

ORDINANCE NO. 2606

**TO RAISE REVENUE FOR THE CITY OF SUMTER, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDING JUNE 30, 2019**

BE IT ORDAINED by the Mayor and Council of the City of Sumter, South Carolina, this 19th day of June, 2018, in Council duly assembled and by the authority of same:

SECTION 1. Pursuant to Section 5-13-90(2) of the South Carolina Code of Laws of 1976, as amended (the "South Carolina Code"), the City Manager of the City of Sumter, South Carolina (the "City"), has prepared and presented to this meeting a budget for the fiscal year beginning July 1, 2018, and ending June 30, 2019 (the "Fiscal Year 2019 Budget"). A copy of the Fiscal Year 2019 Budget has been provided to the City Council of the City (the "Council") and is incorporated herein by reference.

SECTION 2. Pursuant to Section 6-1-80 of the South Carolina Code, notice of a public hearing on the Fiscal Year 2019 Budget was published in *The Item*, a newspaper of general circulation in the City, on April 27, 2018. The form of the published notice is attached hereto.

SECTION 3. Pursuant to Section 5-13-30(3) of the South Carolina Code, the Council has the authority and responsibility to approve the annual budget for the City. The Fiscal Year 2019 Budget as presented is hereby approved in accordance with its terms. The information as set forth in Exhibit A, Exhibit B and Exhibit C is attached hereto and made a part hereof.

SECTION 4. For the fiscal year ending June 30, 2018 the City levied an *ad valorem* property tax in the amount of 102 mills, comprising 98 mills for operational purposes and 4 mills for the payment of debt service on general obligation indebtedness of the City. Pursuant to Section 6-1-320(A) of the South Carolina Code, the City "may increase the millage rate imposed for general operating purposes above the rate imposed for such purposes for the preceding tax year only to the extent of the increase in the average of the twelve monthly consumer price indexes for the most recent twelve-month period consisting of January through December of the preceding calendar year, plus, beginning in 2007, the percentage increase in the previous year in the population of the [City]." The City Manager, with the advice of the Revenue and Fiscal Affairs Office of the State of South Carolina, has determined that the maximum permitted increase in the City's operating millage for the fiscal year ending June 30, 2019, is 2.13%. Pursuant to Section 6-1-320(D), however, the millage limit "does not affect millage that is levied to pay bonded indebtedness or payments for real property purchased using a lease-purchase agreement or used to maintain a reserve account."

SECTION 5. In order to raise revenues and defray expenses as presented in the Fiscal Year 2019 Budget, the Council hereby ordains that an *ad valorem* property tax at the millage rate hereinafter stated to cover the period from the first day of July A.D. 2018, to the 30th day of June A.D. 2019, both inclusive, for the sums and in the manner hereinafter mentioned, is and shall be levied, collected and paid into the Treasury of Sumter County, South Carolina, for the credit to the City of Sumter, South Carolina, for the use and service thereof. The millage rate for such *ad valorem* property tax shall be 98 mills for operational purposes (representing a 0% increase) and 4 mills (representing a 0% increase) for the payment of general obligation indebtedness of the City. Such millage rate shall be applied to the value of all real estate and personal property of every description owned and used in the City of Sumter, South Carolina, except such as is exempt from taxation under the Constitution and law of the State of South Carolina.

SECTION 6. The Council hereby finds and determines, as a fact and after appropriate investigation, as follows:

- a) The Fiscal Year 2019 Budget appropriates sufficient revenues within the Enterprise Funds to pay the principal of and interest on all bonds secured by revenues of the Enterprise Funds as and when they become due and payable in one or more bond and interest redemption funds.
- b) The Fiscal Year 2019 Budget appropriates sufficient revenues within the Enterprise Funds to provide for the payment of all expenses of administration and operation of the City's enterprise system, as well as such expenses for maintenance as may be necessary to preserve the City's enterprise system in good repair and working order. These appropriations are made to the Water and Sewer Fund into multiple accounts, organized by department and line items, that collectively serve as the "operation and maintenance fund."
- c) The City maintains within its Enterprise Funds a designated account described as the "Capital Reserve Account" that is restricted for purposes of funding depreciation and therefore serves as the "depreciation fund." As of April 30, 2018, the amount on deposit in the Capital Reserve Account was in excess of \$5.5 million. The Fiscal Year 2019 Budget appropriates an additional \$250,000 to the Capital Reserve Account. In addition, the Fiscal Year 2019 Budget appropriates through multiple line items in excess of \$660,000 to fund capital improvements to depreciating infrastructure. Upon advice of the Assistant City Manager for Public Services, and as supported by capital improvement plans prepared by the City's engineers, the Council hereby finds and declares such appropriations to be sufficient (together with the existing balance in the Capital Reserve Account) to build up a reserve for depreciation of the City's enterprise system. These amounts collectively serve as the "depreciation fund."
- d) The City maintains within its Enterprise Funds a designated account described as the "Contingency Account." As of April 30, 2018, the amount on deposit in the Contingency Account was in excess of \$2 million. Upon advice of Assistant City Manager for Public Services, and as supported by analyses of the enterprise system's current physical condition as prepared by the City's engineers, the Council hereby finds and declares such amount to be a sufficient reserve for improvements, betterments, and extensions to the City's enterprise system, other than those necessary to maintain it in good repair and working order as provided above. Therefore, the Fiscal Year 2019 Budget appropriates no additional funds to the Contingency Account.
- e) After giving effect to the transfers described above, the budgeted revenues for the enterprise system exceed the budgeted expenses for the enterprise system by an amount of not less than \$1,923,203. Accordingly, the Council hereby determines and finds, as a fact and based on the information described above, that the amount of \$1,923,203 shall be considered surplus revenues of the Enterprise System and are hereby budgeted for discretionary transfer to the General Fund.
- f) Pursuant to Resolution 413, entitled "A Resolution Establishing Guidelines for the Transfer of Funds from the Water and Sewer Fund to the General Fund of the City of Sumter, South Carolina," and adopted on May 1, 2007, the Council hereby finds and determines, as a fact, that exigent circumstances exist, namely in the form of significantly increased expenses resulting from sources other than inflation or new service programs (including, without limitation, for pension fund contributions, health insurance premiums, and OPEB amortization), and revenue increases that have not been sufficient to offset such increased expenses. Therefore, with respect to Fiscal Year 2019 only, the

aggregate amount of discretionary transfers from the Utility Fund to the General Fund (exclusive of indirect cost recoveries) shall not exceed 8.5% of the gross revenues of the Utility Fund for such fiscal year.

SECTION 7. The billing dates, the penalty dates, and the amount of penalty which shall be levied for delinquent taxes shall be the same as those established by Sumter County, South Carolina, pursuant to State Law.

SECTION 8. The City Manager shall administer the budget and may authorize the following to achieve the goals of this budget.

1. *Authorize the transfer of appropriated funds within and between Departments and Funds as necessary.*
2. *Controls shall be made by Fund Appropriation.*
3. *Designate continuing projects from Fund Balances.*

SECTION 9. If for any reason any sentence, clause, or provision of this Ordinance shall be declared invalid, such shall not affect the remaining provisions hereof.

DONE AND RATIFIED IN COUNCIL ASSEMBLED THIS 19TH DAY OF JUNE, 2018.

CITY OF SUMTER, SOUTH CAROLINA

Joseph T. McElveen, Jr., Mayor

Thomas J. Lowery, Mayor Pro Tem

Robert A. Galiano, Jr., Councilman

Ione J. Dwyer, Councilwoman

Calvin K. Hastie, Sr., Councilman

David P. Merchant, Councilman

Steven H. Corley, Councilman

ATTEST:

Linda D. Hammett, City Clerk

First Reading: June 5, 2017
Final Reading: June 19, 2017

ATTACHMENT TO ORDINANCE NO.

EXHIBIT A: BUDGET 2019 REVENUES AND EXPENDITURES SUMMARY

	General Fund	Enterprise Funds	Accommodations Fund	Hospitality Fund	Victims Assistance	Total Budget
Revenues and Other Financing Sources						
Property Taxes (Includes TIF)	14,092,269	-	-	-	-	14,092,269
Licenses, Permits and Franchise Fees	9,544,167	-	-	-	-	9,544,167
Local Accommodation Fees	-	-	555,000	-	-	555,000
Local Hospitality Fees	-	-	-	2,707,046	-	2,707,046
Intergovernmental Revenue						
State government	928,069	-	-	-	-	928,069
Local government	4,685,664	-	-	-	-	4,685,664
Charges for Services						
Water and Sewer	-	22,625,912	-	-	-	22,625,912
Stormwater	-	733,078	-	-	-	733,078
Sanitation Fees and Container Rentals	2,894,300	-	-	-	-	2,894,300
Rents and Other	695,900	-	-	-	-	695,900
Fines, Fees and Forfeitures	279,000	-	-	-	45,000	324,000
Interest Income	50,000	-	-	-	-	50,000
Other Financing Sources						
Transfers In	3,626,174	-	-	-	-	3,626,174
Sale of Capital Assets	200,000	-	-	-	-	200,000
Capital Lease Proceeds	1,270,000	-	-	-	-	1,270,000
Appropriation from Fund Balance	1,100,000	332,920	-	800,000	53,578	2,286,498
Total Revenues and Other Sources	39,365,543	23,691,910	555,000	3,507,046	98,578	67,218,077
Expenditures/Expenses						
General Government (Includes TIF)	4,421,840	-	-	-	-	4,421,840
Public Safety	21,112,438	-	-	-	98,578	21,211,016
Public Works	6,785,857	-	-	-	-	6,785,857
Parks and Gardens	1,877,525	-	-	800,000	-	2,677,525
Culture and Recreation	1,216,193	-	137,625	-	-	1,353,818
Economic Development	1,375,223	-	-	1,066,778	-	2,442,001
Water and Sewer	-	18,944,069	-	-	-	18,944,069
Stormwater	-	733,078	-	-	-	733,078
Principal Retirement Bonds and Notes	699,707	-	-	-	-	699,707
Principal Retirement Capital Leases	1,265,094	-	-	-	-	1,265,094
Interest and Fiscal Charges	217,166	1,841,560	-	-	-	2,058,726
Reserves	326,000	250,000	-	-	-	576,000
Transfers to Other Funds	68,500	1,923,203	417,375	1,640,268	-	4,049,346
Total Expenditures and Other Uses	39,365,543	23,691,910	555,000	3,507,046	98,578	67,218,077

EXHIBIT B: DETAIL OF 2019 BUDGETED EXPENDITURES

GENERAL GOVERNMENT

Acct. #	Department	
110.41.411	Administration	
	Compensation and benefits	1,902,265
	Operating	469,467
	Indirect cost allocation	(730,580)
	Capital	-
	Total	<u>1,641,152</u>
110.41.414	Planning	
	Compensation and benefits	852,255
	Operating	20,350
	Indirect cost allocation	(7,028)
	Capital	-
	Total	<u>865,577</u>
110.41.416	Business License	
	Compensation and benefits	185,347
	Operating	44,650
	Capital	-
	Total	<u>229,997</u>
	Non-departmental	
110.41.417	Liberty Center	38,000
110.48.481	Appropriation to other agencies	309,290
110.49.491	General insurance	625,000
110.49.493	Other post employment benefits	863,854
110.49.491	Computer maintenance	240,000
110.49.491	Other non-departmental operating	324,500
110.49.491	Capital Lease Principal	55,042
110.49.491	Capital Lease Interest	24,035
110.49.491	Contingency	326,000
110.49.491	Indirect cost allocation	(659,412)
	Total	<u>2,146,309</u>
	Total General Government-General Fund	4,883,035

EXHIBIT B: DETAIL OF 2019 BUDGETED EXPENDITURES

PUBLIC SAFETY

110.42.421	Police	
	Compensation and benefits	8,234,390
	Operating	1,544,883
	Indirect cost allocation	(81,651)
	Capital	394,658
	Total	10,092,280
110.42.422	Police Joint Shared	
	Compensation and benefits	1,788,108
	Operating	391,969
	Indirect cost allocation	(17,522)
	Capital	-
	Total	2,162,555
110.42.423	Fire	
	Compensation and benefits	6,122,907
	Operating	622,240
	Indirect cost allocation	(63,473)
	Capital leases principal	533,653
	Capital leases interest	31,502
	Capital	594,320
	Total	7,841,149
110.42.425	Building Inspections	
	Compensation and benefits	759,712
	Operating	154,261
	Capital	-
	Total	913,973
110.42.426	Codes Enforcement	
	Compensation and benefits	375,984
	Operating	40,750
	Capital	43,360
	Total	460,094
110.42.428	Municipal Court	
	Compensation and benefits	95,092
	Operating	112,450
	Capital	-
	Total	207,542
	Total Public Safety-General Fund	21,677,593

EXHIBIT B: DETAIL OF 2019 BUDGETED EXPENDITURES

PUBLIC WORKS

110.41.413	City Warehouse	
	Compensation and benefits	113,709
	Operating	14,820
	Indirect cost allocation	(39,600)
	Capital	-
	Total	88,929
110.43.432	Construction	
	Compensation and benefits	686,932
	Operating	66,800
	Indirect cost allocation	(122,097)
	Capital	71,000
	Total	702,635
110.43.433	Public Works Maintenance	
	Compensation and benefits	567,168
	Operating	770,458
	Indirect cost allocation	(239,146)
	Capital leases principal	122,764
	Capital leases interest	9,639
	Capital	326,235
	Total	1,557,118
110.43.434	Sanitation	
	Compensation and benefits	1,676,661
	Operating	1,033,500
	Indirect cost allocation	-
	Capital leases principal	553,635
	Capital leases interest	32,678
	Capital	565,000
	Total	3,861,474
110.43.435	Vehicle Maintenance	
	Compensation and benefits	105,951
110.49.491	Maintenance contract	1,199,885
	Operating	30,640
	Indirect cost allocation	(42,059)
	Capital	-
	Total	1,294,417
	Total Public Works-General Fund	7,504,573

EXHIBIT B: DETAIL OF 2019 BUDGETED EXPENDITURES

PARKS AND GARDENS

110.44.441	Parks	
	Compensation and benefits	849,853
	Operating	299,200
	Indirect cost allocation	(43,689)
	Capital leases principal	-
	Capital leases interest	-
	Capital	-
	Total	1,105,364
110.44.442	Gardens	
	Compensation and benefits	507,561
	Operating	264,600
	Capital	-
	Total	772,161
	Total Parks and Gardens-General Fund	1,877,525

CULTURE AND RECREATION

110.45.451	Palmetto Tennis Center	
	Compensation and benefits	423,330
	Operating	161,860
	Capital	-
	Total	585,190
110.45.452	Aquatics	
	Compensation and benefits	296,853
	Operating	70,750
	Capital	-
	Total	367,603
110.45.458	Opera House	
	Compensation and benefits	-
	Operating	263,400
	Capital	-
	Total	263,400
	Total Culture and Recreation-General Fund	1,216,193

EXHIBIT B: DETAIL OF 2019 BUDGETED EXPENDITURES

ECONOMIC DEVELOPMENT

110.41.412	Downtown Program	
	Compensation and benefits	553,024
	Operating	108,588
	Capital	-
	Total	661,612
110.41.415	Growth & Development	
	Operating	3,000
	Total	3,000
110.46.466	Hope Centers	
	Compensation and benefits	545,257
	Operating	165,354
	Capital	-
	Total	710,611
	Total Economic Development-General Fund	1,375,223

DEBT SERVICE

110.47.471	General Obligation Bonds Principal	499,707
	General Obligation Bonds Interest	31,694
	Total	531,401
	Total Debt Service-General Fund	531,401

TOTAL GENERAL FUND EXPENDITURES	39,065,543
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TIF FUND

111.46.467	Project expenditures	12,382
	Debt Service Principal	200,000
	Deb Service Interest	87,618

TOTAL TIF	300,000
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TOTAL GENERAL FUND WITH TIF FUND	39,365,543
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EXHIBIT B: DETAIL OF 2019 BUDGETED EXPENDITURES

ENTERPRISE FUNDS

WATER AND SEWER		
330.50.502	Utility Billing	
	Compensation and benefits	1,436,366
	Operating	630,764
	Capital	15,997
	Total	2,083,127
330.50.503	Water and Sewer Distribution	
	Compensation and benefits	1,934,738
	Operating	802,055
	Capital Lease Interest	4,979
	Capital	910,773
	Total	3,652,545
330.50.504	Mechanical Maintenance	
	Compensation and benefits	612,348
	Operating	88,755
	Capital	70,000
	Total	771,103
330.50.505	Water Plants	
	Compensation and benefits	848,469
	Operating	2,239,263
	Capital	425,000
	Total	3,512,732
330.50.506	Sewer Plants	
	Compensation and benefits	1,545,642
	Operating	1,942,110
	Capital	264,000
	Total	3,751,752
330.50.507	Electrical Maintenance	
	Compensation and benefits	145,678
	Operating	55,800
	Capital	6,000
	Total	207,478
330.50.509	Engineering	
	Compensation and benefits	455,436
	Operating	197,200
	Capital	-
	Total	652,636
	Other Operating Expenses	
330.50.501	Indirect cost allocation	2,046,257
330.50.501	Computer Maintenance	61,040
330.59.591	Other operating expenses	449,093
330.59.593	Post employment benefits	240,963
330.59.591	Depreciation	1,365,932
	Total	4,163,285

EXHIBIT B: DETAIL OF 2019 BUDGETED EXPENDITURES

WATER AND SEWER CONTINUED		
	Reserves	
330.50.501	Capital reserves	250,000
	Transfers	
330.50.501	Transfer to general fund	1,923,203
	Mayesville Water and Sewer System	
334.50.	Compensation and benefits	83,980
	Operating	70,410
	Depreciation	-
	Capital	-
	Total	154,390
	Debt Service	
330/334.57.5700	Debt service interest	1,836,581
	Amortization bond costs and fees	-
	Total Debt Service	1,836,581
Total Water and Sewer		22,958,832
STORMWATER		
333.50.508	Compensation and benefits	193,828
	Operating	194,250
	Depreciation	-
	Capital	345,000
Total Stormwater		733,078
TOTAL ENTERPRISE FUNDS		23,691,910

EXHIBIT B: DETAIL OF 2019 BUDGETED EXPENDITURES

LOCAL ACCOMMODATIONS FUND

212	Operating	137,625
	Transfer to General Fund	277,375
	Transfer to Tourism	140,000
	TOTAL ACCOMMODATIONS FUNDS	<u>555,000</u>

LOCAL HOSPITALITY

219	Operating	1,876,778
	Transfer to general fund	1,365,596
	Transfer to debt service fund	264,672
	Capital leases principal	-
	Capital leases interest	-
	TOTAL HOSPITALITY FUNDS	<u>3,507,046</u>

VICTIMS ASSISTANCE

250.41.411	Operating	98,578
	TOTAL VICTIMS ASSISTANCE	<u>98,578</u>

TOTAL 2019 BUDGETED EXPENDITURES	67,218,077
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**CITY OF SUMTER
DETAILED SCHEDULE OF REVENUES
FISCAL YEAR 2019**

	Budget
	<u>FY 2018/2019</u>
GENERAL FUND	
PROPERTY TAXES	
Operational Property Tax Revenue	\$ 13,745,008
Payment in Lieu of Taxes	<u>47,261</u>
TOTAL	<u>13,792,269</u>
LICENSE AND PERMITS:	
Business License	6,070,000
Franchise Fees	3,095,217
Building Permits	378,950
Miscellaneous Permits	-
TOTAL	<u>9,544,167</u>
STATE SHARED REVENUES:	
Local Government Fund	<u>928,069</u>
TOTAL	<u>928,069</u>
COUNTY SHARED EXPENDITURES:	
Business License Administration	65,000
Planning & Inspection	980,680
Law Enforcement Center	997,172
Fire Service	1,980,738
Shaw Base Defense	34,500
C Funds/City Road Resurfacing	300,000
Road User Fees	<u>150,000</u>
TOTAL	<u>4,508,090</u>
SUMTER SCHOOL DISTRICT SHARED EXPENDITURES	
School Resource Officers/Career Center	<u>177,574</u>
TOTAL	<u>177,574</u>
CHARGES FOR SERVICES	
Sanitation Fees	1,551,000
Container Rentals	1,343,300
Charges for Fire/Rescue	10,000
Planning Fees	13,000
Other	<u>621,000</u>
TOTAL	<u>3,538,300</u>
FINES AND FORFEITURES:	
Court Fines	270,000
Parking Penalties	<u>9,000</u>
TOTAL	<u>279,000</u>
INTEREST ON INVESTMENTS	
	<u>50,000</u>
MISCELLANEOUS REVENUES	
Other Miscellaneous Revenue	<u>51,900</u>
TOTAL	<u>51,900</u>
OTHER FINANCING SOURCES	
Transfers (In)	3,626,174
Sale of Capital Assets	200,000
Lease Purchase Proceeds	1,270,000
Appropriation from Fund Balance	<u>1,100,000</u>
TOTAL	<u>6,196,174</u>
TOTAL GENERAL FUND	<u><u>39,065,543</u></u>
TIF FUND	
TIF Property Taxes	<u>300,000</u>
TOTAL TIF FUND	<u><u>300,000</u></u>

**CITY OF SUMTER
 DETAILED SCHEDULE OF REVENUES
 FISCAL YEAR 2019**

	Budget
	<u>FY 2018/2019</u>
WATER AND SEWER FUND	
Sewer Sales	10,297,000
Water & Sewer Connections	10,592,812
Late Charge/Penalties/Reconnect Fees	322,000
Fire Protection Charges	699,700
Bill Collection Fees	75,500
Tipping Fee/Sludge Sale	36,300
Bad Debt Recovery	22,500
Interest Income - Depreciation Fund	44,000
Interest Income - Other	25,000
Application Fee	10,000
Management Fees	101,100
Debt Set Off	25,000
Miscellaneous/Backflow Testing	36,500
Rental on Property	2,500
Mayesville Water & Sewer Revenues	95,000
Appropriation from Fund Balance	241,000
TOTAL WATER AND SEWER FUND	<u>332,920</u>
	<u>22,958,832</u>
STORMWATER FUND	
Stormwater Fund	733,078
TOTAL STORMWATER FUND	<u>733,078</u>
ACCOMMODATIONS FEES FUND	
Local Accommodations Fees	555,000
TOTAL ACCOMMODATIONS FEES FUND	<u>555,000</u>
HOSPITALITY FEES FUND	
Local Hospitality Fees	2,707,046
Appropriation from Fund Balance	800,000
TOTAL HOSPITALITY FEES FUND	<u>3,507,046</u>
VICTIMS ASSISTANCE FUND	
Victims Assistance	45,000
Appropriation from Fund Balance	53,578
TOTAL VICTIMS ASSISTANCE FUND	<u>98,578</u>
TOTAL BUDGET	<u>\$ 67,218,077</u>