



Annual Budget

Fiscal Year 2006/2007 Approved

Jessica H Miller, CGFO
Director of Finance

120 North Fraser Street
PO Drawer 939
Georgetown, SC 29442
843.545.4043



Principal City Officials

CITY COUNCIL

Mayor Lynn Wood Wilson
Brendon M Barber, Sr, Mayor Pro-Tempore
Jack M Scoville Jr, Councilmember
Paige B Sawyer, III, Councilmember
Clarence C Smalls, Councilmember
Rudolph A Bradley, Councilmember
Peggy P Wayne, Councilmember

MANAGEMENT TEAM

Steven E Thomas, City Administrator
Ann U Mercer, City Clerk
Sabrina T Morris, Director of Development
Jessica H Miller, CGFO, Finance Director
Dan L Furr, Chief of Police
Joseph K Tanner, Fire Chief
Sterling J Geathers, Public Works Administrator
Glen D Dixon, Fleet Maintenance Superintendent
V Lane Mixon, Manager of Water/Wastewater/Stormwater Utilities
Alan J Loveless, Electric Utilities Manager
Katrina P Lawrimore, Kaminski House Museum Director
Lynn T Griffith, Director of Information Technology
Elise F Crosby, City Attorney
Robert W Maring, City Prosecutor
Robert H O'Donnell, City Judge



A Welcome to Our Readers

The budget process serves three essential purposes: 1) to set public policy, 2) to act as a legislative control on taxing and spending by the executive branch, and 3) to serve as a financial tool. This process is the plan for the financial future of the entity, one that evaluates choices. These choices are responsible for ensuring that its inflows of resources will be adequate to meet its needs, both calculated and uncalculated. The budget represents the realistic representation of legislative policy setting in the form of specific funding decisions. This legislative policy of specific funding decisions is then used to exercise taxing and spending power through the approval of the annual operating budget.

Although we are aware that there are always ways to improve our financial decision-making, we aim to progress continually. This document is the written illustration of our attempt to take objectives and goals of our elected officials and the citizens that they represent, and compile financial guidelines under which we dictate fiscal management.

We invite all constructive comments as to how we can refine and improve our process so that it most meets the needs of our citizens and this great City. Comments or inquiries may be addressed to:

City of Georgetown
Finance Department
PO Drawer 939
Georgetown, SC 29442
Phone 843.545.4043
Fax 843.527.3629
jmiller@cgsc.com

A handwritten signature in black ink that reads "JH Miller".

Jessica H Miller
Director of Finance



Table of Organization

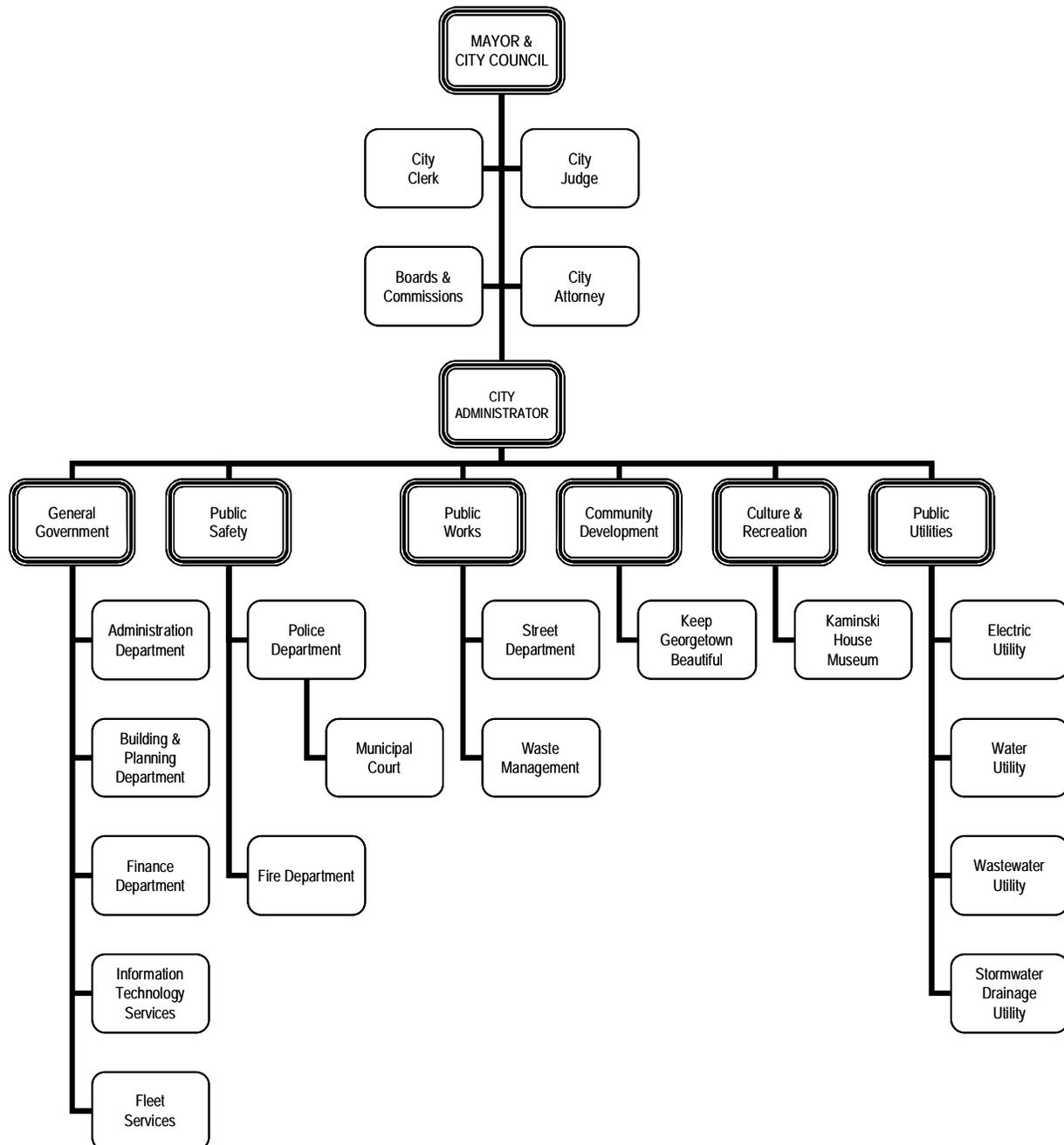




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City Administrator's Budget Message



July 1, 2006

The Honorable Lynn Wood Wilson, Mayor
Members of City Council
City of Georgetown, South Carolina

Dear Mayor and Members of City Council:

I present to you the 2006/2007 Annual Budget. This document serves as a pivotal planning tool for the fiscal year beginning July 1, 2006. However, the hard work that advanced the planning presented here started months ago by City Council, the City Management team, and City staff.

In 2003 the City Council committed to six strategic goals that have set the course for management policy and the efforts of staff. The Strategic Goals provide a foundation for resource planning and organization in the budget process. As we continually strive to refine and polish our budget process we have forged a renewed effort to evaluate the critical needs of all department requests on how they align with the strategic goals.

We are pleased to report that although much work remains, progress has been made toward acknowledging and pursuing the goals that you, our elected officials, have provided for us. Further detail on objectives identified to reach these goals follows in other sections of this document.

Improve Recreation. The intent of this goal is to establish a high quality of life by continuing to provide for the diverse recreation needs of all City residents. This includes providing active and passive recreation areas for City residents in addition to working with state and local agencies to develop new areas for recreation use.

Objectives toward this goal include determining recreation needs through community involvement, supporting the efforts of the YMCA through developed partnerships, enhancing East Bay Park through communication with Georgetown County, developing neighborhood parks in the West End and Maryville, and improving/enhancing cultural opportunities.



City Administrator's Budget Message (continued)

Cleaner Environment. The City intends to establish a balance between development and the environment to protect the beauty and natural resources of the City of Georgetown.

Objectives toward this goal include improving air quality through partnerships with local industry, increasing litter education and community involvement, improving water quality through relationships with state agencies that monitor pollution limits in area rivers, developing a city-wide appearance code, and assuring code enforcement through adequate resources and personnel.

Economic Development. The City intends to effectively manage growth through the implementation of the land use plan, zoning, and other development ordinances and building codes to promote high quality of life and a positive business climate.

Objectives toward this goal include the creation of better paying jobs through cooperation with other entities regarding new and expanded businesses, the establishment of a more attractive community through annexation and code enforcement, enhanced entranceways to the downtown historic district to include an extension of the City's Streetscape project, and an enhanced image for the City of Georgetown as a whole.

Safe Environment. The City intends to deliver criminal justice, fire, and hometown security services to the citizens of Georgetown to ensure safety, security, and progress toward making Georgetown the safest City of its size in South Carolina.

Objectives toward this goal include enhanced police control through cooperation between the Police Department, Georgetown County Sheriff's Department, and the FBI, enhanced enforcement of building codes and ordinances through increased staff and budget, and infrastructure improvements as they relate to issues concerning public safety.

Residential and Commercial Growth. The purpose of this goal is to pursue annexation of property near the City limits in an effort to strengthen the City's role as a place for economic activity through job creation, business location and expansion, and redevelopment and tourism.

Objectives toward this goal include researching adjacent areas for the possibility of annexation, providing lucrative, yet equally beneficial, land agreements to prospective developers, and pursue public education as it relates to annexation. In addition, the City will provide growth policies and standards that will result in quality, sustainable development in our service area.

Infrastructure. The City recognizes the importance of developing and implementing strategies that will provide additional revenue that can be used – in part – for infrastructure development, maintenance, or improvement.



City Administrator's Budget Message (continued)

Objectives toward this goal include the pursuit of annexation or expansion of current service areas, researching the possibility of forming partnerships with bordering utility service providers in order to minimize the effect of infrastructure expansion, and the creation of water and wastewater impact fees.

Budget Summary

The Fiscal Year 2006/2007 approved balanced budget totals \$31,084,652, a decrease of 6.00% over last fiscal year. The General Fund expenditures total \$9,438,846, a decrease of \$298,326 or 3.00%. There are many fiscal pressures on the General Fund, however through prudent fiscal management and restructure the City as a whole was able to reduce expenses.

The Utility Enterprise Fund expenses total \$18,562,662, a decrease of 6.8%. This was accomplished through reduced capital expenses and the elimination of non-recurring transfers from the Electric Utility Fund.

Fund Balance Policy

Staff has followed the direction of Council in establishing self-supporting business like funds that rely less on existing Fund Balance. Over time this will increase the Unreserved Fund Balances to help mitigate future unforeseen financial conditions, meet cash-flow needs, and ensure financial stability.

Reorganization of City Departments

To ensure that the direction we establish in the future is consistent with the goals that have been developed by Mayor and Council, we continue to embrace change in the organization. Effective the last half of Fiscal Year 2005/2006, and going forward into this Fiscal Year, we are clarifying the scope of the Building and Planning Department and the Administration Department.

Building and Planning. The refined scope of this department will focus on the increased and expected development within current and newly established service areas. This will include comprehensive reviews of proposed development agreements, implementation of the land use plan, review of the annexation study for possible action areas, and revision of the Zoning Ordinance and the Land Development Regulations.

Administration. The refined scope of this department will focus on proactive risk management and enhanced customer service. The new risk management position will proactively seek a safer working environment for all employees as well as support the Human Resource Manager in all human resource activities.



City Administrator's Budget Message (continued)

Council has also funded a new customer service position in the Administration Department and this employee will perform the duties of telephone operator and City Hall receptionist.

New Staff for Fiscal Year 2006/2007

The 2006/2007 Budget includes 3 new full-time positions; 4 full-time positions are eliminated through attrition, yielding a net reduction of 1 full time position. The new full-time positions include an Assistant to the City Administrator/Risk Manager, a Customer Service Representative, and a Grounds Maintenance position. No new part-time positions were added.

Further detail on new positions is available in the Personnel Summary section.

Cost-Saving and Revenue-Generating Projects

The Management Team made a commitment at our 2006 Council Retreat to explore innovative ideas to pursue self-supporting Enterprise Funds, either through increased revenue or tighter cost control. Since that time, these are the areas that we have restructured and will begin implementing our new ideas.

Yard Debris Management. An evaluation of the Waste Management-Yard Debris Collection operations resulted in a proposed transition to a "cherry picker" type piece of equipment that will drastically reduce our labor requirements, as well as make our processes more efficient, thus generating a significant cost savings.

The cost-savings and revenue-enhancing projects will increase and continue to be prioritized each Fiscal Year. We hope to create an atmosphere where all employees are aware of prudent management of public funds, no matter what the process is.

Cost to Serve/Rate Increases

Our budget process for FY 2006/2007 brings many rate increases to our customers. Although we can't ensure that there will not be any in the next fiscal year, we are working hard every day to minimize those increases.

The adopted FY 2006/2007 Budget includes a 3.08 mill tax increase to compensate for decreased dependence on our Electric Utility Fund, a 10% Water Rate increase to cover the cost to serve, a 20% Wastewater Rate increase to cover the cost to serve, a 33% Stormwater Rate increase to cover reduced dependence on the General Fund, an 8.6% Residential Sanitation Rate increase to cover reduced dependence on the General Fund, and a 10% Business License Rate increase to enhance General Fund



City Administrator's Budget Message (continued)

Unreserved Fund Balance. These increases total \$6.44 per month for the average residential customer. City staff will continue to strive to minimize the increases proposed for next year.

Conclusion

This budget document details the financial and operational aspects of the City's vision, as directed by the Mayor and Council. I wish to extend my appreciation to our elected officials and staff for the many hours of work it takes to produce a sound fiscal plan, and for putting the vision into action every day.

Respectfully Submitted,

A handwritten signature in black ink that reads "Steven E Thomas".

Steven E Thomas
City Administrator



Budget Ordinance

AN ORDINANCE TO ADOPT A BUDGET AND RAISE REVENUE FOR THE CITY OF GEORGETOWN, SOUTH CAROLINA FOR THE FISCAL YEAR ENDING JUNE 30, 2007

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, SOUTH CAROLINA:

SECTION 1. That this Ordinance was adopted by the Georgetown City Council by a positive majority vote.

SECTION 2. That this Ordinance is enacted in order to comply with Section 6-1-320 of the South Carolina Code, 1976 (as amended), following public notice of a special public hearing and meeting held on June 15, 2006, at 5:00 pm in the City of Georgetown Council Chambers with public input duly noted, and following a public hearing at the regular meeting of City Council on June 15, 2006, with public input duly noted.

SECTION 3. That the proposed budget with proposed estimated revenue for payment thereof, as prepared and as contained in and shown by an archived copy on file in the office of the Municipal Clerk, and available for public inspection, which copy is incorporated herein by reference, is hereby adopted and made a part hereof. The budget as shown therein is balanced as to receipts and disbursements in the total sum of \$31,084,652. A schedule of "Revenues Versus Expenses by Fund" is attached to this ordinance.

SECTION 4. That for the fiscal year 2006/2007, a tax of 93.68 mills (\$.9368 per \$1,000) upon every dollar of the value of all taxable property, real and personal, within the corporate limits of the City of Georgetown be and the same is hereby imposed and levied for the purposes of: (1) defraying the ordinary current expenses of the government of the City of Georgetown for the year 2006/2007; (2) paying the floating indebtedness of said City, if any, during the year 2006/2007; (3) paying interest on the indebtedness of the City of Georgetown, past due or that may become due during the year 2006/2007; provided, however, that pursuant to the provisions of S.C. Code of 1976, Section 12-37-2640, the millage applied by the County Auditor in calculating taxes on motor vehicles licensed during 2006/2007 shall be the millage applicable to other taxable property within the City (i.e., .9368 mills).

SECTION 5. That to facilitate operations, there shall be established and maintained a General Fund, Enterprise Funds, and other appropriate funds, in such amounts as are provided for in the budget aforesaid, as hereby adopted or as hereafter modified pursuant to law.

SECTION 6. That the City Administrator is hereby authorized to administer the budget and to transfer appropriations within and between departments of each fund if necessary to achieve the goals of the budget. However, no such transfer shall (a) be made from one fund to another fund established pursuant to Section (2) above, or (b) conflict with any previously adopted policy of the City Council. Any change in the budget which would increase or decrease the total of all authorized expenditures must be approved by City Council.



Budget Ordinance (continued)

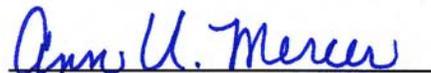
SECTION 7. That if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by valid judgment or decree of any Court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, which remaining parts shall be considered as severable and shall continue in full force and effect.

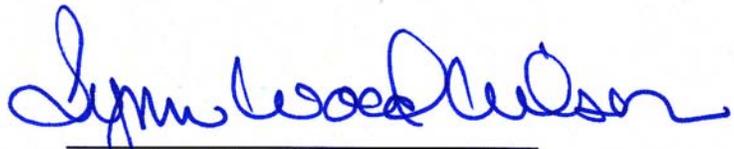
SECTION 8. That this ordinance shall take effect, following its first and second reading and adoption, in the manner required by law, effective as of and from July 1, 2006, and shall continue in effect during the next twelve (12) months of the fiscal year 2006/2007.

SECTION 9. In the event that unforeseen expenditures become necessary during the budget year, and such expenditures would cause appropriations of a fund to be exceeded in total, an ordinance amending the original budget will be necessary to appropriate additional funds.

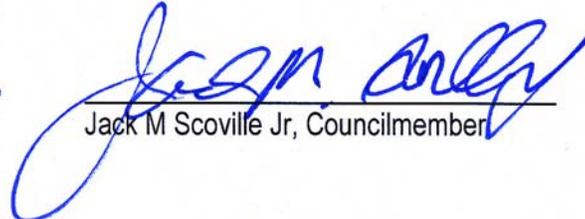
PASSED by City Council duly assembled this 29th day of June, 2006.

ATTEST:


Ann U Mercer, City Clerk

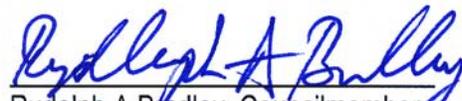

Lynn Wood Wilson, Mayor


Brendon M Barber Sr, Mayor Pro Tempore


Jack M Scoville Jr, Councilmember


Paige B Sawyer, III, Councilmember

Clarence C Smalls, Councilmember


Rudolph A Bradley, Councilmember

Peggy P Wayne, Councilmember

First Reading: 15 June 2006
Second Reading: 29 June 2006

APPROVED AS TO FORM:

Patrick J Doyle, City Attorney



REVENUES VERSUS EXPENSES BY FUND

<u>General Fund</u>		<u>Kaminski House</u>	
Revenues	\$9,491,346	Revenues	\$315,850
Expenses	<u>9,438,846</u>	Expenses	316,588
Net Difference	<u>\$52,500</u>	Fund Balance	738
		Net Difference	<u>\$0</u>
<u>State Accommodations Tax</u>		<u>Electric Utility Fund</u>	
Revenues	\$80,550	Revenues	\$12,814,128
Expenses	83,850	Expenses	<u>12,287,934</u>
Fund Balance	3,300	Net Difference	<u>\$526,194</u>
Net Difference	<u>\$0</u>		
<u>Local ATax/Hospitality</u>		<u>Water Utility Fund</u>	
Revenues	\$742,214	Revenues	\$2,245,480
Expenses	1,228,833	Expenses	2,295,663
Fund Balance	<u>486,619</u>	Fund Equity	50,183
Net Difference	<u>\$0</u>	Net Difference	<u>\$0</u>
<u>Community Development</u>		<u>Wastewater Utility Fund</u>	
Revenues	889	Revenues	\$3,154,262
Expenses	9,631	Expenses	3,329,772
Fund Balance	<u>8,742</u>	Fund Equity	175,510
Net Difference	<u>\$0</u>	Net Difference	<u>\$0</u>
<u>Seized and Forfeited</u>		<u>Stormwater Utility Fund</u>	
Revenues	38,000	Revenues	\$826,316
Expenses	<u>19,700</u>	Expenses	<u>649,293</u>
Net Difference	<u>18,300</u>	Net Difference	<u>\$177,023</u>
		<u>Waste Management</u>	
		Revenues	\$1,362,232
		Expenses	1,424,542
		Fund Equity	62,310
		Net Difference	<u>\$0</u>



Budget Policies and Procedures

Description of Reporting Entity

The City of Georgetown, South Carolina, operates under the Mayor-Council form of government in accordance with Home Rule Act Number 283 and offers services as provided for in the Act. Those services by functional category include general government, public safety, public works, and community development. The City also owns and operates its own electric, water, wastewater, and stormwater drainage service utilities, as well as the Kaminski House Museum.

Basis of Presentation, Measurement Focus, and Basis of Accounting

The City uses the same type of "fund accounting" to budget and to account for its operations and activities. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

Annual budgets are adopted for all funds on a basis consistent with generally accepted accounting principles (GAAP). A description of the fund types utilized by the City and the applicable measurement focus and basis of accounting of each follows.

Governmental Funds - Governmental funds are those used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The primary sources of governmental revenue considered susceptible to accrual are charges for services, reimbursement type grants, interest, and other miscellaneous sources when their receipt occurs within 60 days after the City's year-end. Governmental funds of the City include the following fund types:

General Fund - The general fund is the general operating fund of the City. It's used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. The City uses the following special revenue funds:

- State Accommodations Tax Fund
- Local Accommodations & Hospitality Fund



Budget Policies and Procedures (continued)

- Community Development Fund
- Seized & Forfeited Property Fund

Proprietary Funds - Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds of the City include the following fund types:

Enterprise Funds – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, or management control, accountability, or other purposes. The City uses the following enterprise funds:

- Electric Utility Fund
- Water Utility Fund
- Wastewater Utility Fund
- Stormwater Utility Fund
- Waste Management Fund
- Kaminski House Museum Fund

Budget Policies

The City employs formal budgetary integration in its accounting system as a management control device. Expenditures may not exceed the budgeted appropriations at the fund level. The City Administrator is authorized to transfer budgeted amounts between departments within any fund and department heads may make budget transfers within their departments with the approval of the City Administrator. However, transfers of appropriations between funds and all supplemental appropriations must be approved by City Council. The legal level of control is therefore at the fund level.

Encumbrance accounting is utilized in all governmental funds. Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balances since they don't constitute expenditures or liabilities.

All appropriations lapse at year-end; however, outstanding encumbrances are re-appropriated and honored during the subsequent year.

The City recognizes the benefits of utilizing public funds in a prudent manner in order to provide adequate working capital in the event of emergencies or other unexpected economic events, and to reduce the need for short-term borrowing. City Council has adopted a fund balance policy, which endeavors to maintain an unreserved fund balance in the General Fund in an amount equal to at least two month's normal General



Budget Policies and Procedures (continued)

Fund operating expenditures, excluding capital outlay. The City designates this target amount, which approximates \$1,100,000, as available for emergencies and contingencies.

Generally only unreserved fund balance accumulations in excess of the target amount will be considered as available for appropriation by City Council. In the event of emergency or other unusual circumstances, Council may approve the use of these contingency funds, provided that the fund balance is replenished as soon as possible after such an event.

Budgetary and management control is also achieved through sound, reasonable purchasing practices. The following are the major provisions of the City's purchasing policy:

Purchases up to \$1,500 – Department managers have sole responsibility and discretion for purchases.

Purchases from \$1,501 to \$10,000 – A minimum of three written quotations must be solicited except when the item is purchased through state contract or other approved cooperative purchasing program. Purchases must be approved by the Purchasing Agent.

Purchases from \$10,001 to \$25,000 – A minimum of three written quotations must be solicited except when the item is purchased through state contract or other approved cooperative purchasing program. Purchases must be approved by the City Administrator.

Purchases over \$25,000 – A requisition along with specifications must be submitted to the Purchasing Agent who shall upon formal advertising use competitive sealed bids or proposals as the method of procurement. Approval must be obtained from the City Administrator and the City Council before a purchase order can be issued.

Budget Process

The city utilizes the following procedures in enacting its annual budgets:

Department Heads and Administrative staff of the City initiates budget preparation with a series of work sessions in which current trends, needs, and accomplishments of the City are reviewed. The City Administrator and Finance Director establish a timetable to be followed and forms to be used throughout the budget process. The Finance Department distributes statistical analyses, historical budgetary comparisons, and necessary forms to all departments to aid in their development of line-item budget requests.

The next step in the budget process is a retreat with the Mayor, Council, and administrative staff in attendance to discuss ideas of what the City should be doing over the next several years. The retreat culminates with the development of short-term goals and priorities, particularly those that are to be addressed in the upcoming budget year.



Budget Policies and Procedures (continued)

Upon return from the planning retreat, the administrative staff meets with all department heads to discuss the priorities determined at the retreat. Department heads are then asked to prepare their individual requests and justifications for personnel, programs, projects, capital needs, and initiatives they would like to have considered in the upcoming budget. Administrative preferences are clearly expressed and ongoing consultation is encouraged.

When completed, the departmental requests are compiled as budget worksheets and made available to the Mayor and Council in a series of public workshops at which time formal departmental presentations are made.

Within the framework of established budget policies, sound financial management, and priorities developed by Council, the City Administrator considers all input received from Council members, the public, and staff and converts departmental requests into a workable budget recommendation.

Prior to June 1st, the City Administrator submits to Council a proposed annual budget for the fiscal year commencing July 1st.

Formal public hearings are then held to obtain citizen input on the proposed budget.

Prior to July 1st, budgets are legally enacted upon two readings and passage of a budget ordinance by City Council.



Fiscal Year 2006/2007 Budget Calendar

01.13.2006	All Day	Department Head Retreat/Budget Kick-off Meeting
02.10.2006	5:00 pm	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Fiscal Year 2005/2006 Payroll Projections/Changes • Fiscal Year 2006/2007 Payroll Projections/Changes
02.27.2006	9:00 am	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Fiscal Year 2006/2007 Capital Requests
03.03-04.2006	All Day	Conduct Council Goal Setting/Budget Retreat – Wampee
03.10.2006	9:00 am	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Fiscal Year 2005/2006 Projections
03.24.2006	9:00 am	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Fiscal Year 2006/2007 Justification Sheets/Final Budget Plans
03.27-31.2006	various	Department Budget Reviews with the City Administrator's Office
04.01-12.2006	various	Finance Department Prepares Draft Budget for Submission to City Council
04.13.2006	5:30 pm	City Council Workshop
04.27.2006	5:30 pm	City Council Workshop
05.16.2006	5:30 pm	City Council Workshop
06.14.2006	5:00 pm	Advertise Projected Budget Totals for 06.29.2006 Public Hearing
06.15.2006	5:00 pm	Public Hearing and Budget Ordinance for First Reading at Regular Council Meeting
06.29.2006	5:00 pm	Public Hearing and Budget Ordinance for Second Reading and Adoption
07.01.2006	N/A	New Fiscal Year Begins

*05.02.2006 and 05.11.2006 are reserved for additional workshop dates if necessary.





Sources and Uses of Funds

Fiscal Year 2006/2007

	General Fund	State Accommodations Tax Fund	Local Accom & Hospitality Tax Fund	Community Development Fund	Kaminski House Museum Fund
ESTIMATED REVENUES:					
Property Taxes	\$2,845,540				
Licenses and Permits	2,208,520				
Intergovernmental Revenue	1,651,131	80,550		10,000	
Charges for Services					29,700
Fines and Forfeitures	298,000			20,000	
Operating Transfers In	2,183,545				282,400
Miscellaneous Revenues	304,610		742,214	8,889	3,750
From Reserves		3,300	486,619		738
TOTAL SOURCES OF FUNDS	\$9,491,346	\$83,850	\$1,228,833	\$38,889	\$316,588
EXPENDITURES/EXPENSES:					
General Government	\$1,088,231			\$9,631	
Public Safety	5,508,142			19,700	
Public Works	812,355				
Purchased Power					
Parks, Recreation & Tourism		56,100	792,223		316,588
Non-Departmental	1,480,362				
Transfers	100,318	27,750	436,610		
Debt Service	449,438				
TOTAL EXPENDITURES	9,438,846	83,850	1,228,833	29,331	316,588
To Reserves	52,500			9,558	
TOTAL USES OF FUNDS	\$9,491,346	\$83,850	\$1,228,833	\$38,889	\$316,588



Fiscal Year 2006/2007

Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Stormwater Utility Fund	Waste Management Fund	Total FY 06/07 Budget	Comparative FY 05/06 Budget
					\$2,845,540	\$2,540,460
					2,208,520	1,840,970
					1,741,681	1,302,107
12,553,500	1,875,500	2,856,106	530,000	1,261,400	19,106,206	17,817,956
					318,000	273,500
260,628	369,980	298,156	296,316	76,420	2,542,365	4,711,247
				24,412	2,308,955	1,890,214
	50,183	175,510		62,310	778,660	2,114,453
<u>\$12,814,128</u>	<u>\$2,295,663</u>	<u>\$3,329,772</u>	<u>\$826,316</u>	<u>\$1,424,542</u>	<u>\$31,849,927</u>	<u>\$32,490,907</u>
					\$1,097,862	\$665,175
					5,527,842	6,532,281
3,124,909	2,103,663	2,770,235	649,293	1,424,542	10,884,997	10,382,004
7,465,230					7,465,230	7,000,000
					1,164,911	1,247,830
					1,480,362	1,009,382
1,697,795	192,000	225,000			2,679,473	4,991,247
		334,537			783,975	662,988
<u>12,287,934</u>	<u>2,295,663</u>	<u>3,329,772</u>	<u>649,293</u>	<u>1,424,542</u>	<u>31,084,652</u>	<u>32,490,907</u>
526,194			177,023		765,275	
<u>\$12,814,128</u>	<u>\$2,295,663</u>	<u>\$3,329,772</u>	<u>\$826,316</u>	<u>\$1,424,542</u>	<u>\$31,849,927</u>	<u>\$32,490,907</u>



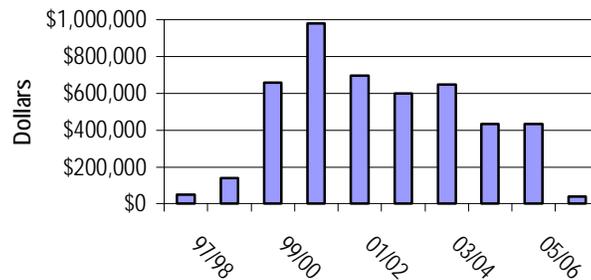
Year Ending Condition/Interfund Transfers

The central focus of the FY 2006/2007 budget is to maintain or enhance the City's financial position, both as an encompassing entity and as individual funds. The budget is structured to accomplish this goal by utilizing several different strategies. Each has been enacted in order to stem the ebb in fund balances of all the enterprise funds. These strategies include resource reallocation, process technology improvements, and rate increases. The adjustments made in this budget have allowed for a reduction of \$394,690 in transfers from the General Fund to various Enterprise Funds, without disrupting the significant capital spending of the utility enterprises.

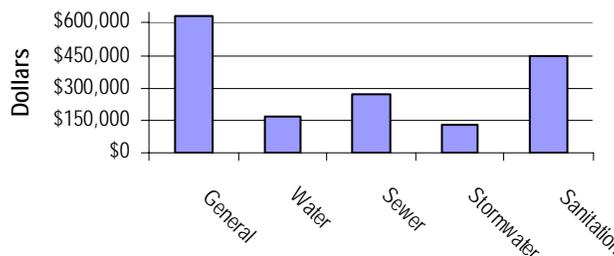
While fund equity is a vital measure of an enterprises fiscal well being, cash balance is the foundation for any operations success. The City has historically maintained sufficient cash balances to avoid any short term borrowing, such as Revenue Anticipation Notes, and the associated interest expense of this funding. The need for this budget to be designed to maintain this position for the City is evident upon review of the cash balance trend of each enterprise fund, and the projected year ending results of this budget show a marked improvement from prior trends.

Through the aggressive implementation of both cost saving and revenue generating strategies in the FY 2006/2007 budget, the City has been able to reduce the General Fund transfer by 92%, and increase the cash balance of most funds significantly.

Transfer from General Fund



Cash Balance Increase by Fund





Schedule of Interfund Transfers

Detail Schedule of Interfund Transfers

<u>Source Fund</u>	<u>Receiving Fund</u>	<u>Amount of Transfer</u>	<u>Recurring/ Non-recurring</u>	<u>Purpose of Transfer</u>
Electric Utility	General Fund	\$1,697,795	Recurring	Operational
Water Utility	General Fund	192,000	Recurring	Operational
Wastewater Utility	General Fund	150,000	Recurring	Operational
State ATax	General Fund	27,750	Recurring	State Mandated
Local Hospitality	General Fund	55,000	Recurring	Operational
Local Hospitality	Waste Management	38,210	Recurring	Keep Georgetown Beautiful
Local Hospitality	Kaminski House	282,400	Recurring	Operational
Local Hospitality	General Fund	61,000	Non-recurring	Excess Frontstreet Streetscape
General Fund	Waste Management	38,210	Recurring	Keep Georgetown Beautiful
Total Transfers		<u>\$2,542,365</u>		

Summary Schedule of Effect of Interfund Transfers Per Fund

<u>Fund</u>	<u>Receiving</u>	<u>Providing</u>	<u>Net Effect</u>	<u>Amount Non-recurring</u>
General Fund	\$2,183,545	\$38,210	\$2,145,335	\$0
Electric Fund	0	1,697,795	(1,697,795)	0
Water	0	192,000	(192,000)	0
Wastewater	0	150,000	(150,000)	0
Waste Management	76,420	0	76,420	0
Kaminski House	282,400	0	282,400	0
State ATax	0	27,750	(27,750)	0
Local Hospitality	0	436,610	(436,610)	(61,000)
Total Net Effect			<u>\$0</u>	



Statistical/Supplemental City Information

Form of Government

The City operates under the Mayor-Council form of government. The governing body is composed of a mayor elected at large, and six (6) council members elected at large, each for four (4) year staggered terms. The Council is a legislative body establishing policies with recommendations by the City Administrator who administers all departments of the City. All department heads are appointed by the City Administrator with the approval of Mayor and Council.

Geography

The City, incorporated as a town in 1805 and as a city in 1892 is a historic community located on the coast of South Carolina sixty miles north of Charleston and thirty-five miles south of Myrtle Beach. The City encompasses approximately seven square miles.

Area Vicinity Map



Community Profile

Mere miles and whole worlds from amusement parks, high-rises, theatres, and sprawling shopping malls, the historic City of Georgetown rises in antebellum grace. Established in 1732, Georgetown is South Carolina's third oldest city. The oak-lined avenues of this "little Charleston" city boast group tour treasures for even the most discriminating travelers. The riverfront is alive with activity and history. Dining, shopping, and scenery reign supreme.

Harborwalk is a charming waterfront boardwalk between two of Georgetown's most historically significant buildings, the Kaminski House (c. 1790) and the Rice Museum (originally the Old market Building, c. 1842). Overlooking the Sampit River Harbor, the boardwalk is lined with restaurants, galleries, antique shops, and specialty stores. Shoppers have more than 30 specialty shops to browse. A potpourri of art galleries and quaint shops with Lowcountry names offer a treasure trove of books, clothes, fine art, jewelry, crafts, cards, and antiques.

There are several ways to see the rest of the City. Historic attractions such as the Kaminski House and the Rice Museum complement a staggering concentration of 50 plus antebellum mansions, a few of which are operated as charming bed and breakfast inns. Guided or self-guided historical tours are readily available. A favorite way to see Georgetown is by boat. A selection of tours will take you in and around Winyah Bay and the surrounding rivers past plantation mansions and long abandoned rice fields. For a delightful change of pace, hop a ride to a remote barrier island for shell collecting and a look at the North Island Lighthouse.



Demographics and Economics

The 2004 estimated population of the City is 8,926 with an estimated total of 59,790 people living in Georgetown County area.

Population of City of Georgetown US Census Bureau Estimates

2000	8,950
2001	8,901
2002	8,946
2003	8,927
2004	8,926

Major Employers of Georgetown County for 2005

<u>Employer</u>	<u>Number of Employees</u>
Georgetown County Department of Education	1,510
Georgetown Hospital System	1,200
International Paper	738
County of Georgetown	568
Myrtle Beach National Company	450
Wal-Mart Associates	345
Food Lion	310
Mittal Steel USA-Georgetown	300
3V, Inc	260
City of Georgetown	214
Santee Cooper (Winyah Plant)	195
Georgetown Greenhouses, Inc	140
Sampit Lumber Co.	136
International Paper Container Division	136
Winyah Convalescent Center	100
Screen Tight	100
Georgetown County Water and Sewer	86



Demographics and Economics (continued)

Unemployment Rate for Georgetown County

1994	10.5%
1995	9.2%
1996	11.7%
1997	9.4%
1998	7.5%
1999	8.0%
2000	5.2%
2001	7.7%
2002	8.3%
2003	9.7%
2004	9.4%

Total Estimated and Assessed Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Period Ended	Tax Levy Year	<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
06.30.06	2005	\$20,082,832	\$382,530,133	\$10,262,491	\$103,016,057	\$30,345,323	\$485,546,190
06.30.05	2004	19,617,338	373,663,581	9,234,869	93,616,415	28,852,207	467,279,996
06.30.04	2003	19,903,210	379,108,762	9,873,794	99,099,450	29,777,004	478,208,212
06.30.03	2002	20,360,647	387,821,848	14,540,164	144,263,260	34,900,811	532,085,108
06.30.02	2001	20,421,768	388,986,057	15,687,972	150,788,842	36,109,740	539,774,899
06.30.01	2000	20,463,164	389,774,552	16,557,615	157,691,571	37,020,779	547,466,124
06.30.00	1999	15,803,280	301,014,857	16,357,577	155,786,448	32,160,857	456,801,305
06.30.99	1998	15,662,371	298,330,876	16,396,356	156,155,771	32,058,727	454,486,648
06.30.98	1997	15,341,466	292,218,400	16,476,870	156,922,571	31,818,336	449,140,971
06.30.97	1996	14,665,741	279,347,448	14,197,134	135,210,800	28,862,875	414,558,248



Demographics and Economics (continued)

**Computation of Legal Debt Margin
 June 30, 2005**

Total Assessed Value	\$28,852,207
Debt Limit - 8% of Total Assessed Value	2,308,177
Total Amount of Debt Applicable to Debt Limit	(145,000)
Legal Debt Margin	<u><u>\$2,163,177</u></u>

**Property Tax Millage Rates
 Direct and Overlapping Governments
 Last Ten Fiscal Years**

Fiscal Year	Tax Year	City of Georgetown	Georgetown County School District	Georgetown County	Total
06.30.06	2005	90.60	148.20	59.40	298.20
06.30.05	2004	90.60	146.20	53.30	290.10
06.30.04	2003	90.60	146.20	53.30	290.10
06.30.03	2002	90.60	140.70	53.30	284.60
06.30.02	2001	88.50	145.60	51.10	285.20
06.30.01	2000	88.50	156.60	55.50	300.60
06.30.00	1999	100.00	169.50	66.50	336.00
06.30.99	1998	90.00	169.50	66.50	326.00
06.30.98	1997	90.00	169.50	66.50	326.00
06.30.97	1996	90.00	167.00	64.40	321.40
06.30.96	1995	90.00	167.50	62.40	319.90



Enterprise Activities

Electric System

The City has operated the electric system since 1921. It will be 85 years old on March 30th, 2006. The electric system consists of 2 substations which serve 8 distribution feeders. The Georgetown Substation has 6 distribution feeders that serve "Georgetown Proper" and the Maryville Substation has 2 distribution feeders that serve the Maryville Community. Both stations are served directly from Santee Cooper's transmission lines. The City purchases electric power from Santee Cooper at wholesale rates and retails to local consumers through City-owned distribution lines. The City has Mutual Aid Agreements with South Carolina Association of Municipal Power Systems and American Public Power Association for assistance in extreme emergencies.

Water System

The earliest water lines in the City were installed around 1905, and later in the 1930's. The majority of the water lines throughout the City's service area are approximately 50 years old, with the average age of the water system being approximately 35 years old. The City has approximately 64 miles of water main in a 7 square mile area. In addition, the City services the Belle Isle Community which is out of the City limits. The overall condition of the water system is sound. The system is readily positioned for future expansion to the North, East, and West. The City currently has a DHEC construction permit for a booster pump station installation on the south end of the system and is looking at replacing bottle necks in the main water line corridors. With these water distribution improvements we will be poised for future expansion in all directions.

Number of Customers-Electric System Last Ten Fiscal Years

1997	4,477
1998	4,817
1999	4,887
2000	4,899
2001	4,932
2002	4,929
2003	4,969
2004	4,985
2005	5,046
2006	5,094

Number of Customers-Water System Last Ten Fiscal Years

1997	4,109
1998	4,370
1999	4,434
2000	4,445
2001	4,473
2002	4,522
2003	4,537
2004	4,544
2005	4,603
2006	4,641



Enterprise Activities (continued)

Wastewater System

Wastewater treatment for the City is presently accomplished at the West Georgetown County Regional Wastewater Treatment Facility. Wastewater collections and treatment are the two divisional services performed by the City's Wastewater Service Group. Wastewater from domestic, industrial, and commercial users is collected by gravity flow at collection points known as sewage lift stations. The lift station pumps the sewage to an elevation high enough to allow gravity flow to once again be established. The final lift station pumps the sewage directly to the Wastewater Treatment Plant. Treatment is provided by a 12 MGD Sequential Batch Reactor. The plant provides service for the Town of Andrews, the western portion of Georgetown County and the City of Georgetown. Solids separated from the wastewater are processed by Georgetown County into compost that is available for public purchase.

**Number of Customers
 Wastewater System
 Last Ten Fiscal Years**

1997	3,874
1998	4,098
1999	4,143
2000	4,136
2001	4,147
2002	4,181
2003	4,185
2004	4,186
2005	4,230
2006	4,258

Stormwater System

The City of Georgetown established a Stormwater Utility on April 1, 1993. The purpose of the utility program is to provide the greatest benefit for all customers through a coordinated and structured approach to Stormwater Management. Stormwater drainage is influenced by tidal water levels that require pumping of major drainage basins within the City. The City is positioning itself to start a significant Stormwater Drainage Project. This involves the construction of a stormwater pump station and force main, regional storage facilities, upsizing existing and adding additional drainage system components generally along US 17, Front Street, Wood Street, Dozier Street, Prince Street, US 521, Hazard Street, Lynch Street, Duke Street, and the CSX right-of-way.

**Number of Customer-Stormwater System
 Last Ten Fiscal Years**

1997	4,487
1998	4,563
1999	4,570
2000	4,569
2001	4,634
2002	4,650
2003	4,702
2004	4,735
2005	4,803
2006	4,841



Enterprise Activities (continued)

Waste Management

Although it's not certain when the City began providing sanitation services to its citizens, this is a long time benefit for those living within the limits. The Sanitation Department is responsible for dumpsters and roll-out garbage cans. The City utilizes 4 scow body trucks, 2 tractor loaders, 3 residential garbage trucks, 1 pick up truck, 1 leaf machine, and 1 street sweeper. The Waste Management division services the entire City limits, in addition to the Georgetown County Airport.

**Number of Customer-Waste Management
 Last Ten Fiscal Years**

1997	3,860
1998	4,126
1999	4,174
2000	4,117
2001	4,075
2002	4,077
2003	4,088
2004	4,061
2005	4,117
2006	4,095

Kaminski House Museum

Located in the heart of Georgetown's Historic District, the Kaminski House was built about 1769 and contains an outstanding collection of American and English antiques from the 18th and 19th centuries. Through marriage it passed to John Keith, Georgetown's first mayor. Julia and Harold Kaminski purchased the house in 1931. Upon Mrs. Kaminski's death in 1972, it was willed to the city of Georgetown for use as a Museum. The Museum Store helps support the mission of the Kaminski House Museum. It carries a variety of books about Georgetown and local crafts.

**Number of Visitors-Kaminski House Museum
 Last Ten Fiscal Years**

1997	Unavailable
1998	Unavailable
1999	Unavailable
2000	5,156
2001	5,870
2002	6,007
2003	4,475
2004	4,965
2005	4,553
2006	4,635



Monthly Impact Analysis

Monthly Impact of Tax/Utility Rates on Typical Household

<u>Assuming</u>	<u>FY 02/03</u>	<u>FY 03/04</u>	<u>FY 04/05</u>	<u>FY 05/06</u>	<u>FY 06/07</u>
Electricity Charge on 1,000 kWh ¹	\$73.19	\$72.60	\$78.76	\$83.37	\$83.18
Sanitation (Including Recycling)	12.00	12.00	15.00	17.50	19.00
Water Charge on 5,000 gallons ²	17.10	17.10	18.80	18.80	19.75
Sewer Charge on 5,000 gallons ²	19.95	23.95	23.95	23.95	26.10
Stormwater Charge on 1 REU	2.00	3.00	3.00	3.00	4.00
Taxes on a \$100,000 Home	30.20	30.20	30.20	30.20	31.23
TOTAL	\$154.44	\$158.85	\$169.71	\$176.82	\$183.26

Monthly Impact of Tax/Utility Rates on Typical Business

<u>Assuming</u>	<u>FY 02/03</u>	<u>FY 03/04</u>	<u>FY 04/05</u>	<u>FY 05/06</u>	<u>FY 06/07</u>
Electricity Charge on 6,200 kWh ¹	\$371.20	\$370.61	\$376.77	\$381.38	\$381.19
Sanitation-1 pickup/week-4 cu yd container	71.03	71.03	71.03	71.03	71.03
Water Charge on 30,000 gallons ²	60.10	60.10	66.05	66.05	71.75
Sewer Charge on 30,000 gallons ²	64.70	77.70	77.70	77.70	90.60
Stormwater Charge on 1 acre	12.60	18.90	18.90	18.90	25.20
Taxes on \$250,000 business	113.25	113.25	113.25	113.25	117.10
Business License on \$850,000 sales ³	73.64	73.64	73.64	73.64	81.00
TOTAL	\$766.52	\$785.23	\$797.34	\$801.95	\$837.87

¹ This calculation eliminates the effect of any demand charges.

² This calculation assumes a meter size of 0.75" and a location within the city limits.

³ This calculation eliminates the effect of the transition to NAICS Codes.

