics of the County and maps showing locations of Council Districts, voting precincts, libraries, recycling stations, elementary, middle and high schools, and Rural Fire Districts.

Budget Summary: Included within the budget summary is a presentation of a County organizational chart, budget calendar, elected officials and administrative staff, a transmittal letter from the Administrator. The budget summary section also gives an overview of the budget process, budget ordinance for the subsequent fiscal year and the financial policies that govern fiscal operations of the County are also detailed.

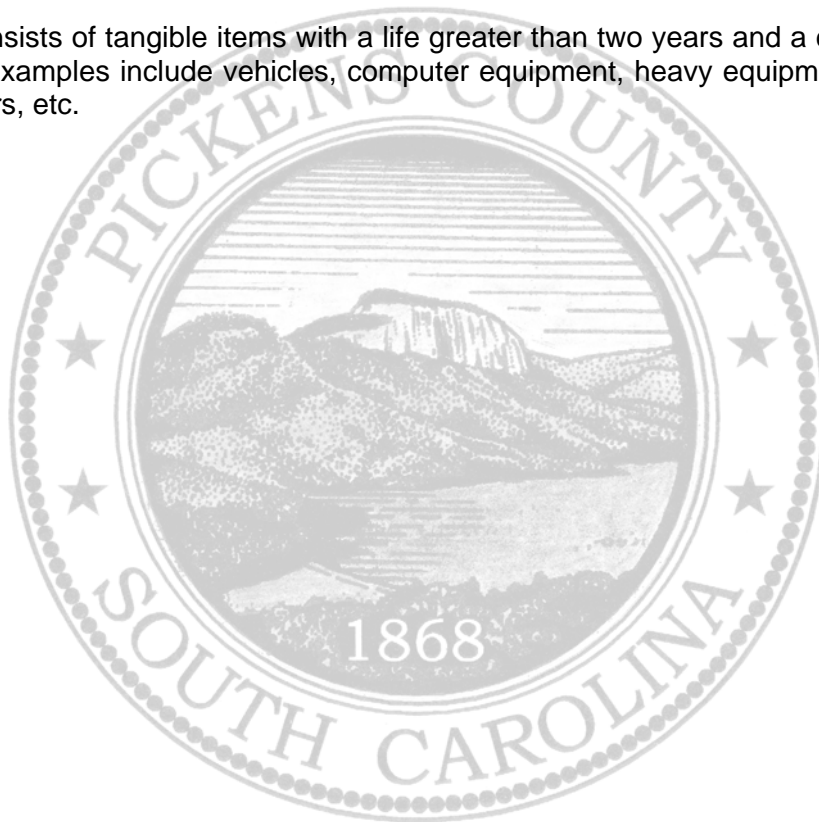
Financial Summaries: A total financial summary of revenue and expenditure appropriations is presented at the beginning of this section. Following are Statements of Revenues and Expenditures by fund with historical data, current budget, estimate for the current budget and the approved budget.

Funds Detail: After the financial summaries, each fund's appropriations are presented in detail. Each department is listed within each fund with the mission, goals, accomplishments, budget highlights, workload indicators, department summary, number of positions and organizational chart presented to give readers a more informed understanding of the day-to-day operations of each department. Within the departmental summary, expenditures are summarized by six major classifications.

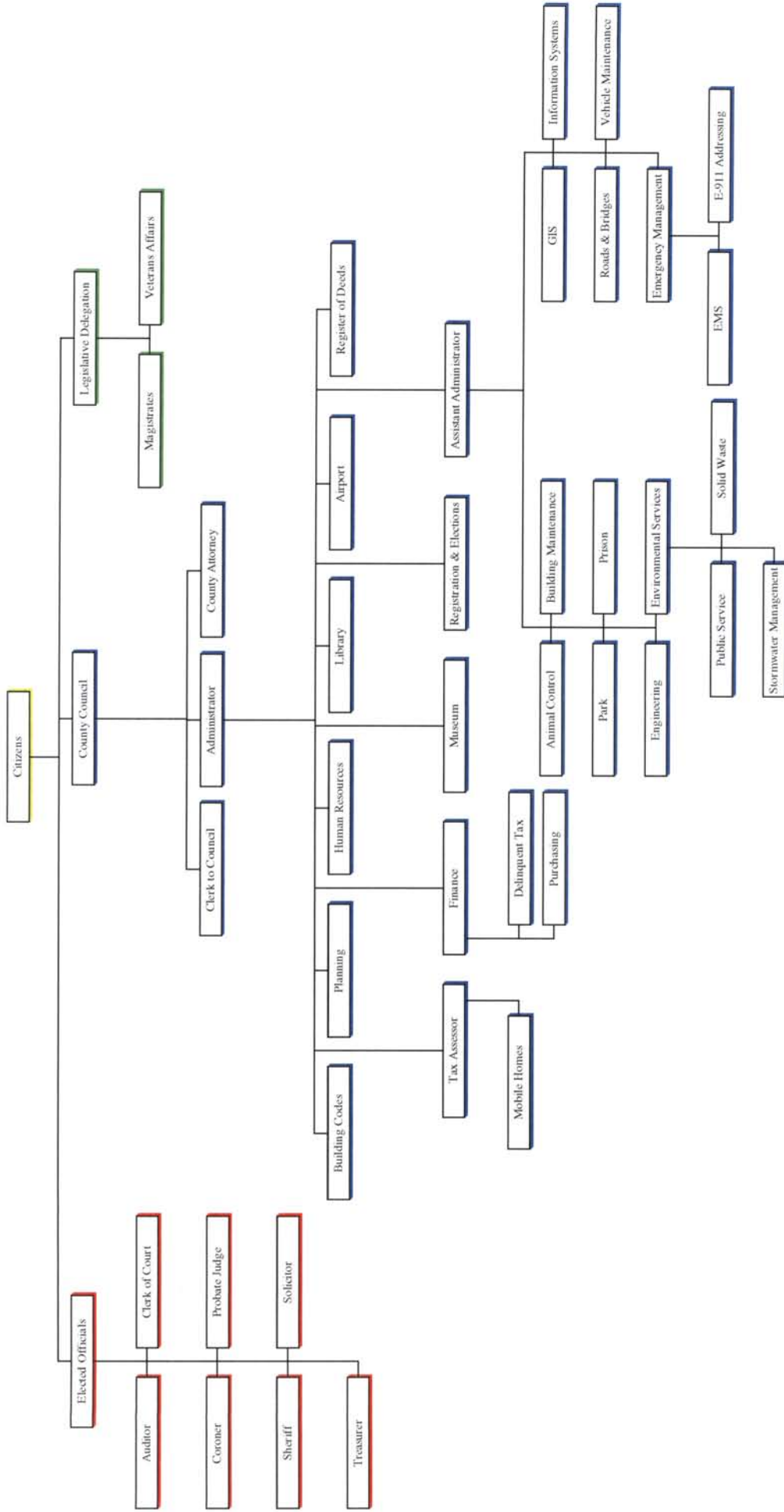
## **PICKENS COUNTY**

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- **Personnel Services** consist of wages, FICA, retirement, workers compensation, health, dental, and life insurance and overtime.
- **Supplies and Materials** consists of office supplies, advertising, printing, postage, software, dues, subscriptions, travel, safety items, fuel, repairs to equipment, small hand tools, food, uniforms, cleaning supplies, medical supplies, training, books, computer equipment, and minor equipment.
- **Contractual Services** consists of juror fees, electricity, heating fuel, landline telephones, data lines, cellular telephones, water and sewer, maintenance and service contracts, insurance, bonds, licenses, rent, and consulting services.
- **Other** consists of direct assistance to outside agencies and contingency expenditure.
- **Debt Service** consists of payments for principal and interest on capital leases, bonds, and other debt type instruments.
- **Capital** consists of tangible items with a life greater than two years and a cost of \$5,000 or more. Examples include vehicles, computer equipment, heavy equipment, buildings, land, copiers, etc.



# PICKENS COUNTY



**Pickens County, South Carolina  
Budget Calendar for Fiscal Year 2005 – 2006**

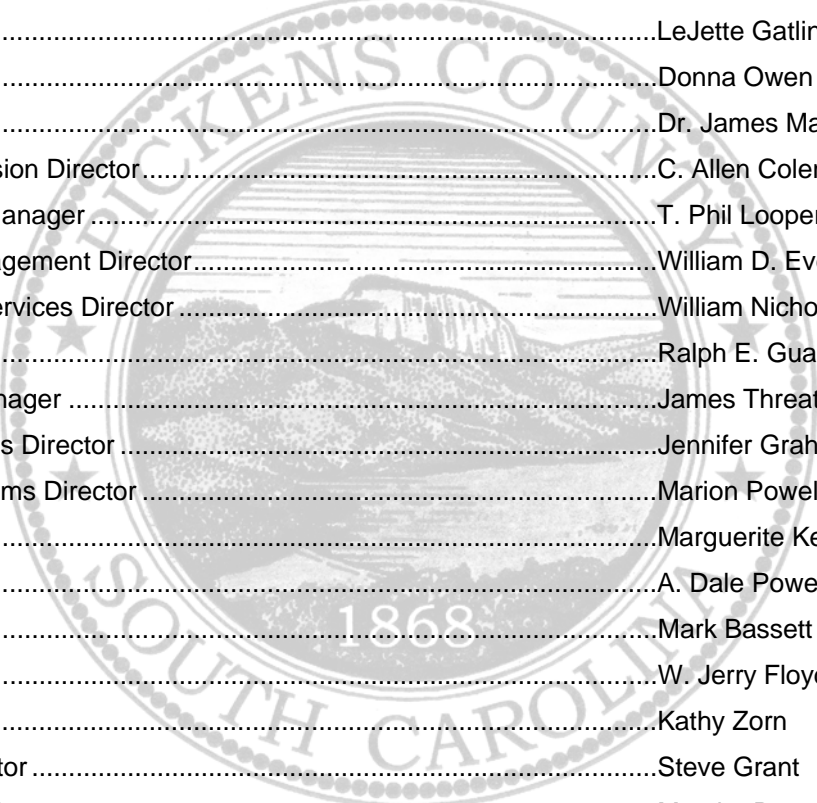


November 1, 2004	Presentation of budget calendar to County Council for adoption.
January 2005	County Council budgetary guidance to Administrator and Budget Committee.
January 10, 2005	Distribution of budget package sent to Elected and Appointed Officials and Department Heads.
January 10 – January 28	Budget requests prepared by individual departments; separated by personnel, operational and capital improvements.
January 28	Departments submit individual budget requests to Finance Department.
February 14	Finance Department submits departments' requests to Budget Committee.
February 25	Distribution of budget package to Agencies and Fire Districts.
February 14 – April 15	Budget Committee reviews and meets with departments to discuss budget requests.
March	Budget Committee completes preparation of revenue estimates for the new budget year with assistance from Department Heads and County Auditor.
March 25	Fire Districts and Agencies budget requests are due to Finance Department.
April	Submission of Administrator's budgetary recommendation to County Council and First Reading of Fiscal Year 2005 – 2006 budget.
April - June	County Council budget work session with Administrator and Budget Committee.
May	Notice of advertisement of Public Hearing to appropriate media.
May	Public hearing and Second Reading of budget.
June	Third Reading and adoption of Budget Ordinance.
June 1 – 30	Finance Department prepares account ledgers and payroll information.
July 1	Begin new fiscal year with implementation of adopted budget.



# PICKENS COUNTY

## Elected Officials and Administrative Staff



Administrator.....	Alan M. Ours
Airport Director.....	Josh Houston
Animal Control Director .....	Donnie Green
Assistant County Administrator .....	Lynn Fisher
Attorney .....	Kenneth S. Roper
Auditor .....	George Bryant
Building Maintenance Superintendent.....	Scott McCollum
Chief Building Official .....	John Pruett
Chief Magistrate.....	Dale Dalton
Clerk of Court.....	LeJette Gatlin
Clerk to Council .....	Donna Owen
Coroner .....	Dr. James Mahanes
Cultural Commission Director.....	C. Allen Coleman
Delinquent Tax Manager .....	T. Phil Looper
Emergency Management Director.....	William D. Evett
Environmental Services Director .....	William Nicholas
Finance Director .....	Ralph E. Guarino, Jr.
GIS Mapping Manager .....	James Threatt
Human Resources Director .....	Jennifer Graham
Information Systems Director .....	Marion Powell
Library Director .....	Marguerite Keenan
Park Director.....	A. Dale Powell
Planning Director .....	Mark Bassett
Prison Director .....	W. Jerry Floyd
Probate Judge .....	Kathy Zorn
Purchasing Director .....	Steve Grant
Registrar of Deeds.....	Marsha Reeves
Registration & Elections Director.....	Marilyn Bowers
Roads & Bridges Director .....	W. Troy Porter
Sheriff .....	C. David Stone
Solicitor.....	Robert M. Ariail
Tax Assessor .....	David Day
Treasurer .....	Dale Looper
Vehicle Maintenance Superintendent.....	Weldon Haynes
Veterans Affairs Officer .....	Charles R. Simmons

# COUNTY OF PICKENS

www.co.pickens.sc.us



COUNTY ADMINISTRATOR  
Alan M. Ours  
CLERK TO COUNCIL  
Donna F. Owen

## COUNCIL MEMBERS

JENNIFER H. WILLIS, Chairman  
G. NEIL SMITH, Vice-Chairman  
JAMES B. LONDON  
C. ROY COLLINS  
TOM E. PONDER  
BEN L. TROTTER

April 4, 2005

Honorable Jennifer H. Willis, Chairman  
Honorable G. Neil Smith  
Honorable James B. London  
Honorable C. Roy Collins  
Honorable Ben Trotter  
Honorable Tom Ponder

Dear Honorable Chairman and Council members:

Presented herein, for your review and consideration, is the recommended Fiscal Year 2005-2006 Budget for Pickens County. The proposed budget works to advance the goals of County Council and promotes Council's commitment to diversified economic development, a high quality of life, balanced growth and limiting the increase in taxes to the best extent possible. The proposed budget maintains County services at the current level and provides for the replacement of certain capital equipment that has exceeded their useful life.

Per Council's directive, a special effort was made to keep next year's expenditures in line with the current fiscal year. As will be seen from the proposed budget, the proposed increase can be attributed to items already committed to by Council such as, the full year cost of staffing and operating the new Hampton Memorial Library, the full year cost of staffing and operating the addition and renovation to the Detention Center, the full year cost of operating an expanded museum, the full year cost of the implementation of the compensation plan for County employees and inflationary increases in operational costs.

The proposed budget continues to support the mission of County government and Council's service priorities and goals for fiscal year 2005-2006, which are as follows:

### **Pickens County Council Vision**

Pickens County strives to be a community identified by an exceptional quality of life, superior public health and safety, diversified economic opportunity, and a thriving natural environment. The community will use collaboration and innovation to enhance the lives of those who live, work and play in Pickens County.

## **Pickens County Government Mission**

Pickens County Government is dedicated to providing timely, efficient, courteous and professional services to all citizens of Pickens County. The County will make decisions that promote the best interests of the greater community, and develop the resources, policies, plans and procedures to effectively address public needs. Pickens County Government will pursue and support those programs and projects that best uphold the priorities of Pickens County Council.

### **PICKENS COUNTY COUNCIL PROGRAM AND SERVICE PRIORITIES FISCAL YEAR 2005/2006**

Roads and Bridges  
Crime Protection  
EMS  
Fire Protection and Rescue Services  
Communication with Residents  
Animal Control Services  
Land Use Planning and Building Codes  
Economic Development  
Recycling Centers and Landfill  
Protection of Citizens' Property Rights  
Public Water and Sewer Services  
Natural Resources and Open Space  
Storm Water Drainage and Flood  
Fair and Competent Judicial System  
Job Development  
Library Services  
Management of Population Growth  
Pollution Prevention and Environmental Protection  
County Parks and Recreation  
Traffic Enforcement  
Minimize Growth of or Reduce Taxes  
Airport Maintenance and Expansion  
Internet Access to Government  
Community Health Services  
Historic Building Preservation  
Public Transportation

### **PICKENS COUNTY COUNCIL GOALS: FROM HIGHEST TO LOWEST PRIORITY FISCAL YEAR 2005/2006**

Develop a three-year CIP and operating budget  
Develop an annual salary review internal biannual salary range review  
Develop a CIP for long-range infrastructure plan  
Review the Animal Control department  
Begin the process of building a new Economic Development Park  
Build and maintain a better relationship with cities in the county

**PICKENS COUNTY COUNCIL GOALS:  
FROM HIGHEST TO LOWEST PRIORITY  
FISCAL YEAR 2005/2006**

- Evaluate DSO 304 and make any needed changes
- Develop Plans for land use and access to limited Natural resources
- Evaluate Solid Waste C & D including recycling
- Address stormwater management
- Extend fire protection to Crosswell, Six Mile and other outlying areas in the county
- Develop a strategic Economic Development plan
- Pave more roads
- Determine location for new EMS stations
- Explore land conservation
- Develop tourism plan for the county (cultural and natural)
- Locate Daniel transfer station
- Implement a plan for cross line analysis
- Coordinate county, state and cities' transportation needs
- Shift cost of sewer service to users through usage fees
- Explore realigning fire districts to better serve the county
- Review the capital plan for recreation parks
- Return to the elevated belt loader
- Build a new airport terminal
- Explore changing to millage for all fire districts
- Evaluate of vehicles in terms of their function
- Budget for a Christmas employee dinner
- Evaluate Litter control
- Limit the road user's fee to people 65 and under

The proposed budget for the General Fund for fiscal year 2006 is \$30,334,777, representing a 4.2% increase over the 2005 fiscal year approved budget. Department Heads were again challenged to minimize expenses and seek ways to be more efficient. In fact, in all funds a total of ten department budgets were decreased over the current fiscal year.

**BUDGET HIGHLIGHTS**

**General Fund**

The General Fund is used to account for the ordinary operations of the County that are financed from taxes, licenses and permits, intergovernmental, charges for services, fines, investment income and other sources. Basic government services, such as public safety, roads and bridges maintenance, culture and recreation, and legal services, are accounted for in this fund.

**Revenue**

The proposed revenue for the General Fund for fiscal year 2006 is \$31,444,100, representing an increase of 5.9% from fiscal year 2005. The projected revenue can be attributed to an estimated 3% growth in the tax base, a 33.3% increase in delinquent taxes, a 13.3% increase in Register of Deeds Fees, an 8.8% increase in Magistrate Court Fines and a 5.3% increase in EMS fees. An increase of 1.8 mills will also be necessary in the General Fund to meet the revenue requirements. Although the County has continued to experience strong growth in the residential tax base, the residential growth has been minimized by the continued decline in the manufacturing tax base and the gradual reduction in the assessed value on vehicles.

In fact since 2000, Pickens County has lost the equivalent of 1 tax mill in annual revenue from manufacturing facilities that have either closed or down sized their operations. Revenue from three new economic development projects in the County Commerce Park will not be realized until fiscal year 2007. A further erosion of the manufacturing base in the County will continue to have a negative effect on the annual revenue for the County.

In addition, due to the initiative by the General Assembly to reduce the assessment on vehicles, the County will lose approximately \$1,000,000 in annual revenue next fiscal year. This revenue down turn will continue to impact the budget until the assessment for vehicles is capped at six percent in 2007.

Table 1 outlines the percent change in General Fund Revenue from fiscal year 2005 to fiscal year 2006.

**Table 1.**

Revenue Source	FY 2005 Budget	FY 2006 Budget	% Change
Taxes	\$18,841,582	\$20,122,230	6.8
Licenses, Permits & Fees	613,500	604,300	(1.5)
Intergovernmental	5,393,552	5,420,982	.5
Charges for Services	3,941,990	4,372,988	10.9
Fines & Forfeitures	635,000	675,000	6.3
Investment Income	183,431	173,200	(5.9)
Rent	24,000	20,000	(20)
Contributions	1,300	1,300	-0-
Miscellaneous	46,500	54,100	16.3
Total	\$29,680,855	\$31,444,100	5.9

### **Personnel**

Personnel costs account for the largest expenditure of the budget, representing 55.7% of total budgeted expenditures. The proposed budget for all funds includes 594 employees, which represents 492 full-time employees and 102 part-time employees. This equates to a net increase of 7 employees. Requested budgets as submitted by departments included a total of 29 new full-time positions, 1 part-time position and a request for 8 reclassifications. The proposed budget includes the following new positions and position upgrades:

#### **PROPOSED NEW POSITIONS**

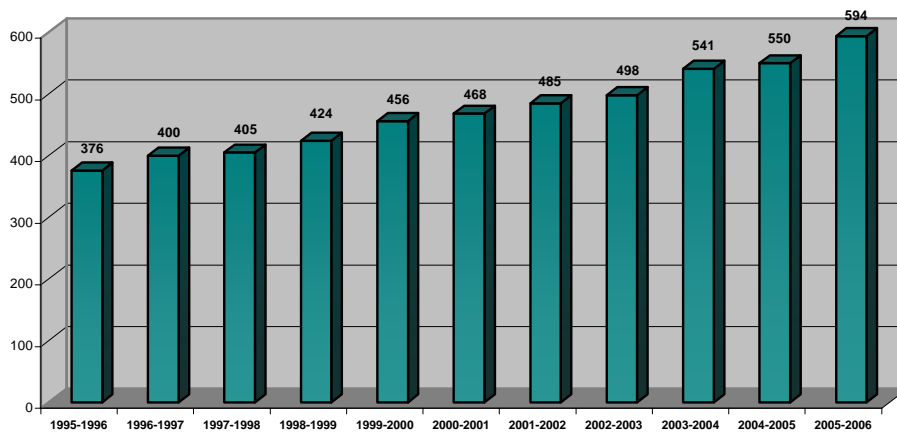
- 3-Paramedics to serve at the new Six Mile EMS station
- 3-Intermediate EMT's to serve at the new Six Mile EMS station
- 1-Part-time grass cutter at the Pickens County Airport (100 hours or less per year)
- 2-On call recycling attendants to fill in when attendants are sick (This represents a slot only. No additional funds are needed)
- 1-On call Solid Waste equipment operator (This represents a slot only. No additional funds are needed)
- Upgrade Office Assistant position in Emergency Management to 40 hours per week from 30 hours per week
- 2-Deputies funded from a Federal DUI Enforcement Grant

## PROPOSED DELETED POSITIONS

- 1-Temporary Assessor Mobile Home Lister
- 1-Temporary Assessor Property Lister

The majority of the new positions requested, but not recommended, are justified. Of those, two are worth noting. For the past several years the Human Resources Department has provided Risk Management Services. However, with the increased liability of potential risk and the need to protect the welfare of County employees, a risk manager is needed and justified. In addition, it has become more difficult for the Human Resources Department to serve to the needs of County employees and also manage the County's safety program. The County's Workers Compensation carrier has placed new reporting requirements on the County that will place an additional strain on Human Resources. In the last 10 years the number of County employees has grown by 55.6%, but the number of staff in Human Resources has stayed the same.

**Number of Employees 1995-2005**



A risk manager is critically important to the County to ensure that County employees operate safely and the public has safe facilities in which to conduct County business.

In addition, as the County continues to grow there is a need for an additional accountant to work in the Finance Department. Accountability of public funds is essential and more work needs to be done to provide internal audits and financial planning. As the County has grown the Finance Director has had to devote more time to accounting work and less time to managing the funds of the County.

The proposed budget does not include funding for a cost of living adjustment (COLA) or a merit increase for County employees. Due to revenue restraints this was not included in the budget.

The proposed budget does include \$5,000 for an Employee Suggestion Program. For suggestions that provide a tangible savings to the County, an employee will be rewarded with 1% of the first year's quantifiable benefit (not less than \$50 but not to exceed \$2,000).

The Roads and Bridges Director has announced his plans to retire in March 2006. The proposed budget includes funds to hire a new Director in September 2005 to provide an opportunity for succession planning with the new director shadowing the current director for six months. Due to the vast road system in Pickens County the opportunity for a new director to work with the current director for six months will prove to be invaluable.

## **Operational Expenditures**

Total budgeted General Fund expenditures equal \$30,334,777, an increase of 4.2% over fiscal year 2005. As was previously mentioned the main reason for the increase was in personnel services with the full year cost of new library staff, Detention Center staff and the implementation of the compensation plan. In total there is a 7% increase in personnel services over fiscal year 2005 and a 6.2% increase in operational expenditures.

Operational Expenses have increased in the areas of Food and Medical treatment for inmates, utilities, vehicle fuel, autopsies and maintenance and service contracts.

With the exception of areas that increased as a result of inflationary factors, increases in operational expenses were minimal. It should be noted that while the majority of County buildings are in good condition, the proposed budget does include \$55,000 to seal the roof at Emergency Management and Vehicle Maintenance and \$125,000 to repaint the Courthouse.

Due to fiscal constraints, the budget team diligently reviewed each departmental request and made every effort to either reduce the current level of funding or minimize increases in operational expenses. The budget eliminates approximately \$2 million in requested General Fund expenditures. The total budget for 10 departments was actually reduced below the fiscal year 2005 level.

## **Capital Items**

A total of 15 replacement vehicles and 6 new vehicles were requested. The six new vehicles are tied to a request for six new sheriff deputies, which are not included in the proposed budget. Each request to replace an existing vehicle is submitted to the Director of Maintenance for review. Of the 15 replacement vehicles that were requested, a total of 9 were recommended to be replaced.

In addition, the Public Safety depreciation program calls for a total of 10 law enforcement vehicles to be replaced next fiscal year and the replacement of 2 ambulances. The depreciation program funds vehicle depreciation each year and calls for patrol vehicles to be replaced at 150,000 miles and detective vehicles to be replaced at 100,000 miles. The detective vehicles are then transferred to administrative departments for further use.

The proposed budget also provides for the replacement of the Solid Waste Transfer Compactor (\$103,880), a Solid Waste walking floor trailer (\$55,000) and a Solid Waste Compactor (\$13,500) for the Table Rock Recycling Center.

## **Other funds**

### **Public Service Commission**

\$1,070,864 will be required to fund the continuation of the current operation. A subsidy of \$300,000 from the General Fund will be necessary next fiscal year to continue to provide sufficient operating revenue.

It should be noted that the Middle Regional Plant is nearing the 80% capacity mark due to the high rate of growth that continues to take place in the Town of Central. The current capacity of the plant is at 50%. Once the 80% capacity mark is reached, the South Carolina Department of Health and Environmental Control requires planning for a facility upgrade to take place immediately. The estimated cost to upgrade the facility is \$4 million.

At the time the proposed budget was being finalized, negotiations were still underway between the County, the Town of Central and the City of Liberty to develop a new Intergovernmental Wastewater treatment Agreement. Once the agreement is finalized the current sewer rates will need to be adjusted.

### **County Airport**

During budget discussions in 2004, County Council issued a directive to privatize the operations of the Airport. Efforts are still ongoing to contract with a fixed base operator for the Airport. Since it is uncertain when that process will be finalized, the Airport has been funded for the entire fiscal year, which will require a \$168,502 subsidy from the General Fund.

### **Tri-County Technical College**

The proposed budget includes \$993,113, which represents a 1.6% increase over fiscal year 2005. An amount of \$122,250 was included in the fiscal year 2004 budget as a one time appropriation to fund parking area renovations. The College requested the continuation of this funding in fiscal year 2005 and again this year to be placed into a reserve fund for future capital building projects, which is not being recommended. If Council did agree to fund this request, a millage adjustment of .4 would be necessary for the College.

### **Debt Service**

A total of \$2,201,333 is needed during fiscal year 2006 to retire debt. Payment will be made on the 1995 G.O. Bond, the 2002 Refunding G.O. Bond, the 2003 Library G.O. Bond, the state revolving fund loan, the dump truck replacement program and the new Georges Creek Loan.

### **Road Maintenance Fee**

It is estimated that the \$20 road maintenance fee will generate \$1,900,000 in fiscal year 2006. A portion of this revenue will be shared with the seven municipal governments located in Pickens County. The fee will be used to resurface County roads, pay for litter collection and replace County bridges.

### **Victim Advocate**

The proposed budget recommends \$200,676 for Victim Services. Revenues collected from court fines fund this division of the Sheriff's office. The division provides specialized services to individuals who have been victimized by criminal acts. The expenditures for next fiscal year exceed projected revenues by \$58,676. Of this amount \$24,022 is available in the fund balance for Victim Services and \$34,564 will need to be transferred from the General Fund. In future years, unless positions in Victim Services are eliminated, additional transfers from the General Fund will be necessary.

### **State Accommodations Tax**

It is estimated that \$44,650 will be available to fund local projects that promote tourism.



### **Emergency Telephone**

The proposed Fiscal Year 2006 budget for Emergency Telephone is \$904,192. \$600,000 is included in the budget to replace the Public Safety Answering Equipment. A capital lease is proposed to finance the installation of this equipment.

### **Local Accommodations Tax**

Pickens County receives approximately \$120,000 annually from a 1% local tourism fee. Revenues from this fee will be used for the payment of debt service on the County Museum expansion.

### **Fire Districts**

The proposed budget includes \$1,144,060 for the operation of seven fire districts in Pickens County. The following fire districts have requested an increase in fees.

Pickens \$ 5.00 Residential Fee Increase  
Liberty \$15.00 Residential Fee Increase

At the time this transmittal letter was written, five fire districts have not turned in their budget request. When we receive their budget request for FY 2006, we will send copies of these requests to Council during the budget work sessions.

### **Library**

The proposed budget for the County Library System continues the current operation at the three branch libraries and the full year funding for the Hampton Memorial Library. The proposed budget is \$2,700,203, which uses \$55,525 from the Library fund balance for one-time capital expenditures.

### **Summary of Funds**

Table 2 represents a summary of expenditures for all funds.

**Table 2. Budget Expenditures By Fund**

Fund Title	FY 2005 Budgeted Expenditures	Proposed FY 2006 Budgeted Expenditures
General Fund	\$29,110,925	\$30,334,777
Debt Service	2,107,246	2,201,333
Tri-County Tech	977,605	999,113
Library	2,173,945	2,700,203
Victim Advocate	217,842	200,676
Emergency Telephone	309,164	904,192
Fire Districts	3,839,787	1,144,060
State Accommodations Tax	44,650	44,650
Local Accommodations Tax	124,000	121,531
Road Maintenance Fee	1,725,039	1,826,040
Public Safety Vehicles	249,341	339,180
Recreation	285,000	312,534
Public Service Commission	2,076,814	1,490,141
Airport	1,292,751	349,002

## **Required Millage**

Reassessment will be implemented in 2005, which will affect the number of mills required for the operation of County government. As the assessed value in the County increases, the number of mills levied will decrease. The value of a mill will not be known until later this year after reassessment is completed. Additional tax revenue will be needed next fiscal year to balance the proposed budget. An amount of \$ 1,604,593 in additional tax revenue will be needed. Of this amount \$ 618,793 is projected in new growth and \$ 985,800 will be needed in additional millage. For comparison purposes, based on the current mill levy an additional 1.2 mills would be needed from those that reside in a municipality and 1.0 mill will be needed from those who live in the unincorporated area.

**Table 3. County Millage by Category**

COUNTY MILLAGE		
	FY 2005	FY 2006
County Operation	59.9	61.7
County Bond Indebtedness	6.0	4.1
Library	5.9	7.2
Tri-County Tech	3.0	3.0
Sewer Tax District	1.6	1.4
Total Mills	76.4	77.4

**Table 4. County Taxes by Category**

County Operations	246.80
Bonded Indebtedness	16.40
Library	28.80
Tri-County Tech	12.00
Sewer Tax District	5.60
Subtotal	309.60
1% Sales Tax Credit	(104.80)
Total	204.80

The above tables are for illustration purposes only to compare FY 2005 with FY 2006 without reassessment. Reassessment will change the number of mills levied and the tax charged to each property owner. Table 4 is based on what the owner of a home valued at \$100,000 would pay before reassessment.

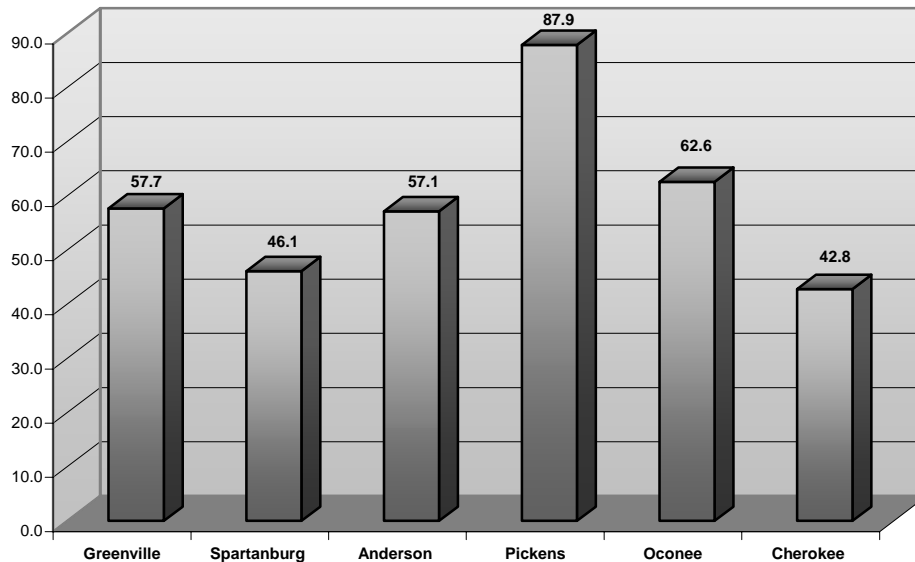
## **Conclusion**

The proposed budget for fiscal year 2006 provides funding to maintain the current level of service. Pickens County continues to be recognized as having an efficient, effective and conservative County government. For example, Pickens County has the tenth lowest millage rate of all South Carolina counties, which drops to the third lowest when the sales tax credit is applied. Historically, County Council has been conservative and has increased millage only when necessary.

The proposed budget increases for fiscal year 2006 reflect a continuation of existing services, the full year cost of additional personnel added in FY 2005 for the Library and Detention Center, the full year cost of the implementation of the compensation study and increased operational costs based on increases in the cost of goods and services.

Although Pickens County continues to be a desirable place for families to locate, new households also increase demand for existing services. Unfortunately, with the revenue loss from manufacturers and from the lower vehicle assessment, the additional revenue from new homes is not sufficient to meet the demands placed on County government.

**Percent Population Growth 1970-2000**



The proposed budget as outlined above provides for the continuation of existing services at the current level with the exception of the start-up of the new Six Mile EMS Station. Listed below are additional budgetary needs that should be considered by Council. Unless cuts are made in the proposed budget, every \$60,000 in additional expenditures will require an additional .2 mills of tax. Although Department Heads submitted very responsible budget requests for next fiscal year, the continued growth in the County places additional demand on some departments more so than others. While Department Heads recognize the fiscal constraints the County is under, their ability to continue to provide the same level of services has become more difficult. The proposed budget continues the current level of operations, with the exception of the Six Mile EMS Station, but does not address some important needs that departments have. The items listed below reflect a few of the priority needs of the Departments. While a cost of living adjustment and merit increase is not similar to a need of additional personnel or heavy equipment, they are included on the list due to the importance of maintaining a competitive work force.

**Departmental Needs**

COLA (1%)	\$201,766
Merit Increase (3%)	\$605,295
Risk Manager	\$ 45,237
Accountant	\$ 51,044
Code Enforcement Officer	\$ 68,706
Hagood Mill/Historic Site Manager	\$ 45,354

**Departmental Needs**

Museum Registrar/Educational Program Coordinator	\$ 39,238
Museum Preparator	\$ 26,168
Part-time Registrations & Elections Clerk	\$ 15,771
Public Information Officer	\$ 54,686
Implementation of Animal Control Task Force Recommendations	\$Unknown
Citizen Survey	\$ 15,000
Property Inventory	\$ 5,000
Pickens County Free Medical Clinic	\$ 50,000
Air Quality Program	\$ 25,500
3-EMS Paramedics	\$149,509
4-Prison Detention Officers	\$145,001
1-Prison Food Service Supervisor	\$ 38,788
Self-Propelled Shoulder Road Widener	\$150,000
Development of a County Fire Master Plan	\$ 75,000

County Council and Pickens County in general, will face new challenges in future budget years. More focus needs to be placed on planning for future growth and appropriate financial resources should be provided to accomplish this. Council should also give serious consideration to adopting a Capital Improvements Program (CIP) that will serve as a planning and budgetary tool to meet future Capital needs of the County. A proposed CIP will be presented to you during your budget deliberations. It will also be necessary to continue to support the efforts of Alliance Pickens to recruit new business and industry to Pickens County to provide jobs and increase the tax base. Without proper planning Pickens County will not be prepared to meet future challenges.

I am grateful for the tremendous effort made by Department Heads, Elected and Appointed officials in developing the recommended Fiscal Year 2006 Budget.

Special thanks go to Ralph Guarino, Steve Grant, Ashley Harris, Sheila Tinsley and the Finance staff for their assistance with and commitment to the budget preparation process. I stand ready to assist you in any way possible as you begin your deliberation for the Fiscal Year 2006 Budget.

Sincerely,

Alan M. Ours  
County Administrator

**First Reading:** April 4, 2005  
**Second Reading:** June 6, 2005  
**Public Hearing:** June 20, 2005  
**Third Reading:** June 20, 2005

**(STATE OF SOUTH CAROLINA)**

**(COUNTY OF PICKENS)**

**AN ORDINANCE TO PROVIDE FOR THE LEVY OF TAXES IN PICKENS COUNTY FOR ORDINARY COUNTY PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2005, AND ENDING JUNE 30, 2006, AND TO DIRECT EXPENDITURE THEREOF.**

Be it enacted by the County Council, Pickens County, South Carolina:

SECTION 1. A tax of so many mills as is necessary is hereby levied on all taxable property in Pickens County for ordinary County purposes for the fiscal year beginning July 1, 2005, and ending June 30, 2006, for the amounts and purposes hereinafter mentioned. The millage levy shall not exceed that number of mills necessary to raise the sums herein appropriated. After deducting the expected revenues herein stated, such millage shall be determined by the County Auditor, subject to the approval of a majority of the Pickens County Council. Furthermore, there is levied a tax of educational mills to provide approximately \$993,113 local funding for Tri-County Technical College and \$2,624,078 for the Pickens County Library System. All materials, equipment and supplies which are paid for from the public funds of the County, to be used by the County or any officer of any department thereof, shall be purchased by the Purchasing Department under the authority of the County Administrator. Purchases shall be in accordance with procedures outlined in the County Procurement Ordinance.

SECTION 2. The County operation appropriations have been detailed by the County Council into line-item accounts for each department. The detailed appropriation by account and budget narrative contained in this document is hereby adopted as a part of the Ordinance.

SECTION 3. No bills or claims against Pickens County shall be approved for payment and no check will be issued for same unless such bills or claims are properly itemized showing the supplies or articles purchased, the services rendered with the proper dates of such purchases and rendering of such services and duties, and bearing signature of person receiving such supplies or services.

SECTION 4. The County Administrator shall be authorized to expend up to five thousand dollars (\$5,000) from the Contingency Fund as a supplemental appropriation for a special purpose not anticipated when the original budget appropriation was approved.

SECTION 5. The County Administrator is permitted to transfer appropriations between object classification codes within departmental budgets. Unemployment insurance, capital and training may be transferred within object codes and between department and non-departmental accounts.

SECTION 6. All dependent boards, agencies, commissions, etc., fully or partially funded by Pickens County Council, are required to furnish a complete audit to County Council not later than six (6) months after the close of each individual fiscal year and to supply to the County Administrator, upon his request, any and all accounting records, reports and documents necessary for him and the County Council to supervise the financial condition of the County.

SECTION 7. All service charges, fees, fines, etc. received by County departments shall be deposited with the County Treasurer as soon as possible after collection, but in no case shall the time lapse between collection and depositing with the Treasurer exceed five (5) business days. These receipts shall be used to finance general obligations of the County and will not be returned to the various departments. Unexpended budgetary appropriations of and monies received by County departments and existing at the close of the fiscal year 2005 shall revert to the general fund of Pickens County.

SECTION 8. The County Council is authorized to carry forward unexpended funds in accounts existing at the end of June 30, 2006, to complete the purpose of the original appropriation approved by County Council for fiscal year 2006.

SECTION 9. The County Administrator, in consultation with the County Treasurer and based on financial conditions and cash flow considerations, shall determine the proper rate of disbursement of funds appropriated during the fiscal year.

SECTION 10. The Pickens County Planning Commission and Pickens County Economic Development Alliance, upon approval of County Council, may enter into agreements and contracts with governmental agencies or private concerns to accomplish authorized planning programs, studies and surveys, provided that the Commission shall have no authority to obligate County funds in excess of the amounts appropriated herein or authorized by County Council.

SECTION 11. The revenue generated by a separate levy of millage to provide \$1,746,343 is appropriated to defray the principal and interest payments on all County bonds and on any lease-purchase agreements authorized to cover other capital expenditures.

SECTION 12. Unexpended budgetary appropriations of and monies received by the County Recreation Department and existing at the close of fiscal year 2006 shall carry forward to the succeeding fiscal year 2007. The carry forward amount will be used for its intended purpose unless approved by the County Administrator.

SECTION 13. The standard mileage rate reimbursed to County employees for use of their personal vehicles will be equal to the amount set by the Internal Revenue Service.

SECTION 14. The rate reimbursed to County employees for meals during official County business will be breakfast \$12.00, lunch \$15.00 and dinner \$23.00.

SECTION 15. The revenue generated by a separate levy of millage on the unincorporated area to provide \$149,345 is appropriated to defray the principal and interest payments on the State Water Pollution Control Revolving Fund Loan for the 18 Mile Creek Middle Regional Wastewater Treatment Plant and Interceptor project.

SECTION 16. The rate charged for sewage treatment will be set at \$4.04 per thousand gallons of water usage and will be adjusted annually based on projected costs and revenues.

SECTION 17. The following fees and charges heretofore adopted by annual budget ordinance are hereby renewed with amendment for the fiscal year July 1, 2005 – June 30, 2006,

**Sheriff**

- Records Check \$5.00
- Civil Process \$15.00
- Sheriff's Sale Fee 7 ½% 1<sup>st</sup> \$500, 3% thereafter

**Probate Court**

- Marriage License \$35.00 (State \$20.00; County \$15.00)
- Marriage Ceremony \$25.00

**Road Maintenance Fee**

- Motorized Vehicles \$20.00 (exceptions are manufactured homes and any vehicle registered to a church that is authorized an exemption by the South Carolina Department of Revenue and Taxation)

**Storm water**

- Plan Review Fee \$100.00 per acre maximum \$2,000.00
- NDPES Fee No charge for sites less than 1 acre  
\$125.00 for sites greater than 1 acre

**Emergency Medical Services**

Base Rates

Basic Life Support	\$200.00
Advanced Life Support	250.00
Treatment - No Transport	100.00
D.O.A. Transport	100.00

Miscellaneous

Emergency Transport	\$ 50.00	Advanced Airway	\$ 50.00
Back-up Unit	100.00	Anti Shock Trousers	50.00
Return Trip	100.00	IV Therapy	50.00
Loaded Mileage	7.50/mile	Glucose Monitoring	10.00
Disposable BVM	45.00	E.K.G. Supplies	50.00
Spinal Immobilization	75.00	Cardiac Pacing	50.00
Splinting	50.00	Drug Therapy	15.00
Oxygen	50.00	Wheelchair	30.00 each way

**Mile Creek Park**

Parking Fee (Daily)	Visitor Camping Fee
\$3.00 per vehicle without a trailer	same as parking fee
4.00 per vehicle with a trailer	

Camping Fee (Pickens County Residents)
\$17.00 nightly
14.00 nightly for senior citizens (65 & up) and disabled

Camping Fee (Out of County Residents)
\$20.00 nightly
17.00 nightly for senior citizens (65 & up) and disabled

Off-Season Rate
\$12.00 nightly (November 1 - March 1)

**Registration and Elections**

Precinct and District Maps	Small - \$5.00	Large - \$15.00
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**Information Systems**

Cama Data (Microsoft Access Format)	\$ 60.00
Annual Lender Payment Files (ASCII Format)	\$250.00
Fees for County Hardcopy Report Products	
Report (Letter Size)	\$ .25 pg

**Tax Assessor**

Report (Letter Size)	\$ .25 pg
Cama and Website Printouts	\$ .25 pg

**Register of Deeds**

Microfilm (All Sizes)	\$ .75 pg
Photocopy	
Letter or Legal Size	\$ .50 pg
Ledger Size (11 x 17)	\$ 1.00 pg

**GIS Mapping**

Planimetric Layers, e.g. Streets, Hydrology	\$ 25.00
Topography – Digital Terrain Models	\$100.00
Parcel Layer	\$ 60.00
Black and White Digital Orthophotography	\$100.00
Black and White Digital Orthophotography (Single Tile)	\$ 5.00
True Color Digital Orthophotography	\$300.00
True Color Digital Orthophotography (Single Tile)	\$ 15.00
Color or High Density Plots of “Whole County” or Partial County Type Maps	
Letter or Legal Size	\$ 3.00
Ledger Size (11 x 17)	\$ 5.00
Large Format Paper (Greater than 11 x 17)	\$ 8.00
Color or High Density Plot of Tax Map	
Large Format only (30 x 36)	\$ 8.00
Copies From Existing Hardcopies (Aerials Included)	\$ .50 per square foot

**Planning Department**

Sign Application Fee	\$20.00
Billboard Sign Fees	
Initial permit fee for relocating an existing billboard	\$200.00
Annual renewal fee for billboards	\$100.00
Communications Tower Permit Fee	\$200.00
Site Plan Review Fee	\$40.00 minimum plus \$10.00 per 1,000 square feet of gross floor space over 2,000 square feet with a maximum of \$500.00
Junkyard Permit Fees	
Initial permit fee	\$125.00
Annual renewal permit fee	\$100.00
Sexually Oriented Business Fees	
Application fee	\$250.00
Annual License fee	\$1,000.00
Annual Employee Registration fee	\$500.00 per employee per year
Appeal fee	\$50.00
Variance Request Fee	\$50.00
Development Standards Ordinance	\$15.00
Pickens County Comprehensive Plan	\$20.00

**Miscellaneous**

Printer Generated Copies	
Letter or Legal Size	\$ .25 pg
Ledger Size (11 x 17)	\$ .50 pg
Photocopy	
Letter or Legal Size	\$ .25 pg
Ledger Size (11 x 17)	\$ 1.00 pg
Shipping / Handling	
Letter Size	\$ 2.00 plus postage
Large Envelope	\$ 3.00 plus postage
Tube Size	\$ 4.00 plus postage



**Building Codes**Residential

<u>Total Value</u>	<u>Fee</u>
\$1 - \$ 8,000	\$ 50.00
8,001 – 50,000	5.00 per \$1,000 value plus \$ 10.00
50,001 – 100,000	4.00 per \$1,000 value plus \$ 60.00
100,001 – 500,000	3.00 per \$1,000 value plus \$160.00
500,001 – 2,061,000	2.00 per \$1,000 value plus \$660.00

Commercial

<u>Total Value</u>	<u>Fee</u>
\$1 - \$ 8,000	\$ 50.00
8,001 – 50,000	5.00 per \$1,000 value plus \$ 10.00
50,001 – 100,000	4.00 per \$1,000 value plus \$ 60.00
100,001 – 500,000	3.00 per \$1,000 value plus \$160.00
500,001 – 2,061,000	2.00 per \$1,000 value plus \$660.00

Mobile Home

<u>Total Value</u>	<u>Fee</u>
\$1 - \$ 8,000	\$ 50.00
8,001 – 50,000	5.00 per \$1,000 value plus \$ 10.00
50,001 – 100,000	4.00 per \$1,000 value plus \$ 60.00
100,001 – 500,000	3.00 per \$1,000 value plus \$160.00
500,001 – 2,061,000	2.00 per \$1,000 value plus \$660.00

Decal Fee	\$5.00	Moving Permit	\$5.00
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**Vehicle Maintenance**

Hourly Maintenance Charge	\$30.00
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**Public Service Commission**

18-Mile Creek Basin Fee	\$1,860.00 per REU
Georges Creek Basin Fee	\$4,508.00 per REU

**Solid Waste**

Animal Waste 1	\$ 35.00 per ton
Animal Waste 2	\$ 5.00 each
Commercial Waste	\$ 35.00 per ton
Construction & Demolition (Business)	\$ 35.00 per ton
Concrete, Brick, Block, Rock, Dirt, Asphalt	No Charge
Creosote, Arsenic Treated Wood	\$ 35.00 per ton
Shingles	\$ 35.00 per ton
Incinerator Waste (Business)	\$ 17.50 per ton
Incinerator Waste (Residential)	No Charge
Residential Waste	No Charge
Construction & Demolition Waste (Residential)	No Charge up to 400 lbs
Tire 1	\$ 1.50 each
Tire 3	\$ 80.00 per ton

SECTION 18. Fire fees charged by the Rural Fire Protection Districts established by County Council are to remain at the existing level with the exception of Easley Fire District, Liberty Fire District, Dacusville Fire, and the Pickens Fire District. The new rates for these districts are noted below.

	Dacusville	Easley	Pumpkin town	Crosswell	Liberty	Pickens	Holly Springs	Central	Six Mile	Rocky Bottom
Dwelling 4% or 6%	55	62	75	86	50	35	40	52.50	51	40
Mobile Home 4% or 6%	55	62	75	86	50	35	40	52.50	51	40
Apartments (# of Units)	55	62	75	101	50	25	40	25	51	25
Saw Mill	55	250		181	150	120	160	100	51	100
Chicken Farms		80		101						
Commercial - per building										
0-3,000 s.f.	200	125	68	151		60	80	50	51	50
3,0001-6,000 s.f.	400	500	135	391		120	160	100	51	100
6,001-10,000 s.f.	600	500	270	391		230	320	200	51	200
10,001-20,000 s.f.	800	995		711		340	480	300	51	300
20,001-30,000 s.f.	900	995		711		450	640	400	51	400
30,001 + s.f.	1000	995		711		560	760	500	51	500
Commercial - per building										
0-5,000 s.f.					125					
5,001-10,000 s.f.					338					
10,001-25,000 s.f.					700					
25,001-50,000 s.f.					1,313					
50,001-75,000 s.f.					2,025					
75,001-100,000 s.f.					2,188					
100,001-125,000 s.f.					2,250					
125,001-150,000 s.f.					2,750					
150,001-175,000 s.f.					3,350					
175,001-200,000 s.f.					3,750					
200,001 + s.f.					4,000					

SECTION 19. A tax of so many mills as is necessary is hereby levied on all taxable property in the Shady Grove Fire District and in the Vineyards Fire District for respective fire district purposes for the fiscal year beginning July 1, 2005, and ending June 30, 2006, for the amounts and purposes hereinafter mentioned. The millage levy shall not exceed that number of mills necessary to raise the sums herein appropriated.

SECTION 20. Unexpended budgetary appropriations for capital expenditure in the General Fund existing at the close of fiscal year 2006 shall carry forward to the succeeding fiscal year 2007. The carry forward amount will be used for capital items approved at the discretion of Council.

**APPROVED UPON THIRD READING THIS THE \_\_\_\_ DAY OF JUNE 2005.**

\_\_\_\_\_  
Jennifer H. Willis, Chairman  
Pickens County Council

Attest:

\_\_\_\_\_  
Donna F. Owen, Clerk to Council

# PICKENS COUNTY

## EXEMPTIONS

Exemptions are provided by South Carolina law to qualified real property owners to reduce the value of property subject to taxation. Some of the more frequently used exemptions are:

**\*Homestead** – The first \$50,000 of the value of an owner-occupied residence is exempt for all legal residents of South Carolina who have resided in the state for at least one year on or before December 31 of the year prior to exemption and are one of the following:

- 65 on or before December 31, preceding the tax year in which you wish to claim exemption
- certified totally and permanently disabled by State or Federal agency
- legally blind
- at least 50 years of age when your spouse who was eligible for exemption died

**\*Legal Residence** – For all permanent residents of South Carolina, a four percent assessment ratio on an owner occupied legal residence applies.

**\*Widows** – Residences for qualified spouses of law enforcement officers or servicemen killed in action or 100% totally and permanently disabled service connected veterans are exempt.

**\*Disability** – Residences for all totally and permanently disabled or blind service connected veterans are exempt.

**\*Institutional** – All properties of non-profit organizations used for literary, scientific, educational and charitable purposes are exempt.

*\*Subject to approval by Auditor and Department of Revenue.*

## COMPUTING REAL PROPERTY TAXES

The following information is needed to compute property tax on a parcel:

- the appraised value as determined by the property appraiser
- the amount of the value which is not subject to the tax due to the application of exemptions
- the millage rate authorized by a taxing authority

<b>WITH HOMESTEAD</b>		<b>WITHOUT HOMESTEAD</b>
\$ 100,000	Appraised Property Value	\$ 100,000
50,000	Less Homestead Exemption	0
50,000	Adjusted Appraised Property Value	100,000
.04	Multiplied by the Legal Residence Assessment Ratio	.04
2,000	Total Assessment	4,000
	(Multiplied by the combined millage, for example, using the FY2005 adopted)	
.0659	County millage rate *	.0659
131.80	Total Property Tax Due for Pickens County	263.60
(52.40)	Less County Government Sales Tax Credit (before adjustment for reassessment) x Appraised Value (.001048 x 100,000)	(104.80)
<b>\$ 79.40</b>	<b>Tax Amount Due</b>	<b>\$ 158.80</b>

*\* Note: Does not include the following entities: Tri-County Technical College, Pickens County Library Systems, School District or those living in a public service district or municipality.*

## FISCAL POLICY

The overall goal of the County's fiscal policy is to establish and maintain effective management of the County's financial resources. Formal policy statements and major objectives provide the foundation for achieving this goal. In addition, the rationale, which led to the establishment of the fiscal policy statements, is also identified.

### BUDGETING

1. A comprehensive annual budget will be prepared for governmental and enterprise funds expended by the County.

**Rationale:** State law provides that "*County Council shall adopt annually and prior to the beginning of the fiscal year operating and capital budgets for the operation of County government and shall in such budgets identify the sources of anticipated revenue including taxes necessary to meet the financial requirements of the budgets adopted. Council shall further provide for the levy and collection of taxes necessary to meet all budget requirements except as provided for by other revenue sources.*" Inclusion of all funds in the budget enables the Council, the Administration, and the public to consider all financial aspects of County government when preparing, modifying, and monitoring the budget, rather than deal with the County's finances on a "piece meal" basis.

2. The budget will be prepared in such a manner as to facilitate its understanding by citizens and elected officials.

**Rationale:** One of the stated purposes of the budget is to present a picture of the County government operations and intentions for the year to the citizens of Pickens County. Presenting a budget document that is understandable to the citizens furthers the goal of effectively communicating local government finance issues to both elected officials and the public.

3. In addition to required public hearings, the Council will hold work sessions on the budget that will be open to the public.

**Rationale:** Work sessions provide all citizens with a forum for meaningful participation in the budget process. Work sessions enable citizens to obtain an understanding of the budget that cannot be acquired by the document itself, to provide public input to the proposed budget, and to monitor the Council's changes to the proposed budget.

4. Copies of the proposed budget will be made available to citizens and elected officials prior to the work sessions.

**Rationale:** Providing citizens with copies of the proposed budget in advance of the work sessions enables the public to become better informed on the issues facing the Council and Administration during the budget work sessions.

5. Budgetary emphasis will focus on providing those basic County services which provide the maximum level of services, to the most citizens, in the most cost effective manner, with due consideration being given to all costs--economic, fiscal, and social.

**Rationale:** Adherence to this basic philosophy provides the citizens of Pickens County assurance that its government and elected officials are responsive to the basic needs of the citizens and that its government is operated in an economical and efficient manner.

6. The budget will provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement.

**Rationale:** All governments experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital, plant, and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of the need for adequate maintenance and replacement of capital, plant, and equipment, regardless of the economic conditions, will assist in maintaining the government's equipment and infrastructure in good operating condition.

7. The County will estimate revenues in a realistic and conservative manner.

**Rationale:** Aggressive revenue estimates significantly increase the chances of budgetary shortfalls occurring during the year--resulting in either deficit spending or required spending reductions. Realistic and conservative revenue estimates, on the other hand, will serve to minimize the adverse impact of revenue shortfalls and will also reduce the need for mid-year spending reductions.

8. The County will give highest priority in the use of one-time revenues to the funding of capital assets or other non-recurring expenditures.

**Rationale:** Utilizing one-time revenues to fund on-going expenditures results in incurring annual expenditure obligations, which may be unfunded in future years. Using one-time revenues to fund capital assets or other non-recurring expenditures better enables future administrations and councils to cope with the financial problems when these revenue sources are discontinued, since these types of expenditures can more easily be eliminated.

9. The County will maintain a budgetary control system to help it adhere to the established budget.

**Rationale:** The budget passed by the Council establishes the legal spending limits for the County. A budgetary control system is essential in order to ensure legal compliance with the County's budget.

10. The County will exercise budgetary control (maximum spending authority) through County Council approval of appropriation authority for each appropriated budget department.

**Rationale:** Exercising budgetary control assists the Council in monitoring current year operations and acts as an early warning mechanism when departments deviate in any substantive way from the original budget.

11. Reports comparing actual revenues and expenditures to budgeted amounts will be prepared monthly.

**Rationale:** The County's budget is ineffective without a system to regularly monitor actual spending and revenue collections with those anticipated at the beginning of the year. Monthly reports comparing actual revenues and expenditures to budget amounts provide the mechanism for the Council and the Administration to regularly monitor compliance with the adopted budget.

REVENUES

1. The County will seek to maintain a diversified and stable revenue base.

**Rationale:** A County dependent upon a few volatile revenue sources is frequently forced to suddenly adjust tax rates or alter expenditure levels to coincide with revenue collections. Establishment of a diversified and stable revenue base, however, serves to protect the County from short-term fluctuations in any one major revenue source.

2. The County will pursue an aggressive policy of collecting revenues.

**Rationale:** An aggressive policy of collecting revenues will help to ensure the County's revenue estimates are met, all taxpayers are treated fairly and consistently, and delinquencies are kept to a minimum.

3. The County will aggressively pursue opportunities for Federal or State grant funding.

**Rationale:** An aggressive policy of pursuing opportunities for Federal or State grants provides citizens assurance that the County is striving to obtain all state and federal funds to which it is entitled--thereby reducing dependence upon local taxpayers for the support of local public services.

4. Users fees and charges will be used, as opposed to general taxes, when distinct beneficiary populations or interest groups can be identified.

**Rationale:** User fees and charges are preferable to general taxes because user charges can provide clear demand signals, which assist in determining what services to offer, their quantity, and their quality. User charges are also more equitable, since only those who use the service must pay--thereby eliminating the subsidy provided by nonusers to users, which is inherent in general tax financing.

5. User fees will be collected only if it is cost-effective and administratively feasible to do so.

**Rationale:** User fees are often times costly to administer. Prior to establishing user fees, the costs to establish and administer the fees will be considered in order to provide assurance that the County's collection mechanisms are being operated in an efficient manner.

EXPENDITURES

1. On-going expenditures will be limited to levels, which can be supported by current revenues.

**Rationale:** Utilization of reserves to fund on-going expenditures will produce a balanced budget; however, this practice will eventually cause severe financial problems. Once reserve levels are depleted, the County would face elimination of on-going costs in order to balance the budget. Therefore, the funding of on-going expenditures will be limited to current revenues.

2. Minor capital projects or recurring capital projects, which primarily benefit current residents, will be financed from current revenues.

**Rationale:** Minor capital projects or recurring capital projects represent relatively small costs of an on-going nature, and therefore, should be financed with current revenues rather than utilizing debt financing. This policy also reflects the view that those who benefit from a capital project should pay for the project.

3. Major capital projects, which benefit future as well as current residents, will be financed with revenues as well as other financing sources (e.g. debt financing).

**Rationale:** This policy reflects the view that those who benefit from a capital project should pay for the project.

4. Major capital projects, which benefit future residents, will be financed with other financing sources (e.g. debt financing).

**Rationale:** Major capital projects represent large expenditures of a non-recurring nature, which primarily benefit future residents. Debt financing provides a means of generating sufficient funds to pay for the costs of major projects. Debt financing also enables the costs of the project to be supported by those who benefit from the project, since debt service payments will be funded through charges to future residents.

5. Construction projects and capital purchases of \$ 25,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$ 25,000 will be included in the regular operating budget.

**Rationale:** The Capital Improvement Plan (CIP) differentiates the financing of high cost long-lived physical improvements from low cost "consumable" equipment items contained in the operating budget. CIP items may be funded through debt financing or current revenues while operating budget items are annual or routine in nature and should only be financed from current revenues.

#### **DEBT MANAGEMENT**

1. The County will limit long-term debt to capital improvements, which cannot be financed from current revenues.

**Rationale:** Incurring long-term debt serves to obligate future taxpayers. Excess reliance on long-term debt can cause debt levels to reach or exceed the government's ability to pay. Therefore, conscientious use of long-term debt will provide assurance that future residents will be able to service the debt obligations left by former residents.

2. The County will repay borrowed funds, used for capital projects, within a period not to exceed the expected useful life of the project.

**Rationale:** This policy reflects the view that those residents who benefit from a project should pay for the project. Adherence to this policy will also help prevent the government from over-extending itself with regard to the incurrence of future debt.

3. In accordance with State law, the County will not issue general obligation bonds for any purpose in an amount, which, with all general obligation bonds outstanding and unpaid indebtedness, will exceed 8% of the taxable value of the property therein subject to taxation, to be ascertained by the last assessment for County taxes.

**Rationale:** Article X, Section 14 of the Constitution of the State of South Carolina, 1895 places this restriction on counties.

4. The County will not use long-term debt for financing current operations.

**Rationale:** This policy reflects the view that those residents who benefit from a service should pay for the service. Utilization of long-term debt to support current operations would result in future residents supporting services provided to current residents.

5. Pickens County will adhere to a policy of full public disclosure with regard to the issuance of debt.

**Rationale:** Full public disclosure with regard to issuance of debt provides assurance that the incurrence of debt, for which the public is responsible, is based upon a genuine need and is consistent with underwriter's guidelines.

## **RESERVES**

1. Reserves will be established for funds, which are not available for expenditure or are legally segregated for a specific use, in accordance with Governmental Accounting and Financial Reporting Standards (GAFR).

**Rationale:** The County's policy is to manage and account for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). This policy is consistent with GASB requirements.

2. The County will maintain one undesignated general fund reserve. The undesignated reserve will be used for: cash flow requirements, equipment acquisition and replacement, and to enable the County to meet unexpected expenditure demands or revenue shortfalls.

The undesignated general fund reserve will be between 10% and 15% of the current year operating budget, excluding capital items. When the undesignated general fund reserve is projected to decrease below 10% of the general fund budget, the Administrator shall initiate one of the following measures to ensure that the year-end general fund balance for the budget year in question does not fall below 10%:

- Generate additional revenue
- Hiring freeze on non-critical positions
- Reduce expenditures through a budget cut

When the undesignated fund balance of the general fund is projected to increase above 15% of the general fund budget, the Council may use funds to fund the following items:

- One-time capital expenditures, which do not increase ongoing County costs
- Other one-time costs
- Unexpected expenditure demands or revenue shortfalls

**Rationale:** Property taxes represent the County's primary source of general fund revenue. Property taxes are collected beginning in October of each fiscal year. Since the County's fiscal year begins July 1<sup>st</sup>, the County must maintain an adequate cash balance in order to meet its expenditure obligations between July 1<sup>st</sup> and the commencement of the collection of property taxes in October.

The County is subject to revenue shortfalls and unexpected expenditure demands during the fiscal year. An undesignated general fund reserve will be maintained to offset these revenue shortfalls or meet unexpected demands occurring during the year, without suddenly increasing revenues or reducing expenditures.



ACCOUNTING AND FINANCIAL REPORTING

1. The County will manage and account for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB).

**Rationale:** GASB is recognized as the authority with respect to governmental accounting. Managing the County's finances in accordance with GAAP and in accordance with the rules set forth by GASB, provides Pickens County citizens assurance that their public funds are being accounted for in a proper manner.

2. The County will maintain its accounting records for general governmental operations on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when services or goods are received and liabilities incurred. Accounting records for proprietary fund types and similar trust funds will be maintained on an accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash.

**Rationale:** Adherence to this policy will enable the County to prepare its financial statements in accordance with Generally Accepted Accounting Principles as set forth by the Governmental Accounting Standards Board.

3. The County will ensure the conduct of timely, effective, and annual audit coverage of all financial records in compliance with the Local, State, and Federal law.

**Rationale:** Audits of the County's financial records provide the public assurance that its funds are being expended in accordance with Local, State, and Federal law and in accordance with Generally Accepted Accounting Principles. Audits also provide management and the Council with suggestions for improvement in its financial operations from independent experts in the accounting field.

4. Pickens County will maintain a policy of full and open public disclosure of all financial activity.

**Rationale:** Full and open public disclosure of all financial activity provides the public with assurance that its elected officials and administrator communicate fully all financial matters affecting the public.