

City of Clemson

# Budget Overview

## Fiscal Year 15/16



Issued by the City Administrator's Office

*This document has been prepared by the City of Clemson to provide important information to the public as a summarized version of the FY 2015/2016 Operating and Capital Budget. For more information on the City or the Budget, please visit [www.cityofclemson.org](http://www.cityofclemson.org).*

The City of Clemson Fiscal Year 2015/16 budget document emphasizes a professional and conservative fiscal approach. It is primarily intended to establish an action, operation, and financial plan for the delivery of city services. This budget continues to build upon the solid foundation created in the past to provide quality municipal services that our residents deserve and expect to fulfill the dream of creating this great city.

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

## HIGHLIGHTS

- FY 2015/16 City Millage Rate increased from 82.2 to 84.2 mills.

### **Last Fiscal Year 14/15:**

- The City of Clemson employed 149 full-time and, 130 part-time employees;
- The Public Works Department collected 459,060 pounds of junk, 5,741,730 pounds of residential garbage, 4,930,732 pounds of commercial garbage, 32,263 cubic yards of brush and leaves, 1,376,040 pounds of recyclable refuse, and produced 6,857 cubic yards mulch;
- Over 6,937 utilities accounts were processed monthly by the Finance/Billing Admin;
- The City consumed 684.06 million gallons of water; and
- Twenty-eight Class 1 police officers responded to 65,540 calls for service.

## 2015/16 BUDGET PRIORITIES/GOALS

- Municipal Court begin to receive on-line payments
- Adding new position Business License Clerk
- Continued development of the Stormwater Management and MS4 Permitting .
- Completion of retaining wall on Hwy 123
- Dedication of "Tottie's Place" greenway on land obtained through a local family gift.
- Complete the State Revolving Fund water line replacement projects at various locations in the City.
- Design and construct the Old Calhoun District streetscape initiative.
- Design and develop bid specifications for replacement of the Cochran Road Wastewater Treatment Plant office and lab facility.
- Replace decorative street lights on College Avenue.
- Bid and construct Fire Sub-Station on Issaqueena Trail.
- Bid and construct Pedestrian Bridge over Hwy 123.
- Work with SCDOT, Amtrak and Norfolk Southern Railroad to facilitate the completion of the rail bridge replacement project.

## DESCRIPTION OF CITY FUNDS

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

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

Operations that are financed by the general fund include:

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

The City's Enterprise Operations are accounted for in four separate funds:

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

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

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

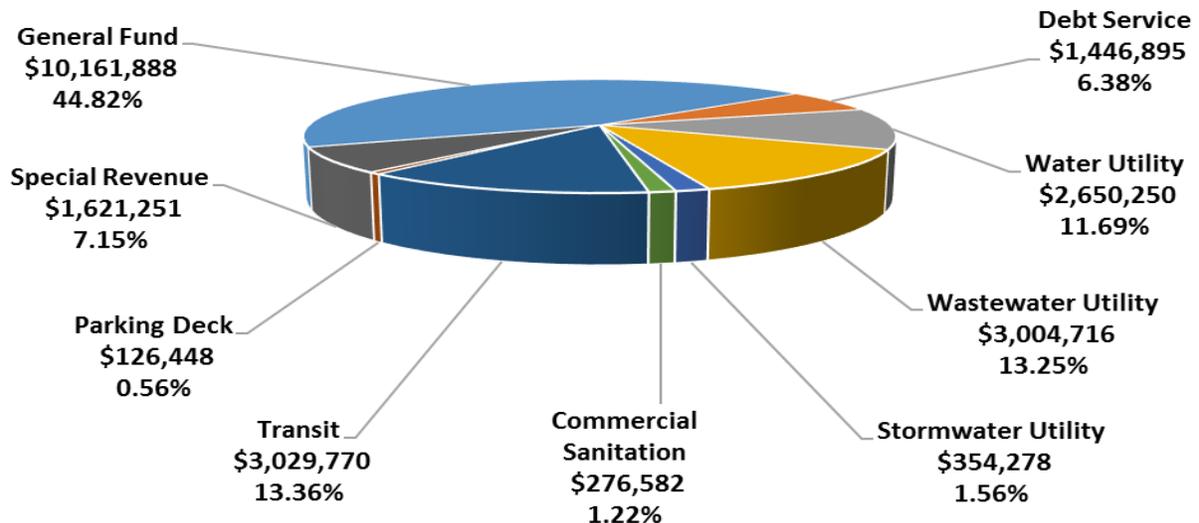
(4) The Transit Fund is established to finance and account for Clemson Area Transit (CAT) Operations. Even though current operations are not financed through user fees and charges, the City has determined that in order to monitor the cost of providing transit service to the public, CAT's activities will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

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

Fund	Beginning Fund Balance (July 1, 2015) ***	Estimated Revenues For FY 2015/2016	Estimated Expenses For FY 2015/2016	Net Transfers and/or Proceeds of LTD For FY 2015/2016	Projected Ending Fund Balance (June 30, 2016)
General	4,505,271	9,647,598	10,161,888	261,000	4,251,981
Debt Service	103,096	116,413	1,446,895	1,236,055	8,669
Water Utility	1,185,344	2,769,097	2,650,250	15,000	1,319,191
Wastewater Utility	2,355,709	2,817,300	3,004,716	-	2,168,293
Stormwater Utility	43,963	398,260	354,278	-	87,945
Commercial Sanitation	251,694	293,300	276,582	-	268,412
Transit	1,505,759	3,395,195	3,029,770	-	1,871,184
Parking Deck	498,539	103,500	126,448	44,000	519,591
Special Revenues	4,314,848	3,010,694	1,621,251	(1,540,770)	4,163,521
<b>Total for all Funds</b>	<b>14,764,223</b>	<b>22,551,357</b>	<b>22,672,078</b>	<b>15,285</b>	<b>14,658,787</b>

### FY 15/16 ESTIMATED EXPENDITURES - ALL FUNDS

\$22,672,078



## BUDGET SUMMARY

### GENERAL FUND REVENUES

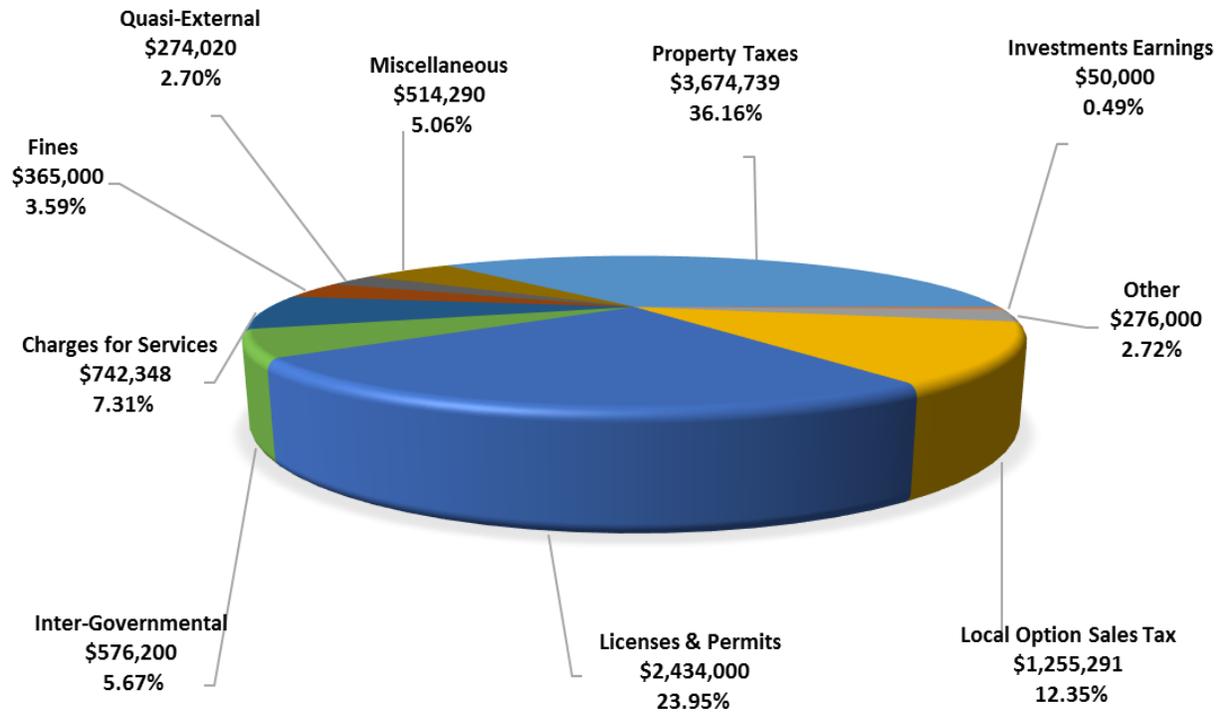
SOURCE OF REVENUE	<u>2014/15</u> ACTUAL	<u>2015/16</u> APPROVED
<b>PROPERTY TAXES</b>		
REAL PROPERTY	3,200,193	3,304,304
PERSONAL PROPERTY	316,870	258,213
DELINQUENT	<u>128,082</u>	<u>112,222</u>
SUB -TOTAL	3,645,145	3,674,739
<b>GENERAL SALES TAXES</b>		
LOCAL OPTION SALES	<u>1,292,198</u>	<u>1,255,291</u>
SUB-TOTAL	1,292,198	1,255,291
<b>LICENSES &amp; PERMITS</b>		
BUSINESS LICENSES	1,462,098	1,430,000
RENTAL HOUSE LICENSES	54,080	74,000
FRANCHISE FEES	726,820	690,000
BUILDING PERMITS	<u>227,032</u>	<u>240,000</u>
SUB-TOTAL	2,470,030	2,434,000
<b>INTERGOVERNMENT</b>		
GOVERNMENT FUND	304,376	300,000
ACCOMMODATIONS TAX	36,160	36,000
ALCOHOL BEV PERMITS	28,050	30,000
INVENTORY TAX	35,227	35,200
FORT HILL NATURAL GAS	<u>190,003</u>	<u>175,000</u>
SUB-TOTAL	593,816	576,200
<b>CHARGES FOR SERVICES</b>		
DISPATCHING	49,800	51,792
SANITATION	542,269	553,000
RECREATION	128,665	120,000
BRUSH GRINDING	<u>17,556</u>	<u>17,556</u>
SUB-TOTAL	738,290	742,348

**GENERAL FUND REVENUES**

SOURCE OF REVENUE	<u>2014/15</u> ACTUAL	<u>2015/16</u> APPROVED
<b>FINES &amp; FORFEITURES</b>		
COURT	262,474	260,000
PARKING	92,933	70,000
NARCOTICS	<u>6,969</u>	<u>35,000</u>
SUB-TOTAL	<u>362,376</u>	<u>365,000</u>
<b>INVESTMENT EARNINGS</b>		
INVESTMENT EARNINGS	<u>60,920</u>	<u>50,000</u>
SUB-TOTAL	<u>60,920</u>	<u>50,000</u>
<b>OTHER REVENUES</b>		
OTHER	287,052	237,000
RECYCLED MATERIALS	<u>32,859</u>	<u>39,000</u>
SUB-TOTAL	<u>319,911</u>	<u>276,000</u>
<b>QUASI-EXTERNAL REVENUES</b>		
PYMT IN LIEU OF TAXES	77,783	77,780
BUSINESS LICENSES	382	380
FRANCHISE FEES	107,852	107,850
BUILDING OCCUPANCY	28,564	28,560
INSURANCE REIMBURSE	6,000	6,000
INFORMATION TECH	<u>53,457</u>	<u>53,450</u>
SUB-TOTAL	<u>274,038</u>	<u>274,020</u>
<b>MISCELLANEOUS</b>		
TRANSFERS IN	250,800	261,000
PROCEEDS LTD.	573,820	0
USE OF FUND BALANCE	<u>0</u>	<u>253,290</u>
SUB-TOTAL	<u>824,620</u>	<u>51,290</u>
<b>TOTAL REVENUES</b>	<u>10,581,344</u>	<u>10,161,888</u>

## GENERAL FUND FY 2015/2016 REVENUES

**\$10,161,888**

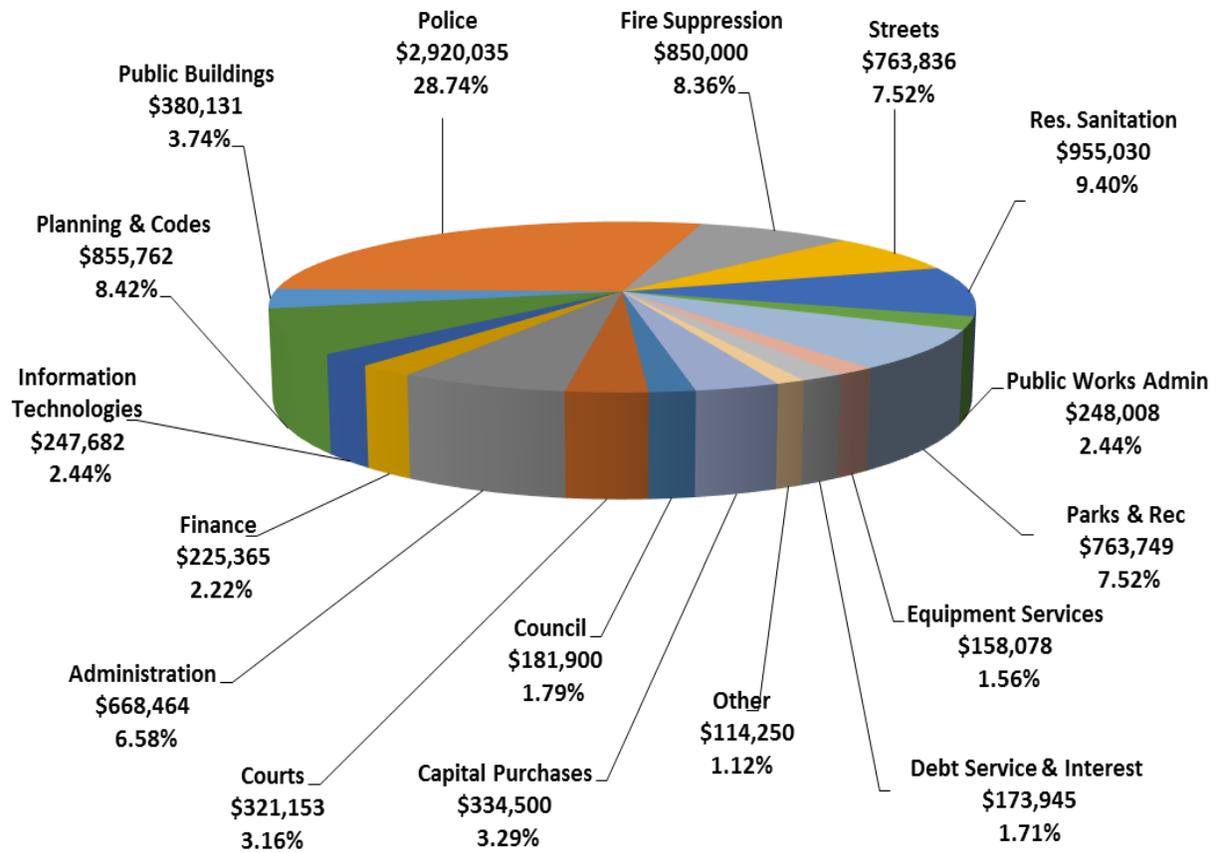


**GENERAL FUND EXPENDITURES**

<b>FUNCTION</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>ACTUAL</b>	<b>APPROVED</b>
COUNCIL	141,966	181,900
MUNICIPAL COURT	298,956	321,153
ADMINISTRATION	582,712	668,464
FINANCE	209,729	225,365
INFORMATION TECHNOLOGY SERVICES	215,171	247,682
PLANNING & CODES ADMINISTRATION	832,501	855,762
PUBLIC BUILDINGS	366,196	380,131
POLICE	2,760,933	2,920,035
FIRE SUPPRESSION	725,000	850,000
STREETS	983,219	763,836
RESIDENTIAL SANITATION	942,114	955,030
PUBLIC WORKS ADMINISTRATION	241,751	248,008
PARKS & RECREATION	716,146	763,749
EQUIPMENT SERVICES	134,763	158,078
DEBT SERVICE PRINCIPAL & INTEREST	175,137	173,945
OTHER EXPENDITURES	140,487	114,250
CAPTAL PURCHASES	202,171	334,500
<b>TOTAL OPERATING EXPENDITURES</b>	<b>9,668,952</b>	<b>10,161,888</b>

## GENERAL FUND TOTAL FY 2015/16 EXPENDITURES

**\$10,161,888**



## THE AD VALOREM PROPERTY TAX

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

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

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

The next step in calculating your tax bill is to determine the “tax rate.” Each local government taxing entity establishes a tax rate, which is calculated and expressed in a “millage rate.” Each mill is \$1 per \$1,000 of assessed value. For the City of Clemson, the tax rate that was established to support the annual operating budget is 84.2 mills. The tax rate for each local government taxing entity is established during the annual budget adoption process, and a City of Clemson tax payer will also see the following tax rates on their bill:

• Pickens County School District - Bonds	52.5 mills
• Pickens County Government	59.3 mills
• Pickens County Library System	6.3 mills
• Tri-County Technical College	2.6 mills
• City of Clemson	<u>84.2 mills</u>

### **Total Property Tax Rate on a City of Clemson owner occupied property: 204.9 mills**

In 1995, the voters in Pickens County approved a Local Option Sales Tax (LOST) that is utilized to reduce the property tax. You will find a City LOST Credit and a County LOST Credit on your tax bill. This credit is calculated by multiplying the market value of your property times the credit factor. In Clemson, the LOST Credit is 108.80 per \$100,000 market value of your property. The County LOST Credit is \$92.00 per \$100,000 market value of your property. Both of these credits are subtracted from the total tax bill.

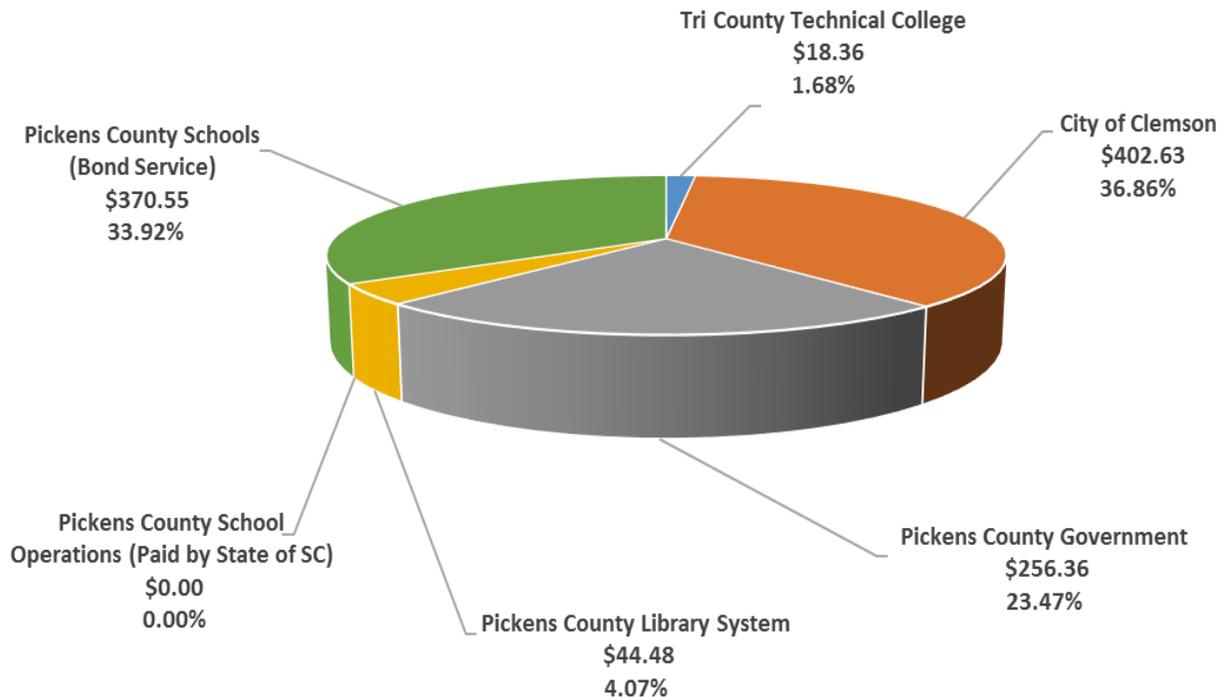
The chart below illustrates the calculation of a sample property tax bill for the City of Clemson portion of an owner-occupied home, valued at \$176,400. In this example, the City Property Tax Bill would be \$402.53 for the year. The total tax bill for this home would be \$1,092.38 for the year. When you receive your tax statement, please check to ensure that your home has an assessment rate of 4%. The assessment rate is in the middle, left-hand side of the tax statement, next to the due date. If your tax statement does not indicate that the property is a “Legal Resident,” then your assessment will be calculated as a commercial property at the 6% assessment rate and you will not receive the credit for public school support from the State.

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

### WHERE DOES MY PROPERTY TAX PAYMENT GO?

(Based on property tax payment for a home valued at \$176,400)

**\$1,092.38**



# NET TAX LIABILITY FOR RESIDENTIAL PROPERTY



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

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

<u>Steps</u>	<u>Example</u>
<ul style="list-style-type: none"> <li>Identify the <b>Market Value</b> of your Home.</li> </ul>	Market Value = \$200,000
<ul style="list-style-type: none"> <li>To compute the <b>Assessed Valuation</b> multiply the Market Value by 4%.</li> </ul>	$\$200,000 \times .04 = \$8,000$
<ul style="list-style-type: none"> <li>To compute your <b>Property Tax Bill</b>, multiply the Assessed Valuation by a levy rate of 84.2 mills.</li> </ul>	$\$8,000 \times .0842 = \$673.60$
<ul style="list-style-type: none"> <li>To determine your <b>Local Option Sales Tax Credit</b>, multiply your Market Value by the Credit Factor of .001088.</li> </ul>	$\$200,000 \times .001088 = \$217.60$
<ul style="list-style-type: none"> <li>To determine your <b>Net City Tax Liability</b>, subtract the Local Option Sales Tax credit from the Property Tax Credit.</li> </ul>	$\$673.60 - \$217.60 = \$456.00$
<ul style="list-style-type: none"> <li>To find your <b>Monthly Tax expense For city Services</b>, take your Net City Tax Liability and divide by 12.</li> </ul>	$\$456.00/12 = \$38.00$

### VALUE OF YOUR CITY OF CLEMSON TAX DOLLAR

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

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

A homeowner having a house valued at \$200,000 receives all of the above services for only \$38.00 per month. By way of comparison, the following items denote common monthly expenses for a family living in Clemson:

- A 16-gallon tank of self-service gas at \$1.65 gallon costs \$26.40.
- Expanded Basic cable television package with no pay movie channels will cost \$59.27 per month. (Varies between TV packages)
- The monthly cost of homeowners insurance for a \$200,000 house is approximately \$46.66 for a standard protection policy.

All businesses and residences within the city of Clemson enjoy a low Class 2 fire rating. On average, most businesses and homes in the areas surrounding Clemson have a Class 6 rating. The better fire rating enjoyed by residents of Clemson can result in significant savings on a homeowner's premium. For instance, a home insured for \$200,000 with a standard insurance package would cost a Clemson resident approximately \$560 per year. The same house in other areas (Class 6) with equivalent coverage would cost about \$710 in annual premiums. The savings of \$150 in premiums account for about 33% of your Net City Property Tax Liability on a residential property.

Revised 02/02/2016