



Annual Budget

Fiscal Year 2008/2009 Approved

Jessica H Miller, CGFO
Director of Finance

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Georgetown
South Carolina**

For the Fiscal Year Beginning

July 1, 2007

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Georgetown, South Carolina** for its annual budget for the fiscal year beginning **July 1, 2007**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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, CMC, City Clerk
Sabrina T Morris, Director of Planning and Development
Jessica H Miller, CGFO, Director of Finance
Stephen T Thul, MCSE, CCNA, CCA, A+, Network Engineer
Paul A Gardner, Chief of Police
Joseph K Tanner, Fire Chief
Sterling J Geathers, Director of Public Works/Streets/Solid Waste
Glen D Dixon, Fleet Superintendent
V Lane Mixon, Director of Public Water Utilities
Alan J Loveless, Director of Electric Utilities
Katrina P Lawrimore, Museum Director
Keith R Wilson, Executive Director of Keep Georgetown Beautiful
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
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Georgetown, SC 29442
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jmiller@cogsc.com



Jessica H Miller, CGFO
Director of Finance

Table of Organization

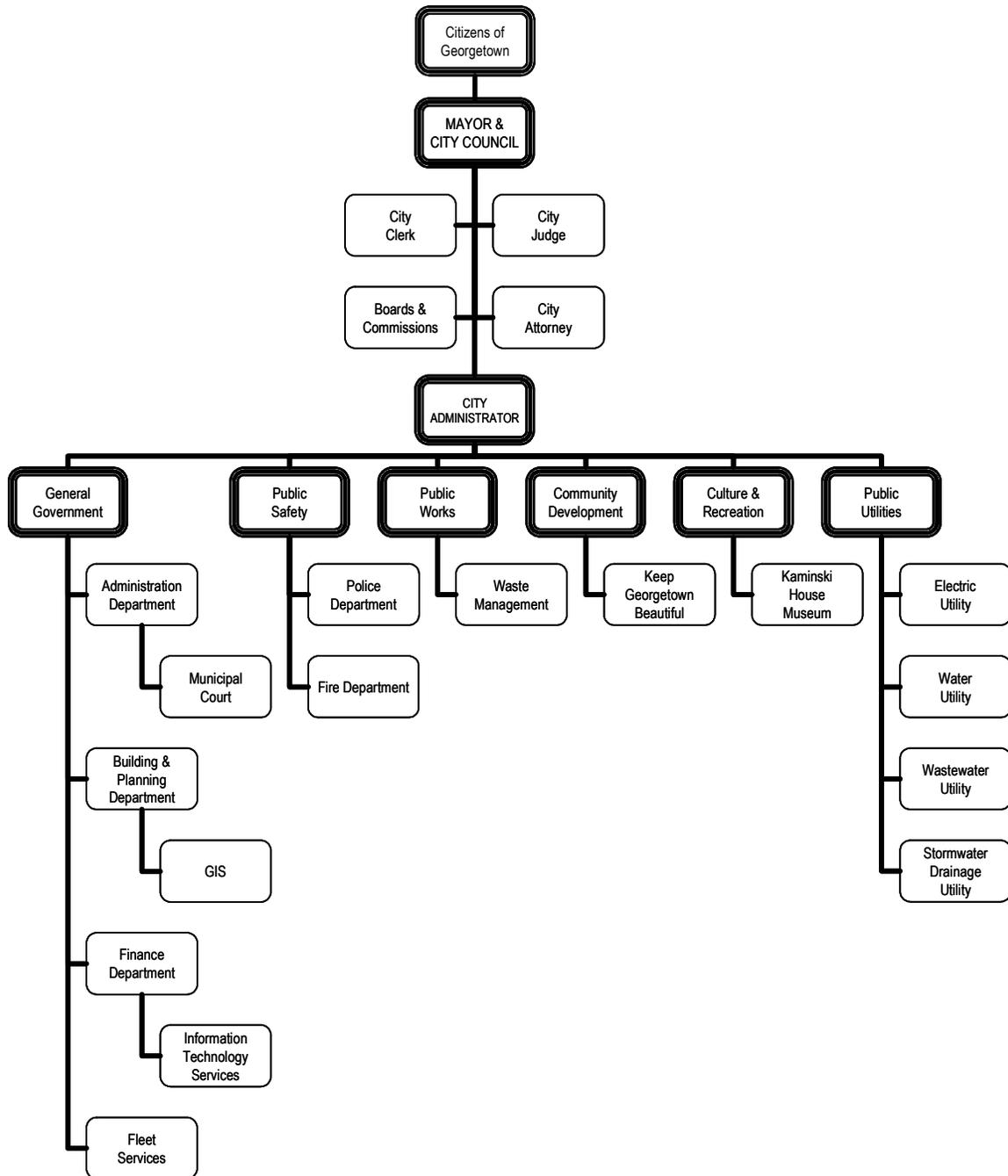


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City Administrator's Budget Message



July 1, 2008

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

Dear Mayor and Members of City Council:

I am pleased to present to you the approved Fiscal Year 2008/2009 Annual Budget which totals \$30,493,030. This document serves as a pivotal planning tool for the fiscal year beginning July 1, 2008 and represents our constant dedication to provide outstanding services to our residents, businesses, and visitors. 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 initiatives that have set the course for management policy and the efforts of staff. These 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 initiatives.

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. The budget supports the direction of the City as outlined in the following strategic initiatives:

Strategic Initiatives

Improve Recreation. The City intends 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.

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.

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.

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.

Residential and Commercial Growth. The City intends 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.

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.

These initiatives are supported by goals, objectives, accomplishments, and performance measures outlined throughout specific sections in this document. Our department staff has been evaluated and is managed through objectives and performance measures that link to those of the organization as a whole. FY 2006/2007 was the first year that the City of Georgetown attempted to establish and maintain these objectives and performance measures. Much was invested in the creation and commitment to these and the results are detailed well.

Budget Summary

The Fiscal Year 2008/2009 approved balanced budget totals \$30,493,030, a decrease of 1.9% from last fiscal year. The General Fund expenditures total \$8,481,716, an increase of \$74,766 or 0.9%. There are many fiscal pressures on the General Fund, however through prudent fiscal management the City has been able to keep expenditure increases as a whole to a minimum, despite extreme pricing pressures on fuel and energy costs and the implementation of a City wide wage and compensation adjustment.

The Utility Enterprise Fund expenses total \$19,975,695, an increase of 1.27%. Among many fiscal pressures on the Utility Enterprise Funds the most costly are the increased costs of purchased power due to the rising cost of fuel, increased operating costs in the Regional Wastewater Treatment Facility due to proper management and operation, increased personnel expenses due to the wage and compensation study implementation, and increased capital needs due to obligations related to the much anticipated growth in the South Georgetown Area.

City Administrator's Budget Message (continued)

Fund Balance Policy

Staff has followed the direction of Council in establishing a fund balance policy which, over time, has provided an increased General Fund Unreserved Fund Balance to help mitigate future unforeseen financial conditions, meet cash-flow needs, and ensure financial stability. In addition, rating agencies favor increased levels of unreserved fund balance and the City will benefit from enhanced creditworthiness. The General Fund Unreserved Fund Balance for the beginning of FY 2008/2009 is projected at \$4.4 million. This is an increase of 74%.

Decreased Staffing Levels for Fiscal Year 2008/2009

The 2008/2009 Budget includes 7 fewer full-time positions than budgeted in 2007/2008. The City was able to reduce staffing through improving work processes, updating equipment and purchasing new financial systems software. These reductions account for a combined budget savings of \$280,250.

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

Cost-Saving and Revenue-Generating Projects

The Management Team made a commitment at our 2008 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.

Residential Sanitation. An evaluation of the Residential Sanitation Collection operations resulted in a proposed transition to a "side load" type piece of equipment that will reduce our labor requirements by 33%, as well as make our processes more efficient, thus generating a significant cost savings. To date we have purchased one such piece of equipment and have realized a \$35,000 annualized reduction in personnel cost in the Waste Management fund. A second "side load" collection unit is budgeted to be purchased in 2008/2009.

The focus of the last two budget years has somewhat differed from years past. With new concentration being placed on Enterprise Fund management we have been able to not only create cost savings due to more efficient operations but also decrease recurring transfers from the General Fund to the Enterprise Funds. This has significantly decreased some fiscal stressors in the General Fund and allowed to reduce or eliminate transfers to the General Fund from the Enterprise Funds. The total transfer reduction for 2008/2009 is \$639,795 or 31.4%.

City Administrator's Budget Message (continued)

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

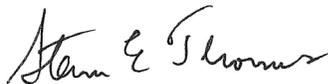
Our budget process for FY 2008/2009 brings no rate increase to our citizens. Although we can't ensure that there will not be any in the next fiscal year, we are working hard every day to minimize those increases.

The adopted FY 2008/2009 Budget includes a 2.4 mill tax increase to compensate for decreased dependence on our Electric Utility Fund. This increase totals \$0.80 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,



Steven E Thomas
City Administrator

Accomplishments

The City of Georgetown's departments utilize the guidelines set forth by our City Council when budgeting for actions and projects to be undertaken during the new budget year that may fall outside of the scope of normal day to day operations. The following items are a few examples of the accomplishments that the City has made in each of the areas identified by council as primary concerns in Fiscal Year 2007/2008.

Improve Recreation

A task force of citizens and City staff was established for, and subsequently completed, the redesign of Morgan Park. The redesign task force utilized a myriad of resources in the process, and has presented an outstanding plan to Council for their consideration. One major factor that came to light after the inception of the redesign project was the location of the remnants of Fort Winyah (c. 1800). An archaeological study was conducted, and the fort was located. This discovery has the potential to develop into an important historical site.

The City has Established, implemented, and is now maintaining a monthly parks and playground equipment safety inspection program. This provides our Citizens, guests, and their children with the safest possible leisure activity locations. Several areas that need improvement were identified and new equipment was purchased and installed. Additional funds are appropriated for FY 2008/2009 to continue these improvements.

Economic Development

An overlay district was developed that established guidelines for the appearance and design of commercial establishments. This will make businesses within the City more attractive to their customers, and clarify City expectations so that they can be incorporated in the planning stages of new businesses.

An in depth analysis of the City's zoning ordinances was conducted, which led to updating, deletion, or addition of many of the ordinances. These changes will bring a heightened level of consistency to decisions made by the zoning department.

A new comprehensive plan study and design project was implemented. This plan will be instrumental in guiding the decisions made by the City so that they carry the maximum benefit for the future.

Safe Environment

A GIS mapping function was established that is charged with providing up to date locations and addresses of all homes and businesses within the service area of the City. This mapping will also include the location of all fire hydrants and the size of the servicing water line for each.

Accomplishments (continued)

A study of the City's fire protection water system was continued during the last fiscal year in order to receive professional recommendations on improvements that need to be made to the infrastructure of this system. A plan is currently being drafted to identify all improvement areas so that we can ensure all needed improvements are addressed.

Cleaner Environment

A new side loading collection truck was purchased in Waste Management to aid in the efficient and timely removal of and household garbage. This equipment will free up personnel in the department so that other needs in the City can be expedited.

The citizens and staff of the City participated in the annual Great American Cleanup again this year, with over 800 volunteers turning out during the course of the event. An annual "River Sweep" event was also conducted that has a remarkable impact on the appearance of the City's waterfront.

Residential and Commercial Growth

The City has recently annexed two new development tracts and is working closely with the project managers to ensure that their needs are met, as well as the City's. These new developments will add several hundred new homes to the City in the near future.

In addition to the newly annexed parcels, several other new housing developments have been started, some with houses already being constructed. In all, these developments will add over 1000 homes to the City. This is an unprecedented rate of growth for the City.

Infrastructure

The Electric Department has had a busy year in terms of infrastructure expansion and improvement. They have completed the second phase of line upgrades in order to service the homes in the expansion areas, extended the coverage area by installing additional underground lines, and began infrastructure installation in the expansion areas.

Our Water and Wastewater Departments have also been improving and adding to the City's infrastructure during the past year. They completed a redesign of one of the main booster pump stations and submitted the plans to the State for approval. They have also conducted a rigorous preventative maintenance program on the existing infrastructure, which includes flushing all lines and exercising main valves. The maintenance of the sewer system also includes a vapor treatment that eliminates invasive tree and plant roots from the lines and ensures that they remain free flowing.

Budget Highlights

Fiscal Year 2008/2009 is sure to be a year that will be rewarding yet challenging for the City of Georgetown. The City is poised to begin growing at levels that are unprecedented in its long history. This growth made preparing this budget with the goals set forth by our City Council paramount to the continued success of the efforts of the City to manage its resources, in the most beneficial means possible. The following are some of the highlights of the Fiscal year 2008/2009 Budget.

Improve Recreation

The City has budgeted \$50,000 for repairs to our parks. These parks are used by our Citizens and guests to enjoy the beautiful scenery of our historic harbor and as public docking for watercraft. In addition, the budget includes funding to continue improvements to the City's Harborwalk which is located on Front Street and is one of the major attractions in the City.

The City has budgeted \$300,000 for a comprehensive study of the East Bay and Morgan Parks. The goal is to assess the best uses for these parks in order to ensure proper development.

Cleaner Environment

The City will contract out the removal of a large abandoned boat from Goat Island, which lies in the harbor across from our waterfront business district.

The City will lead the effort again this year to try to make the annual Great American Cleanup project even more successful than ever before.

City staff will present for adoption the rewritten City Sanitation Ordinance in order to give our Code Enforcement Officers a more clearly defined set of rules by which they can more vigorously address unsanitary or unsightly conditions that may be found within the City.

Economic Development

The comprehensive plan study and design project that was implemented in FY 2006/2007 will be completed. This plan will be instrumental in guiding the decisions made by the City so that they carry the maximum benefit for the future allocation of the City's economic resources.

The City's Land Development Regulations are being reviewed in a workshop format, with input from both City Council and citizens. The goal of these workshops will be to transform the ordinance into a more useful tool for development.

Safe Environment

The City will purchase four (4) new fully equipped police patrol vehicles. This will give us a better presence on our roads and in our neighborhoods.

Budget Highlights (continued)

Also, metal detectors will be purchased and installed in our Municipal Court to ensure the safety of our judges and court officers, as well as the citizens participating in the judicial process.

Residential and Commercial Growth

The City will enhance its use of our newly implemented Community Development Software Package in conjunction with our GIS function to assist the Building and Planning Department in managing the growth in the City.

The City will purchase a new residential waste collection truck, which will be considerably more efficient than the current equipment. This increase in efficiency will be critical to the ability of the sanitation crews to effectively serve the growing areas of the City.

Infrastructure

The Water Department will replace portions of our lines in the Historic District to begin eliminating the “brown water” issue as well as replacing lines in the Maryville area.

Significant upgrades will be performed at our Regional Wastewater Plant this budget year. They include, but are not limited to, the replacement of chlorine evaporators and influent pumps.

The IT Department will complete recertification of our fiber ring in order to ensure continued city operations via our fiber system.

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, 2009

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 public hearing and meeting held on June 19, 2008, at 5:00 pm in the City of Georgetown Council Chambers 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 \$30,493,030. A schedule of "Revenues Versus Expenses by Fund" is attached to this ordinance.

SECTION 4. That for the fiscal year 2008/2009, a tax of 87.0 mills (\$.870 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 2008/2009; (2) paying the floating indebtedness of said City, if any, during the year 2008/2009; (3) paying interest on the indebtedness of the City of Georgetown, past due or that may become due during the year 2008/2009; 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 2008/2009 shall be the millage applicable to other taxable property within the City (i.e., .8700 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, 2008, and shall continue in effect during the next twelve (12) months of the fiscal year 2008/2009.

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 19th day of June, 2008.

ATTEST:


Ann U Mercer, City Clerk


Lynn Wood Wilson, Mayor

Clarence C Smalls, Councilmember

Brendon M Barber, Sr, Mayor Pro Tem

Jack M Scoville, Jr, Councilmember

Rudolph A Bradley, Councilmember

Peggy P Wayne, Councilmember

Paige B Sawyer, III, Councilmember

First Reading: 10 June 2008
Second Reading: 19 June 2008

Approved as to Form:



Elise F Crosby, City Attorney

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
- Community Development Fund
- Seized & Forfeited Property Fund
- Federal Grants
- State/Local Grants

Budget Policies and Procedures (continued)

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

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.

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 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.

Budget Policies and Procedures (continued)

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.

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.

Budget Policies and Procedures (continued)

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.

Financial Policies

STATE OF SOUTH CAROLINA)

RESOLUTION TO ADOPT FINANCIAL POLICIES AS RECOMMENDED BY GFOA

CITY OF GEORGETOWN)

WHEREAS, the City of Georgetown fully intends to operate in a fiscally responsible manner; and

WHEREAS, the best interest of the City of Georgetown can be served by developing financial policies that govern planning and decision making with regard to the use of resources; and

WHEREAS, the Government Finance Officers Association (GFOA) recommends that, at a minimum financial policies be developed by professional staff and formally adopted by the jurisdiction's governing board

NOW, THEREFORE, BE IT RESOLVED by Mayor and City Council of the City of Georgetown, South Carolina that the below policy is hereby adopted.

FP 1: Reserved and Unreserved Funds

The City will maintain reserved and unreserved stabilized funds at levels sufficient to protect the City's credit as well as its financial position from emergencies.

The City of Georgetown seeks to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures. Stabilization funds are called by many names including rainy day funds, unreserved, undesignated fund balances, and contingency funds. These funds are used at a government's discretion for many purposes: to address temporary cash flow shortages; to fund emergencies; unanticipated economic downturns; and one-time opportunities.

The following summarizes the City's policy on reserved and unreserved ending fund balances:

1. Unreserved Fund Balances

General Fund: The General Fund shall maintain an unreserved fund balance equal to at least 15% of the total audited General Fund expenditures for the previous fiscal year. These funds are to be left in the City's general operating cash account for the purpose of floating the City's operations throughout the fiscal year.

Financial Policies (continued)

Enterprise Fund: The Enterprise Fund shall maintain an unreserved fund balance equal to at least 20% of the total audited Enterprise Fund Operating Expenses for the previous fiscal year. These funds are to be left in the City's general operating cash account for the purpose of floating the City's operations throughout the fiscal year.

2. Reserved Fund Balance

All Reserved Fund Balances shall be fully funded. These fund balances may only be used for the express purpose of funding expenditures directly related to the specified fund.

FP 2: Revenue

The City will design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

The City seeks to use a balanced mix of revenues that will ensure reasonable stability for operation at continuous service levels through economic cycles, but will provide for the fluctuation required for response to increased service demands in a rapid-growth environment. A revenue system that requires the identification of both the cost of the program and the portion of the cost that will be recovered through fees and charges allows the City and its citizens to develop a better understanding of the cost of services and to consider the appropriateness of established fees and charges, as well as encourage economic efficiency and reduce the *ad valorem* tax burden.

To that end, the City has established the following goals that are used to accomplish this policy:

1. The City will seek to establish all user charges and fees at a level related to the full costs (operating, direct, indirect, and capital) of providing the service. The City will review these fees and charges annually in the budget process and target rates that meet the cost to serve-particularly in the City's key businesses (Electric, Water, Wastewater, Stormwater, and Waste Management). In any event, all enterprise funds will endeavor to be self-supporting.
2. Costs of service include direct and indirect costs such as operating and maintenance costs, overhead, and charges for use of capital (depreciation and debt service). A government may choose not to recover all costs, but it should identify such costs. Reasons for not recovering full costs should be identified and explained. State and local law may govern the establishment of fees and charges.
3. The City will consider market rates and charges levied by other businesses and municipalities for like services in establishing rates, fees, and charges. These fees will be reviewed through the City's annual rate survey.
4. One-time or special revenues shall not be used to finance ongoing City operations but rather be used for the funding of special projects.

Financial Policies (continued)

5. An aggressive policy of seeking the collection of delinquent utility and license fee accounts will be maintained.
6. Citizen input into decisions relating to revenues will be solicited during the annual budget public hearing process and will be made available for public review prior to City Council consideration of first reading.
7. In determining revenue projections – and where judgment is required – conservatism shall be the rule.

FP 3: Diversified Revenue Base

The City will annually review its revenue source to maintain a diversified revenue base.

The City of Georgetown is committed to a diverse revenue base. Since all revenue sources have particular characteristics in terms of stability, growth, sensitivity to inflation, or business cycle effects, and impact on tax and rate payers – a diversity of revenue sources can improve a government's ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing services.

The City will identify approaches that will be used to improve revenue diversification. In accomplishing this policy, the City will analyze the sensitivity of revenues to changes in rates, the fairness of the tax or fee, administrative aspects of the revenue source, and other relevant issues.

Over time the City will strive to improve its revenue diversity to the extent feasible. Since the City is statutorily limited as to the types of revenues it may raise, it may consider options to enhance flexibility within the constraints of available revenue sources. For example, the City will seek to diversify the tax base on which the property tax is levied.

FP 4: Operating Transfers

The City will quantify operating transfers from the utility system to cover general fund expenses.

The City has traditionally made operating transfers from the Utility Enterprise Funds to the General Fund. City Council and staff have determined that the City needs to maintain the competitiveness of the utility system and to reduce the General Fund's need for Utility Enterprise Fund transfers. These transfers should be established at a level that is supportable by current utility business practices.

FP 5: Operational Reporting

City staff will provide to the City Council a report on the operating results of the City.

All excess revenue collected by the City of Georgetown that exceeds the projected budget revenue figure from a specific revenue category for each fiscal reporting period must be reported to City Council on a

Financial Policies (continued)

monthly basis. The expenditure of any and all excess revenue will be at Council's discretion and cannot be utilized within the City budget without Council's approval.

Likewise, all expenditures that exceed the projected budget expense figures in excess of \$5,000 on a departmental level must receive prior approval from the City Administrator and the Director of Finance. Upon execution of the expense, written notification must be reported to the City Administrator within seven calendar days.

Cost savings that may occur within a specific department can be utilized within that particular department; however, this cost saving cannot be transferred to another department without prior approval of the City Administrator.

FP 6: Adoption of Balanced Budget

The City will annually adopt a Balanced Operating Budget.

According to the laws of the State of South Carolina, the City will adopt a balanced operating budget and provide full disclosure when a deviation from a balanced budget is planned or when it occurs. This balanced budget will ensure that all operating revenues are equal to, or exceed, all operating expenditures at adoption and at year-end. Any increase in expenses, decrease in revenues, or combination of the two that would result in a budget imbalance will require budget revision, rather than spending unappropriated surpluses or designated reserves to support ongoing operations. Any year end operating surpluses will revert to unappropriated balances.

The City of Georgetown annual budget appropriation will cover the twelve-month period beginning July 1 and ending June 30 of the following year. The proposed budget document is to be presented to the City Council for their consideration no later than June 1 with adoption of the approved ordinance by June 30. According to state law, any required public hearings will be scheduled to receive input on the development of the budget. Special public hearings are also required to consider the issue of a tax increase.

Budgets shall be prepared at the department level and provide the basis for the City's financial management system. The adopted appropriations by fund shall constitute the maximum expenditure authorization for that fund and can be amended only by action of the City Council. The budget shall be developed in conjunction with a stated program of performance objectives and measures with which to gauge progress towards meeting those objectives.

The following guidelines will be used in the preparation of the budget document:

1. Current appropriations in all funds are limited to the sum of available, unencumbered cash balances and revenues estimated to be received in the current budget period.

Financial Policies (continued)

2. Special Revenue Funds are supported by special levies and fees, grants, or intergovernmental revenues. Expenditures in these funds are strictly limited to the mandates of the funding source. Special Revenue Funds are not to be used to subsidize other funds, except as required or permitted by program regulation.
3. All operations of the Enterprise Funds should strive to be self-supporting entities. The City will conduct an annual review of fee structures, charges for services, and other operating revenues and expenditures.
4. For purposes of this policy, cash basis of accounting are used in defining revenues and expenditures.
5. It will be the duty of the City Administrator to take action to bring the budget into balance if adjustments are needed in the course of a fiscal period.

FP 9: Delivery of Services

The City will identify priority services, establish appropriate service levels, and administer the expenditure of available resources to assure fiscal stability and effective and efficient delivery of services.

The City will operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior years.

The Finance Director is charged with performing periodic staff and third-party reviews of City programs for both efficiency and effectiveness. Privatization and contracting with other governmental agencies will be evaluated as alternatives to service delivery. Programs that are determined to be inefficient and/or ineffective are to be reduced in scope or eliminated.

The City of Georgetown makes every effort to maximize any discounts offered by creditors/vendors. Staff shall also use competitive bidding to attain the best possible price on goods and services.

FP 10: Debt Policy

The City will adhere to a debt policy that ensures that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality.

Issuing debt commits the City's revenues several years into the future, and may limit the City's flexibility to respond to changing services priorities, revenue inflows, or cost structures. Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. Debt policies are written guidelines and restrictions that affect the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. Adherence to a debt

Financial Policies (continued)

policy helps to ensure that the City maintains a sound debt position and that credit quality is protected. Components of the debt policy are as follows:

1. Debt Limit – This is the only measure that is prescribed by state law, which provides that the City's general obligation debt cannot exceed 8% of the City's total assessed value (excluding tax anticipation notes and other indebtedness with a maturity of one year or less; bonds or other indebtedness of the City payable from taxes levied from special taxing areas; and self-supporting bonds or other debt.)
2. Utility Enterprise Debt Measures – The City's Revenue debt level shall not exceed a debt service coverage ratio of 1.20 times of the annual new pledged revenues to annual debt service.
3. Tax Increment Debt Measures – The City's Tax Increment debt level shall not exceed the current available revenues or revenues projected within the district from projects that have obtained a building permit.

FP 11: Contingency Planning

The City's best interest can be served by developing a long term financial strategy to meet emergencies.

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, the City endeavors to maintain an unreserved fund balance in the General Fund in an amount equal to approximately two months of normal General Fund operating expenditures, excluding capital outlay.

FP 12: Accounting Functions

The City of Georgetown will perform accounting functions that shall conform to the generally accepted accounting principles as applicable to governments.

The City will comply with prevailing federal, state, and local statutes and regulations. The City will also conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

In general, it will be the policy of the City to:

1. Prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic conditions. This information will be made available to the public for their inspection.

Financial Policies (continued)

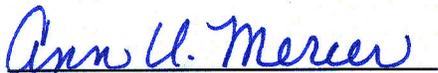
- 2. With available resources, the City will seek out and employ the assistance of qualified financial advisors and consultants in the management and administration of the City's financial functions.
- 3. An independent audit will be performed annually.
- 4. The City will issue annual financial reports in accordance with generally accepted accounting principles (GAAP) as outlined in the Governmental Accounting, Auditing, and Financial Reporting (GAAFR) publication.

The **basis of accounting** refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. As in the basis of budgeting, accounting records for the City of Georgetown governmental funds are maintained on a **modified accrual basis** with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. In contrast to the basis of budgeting, accounting records for proprietary funds are maintained on the **accrual basis** in which revenues are recognized when earned and expenses are recognized when incurred.

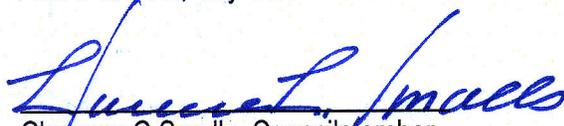
The City of Georgetown's accounting system is organized and operated on a "fund" basis. Each accounting entity is accounted for in a separate "fund" which is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with related liabilities and residual equities or balances, and changes therein.

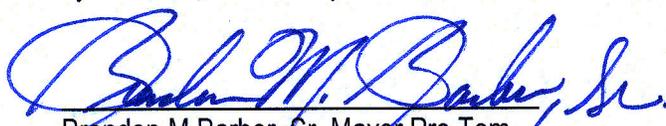
PASSED AND ADOPTED this 17th day of August, 2006.

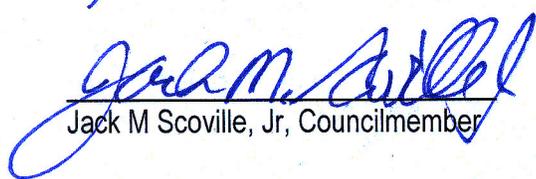
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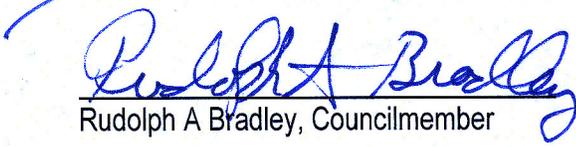

Ann U Mercer, City Clerk


Lynn Wood Wilson, Mayor

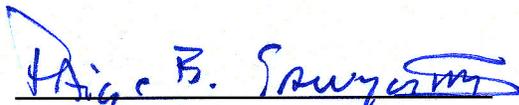

Clarence C Smalls, Councilmember


Brendon M Barber, Sr, Mayor Pro Tem


Jack M Scoville, Jr, Councilmember


Rudolph A Bradley, Councilmember

Peggy P Wayne, Councilmember


Paige B Sawyer, III, Councilmember

Fiscal Year 2008/2009 Budget Calendar

25 January 2008	All Day	Department Head Retreat/Budget Kick-off Meeting – Baruch
8 February 2008	5:00 pm	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Fiscal Year 2007/2008 Payroll Projections/Changes • Fiscal Year 2008/2009 Payroll Projections/Changes
25 February 2008	9:00 am	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Fiscal Year 2008/2009 Capital Requests
09/10 March 2008	All Day	Council Goal Setting/Budget Retreat – Wampee
10 March 2008	9:00 am	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Fiscal Year 2007/2008 Projections
14 March 2008	9:00 am	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Fiscal Year 2008/2009 Budget Justification Sheets/Final Budget Plans
17-21 March 2008	Various	Department Budget Reviews with the City Administrator's Office <ul style="list-style-type: none"> • Changes to Performance Measures for FY 08/09
21 April 2008	N/A	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • FY 08/09 Objectives
24 April 2008	4:00 pm	City Council Workshop #1
24 Mar -11 Apr 2008	Various	Finance Department Prepares Draft Budget for Submission to City Council
8 May 2008	4:00 pm	City Council Workshop #2
29 May 2008	4:00 pm	City Council Workshop #3
4 June 2008	N/A	Advertise Projected Budget Totals for 28 June 2008 Public Hearing
5 June 2008	5:30 pm	Budget Ordinance for First Reading
19 June 2008	5:00 pm	Public Hearing and Budget Ordinance for Second Reading and Adoption
01 July 2008	N/A	New Fiscal Year Begins
7 July 2008	N/A	Due in to the Finance Department from all City Departments: <ul style="list-style-type: none"> • Performance Measures FY 07/08 Due • FY 07/08 Accomplishments

* 22 May 2008 is reserved for additional workshop if necessary.

Sources and Uses of Funds

Fiscal Year 2008/2009

	General Fund	Debt Service Fund	Federal, State and Local Grants Fund	State Accomm. Tax Fund	Local Accomm & Hospitality Tax Fund	Comm. Dev./ Seized and Forfeited Funds
ESTIMATED REVENUES:						
Property Taxes	\$3,225,000	\$438,500				
Licenses and Permits	2,330,750					
Intergovernmental Revenue	555,992		48,609	80,000		
Charges for Services	59,724				26,700	
Fines and Forfeitures	299,000					75,000
Operating Transfers In	1,427,750	8,470	14,467			
Miscellaneous Revenues	583,500			400	762,830	1,889
From Reserves				3,800	595,233	10,521
TOTAL SOURCES OF FUNDS	\$8,481,716	\$446,970	\$63,076	\$84,200	\$1,384,763	\$87,410
EXPENDITURES/EXPENSES:						
General Government	\$1,431,296					\$11,410
Public Safety	5,409,785		13,076			40,733
Public Works	677,787					
Purchased Power						
Parks, Recreation & Tourism			50,000	56,450	1,338,963	
Non-Departmental	595,890					
Transfers	44,270			27,750	45,800	4,467
Debt Service	290,967	446,970				
TOTAL EXPENDITURES	8,449,995	446,970	63,076	84,200	1,384,763	56,610
To Reserves	31,721					30,800
TOTAL USES OF FUNDS	\$8,481,716	\$446,970	\$63,076	\$84,200	\$1,384,763	\$87,410
Beginning Fund Balance (Est.)	6,874,522	0	0	68,736	1,744,978	85,530
Ending Fund Balance	6,906,243	0	0	64,936	1,149,745	105,809

Fiscal Year 2008/2009

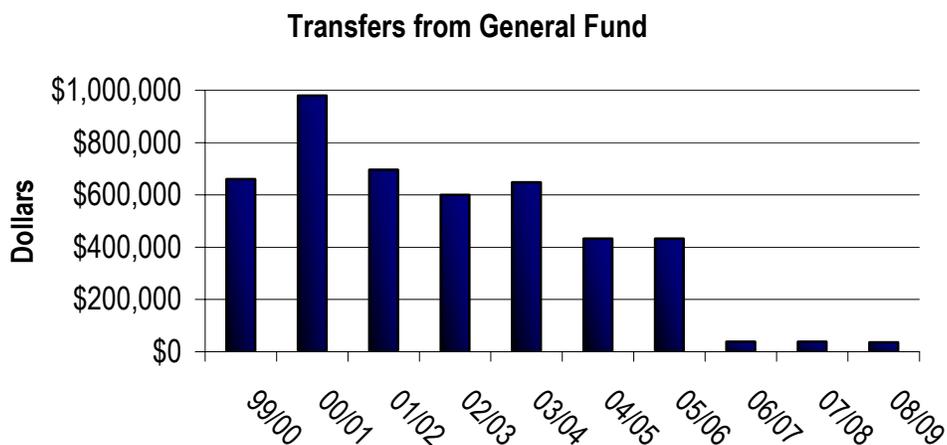
Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Stormwater Utility Fund	Waste Management Fund	Total FY 08/09 Budget	Comparative FY 07/08 Budget	Variance
					\$3,663,500	\$2,950,000	\$713,500
					2,330,750	2,141,740	189,010
				8,000	692,601	828,456	(135,855)
12,780,939	1,958,659	3,205,454	530,000	1,287,000	19,848,476	21,074,019	(1,225,543)
					374,000	299,500	74,500
				71,600	1,522,287	2,144,145	(621,858)
99,135	101,146	68,166	87,062	16,842	1,720,970	1,698,342	22,628
				52,488	662,042	627,981	34,061
<u>\$12,880,074</u>	<u>\$2,059,805</u>	<u>\$3,273,620</u>	<u>\$617,062</u>	<u>\$1,435,930</u>	<u>\$30,814,626</u>	<u>\$31,764,183</u>	<u>(\$949,557)</u>
					\$1,442,706	\$1,774,947	(\$332,241)
					5,463,594	5,071,402	392,192
3,240,495	2,022,679	2,761,111	607,218	1,421,844	10,731,134	11,056,074	(324,940)
8,129,561					8,129,561	8,461,200	(331,639)
					1,445,413	1,337,736	107,677
					595,890	475,930	119,960
1,400,000					1,522,287	2,144,145	(621,858)
67	171	303,463		14,086	1,055,724	658,920	396,804
<u>12,770,123</u>	<u>2,022,850</u>	<u>3,064,574</u>	<u>607,218</u>	<u>1,435,930</u>	<u>30,386,309</u>	<u>30,980,354</u>	<u>(594,045)</u>
109,951	36,955	209,046	9,844		428,317	783,829	(355,512)
<u>\$12,880,074</u>	<u>\$2,059,805</u>	<u>\$3,273,620</u>	<u>\$617,062</u>	<u>\$1,435,930</u>	<u>\$30,814,626</u>	<u>\$31,764,183</u>	<u>(\$949,557)</u>
10,661,140	11,896,540	8,703,660	8,528,473	703,325	49,266,904	47,125,807	2,141,097
10,771,091	11,933,495	8,912,706	8,538,317	650,837	49,033,179	47,281,655	1,751,524

Year Ending Condition/Interfund Transfers

The central focus of the FY 2008/2009 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 contained in this budget have allowed for a reduction of \$399,690 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 2008/2009 budget, the City has been able to maintain the reduction of the General Fund transfer to enterprise funds, in addition to a decrease in the transfer into the General Fund by \$639,795. While the cash balances in several enterprise funds are projected to decline during this year, this is due to cost savings measures that will be implemented during FY 2008/2009, such as purchasing more efficient equipment, as well as infrastructure installation for near term development of the southern portion of the City. All of these capital outlays will yield future dividends that will bolster the City's ability to serve its customers on an ongoing basis.



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	\$1,400,000	Recurring	Operational
State ATax	General Fund	\$27,750	Recurring	State Mandated
Local Hospitality	Waste Management	\$35,800	Recurring	Keep Georgetown Beautiful
General Fund	Waste Management	\$35,800	Recurring	Keep Georgetown Beautiful
Total Transfers		<u>\$1,499,350</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	\$1,427,750	\$35,800	\$1,391,950	\$0
Electric Fund	0	1,400,000	(1,400,000)	0
Waste Management	71,600	0	71,600	0
State ATax	0	27,750	(27,750)	0
Local Hospitality	0	35,800	(35,800)	0
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 2005 population of the City is 8,914 with an estimated total of 59,950 people living in Georgetown County area.

Population of City of Georgetown US Census Bureau Estimates

2001	8,901
2002	8,946
2003	8,927
2004	8,926
2005	8,914
2006	8,706

Major Employers of Georgetown County for 2007

<u>Employer</u>	<u>Number of Employees</u>
Georgetown County Department of Education	1600
Georgetown Hospital System	1200
International Paper	750
County of Georgetown	505
Mittal Steel	400
3V, Inc	260
City of Georgetown	203
A & L Apparel	125
Sampit Lumber Company	142
Screen Tight	140

Demographics and Economics (continued)

Unemployment Rate for Georgetown County

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%
2005	8.3%
2006	7.0%
2007	7.9%

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

<u>Fiscal</u> <u>Period</u> <u>Ended</u>	<u>Tax</u> <u>Levy</u> <u>Year</u>	<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>	
		<u>Assessed</u> <u>Value</u>	<u>Estimated</u> <u>Actual</u> <u>Value</u>	<u>Assessed</u> <u>Value</u>	<u>Estimated</u> <u>Actual</u> <u>Value</u>	<u>Assessed</u> <u>Value</u>	<u>Estimated</u> <u>Actual</u> <u>Value</u>
06.30.07	2006	\$26,097,309	\$497,091,600	\$10,924,538	\$109,287,513	\$37,021,847	\$606,379,113
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

Demographics and Economics (continued)

**Computation of Legal Debt Margin
June 30, 2007**

Total Assessed Value	\$ 37,021,847
Debt Limit - 8% of Total Assessed Value	2,961,748
Total Amount of Debt Applicable to Debt Limit	-
Legal Debt Margin	<u><u>\$ 2,961,748</u></u>

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

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City of Georgetown</u>	<u>Georgetown County School District</u>	<u>Georgetown County</u>	<u>Total</u>
06.30.08	2007	84.60	112.50	51.60	248.70
06.30.07	2006	82.00	112.50	51.60	246.10
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

Enterprise Activities

Electric System

The City has operated the electric system since 1921. It will be 87 years old on March 30th, 2008. 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.

Number of Customers-Electric System Last Ten Fiscal Years

1999	4,887
2000	4,899
2001	4,932
2002	4,929
2003	4,969
2004	4,985
2005	5,046
2006	5,094
2007	5,126
2008	5,137

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 36 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-Water System Last Ten Fiscal Years

1999	4,434
2000	4,445
2001	4,473
2002	4,522
2003	4,537
2004	4,544
2005	4,603
2006	4,641
2007	4,677
2008	4,679

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

1999	4,143
2000	4,136
2001	4,147
2002	4,181
2003	4,185
2004	4,186
2005	4,230
2006	4,258
2007	4,278
2008	4,268

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

1999	4,570
2000	4,569
2001	4,634
2002	4,650
2003	4,702
2004	4,735
2005	4,803
2006	4,841
2007	4,881
2008	5,030

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 mobile rollout containers. The City utilizes 4 scow body trucks, 2 tractor loaders, 2 residential garbage trucks, 1 pick up truck, 2 grapple trucks, and 1 leaf machine. 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

1999	4,174
2000	4,117
2001	4,075
2002	4,077
2003	4,088
2004	4,061
2005	4,117
2006	4,095
2007	4,127
2008	4,123

Monthly Impact Analysis

Monthly Impact of Tax/Utility Rates on Typical Household

<u>Assuming</u>	<u>FY 04/05</u>	<u>FY 05/06</u>	<u>FY 06/07</u>	<u>FY 07/08</u>	<u>FY 08/09</u>
Electricity Charge on 1,000 kWh ¹	\$78.76	\$83.37	\$84.84	\$84.84	\$84.44
Sanitation (Including Recycling)	15.00	17.50	19.00	19.00	19.00
Water Charge on 5,000 gallons ²	18.80	18.80	19.75	19.75	19.75
Sewer Charge on 5,000 gallons ²	23.95	23.95	26.10	26.10	26.10
Stormwater Charge on 1 REU	3.00	3.00	4.00	4.00	4.00
Taxes on a \$100,000 Home	30.20	30.20	31.23	28.21	29.00
TOTAL	<u>\$169.71</u>	<u>\$176.82</u>	<u>\$184.92</u>	<u>\$181.90</u>	<u>\$182.29</u>

Monthly Impact of Tax/Utility Rates on Typical Business

<u>Assuming</u>	<u>FY 04/05</u>	<u>FY 05/06</u>	<u>FY 06/07</u>	<u>FY 07/08</u>	<u>FY 08/09</u>
Electricity Charge on 6,200 kWh ¹	\$376.77	\$381.38	\$382.85	\$382.85	\$382.45
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	66.05	66.05	71.75	71.75	71.75
Sewer Charge on 30,000 gallons ²	77.70	77.70	90.60	90.60	90.60
Stormwater Charge on 1 acre	18.90	18.90	25.20	25.20	25.20
Taxes on \$250,000 business	113.25	113.25	117.10	105.78	108.75
Business License on \$850,000 sales ³	73.64	73.64	81.00	81.00	81.00
TOTAL	<u>\$797.34</u>	<u>\$801.95</u>	<u>\$839.53</u>	<u>\$828.21</u>	<u>\$830.78</u>

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.