

City of Clemson

# Budget Overview Fiscal Year 17/18



Issued by the City Administrator's Office

*This document has been prepared by the City of Clemson to provide important information to the public as a summarized version of the FY 2017/2018 Operating and Capital Budget. For more information on the City or the Budget, please visit [www.cityofclemson.org](http://www.cityofclemson.org).*

The City of Clemson Fiscal Year 2017/18 budget document emphasizes a professional and conservative fiscal approach. It is primarily intended to establish an action, operation, and financial plan for the delivery of city services. This budget continues to build upon the solid foundation created in the past to provide quality municipal services that our residents deserve and expect to fulfill the dream of creating this great city.

Importantly, it also serves as an aid to the residents in providing a better understanding of the City's operating and fiscal programs. Notably, it maintains a proper reserve fund to facilitate the preservation of our assets and keep taxes low in the future. This government promotes and supports a very high quality of life for its citizens, businesses and visitors.

## HIGHLIGHTS

- FY 2017/18 City Millage Rate increased from 84.2 to 86.2 mills.

### **Last Fiscal Year 16/17:**

- The City of Clemson employed 153 full-time and, 111 part-time employees;
- The Public Works Department collected 764,698 pounds of garbage, 5,489,070 pounds of residential garbage, 6,054,241 pounds of commercial garbage, 33,368 cubic yards of brush and leaves, 1,661,498 pounds of recyclable refuse, and produced 8,143 cubic yards mulch;
- Over 6,663 utilities accounts were processed monthly by the Finance/Billing Admin;
- The City consumed 719.833 million gallons of water; and
- Twenty-eight Class 1 police officers responded to 56,847 calls for service.

## 2017/18 BUDGET PRIORITIES/GOALS

- Adding three new full-time employees to Police Department, two new patrol officers and one tele-communicator/jailer.
- Implement new Compensation & Salary study done by Archer company.
- Replace diesel buses with ten new electric buses with "Low/No Emission grant".
- Adding new chief operator in fall 2017 to be present during the construction of the Cochran Road WWTP expansion.
- Start expansion of Cochran Road WWTP (Financing to be determined). This project will be about \$15 million investment.
- Complete construction of wastewater treatment office and lab.
- Dissolve the TIF District. It is anticipated that the city will see additional property tax revenues paid to the general fund in the amount of approximately \$500,000.
- Complete construction of Fire Sub-Station on Issaqueena Trail, including a new community room space (\$3 million).
- Adding two new employees in Stormwater, an equipment operator and a utility technician.
- Implement new impact fees for water and wastewater.

## DESCRIPTION OF CITY FUNDS

The City's annual budget is divided into five funds. A separate amount of money is appropriated for each fund. Funds are also established for special program groups, which usually have specific revenue sources with their expenditures.

The General Fund is usually referred to as the City's budget for a given year and is used to finance day-to-day operations and capital improvements. The General Fund represents the largest part of the total financial operations of the City.

Operations that are financed by the general fund include:

- General Government
- Equipment Services
- Public Safety / Police / Fire / E-911 Dispatching
- Public Works / Streets / Residential Sanitation Services
- Parks / Recreation / Horticulture
- Special Projects: Funded through Grants/Special Revenues

The city's enterprise operations are accounted for in four separate funds:

(1) The Water Fund provides water service to the residents of Clemson. The majority of Water Fund revenues are generated through charges for services and tap fees. During the fiscal year, impact fees provide the fund with restricted capital to be used for improvements only within the water system.

(2) The Wastewater Fund provides wastewater service is to the residents of Clemson. The majority of revenues for this fund are generated through charges for services and tap fees. During the year, impact fees provide the fund with restricted capital to be used only for wastewater collection and treatment improvements needed to accommodate growth.

(3) The Sanitation Fund provides commercial businesses a safe and sanitary method of removing waste. Revenues are generated through the removal and land filling of garbage and the lease of garbage containers. Expenses of the fund include administrative costs, depreciation charges, and debt service requirements.

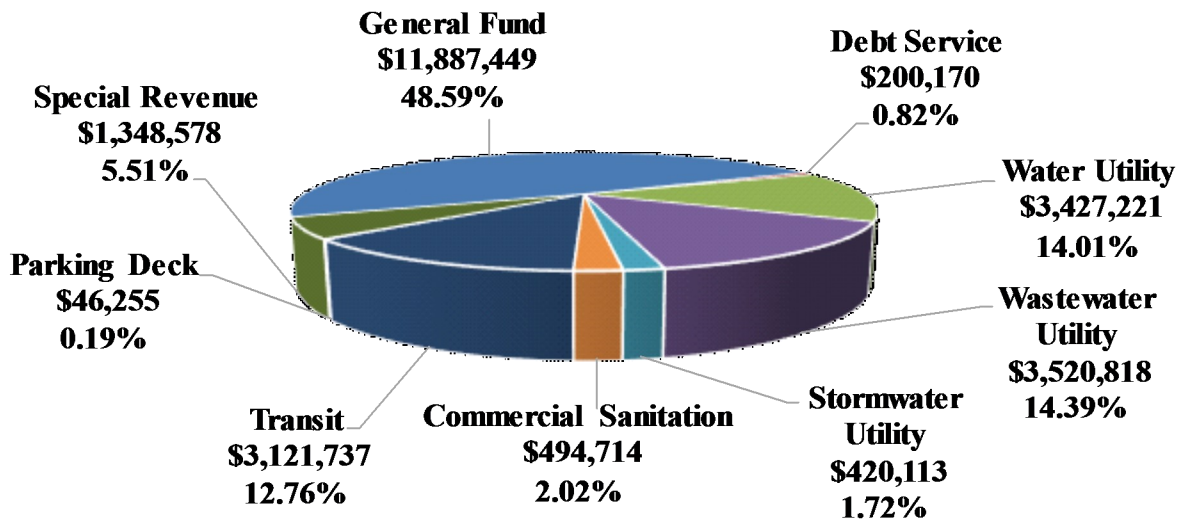
(4) The Transit Fund is established to finance and account for Clemson Area Transit (CAT) Operations. Even though current operations are not financed through user fees and charges, the City has determined that in order to monitor the cost of providing transit service to the public, CAT's activities will be accounted for in the Transit Enterprise Fund. Revenue for this fund is generated from intergovernmental contributions from Clemson University, the municipalities of Central, Pendleton and Seneca, Anderson County, and both the State and Federal Government.

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances

Fund	Beginning Fund Balance (July 1, 2017) ***	Estimated Revenues For FY 2017/2018	Estimated Expenses For FY 2017/2018	Net Transfers and/or Proceeds of LTD For FY 2017/2018	Projected Ending Fund Balance (June 30, 2018)
General	4,253,166	11,287,514	11,887,449	605,800	4,259,031
Debt Service	14,838	238,392	200,170	-	53,060
Water Utility	1,670,166	3,349,700	3,427,221	15,000	1,607,645
Wastewater Utility	3,005,492	3,528,500	3,520,818	-	3,013,174
Stormwater Utility	120,445	423,304	420,113	-	123,636
Commercial Sanitation	295,461	319,785	494,714	166,666	287,198
Transit	2,250,380	3,233,586	3,121,737	-	2,362,229
Parking Deck	496,659	171,000	46,255	-	621,404
Special Revenues	3,256,360	2,193,920	1,348,578	(370,800)	3,730,902
<b>Total for all Funds</b>	<b>15,362,967</b>	<b>24,745,701</b>	<b>24,467,055</b>	<b>416,666</b>	<b>16,058,279</b>

### FY 17/18 ESTIMATED EXPENDITURES - ALL FUNDS

\$24,467,055



## BUDGET SUMMARY

### GENERAL FUND REVENUES

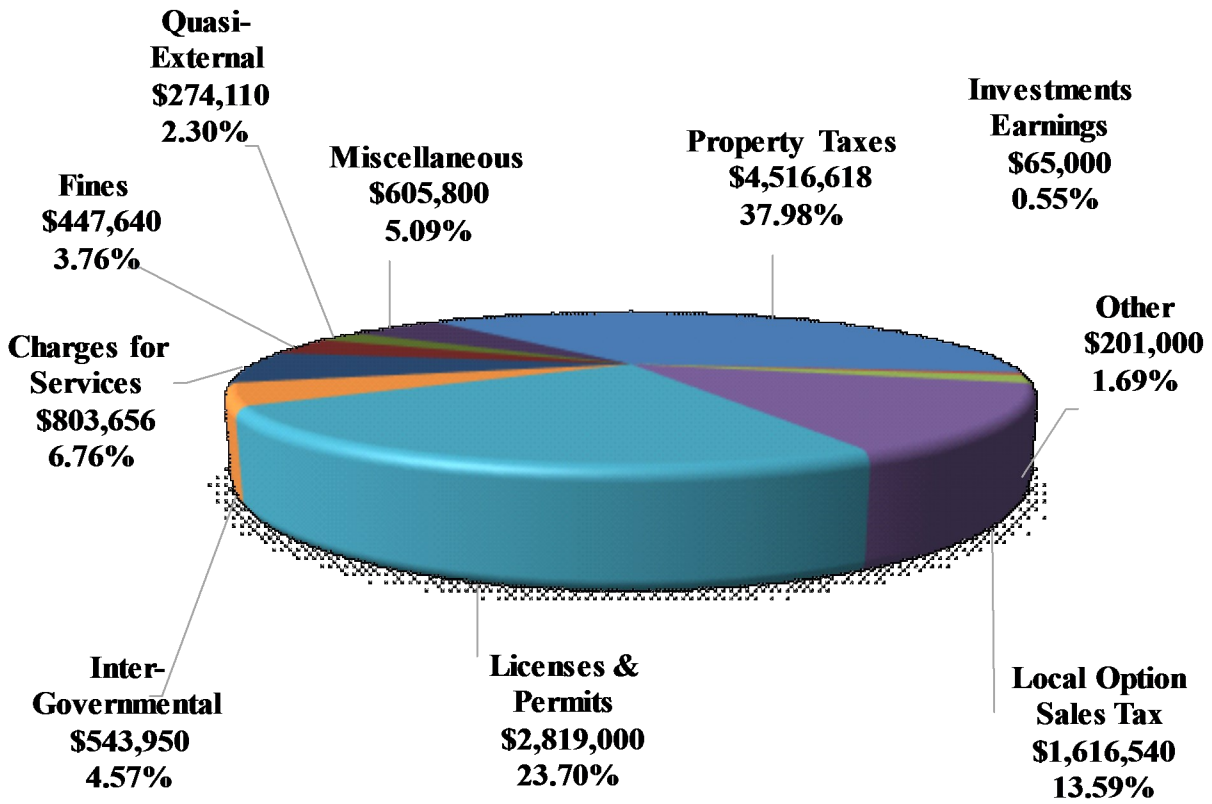
SOURCE OF REVENUE	<u>2016/17</u> FORECAST	<u>2017/18</u> APPROVED
<b>PROPERTY TAXES</b>		
REAL PROPERTY	3,413,152	4,036,792
PERSONAL PROPERTY	322,710	340,732
DELINQUENT	<u>119,051</u>	<u>139,094</u>
SUB -TOTAL	3,854,913	4,516,618
<b>GENERAL SALES TAXES</b>		
LOCAL OPTION SALES	<u>1,600,000</u>	<u>1,616,540</u>
SUB-TOTAL	1,600,000	1,616,540
<b>LICENSES &amp; PERMITS</b>		
BUSINESS LICENSES	1,630,000	1,650,000
RENTAL HOUSE LICENSES	80,000	74,000
FRANCHISE FEES	815,000	820,000
BUILDING PERMITS	<u>275,000</u>	<u>275,000</u>
SUB-TOTAL	2,800,000	2,819,000
<b>INTERGOVERNMENT</b>		
LOCAL GOVERNMENT FUND	305,000	290,000
ACCOMMODATIONS TAX	37,700	36,750
ALCOHOL BEV PERMITS	32,000	32,000
INVENTORY TAX	35,200	35,200
FORT HILL NATURAL GAS	<u>146,423</u>	<u>150,000</u>
SUB-TOTAL	556,323	543,950
<b>CHARGES FOR SERVICES</b>		
DISPATCHING	60,600	63,600
SANITATION	570,000	572,500
RECREATION	135,000	150,000
BRUSH GRINDING	<u>17,556</u>	<u>17,556</u>
SUB-TOTAL	783,156	803,656

**GENERAL FUND REVENUES**

SOURCE OF REVENUE	<u>2016/17</u> <b>FORECAST</b>	<u>2017/18</u> <b>APPROVED</b>
<b>FINES &amp; FORFEITURES</b>		
COURT	250,000	260,000
PARKING	90,000	90,000
NARCOTICS	41,819	97,640
SUB-TOTAL	<u>381,819</u>	<u>447,640</u>
<b>INVESTMENT EARNINGS</b>		
INVESTMENT EARNINGS	75,000	65,000
SUB-TOTAL	<u>75,000</u>	<u>65,000</u>
<b>OTHER REVENUES</b>		
OTHER	203,300	196,000
RECYCLED MATERIALS	5,000	5,000
SUB-TOTAL	<u>208,300</u>	<u>201,000</u>
<b>QUASI-EXTERNAL REVENUES</b>		
PYMT IN LIEU OF TAXES	77,780	77,780
BUSINESS LICENSES	380	380
FRANCHISE FEES	107,850	107,850
BUILDING OCCUPANCY	28,650	28,650
INSURANCE REIMBURSE	6,000	6,000
INFORMATION TECH	53,450	53,450
SUB-TOTAL	<u>274,110</u>	<u>274,110</u>
<b>MISCELLANEOUS</b>		
TRANSFERS IN	384,800	285,800
PROCEEDS LTD.	3,025,000	320,000
USE OF FUND BALANCE	(380,000)	-
SUB-TOTAL	<u>3,029,800</u>	<u>605,800</u>
<b>TOTAL REVENUES</b>	<u>13,563,421</u>	<u>11,893,314</u>

# GENERAL FUND FY 2017/2018 REVENUES

**\$11,893,314**



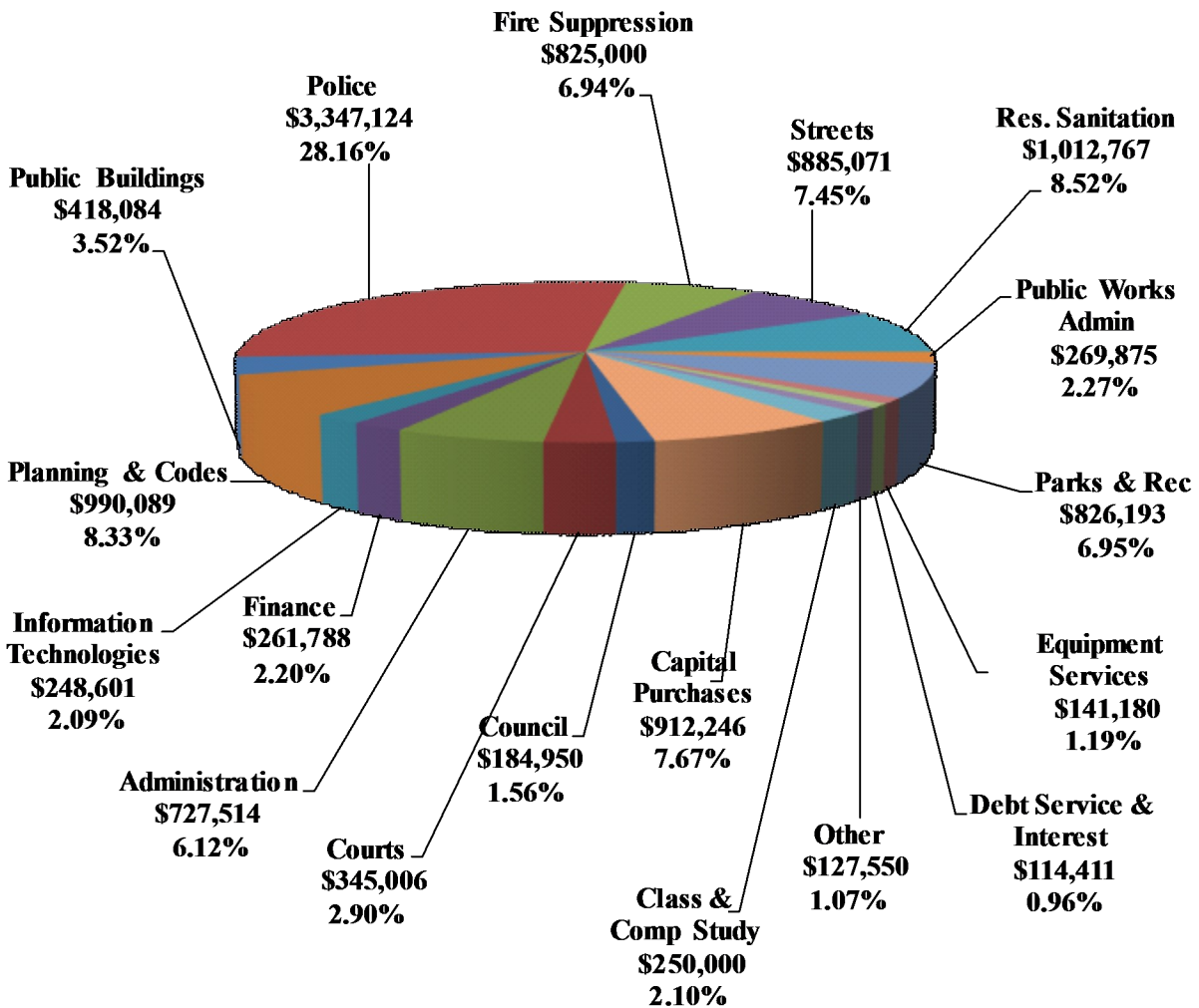
**GENERAL FUND EXPENDITURES**

<b>FUNCTION</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>FORECAST</b>	<b>APPROVED</b>
COUNCIL	200,353	184,950
MUNICIPAL COURT	332,556	345,006
ADMINISTRATION	677,574	727,514
FINANCE	255,824	261,788
INFORMATION TECHNOLOGY SERVICES	239,308	248,601
PLANNING & CODES ADMINISTRATION	866,453	990,089
PUBLIC BUILDINGS	407,169	418,084
POLICE	3,090,095	3,347,124
FIRE SUPPRESSION	825,000	825,000
STREETS	643,241	885,071
RESIDENTIAL SANITATION	963,249	1,012,767
PUBLIC WORKS ADMINISTRATION	262,329	269,875
PARKS & RECREATION	771,950	826,193
EQUIPMENT SERVICES	177,654	141,180
DEBT SERVICE PRINCIPAL & INTEREST	-	114,411
OTHER EXPENDITURES	126,902	127,550
CLASS & COMP SALARY ADJUSTMENT	-	250,000
CAPTAL PURCHASES(includes fire station construction 16/17)	4,461,020	912,246
<b>TOTAL OPERATING EXPENDITURES</b>	<b>14,300,677</b>	<b>11,887,449</b>



# GENERAL FUND TOTAL FY 2017/18 EXPENDITURES

**\$11,887,449**



## THE AD VALOREM PROPERTY TAX

### How does it work and how much is my bill?

The property tax is one of the least understood of any of the taxes that we pay to support government services. In Clemson, a local resident will pay property taxes to support the Pickens County School District, the County of Pickens, the Pickens County Library System, the Tri County Technical College, and the City of Clemson. Like its Latin word origin, “Ad Val Orem”, implies – the property tax is calculated “in accordance with the value of the property.” In order to ensure that each property is paying a uniform and equal share of taxes, the General Assembly requires that a reappraisal of property or “reassessment” be completed by every county in the State of South Carolina on a five-year interval. The reappraisal process will create a “market value” of the property, which is the anticipated price at which the property would generate a sale between a willing seller and buyer. Once the market value of a property is established by the County Assessor an “assessed value” can be generated. The assessed value is calculated by multiplying the market value of your property by the assessment rate that has been set by the General Assembly. The assessment rates for various types of property are as follows:

- A. Residential Owner-Occupied Homes - 4% rate
- B. “Second Homes,” Rental Property, and Commercial Property - 6% rate
- C. Private Utility and Manufacturing Property - 10.5% rate

The next step in calculating your tax bill is to determine the “tax rate.” Each local government taxing entity establishes a tax rate, which is calculated and expressed in a “millage rate.” Each mill is \$1 per \$1,000 of assessed value. For the City of Clemson, the tax rate that was established to support the annual operating budget is 86.2 mills. The tax rate for each local government taxing entity is established during the annual budget adoption process, and a City of Clemson tax payer will also see the following tax rates on their bill: (using 2016 tax rates)

• Pickens County School District - Bonds	53.2 mills	Owner-
• Pickens County School Operations	112.0 mills	Occupied
• Pickens County Government	59.3 mills	home
• Pickens County Library System	6.3 mills	exempt from
• Tri-County Technical College	2.6 mills	school operations
• City of Clemson	<u>84.2 mills</u>	tax

### **Total Property Tax Rate on a City of Clemson owner occupied property: 205.6 mills**

In 1995, the voters in Pickens County approved a Local Option Sales Tax (LOST) that is utilized to reduce the property tax. You will find a City LOST Credit and a County LOST Credit on your tax bill. This credit is calculated by multiplying the market value of your property times the credit factor. In Clemson, the LOST Credit is 129.20 per \$100,000 market value of your property. The County LOST Credit is \$112.30 per \$100,000 market value of your property. Both of these credits are subtracted from the total tax bill.

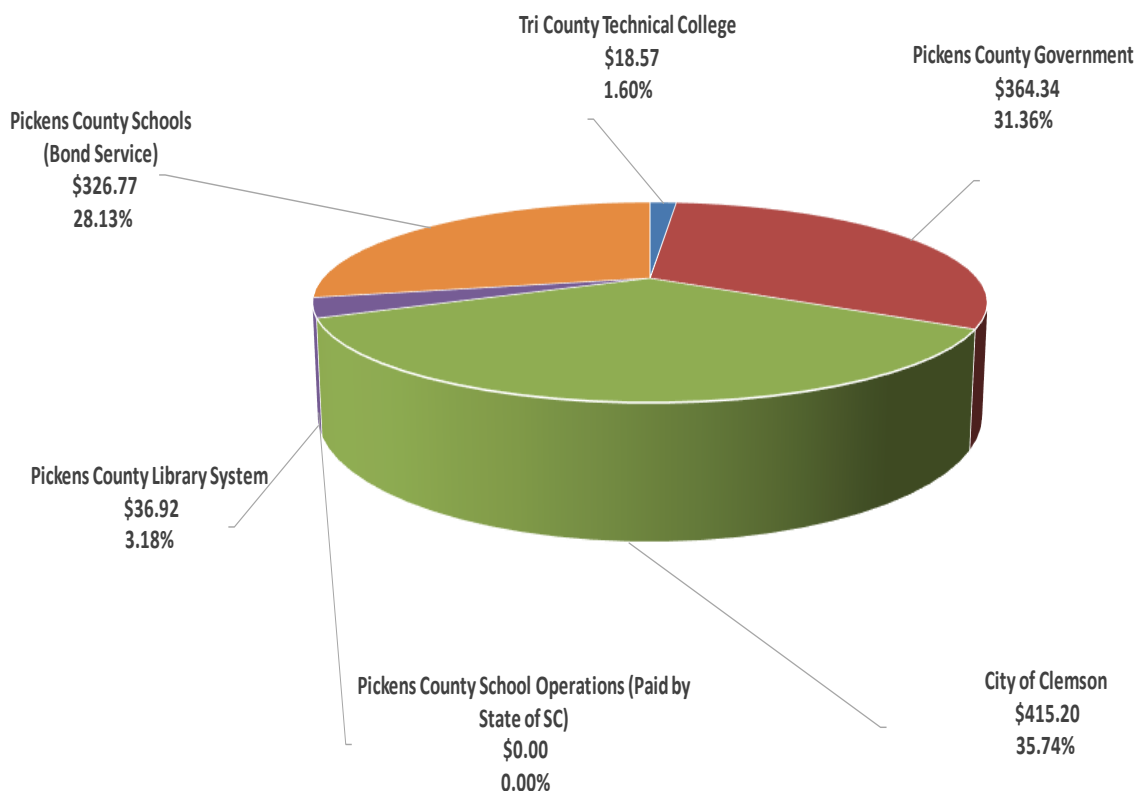
The chart below illustrates the calculation of a sample property tax bill for the City of Clemson portion of an owner-occupied home, valued at \$200,000. In this example, the City Property Tax Bill would be \$415.20 for the year. The total tax bill for this home would be \$1,161.80 for the year. When you receive your tax statement, please check to ensure that your home has an assessment rate of 4%. The assessment rate is in the middle, left-hand side of the tax statement, next to the due date. If your tax statement does not indicate that the property is a “Legal Resident,” then your assessment will be calculated as a commercial property at the 6% assessment rate and you will not receive the credit for public school support from the State.

Although the City Council can only control the “City portion” of your tax bill, it is important that you know how much of your tax bill is going to each unit of local government. We encourage you to review county and school taxes every year and provide input to all your local legislative representatives.

### WHERE DOES MY PROPERTY TAX PAYMENT GO?

(Based on property tax payment for a home valued at \$200,000)

**\$1,161.80**



# NET TAX LIABILITY FOR RESIDENTIAL PROPERTY



## CITY OF CLEMSON AD VALORUM PROPERTY TAX NET TAX LIABILITY FOR RESIDENTIAL PROPERTY

To determine a homeowner's monthly Property Tax Liability for the City of Clemson, follow these steps:

<u>Steps</u>	<u>Example</u>
• Identify the <b>Market Value</b> of your Home.	Market Value = \$200,000
• To compute the <b>Assessed Valuation</b> multiply the Market Value by 4%.	$\$200,000 \times .04 = \$8,000$
• To compute your <b>Property Tax Bill</b> , multiply the Assessed Valuation by a levy rate of 86.2 mills.	$\$8,000 \times .0862 = \$689.60$
• To determine your <b>Local Option Sales Tax Credit</b> , multiply your Market Value by the Credit Factor of .001251.	$\$200,000 \times .001251 = \$250.20$
• To determine your <b>Net City Tax Liability</b> , subtract the Local Option Sales Tax credit from the Property Tax Credit.	$\$689.60 - \$250.20 = \$439.40$
• To find your <b>Monthly Tax expense</b> For city Services, take your Net City Tax Liability and divide by 12.	$\$439.40/12 = \$36.61$

### VALUE OF YOUR CITY OF CLEMSON TAX DOLLAR

The following list represents a sampling of the services in which the City provides for your Monthly Net City Tax Liability

Police Protection	Free Mulch
Street Maintenance/Repair	Fire Protection
Trash Disposal Subsidy	Traffic Control and Street Marking
Emergency Dispatch Service	Transit Service
Municipal Improvements	Park Maintenance
Legal Counsel	Leaf & Brush Pick-Up
Recreational Programs/Facilities	Mosquito Fogging
City Administration	Community Planning
Animal Control Service	Recycling Service
Building Inspection	Engineering Service
Zoning/Land-Use Administration	Snow Removal
Bond Debt Service Payments	

A homeowner having a house valued at \$200,000 receives all of the above services for only \$36.61 per month. By way of comparison, the following items denote common monthly expenses for a family living in Clemson:

- A 16-gallon tank of self-service gas at \$2.05 gallon costs \$32.80.
- Expanded Basic cable television package with no pay movie channels will cost \$59.27 per month. (Varies between TV packages)
- The monthly cost of homeowners insurance for a \$200,000 house is approximately \$46.66 for a standard protection policy.

All businesses and residences within the city of Clemson enjoy a low Class 2 fire rating. On average, most businesses and homes in the areas surrounding Clemson have a Class 6 rating. The better fire rating enjoyed by residents of Clemson can result in significant savings on a homeowner's premium. For instance, a home insured for \$200,000 with a standard insurance package would cost a Clemson resident approximately \$560 per year. The same house in other areas (Class 6) with equivalent coverage would cost about \$710 in annual premiums. The savings of \$150 in premiums account for about 35% of your Net City Property Tax Liability on a residential property.

Revised 04/20/2017