



2007
Annual Municipal Budget

**City of North Augusta,
South Carolina**

Fiscal Year

**January 1, 2007
through
December 31, 2007**



Lark W. Jones

MAYOR

James M. Adams, Jr.

Carolyn C. Baggott

Pat C. Carpenter

Kenneth J. McDowell

Arthur H. Shealy

Jason M. Whinghter

MEMBERS OF CITY COUNCIL

Charles B. Martin

CITY ADMINISTRATOR

Kelly F. Zier

CITY ATTORNEY

Donna B. Young

CITY CLERK

J. Robert Brooks, Director of Parks, Recreation, and Leisure Services

G. M. 'Skip' Grkovic, AICP, Director of Economic and Community Development

John P. Potter, Jr., Director of Finance and Support Services

T. Lee Wetherington, Director of Public Safety

Thomas C. Zeaser, P.E., Director of Engineering and Public Works

DEPARTMENT DIRECTORS



Administration Department

Interoffice Memorandum

TO: Mayor and City Council

FROM: Charles B. Martin, City Administrator

DATE: September 29, 2006

SUBJECT: Consolidated Budget for Fiscal Year 2007

A MESSAGE FROM THE ADMINISTRATOR



Transmitted herewith is the balanced consolidated budget for the Fiscal Year 2007 commencing January 1, 2007, and ending December 31, 2007. The budget as proposed and the associated support data is submitted to Mayor and City Council for consideration and subsequent adoption.

The budget process has been one of serious involvement by all departments, directors, and superintendents of the City. Utilizing the policies and guidelines as set by City Council, we are able to submit to you a budget that is balanced with continued high levels of service to the citizens. It is a budget that is conservative while at the same time progressive. It is conservative in anticipation of revenues resulting from the growth in the local economy, and progressive in providing for North Augusta's accelerating growth.

TAKING STOCK:

The City of North Augusta has seen a surge of growth over the past few years. Commercial and residential development has been at an all time high. The City has seen public improvements such as road construction, streetscapes, Greenway expansion, park development, acquisition of lands for a future regional park, utility improvements and much more being completed.

2007 will see the Municipal Center under construction, Streetscape 2 being completed and the E. Buena Vista drainage and road improvements under contract. Water system improvements for the Sweetwater area north of I-20 along with the emergency connection to the Edgefield County Water and Sewer Authority will be installed. The Mims Branch Sewer line will hopefully be released for construction. A new development standards ordinance will be submitted to City Council for deliberation,

and the City's first major traffic analysis should be developed. These are projects that have been years in the planning and design and finally will come to fruition.

To allow many of these projects to move forward in a timely manner and to account for escalating project costs while at the same time trying to get ahead of ever increasing land and construction costs, we have stretched our resources, both fiscally and manpowerwise. We have taken the opportunity of combining revenue sources and have initiated interfund loans. Several projects have been initiated ahead of the time when they were originally planned. Because of the magnitude of these projects, the costs involved and the time commitment required, we need to be mindful of our fiscal constraints, staff limitations and ongoing obligations. As a result, we are not recommending the initiation of new initiatives in 2007. As noted above, the year will be extremely busy handling those tasks already before us without our taking on any more.

2007 will be a year of transition in many ways. We need to take the opportunity to allow ourselves to finish those projects before us and to catch up while making sure that we maintain the fiscal strength and stability and the quality of our work for which City Council has continually insisted.

GENERAL FUND

REVENUE SUMMARY:

The General Fund budget shows a growth of 5.49% for 2007. A brief summary of the major revenue sources follows:

<u>Major Sources</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>% Increase (Decrease)</u>
Taxes	\$4,184,198	\$4,309,000	2.98%
Licenses & Permits	3,760,189	4,080,000	8.51%
Fines & Forfeitures	852,000	873,000	2.46%
Other Sources	561,700	609,700	8.55%
Service Charges	976,110	956,805	(1.98%)
Miscellaneous	364,000	459,000	26.10%
Transfers	<u>315,993</u>	<u>330,850</u>	<u>4.70%</u>
 TOTAL	 \$11,014,190	 \$11,618,355	 5.49%

**TAXES:**

The fiscal year 2007 budget is presented without adjustment to the City's tax rate. The tax rate remains 72.13 mills for the General Fund and 8.95 mills for the Capital Projects Fund for a total of 81.08 mills. This will be the 15th year at this level. The last tax increase was in 1992. The budget is prepared based on a collection rate of 98.0%. The value of a mill is \$59,115.

Revenue growth from all ad valorem taxes shows only a 2.98% increase. This slim growth is reflected as follows: Real Property – 5.06%, Automobiles – (3.30%), and Other (manufacturing, utilities, boats, etc.) – .15%. This snapshot of the taxes shows a mixed picture. Real property is reflecting the increased building activity within the City. Automobiles, however, show a reduction resulting from the state mandated decreased assessment values. For FY 2007 assessments for automobiles are 6.00%. This is the final year of reduction. The current loss in tax revenue as a result of the change in the auto assessment values for 2007 is approximately \$503,916 which equals 8.52 mills. Since 2001 the City's cumulative loss is estimated at \$1,656,915. (See summary page 154.)

LICENSES AND PERMITS:

Business license fees and franchise fees are the most sensitive of revenue sources to the local economy. Because of this, we have always been extremely conservative in projecting increases from this source. Business license fees paid in 2007 will be based upon actual gross business conducted in 2006. From all indicators, the local economy continues to hold very strong. Business license receipts are the largest growth area for revenues and for 2007 show an increase of 7.37%.

Building-related permits are another barometer of economic health within the community and conservatively reflect steady building activities continuing during the coming year.

FINES AND FORFEITURES:

Changes in total fines and forfeitures show only a modest 2.46% increase. This can be attributable to the state continuing to add assessments on top of local fines. The City is budgeting



\$873,000 in fines and forfeitures. Of this amount \$441,000 or 50.52% is remitted to the state and \$51,500 or 5.90% is retained by the City, but restricted to use in our state mandated local crime victim advocacy program. Only \$380,500 or 43.58%, including \$26,500 in drug related fees, is retained by the City for general government purposes.

OTHER REVENUE SOURCES:

Revenue projections from all other sources, service charges, transfers, and miscellaneous generally remain flat for 2007.

Service charges in the General Fund are for the most part reflected by in-and-out accounts representing a balance between the actual costs of a particular program or service and the revenues generated by that program. Generally, any increases/decreases in revenues for these accounts are offset by corresponding increases/decreases in expenses of the programs and can be traced to specific line items within departmental budgets.

Transfers from the various enterprise funds represent payments to the General Fund in return for services received from the General Fund. Transfers for the coming year are based on the most recent detailed cost allocation analysis associated with the Benchmarking program sponsored by the Center for Governmental Services for the University of South Carolina. Transfers are made from the Sanitation Services Fund and the Utility O & M Fund to the General Fund.

EXPENSES SUMMARY:

As noted earlier, we have been most frugal with our requests to spend. The Directors have been cooperative in agreeing to control spending required to balance the budget. This does not mean though that we are unable to progress in many areas throughout the City. A brief summary of major spending categories within the General Fund follows:

<u>Functional Areas</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>% Increase (Decrease)</u>
General Government	\$2,574,889	\$2,804,691	8.92%
Public Safety	4,705,992	4,938,219	4.93%
Public Works	999,946	1,068,710	6.88%
Parks & Recreation	<u>2,733,363</u>	<u>2,806,735</u>	<u>2.68%</u>
TOTAL	\$11,014,190	\$11,618,355	5.49%

**GASOLINE PRICING:**

The price of gasoline and diesel fuel is an interesting phenomenon. The 2006 budget is based on \$2.50/ gallon for unleaded gasoline and \$2.50 for diesel fuel. With the fluctuating rates of gasoline this year we have been watching our fuel budgets closely. So far we are within budget. For that reason, we are proposing the 2007 budget based on remaining at \$2.50/gallon for both gasoline and diesel.

**SANITATION SERVICES FUND**

The Sanitation Services Fund is responsible for receipts and disbursements covering the following services: residential garbage and trash collection, commercial garbage and trash collection, street sweeping, animal control, garage support, and recycling collection, separation, and disposal. These activities are combined into two groups. The first group is the sanitation collection and support services. The second is resource recovery. Each of these two major groupings is monitored separately as to expenses with each having somewhat independent funding sources. Please see page 161 for an analysis of the revenue/expenses of these two groups.

The Sanitation Services Fund is presented this year without any adjustment in personnel or equipment. However rate changes are needed for recycling.

FUND RESERVE:

We have discussed over the past four years whether or not it is wise to use fund reserves for the purpose of balancing an annual operating budget. The use of reserve funds can be legitimate if sufficient funds exist after setting a reserve account sufficient to meet emergencies and if the funds are used for non-recurring capital expenses. However, we must be careful that we do not go to the reserves too often, that we do not use reserves for recurring O & M expenses, and especially that we do not become totally dependent on reserve funds, for they will not always be available.

In 2003 we used \$320,000 from the fund reserves to purchase replacement equipment and to avoid a fee adjustment. Two years later in 2005 we used \$325,000 from the fund reserves for equipment replacement. For 2007 we are not recommending the use of the reserve funds for equipment replacement or to balance the budget.

RATES:

- **Garbage, Trash, and Support Services**

We recommend no rate adjustments for garbage, trash, or support services.

- **Recycling Services**

For 2007, we are recommending for City Council's consideration a rate adjustment of \$0.75/month/customer. This will be the first recycling rate adjustment since 1993, a period of 14 years.

Rates were approved as recommended.





UTILITIES FUND

The budgets for water and sewer operations allow the City to continue its program of continued progress and upgrading production, distribution, and collection systems with the orderly replacement of equipment and lines, as well as the systematic reduction of infiltration and inflow into the sanitary sewer system.

Continued review of options for expanded regionalism for water sales coupled with alternate and backup water supplies will continue to be a major thrust of the water department's planning for 2007 and beyond. A Preliminary Engineering Report was finalized in 2005 by the City's consulting engineering firm of B. P. Barber Associates, Inc. With this Preliminary Engineering Report we will have a blueprint for water system improvements for the next several years.

The Mims Branch/Little Horse Creek sewer extension remained bogged down this year due primarily to delays in receiving EPA approvals. However, the project seems to be back on track with construction expected to begin in 2007.

RATES:

The proposed Water and Wastewater Utilities Fund for 2007 as presented contains a water rate adjustment of \$1.75 inside / \$3.50 outside/month minimum plus \$0.05/\$0.10/1,000 gallons on volume. Water rates were last adjusted in 2004, three years ago.

Rates were approved as recommended.

As we look to the future of our water and sewer systems we see increasing pressures on the rate structures. Federal and state regulations, escalating construction costs, and rising costs of power and chemicals are placing heavier burdens on utility operations by the year. We had hopes that in 2006 Staff would be able to perform a detailed rate analysis. However, time and expertise did not allow this study to be completed. We are recommending that B. P. Barber be asked to conduct a detailed water/sewer rate analysis in early 2007. This analysis coupled with the previously mentioned Preliminary Engineering Report on the water source, storage and distribution systems will be a guide for Council's future decisions relating to system improvements, costs thereof, and rate structures.

RIVERFRONT/CENTRAL CORE REDEVELOPMENT FUND



Ten years ago, with the adoption of the 1997 budget, the Riverfront/Central Core Redevelopment Fund was created. This fund is similar to the General Fund's Capital Projects Fund and is the fund into which all non-sales tax revenues designated for use within the downtown and riverfront redevelopment districts are deposited and from which all program expenses are made. As with the Capital Projects Fund, all expenses from the fund must be specifically authorized by City Council, either through definitive designations within the formal annual budget adoption process, or by specifically



authorizing a project at such time as City Council may wish to proceed. Most major projects will require multiple approvals by Council to include preliminary concept approval, design approval, and sometimes bid and construction contract approval.

For 2007 the fund will receive the proceeds from the 3% local accommodations tax, \$43,000, and the 1% local hospitality tax, \$452,000. For the first time in 2007 TIF funds are separated into a separate fund and will no longer be a part of the Riverfront/Central Core Redevelopment Fund.

Central Riverfront Lands and Development:

The Riverfront/Central Core Redevelopment Fund was the primary source of funding for the purchase of the properties within the Central Riverfront areas, funding 63% of the cost. The Capital Projects Fund absorbed the remaining 37%. The City will retain a portion of this property and will hold the property as an asset within the Riverfront/Central Core Redevelopment Fund. As these properties are sold for development, the proceeds will be dispensed into these two funds proportional to their share of the original purchase. The initial sale occurred in late 2004 with North Augusta Riverfront, LLC purchasing 44.77 acres for \$816,205. The second closing on 20 acres should be completed prior to 2007. The timing on future sales will be market driven. Please see [page 82-B](#) for a review of the purchase of and subsequent sale of the Central Riverfront lands.

The City's financial obligations associated with her contract and development agreement with North Augusta Riverfront Company, LLC and the status of each are:

\$485,000	Road system - Complete
175,000	Power line relocations – Complete
200,000	Revolving Utility Loan Fund – In progress



The City will also, through its Sales Tax 1 proceeds, grant funding, and Capital Project Fund, continue to develop the mile long park along the riverfront extension of the Greenway. The full development of this park will be over several years. Please see [page 80](#) for the project budget.

Another major initiative for the Riverfront/Central Core Redevelopment Fund will be the long delayed Phase 2 of the

Downtown Streetscape to include West from Jackson to Clifton and the connector streets between West and Georgia Avenues. Council has authorized this project to begin. Completion will be in 2007. Please see page 80 for the budget for this project.

SALES TAX FUNDS

SALES TAX 1:



The Sales Tax Fund was created in 2002 with the passage of a countywide referendum adopting the Capital Projects One-Cent Sales Tax program. The purpose of the fund is to account for the receipt and disbursement of the sales tax proceeds. The City's portion of the tax totaled \$7,522,905 and was designated for several projects, including Walnut Lane Park, expansion of Riverview Park, improvements to Summerfield Park, a riverfront extension of the Greenway, street resurfacing, street reconstruction, sidewalk construction, drainage improvements, and expansion of the City's Material Recovery Facility (MRF). To date all of these projects have been either completed or initiated. Please see page 56-B for a summary and timeline for the sales tax projects.



The collection period ended in early 2006 in about 5 years rather than the expected 7 years. The City of North Augusta has received its full funding. Although a few projects are yet to be completed, the Fiscal Year 2007 budget will not show new appropriations. All of the projects to be funded from the sales tax were budgeted in the 2004 budget or before. Please refer to page 56-A, "Analysis of Sales Tax Revenue," for a summary of the Sales Tax 1 revenue. Refer again to page 56-B for a summary and timeline for the Sales Tax 1 projects.

SALES TAX 2:



With the first round of sales tax anticipated to be completed in late 2005, the November 2, 2004, general election ballot provided the citizens the opportunity to approve continuing the sales tax program for a second 7 year period. The Sales Tax 2 actually began at the beginning of the second quarter of 2006 following the end of Sales Tax 1. The second sales tax contains projects valued at \$19,350,000 for North Augusta. Projections now indicate that North Augusta will receive approximately \$691,072/quarter starting in the fourth quarter of 2006. Please see page 62-A for a



summary of the North Augusta projects from Sales Tax 2, as prioritized by City Council (see [page 62-B](#)). The prioritization continues into Fiscal Year 2007. Please see [page 57-62](#) for appropriations from Sales Tax 2.

The Sales Tax 2 Fund will be borrowing from the Capital Projects Fund, an interfund loan, to facilitate the expediting of Sales Tax 2 projects, specifically the regional park land purchase, the construction of the Municipal Center, intersection improvements at Five Notch and Georgia Avenue, and possibly the purchase of the Public Safety Communication System. This loan will last 3 years (see [page 62-B](#)). During this time the Capital Projects Fund will be limited in its ability to handle new projects.

STORMWATER MANAGEMENT FUND

The City's Stormwater Management program is well under way and will complete a successful four and one-half (4½) years at the conclusion of the current fiscal year.



Council has adopted the four ordinances that set the guidelines by which this department will operate. The City has applied for and received coverage under a general Nationwide Pollution Discharge Elimination System (NPDES) issued by DHEC. The City's stormwater system has been mapped. The department currently consists of 3 employees.

The Stormwater Management Program proposes to continue funding for the acquisition of environmentally significant open space for protection of drainage ways within the City. Our current development standards require the protection of and transfer of title to the City of naturally open space drainage property within new developments. Developments prior to the mid 1980's did not have such a requirement. Unfortunately, many of

the lands that should have been protected from development over the years have been developed with the inherent drainage problems that result from interruption and/or blocking of natural water flows.

Thankfully, some of the lands that need protecting have not been developed because of associated high costs and less expensive alternatives. However, as the City progresses and more infill developments occur (which the City encourages), the City will face significant conflicts. Unless we take the initiative of acquiring lands known to be critical to the City's natural drainage system prior to these development pressures, the City may lose forever her ability to maintain the natural flow of its stormwater without burdensome costs. Most of these lands are within the original 1906 City limits and were identified on the Boeckh plat. The 2007 Stormwater Fund budget proposes \$75,000 for the continuation of this program. During North Augusta Forward 2006 City staff presented City Council a list of properties recommended for acquisition under this program. Please see page 108-B and 108-C and the map for this listing. The actual purchase of any of these properties will require specific City Council action.



Another major appropriation is \$146,824 to continue our annual appropriation for major drainage improvement projects. Most, if not all, of the funds accumulated in this account through 2007 will be required for the East Martintown to East Buena Vista to Riverside Blvd. drainage project authorized by City Council. Page 108-D shows a list of drainage projects identified for future funding.

PERSONNEL



Personnel with the City, as with most service-oriented businesses, represent its largest area of expenses. The percentage of the City's total expenditures devoted to personnel is 39.58%. In the General Fund, it represents 66.89%; in the Stormwater Fund, 24.54%; in the Sanitation Fund, 54.72%; and in the Utilities Operations and Maintenance Fund, 38.92%.

NEW ADDITIONS:

One Public Safety Officer, one Trades Worker for Streets and Drains, one Property Maintenance Worker, one Utility Worker for Water O & M, and a Utility Worker for Wastewater O & M are new positions proposed within the 2007 budget.

Positions were approved as recommended.



Additional personnel were requested in several departments. Lack of approval for these positions for 2007 does not negate the long-term need for adding these positions sometime in the future. The City should address personnel needs in Codes Enforcement, Information Technology, Sanitation Services, Property Maintenance, and Water Production in 2008.



As is our practice, the budgeting process is a time for assessment or reassessment of various positions within the organization. We attempt to maximize the use and effectiveness of each employee through change in work assignments, job descriptions and/or work places. Within the budget are minor modifications resulting from this annual review.

SALARY ADJUSTMENTS:

The Archer Company, the personnel consultant for our pay plan, recommends a 3.55% increase for the City in 2007.

Please see pages 148-149 for The Archer Company's recommendation and page 151 for the 2007 performance rating scale.

Salary adjustments were approved as recommended.

EXPANDING PUBLIC SAFETY:

In 2005 we identified the need for four (4) additional officers for the Department of Public Safety due to expanding corporate limits, residential and commercial development and increases in traffic counts throughout the City. We also anticipate the need for a station sergeant and three additional firefighters when Station 3 is brought on line in 2009-10. To that end we started with the 2006 budget the funding of two public safety officers with the anticipation of hiring a third in 2007 (in the proposed 2007 budget) and a fourth in 2008. This would be followed by the hiring of the station sergeant and three firefighters in 2009 and 2010. Initial costs of hiring and fully equipping one public safety officer are \$76,500. A firefighter costs the City approximately \$18,500. It is important that this schedule for adding Public Safety Officers be maintained.

PROPERTY MAINTENANCE:

The Department of Property Maintenance under the umbrella of Parks Recreation and Leisure Services is responsible for the maintenance of all of the City owned properties including the grounds of all City owned buildings, City parks and all street rights-of-way to include landscaped islands, medians, etc.

One of the most successful programs for the City over the past several years has been the beautification program, the planting and caring for the islands, medians, and entrance ways into the City. 2006 was our second year of having all property maintenance functions totally in-house with no outside contractors. The conversion from the use of outside contractors to city personnel and equipment has been a success.

With bringing the service in-house the City was able to hire good employees to go along with existing seasoned employees to make the program work. The success in this area is solidified and at the same time challenged by the program's continued expansion with the addition of beautified locations. And more beautification is in the works.

The expansion of the Riverfront Extension of the North Augusta Greenway just now getting into park development, the addition of Knox Avenue completed last year the Hammonds Ferry Soccer Fields at Riverview Park just completed, and the additional median improvements on US 1 south of I-520 add to the department's list of responsibilities. The Streetscape II project on West and adjoining streets and the new roads and parks in the Hammonds Ferry development will be additional future challenges.

The present workload and the anticipated expansions identified above cause us to seriously consider careful controlled expansion of the Property Maintenance Department. That which we build we must maintain, and maintain at the highest level of excellence to which our citizens and visitors have come to expect.





Careful analysis of existing manpower and future demands show the need of several additional persons and associated equipment over the next three to five years. To handle the demands in 2006 we added two Grounds Workers. In 2007 we propose one additional worker. The exact timing for the other additions will be dependent on the timeline for construction of the new parks, streets, medians, islands, etc.

EXISTING HOUSING – CODE ENFORCEMENT:



Several years ago, funds were appropriated within the Community Development Fund for the removal of existing structures that were condemned by the City but which the property owners would not remove. Our efforts in the enforcement of the existing housing codes had been sporadic at best. There are two reasons.

First, our efforts lacked consistent follow through from beginning. If once a process is started and not followed through to a logical conclusion, the process suffers and the desired result cannot be accomplished. We then have to start over. The second reason for sporadic enforcement has been limited revenue available for the structure removals.

For 2006 we had a commitment for renewed efforts in this program and an appropriation of \$75,000 within the Community Development Fund for the program's funding.

By mid 2006 we began hitting our stride in this program. We had a more streamlined process in place and it has been worked. Several property owners have taken advantage of the City's Voluntary Demolition Program. To date we have no unpaid debts resulting from this program. Aiken County has agreed to waive disposal costs for voluntary demolitions which is a tremendous help in reducing costs associated with getting unsafe structures removed.

A request was made by the Economic and Community Development Department for a second Codes Enforcement Officer for 2007. After setting priorities within the General Fund, this request was not funded. However, once the department's renewed efforts get another year of consistent enforcement and the current efforts are maximized, we expect a strong case to be made for 2008 funding of an additional officer.

INITIATIVES AND ISSUES

SIDEWALKS:

The sidewalk installation program funded by Capital Projects Sales Tax 1 and completed in 2005 proved to be popular with the citizens of the community. That program in conjunction with the street reconstruction program provided approximately 3 miles of sidewalks. The average cost of one mile of sidewalk was \$243,000.

The Capital Projects Sales Tax 2 program contains \$480,000 which is sufficient for approximately 2 miles at 2006 values. Based upon the current prioritization of the Sales Tax 2 projects, the sidewalk funds will be available in 2010 and 2011. To bridge the gap between 2005 and 2010, last year we proposed an appropriation of \$125,000 for sidewalk construction. If we can maintain annual appropriations at this level, we should be able to construct one half (1/2) mile of sidewalk every year or a larger contract for one mile every other year. We may be able to stretch these dollars and get more miles by doing some of the preliminary grading work with in-house labor and equipment.

With the 2007 budget we are proposing that these funds be used for sidewalks and curbs. This will allow City Council to authorize curbing projects in addition to sidewalk projects. *Approved.*

AUTOMOBILE PROPERTY TAX ASSESSMENT REDUCTIONS:

On the November 7, 2000, general election ballot there was a constitutional amendment question that allowed voters to vote on gradually reducing the tax assessment rate on automobiles from 10.5% to 6.0% over a 6-year period. The vote was overwhelming to reduce the assessment and the 2001 General Assembly passed the necessary legislation to begin January 2002.

In the last five budgets we have analyzed the effects on North Augusta of reducing the automobile property tax rate without a replacement source of revenue. The 2007 budget document updates that analysis. Please see page 155 for a chart analyzing personal property taxes.

The numbers in the chart reflect growth rates of 4.40% for 2006 and 2007 in appraised values. This revenue source had been consistently our fastest growing category of tax revenue. But with an annual decrease in assessment rates of 0.75% through 2007, the reduction from anticipated revenue is significant. For 2007 the assessment rate is 6.00%. The annual loss is \$503,916 with a cumulative loss of \$1,656,915 since the



reduction began. See chart on page 154. Beginning in 2008 normal revenue growth based on the 6.00% assessment should once again be seen in revenue projections.

NEW SAVANNAH BLUFF LOCK AND DAM:

Following City Council's formal establishment of the New Savannah Bluff Lock and Dam Management Enterprise Fund, the 2007 budget as proposed contains the fund for the first time. The Fund's revenues reflect the first of three billings for the Contingency Account in which all of the effected customers will participate. See page 146, Account #29-3400-074. The City's Utility System will also reflect its first of three payments of \$50,000 each into the Fund. See page 123, Account #21-4280-270.

DIGITAL WORKPLACE



An annual question we ask ourselves when working through the budget process is "How can we do more with less?" This year is no exception. Annually for the past twenty years we have systematically sought to build our capabilities and obtain the latest in technology to increase our efficiency while at the same time to take on more responsibilities and provide higher levels of service to our citizens. North Augusta has been generally successful in this annual endeavor. We have data management abilities today that just a few years ago would have been impossible to predict. We have computers, Geographic Information Systems (GIS), Global Positioning Systems (GPS), on-line bill payments for taxes and utilities, and remote access. However, as successful as we have been, we are still not where we can and should be in the world of data storage, retrieval, and manipulation.

In 2004 we contracted with VC3 for a full assessment of the entire organization. We wanted to know our present status and assess our future needs. Finally, we wanted to develop a road map for accomplishing the overall goal of a true paperless workplace.

With the VC3 report as a guide and with the adoption of the 2005 budget the City embarked upon a multi-year journey of increasing the use of available technology to improve the efficiency and productivity of the City. We are underway with setting up a digitized records management system and developing improved digitized workflows throughout the City. 2007 will see these efforts mature and position the City for continuing to develop these new systems.

We do anticipate as the digital world increases around us and the technology becomes more complex, that personnel demands will increase the need to add to our present two person department.

MUNICIPAL CENTER



In 2003 the City selected The Boudreaux Group for the site selection, programming and design of the Municipal Center.

In 2006 following site selection and purchase the City selected the general contractor, M. B. Kahn Construction Co., Inc., and the building is well into design. We expect site work to begin before the end of 2006 with building construction getting underway shortly thereafter, and continuing through 2007. City personnel should be able to occupy the facility in early 2008.

The Municipal Center will be the City's largest single project over its 100 year history. For that reason careful thought by City Council has gone into establishing this project's budget. That budget is shown in its entirety on page 26-A and becomes a part of the budget submitted for consideration and adoption.

During the process of establishing the budget for the Municipal Center, we also prepared a budget for its operation. That budget was \$288,000, and to avoid a budget shock in 2008, the City Building budget, Account #10-4060-271, page 26, contains \$150,000 toward the Center's annual budget. The balance can then be included in the 2008 budget.



BUDGET FORMAT CHANGES



The 2007 Budget has the funds in the same order as used in the annual audit report: General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds.



There are two new funds. First, the Tax Increment Fund. This fund was previously part of the Riverfront/Central Core Fund. Being a separate fund eases accounting for the TIF District Revenues and Expenditures.



Second, the New Savannah Bluff Lock and Dam Management Enterprise Fund. This results from City Council's formal establishment of the Enterprise Fund to handle revenues and expenses associated with the Lock and Dam.

SUMMARY

Fiscal Year 2007 promises to be another exciting year and one in which many accomplishments will be seen as evidenced by the attached budget. Building on our progress this year, we will continue with the Central Riverfront in a big way in 2007. We will be in our fifth full year of the Stormwater Management Utility. The City will see the sales tax dollars being spent in the City on Phase II of the streetscape. The Municipal Center will be under construction.

The Mims Branch/Little Horse Creek sewer line will get under construction. The City will continue to explore regional water needs, sources, and supplies.

In preparing an annual budget, we go through several analyses to better understand and explain the City's finances. The resulting data is provided for your review in the Support Data section (last tab) of this budget document. We encourage you to review this section carefully for a more complete understanding of the City's dollars.

We feel the attached budget presents fairly the blueprint for City operations in the coming year. In seeking to balance the budget, many services, needs, desires, etc. come into play. We feel comfortable that these have been properly weighed and balanced and that the attached budget will allow the City to progress steadily during 2007.

As always, we also encourage you to feel comfortable in requesting any additional information you may feel you need. The staff stands ready to assist you as we enter into budget deliberations.

FY 2007 BUDGET CALENDAR

Day	Date	Action	Responsible Official(s)
Friday	July 14	Send budget request letters	City Clerk
Monday	July 31	Revenue Estimates, Employee Allocation Sheets, & Vehicle and Machinery Lists Due	Directors
Wednesday	August 9	Budget Preparation Data Input Available to Directors - July 31, 2004, YTD Balance Complete	Director of Finance
Wednesday	August 30	Budget Requests Submitted by Directors	Directors
Tuesday	September 5	Begin Budget Meetings with Directors	City Administrator and Directors
Thursday	September 21	Proposed Budget Completion	City Administrator
Friday	September 29	Proposed Budget Delivered to Mayor and City Council	City Administrator
Monday	October 2	Proposed Budget Submitted to Mayor and City Council for Consideration	City Administrator
Monday	October 2	Council Study Session	Mayor and City Council
Tuesday	October 3	Council Study Session	Mayor and City Council
Wednesday	October 4	Council Study Session (If needed)	Mayor and City Council
Thursday	October 5	Council Study Session (If needed)	Mayor and City Council
Thursday	October 5	Publish Public Hearing Notice	Director of Finance
Monday	October 16	Budget Hearing	Mayor and City Council
Monday	October 16	Budget Ordinance, First Reading	Mayor and City Council
Monday	November 6	Budget Ordinance, Second Reading	Mayor and City Council
Monday	November 20	Budget Ordinance, Third Reading	Mayor and City Council
Thursday	November 30	Publish Public Notice of Enacted Budget	Director of Finance
Tuesday	December 12	Send adopted budget letters	City Clerk

ORDINANCE NO. 2006-13
ADOPTING A BUDGET FOR FISCAL YEAR 2007
CONTAINING ESTIMATES OF PROPOSED REVENUES AND EXPENDITURES
BY THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA,
FOR THE BUDGET YEAR BEGINNING JANUARY 1, 2007,
AND DECLARING THAT SAME SHALL CONSTITUTE THE BUDGET
OF THE CITY OF NORTH AUGUSTA FOR SUCH BUDGET YEAR

WHEREAS, in accordance with the Laws of South Carolina, and the Ordinance of the City of North Augusta, the City Administrator must prepare and submit to the City Council a Balanced Budget for the next budget year to begin on January 1, 2007, and end on December 31, 2007; and

WHEREAS, a public hearing has been held on said budget, as required by law.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED AND BY THE AUTHORITY THEREOF, THAT:

Section I.

The City Council hereby adopts the 2007 Fiscal Year Budget, incorporated by reference as though it were set out herein in its entirety, for the conduct of the business of the municipal government of North Augusta for the budget year, January 1, 2007, to December 31, 2007.

Section II.

The transfer of budgeted amounts between functional areas of expenditures or expenses shall be approved by City Council; however, transfers of budgeted line items within the functional areas of expenditures or expenses not to exceed \$5,000, may be approved by the City Administrator as long as total expenditures or expenses do not exceed appropriations in the functional area. Management can also over expend appropriations, with the City Administrator's approval, at the line item and department level, as long as the total expenditures or expenses do not exceed appropriations of the functional area. Functional areas are: General Government; Public Safety; Public Works; Recreation and Parks; Sanitation Services; Stormwater Utility; and Public Utilities.

Section III.

The Mayor or City Administrator may authorize the expenditure of an amount not to exceed \$500 at any one time from the Council Contingencies Account without prior approval of the City Council provided that any such expenditure is reported in the minutes of the next Council meeting.

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By: Donna Young

Database: Admin - Ord.

AN ORDINANCE ADOPTING A BUDGET
FOR THE CITY OF NORTH AUGUSTA

Page 2

Section IV. The City Council must approve expenditures from the Sales Tax I Fund, the Sales Tax II Fund, the Street Improvements Fund, the Community Development Fund, the Capital Projects Fund, the Riverfront/Central Core Development Fund, the Public Utilities Depreciation Fund, the Public Utilities Contingent Fund, Public Utilities Construction Fund, Tax Increment Financing Fund, and the Savannah Bluff Lock and Dam Utility Fund, unless otherwise previously budgeted.

Section V. The City Administrator may execute all necessary documents relating to the lease purchase financing of equipment specifically authorized and identified in the 2007 Budget. The financial institution selected for 2007 lease purchase financing shall be selected based upon competitive bidding in conformance with the City's purchasing procedures.

Section VI. Compensation for members of City Council effective January 1, 2007, through December 31, 2007, shall be as follows:

Mayor	\$416.92 bi-weekly (1/1/07 until 5/2/07)
	\$447.15 bi-weekly (5/2/07 until 12/31/07)
Councilmembers	\$208.46 bi-weekly (1/1/07 until 5/2/07)
	\$223.58 bi-weekly (5/2/07 until 12/31/07)

Members participating in the South Carolina Retirement System shall receive matching contributions of 8.20% of their annual salary from January 1, 2007, to June 30, 2007, and 9.21% after July 1, 2007.

Section VII. All Ordinances or parts of Ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

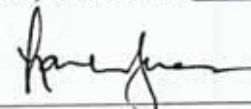
Section VIII. This Ordinance shall become effective immediately upon its adoption on third and final reading.

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS 20 DAY OF
November, 2006.

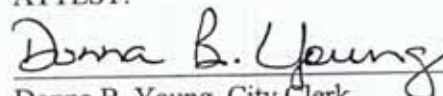
First Reading 10/16/06

Second Reading 11-6-06

Third Reading 11-20-06


Lark W. Jones, Mayor

ATTEST:


Donna B. Young, City Clerk

ORDINANCE NO. 2006-14
LEVYING THE ANNUAL TAX ON PROPERTY
IN THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA,
FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2007,
AND ENDING DECEMBER 31, 2007

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE
CITY OF NORTH AUGUSTA, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED
AND BY THE AUTHORITY THEREOF, THAT:

- Section I. The annual tax for the fiscal year (budget year) 2007, beginning January 1, 2007, and ending December 31, 2007, is hereby imposed and levied for general corporate purposes upon all the taxable property of the City of North Augusta.
- Section II. The period for which the tax levy is due on all taxable property, except for motorized vehicles, shall be from January 1, 2006, to December 31, 2006.
- Section III. The period for which the tax levy is due for all motorized vehicles which are required to be licensed by Section 53-3-110, Code of Laws of South Carolina, shall be from January 1, 2007, to December 31, 2007.
- Section IV. The tax levy imposed upon all taxable property shall be **81.08** mills. Revenues from **72.13** mills shall go to the General Fund. Revenues from **8.95** mills shall go to the Capital Projects Fund.
- Section V. All Ordinances or parts of Ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.
- Section VI. This Ordinance shall become effective January 1, 2007.

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Date: 12/7/06
By: Donna Upmeyer
Database: Admin - Ord.

ORDINANCE LEVYING THE ANNUAL TAX
ON PROPERTY IN THE CITY OF NORTH AUGUSTA

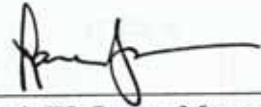
Page 2

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY
COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS
20 DAY OF November, 2006.

First Reading 10-16-06

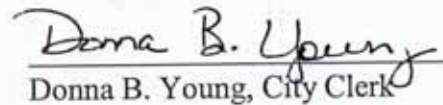
Second Reading 11-6-06

Third Reading 11-20-06



Lark W. Jones, Mayor

ATTEST:



Donna B. Young, City Clerk

ORDINANCE NO. 2006-15
AMENDING ARTICLE IV, SECTION 14-124
TITLED "RECYCLING FEES"
OF THE CITY CODE OF THE
CITY OF NORTH AUGUSTA, SOUTH CAROLINA

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY
OF NORTH AUGUSTA, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED AND
BY THE AUTHORITY THEREOF, THAT:

- I. Article IV, Section 14-124, titled "Recycling Fees" is hereby amended and when amended shall read as follows:

ARTICLE IV. SANITATION SERVICE

Section 14-124. Recycling fees.

There is hereby imposed upon each residential and commercial customer on the city's sanitation system, a charge for recycling services of three dollars and no/100 cents (\$3.00) per month without regard to the customer's location or the method by which recycling services may be provided.

For purposes of this section, the definition of residential or commercial customers shall be as previously defined.

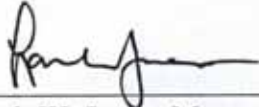
- II. This Ordinance shall become effective immediately upon its adoption on third reading for all bills rendered on or after January 1, 2007.
- III. All Ordinances or parts of Ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

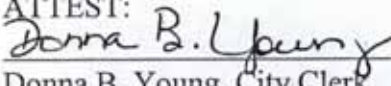
DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY
COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS 20
DAY OF November, 2006.

First Reading 10/16/06

Second Reading 11-6-06

Third Reading 11-20-06


Lark W. Jones, Mayor

ATTEST:

Donna B. Young, City Clerk

Scanned into Alchemy
Date: 12/17/06
By: Donna Young
Database: Admin - Ord.

ORDINANCE NO. 2006-17
ESTABLISHING WATER SERVICE CHARGES BY REVISING
SECTION 14-25, ENTITLED "WATER RATE SCHEDULE--GENERALLY,"
OF THE CITY CODE OF THE
CITY OF NORTH AUGUSTA, SOUTH CAROLINA

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY
OF NORTH AUGUSTA, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED AND
BY THE AUTHORITY THEREOF, THAT:

- I. Section 14-25, entitled "Water Rate Schedule--Generally," where filed is hereby amended, and when amended shall read as follows:

Section 14-25. Water rate schedule - Generally.

The schedule to be utilized for the computation of monthly charges for water service is as follows: All meters are to be read and bills rendered in one hundred-gallon increments:

- (1) Minimum monthly water charges:

<u>Size</u>	<u>Inside/ Outside City</u>	<u>Debt Service</u>	+	<u>Operation & Maintenance</u>	=	<u>Total Minimum Minimum</u>	<u>Usage</u>
5/8" x 3/4"	In	\$ 3.90	+	\$ 7.35	=	\$ 11.25	3,000
	Out	5.85	+	16.65	=	22.50	3,000
1"	In	3.90	+	12.06	=	15.96	6,000
	Out	5.85	+	26.07	=	31.92	6,000
1 1/2"	In	3.90	+	16.47	=	20.37	9,000
	Out	5.85	+	34.69	=	40.54	9,000
2"	In	3.90	+	25.39	=	29.29	15,000
	Out	5.85	+	52.73	=	58.58	15,000
3"	In	3.90	+	38.91	=	42.81	24,000
	Out	5.85	+	79.77	=	85.62	24,000
4"	In	3.90	+	47.93	=	51.83	30,000
	Out	5.85	+	97.81	=	103.66	30,000
6"	In	3.90	+	138.10	=	142.00	90,000
	Out	5.85	+	278.15	=	284.00	90,000

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Date: 12/7/06
By: Donna Young
Database: Action - Ord.

(2) Monthly rates for usage above minimum:

Gallons Over	Inside/ Outside	Debt		Operation &		Charge/ 1,000 Over
<u>Minimum</u> <u>Minimum</u>	<u>City</u>	<u>Service</u>	+	<u>Maintenance</u>	=	
Next 10,000	In	\$.15	+	\$ 1.00	=	\$ 1.15
	Out	.30	+	2.00	=	2.30
Next 27,000	In	.15	+	.95	=	1.10
	Out	.30	+	1.90	=	2.20
Next 160,000	In	.15	+	.90	=	1.05
	Out	.30	+	1.80	=	2.10
All Additional	In	.15	+	.80	=	.95
	Out	.30	+	1.60	=	1.90

(3) Wholesale Customers (Any customer who purchases water for resale to the general public.)

Usage up to 10,640,000 gallons/month \$14,044 minimum

All over 10,640,000 gallons/month 1.39/1,000 gallons

(4) Rates for multi-family complex:

For purposes of this section, each dwelling unit within a multi-family or apartment complex shall be considered a single customer and treated as a single-family dwelling when computing the minimum charge in subsection (A) without regard to the method by which its water is metered. When computing rates for usage above minimum, the rates shown in subsection (B) shall be on a per-meter basis.

(5) Rates for multi-commercial complex:

For purposes of this section, a commercial customer shall be defined as a business or industry having a separate business license, occupying separate spaces, and having separate sanitary facilities when computing the minimum charge in subsection (A) without regard to the method by which its water is metered. When computing rates for usage above minimum, the rates shown in subsection (B) shall be on a per-meter basis.

ORDINANCE REVISING SECTION 14-25,
ENTITLED "WATER RATE SCHEDULE"

Page 3

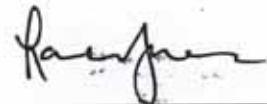
- II. This Ordinance shall become effective immediately upon its adoption on third reading for all bills rendered on or after January 1, 2007, without regard to when the water was consumed or the meter read.
- III. All Ordinances or parts of Ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS 20 DAY OF November, 2006.

First Reading 10-16-06

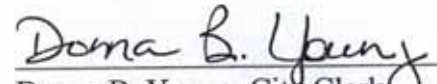
Second Reading 11-6-06

Third Reading 11-20-06



Lark W. Jones, Mayor

ATTEST:

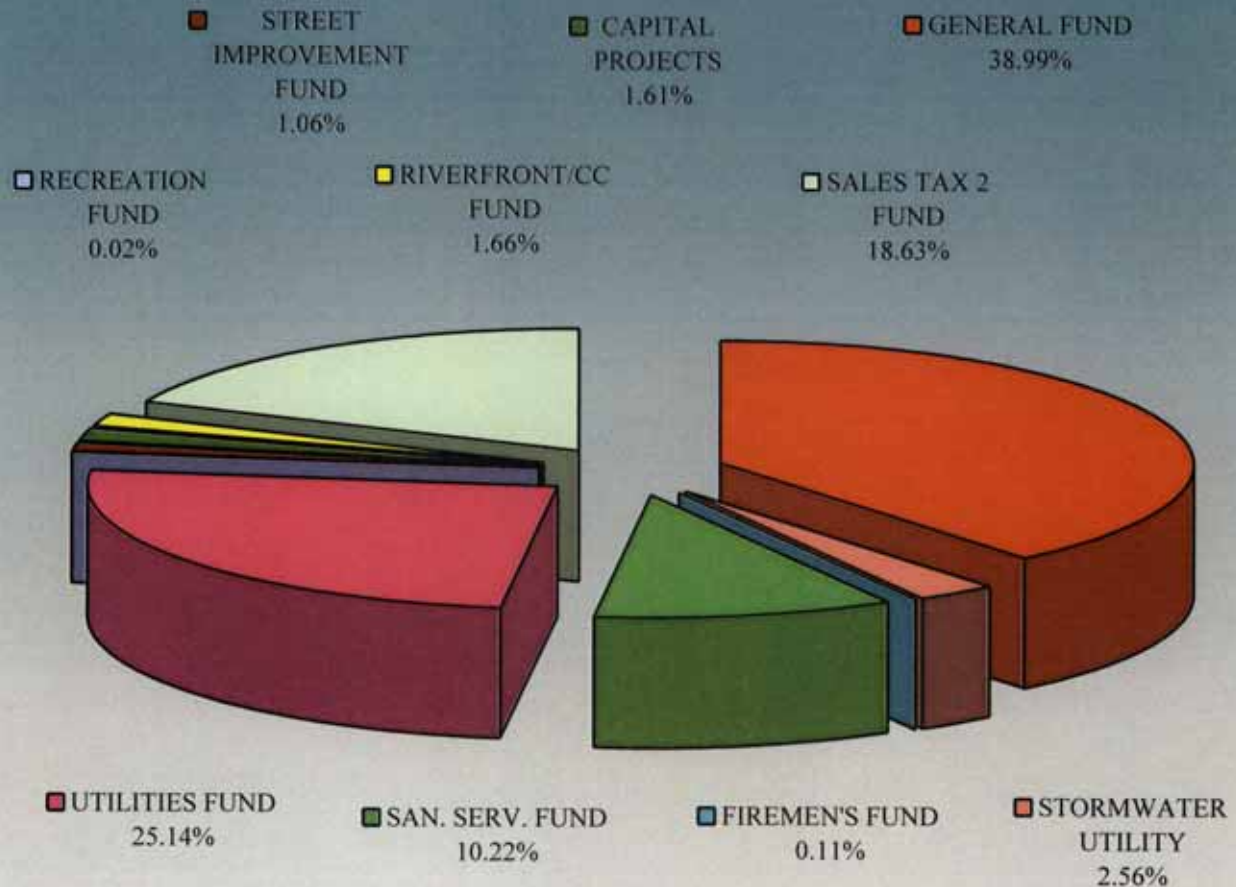

Donna B. Young, City Clerk

CITY OF NORTH AUGUSTA

2007 CONSOLIDATED BUDGET

	Personal Services	Operations & Maint.	Lease Purchase	Capital	Debt Service	Total
General Fund	\$7,771,292	\$3,202,062	\$405,276	\$239,725	\$0	\$11,618,355
Sales Tax 2 Fund	0	0	0	5,550,000	0	5,550,000
Recreation Fund	0	7,000	0	0	0	7,000
Firemen's Fund	0	32,000	0	0	0	32,000
Street Improvements Fund	0	24,500	0	290,000	0	314,500
Riverfront/Central Core Fund	0	0	0	0	495,000	495,000
Capital Projects Fund	0	85,000	0	0	395,000	480,000
Sanitation Services Fund	1,665,917	1,117,508	239,632	21,350	0	3,044,407
Stormwater Utility	187,252	81,523	14,825	479,486	0	763,086
Gross Revenue (Utilities)	0	28,000	0	0	1,843,487	1,871,487
O & M (Utilities)	2,167,433	3,098,494	89,359	214,375	0	5,569,661
Construction (Utilities)	0	50,000	0	0	0	50,000
TOTAL	\$11,791,894	\$7,726,087	\$749,092	\$6,794,936	\$2,733,487	\$29,795,496
	39.58%	25.93%	2.51%	22.81%	9.17%	100.00%

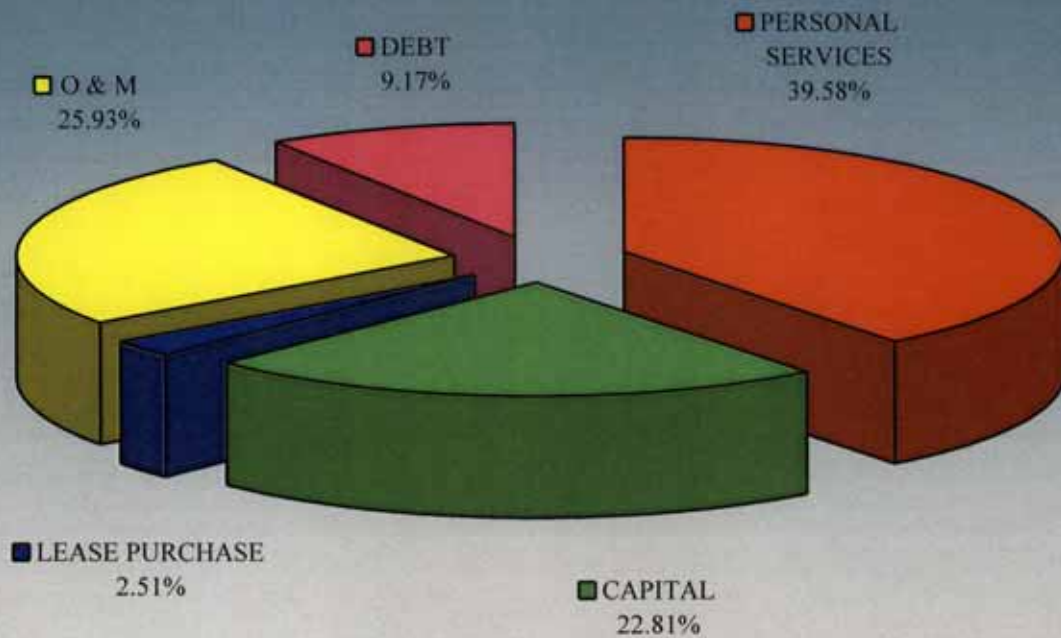
2007 CONSOLIDATED BUDGET - BY FUND



- GENERAL FUND
- STORMWATER UTILITY
- FIREMEN'S FUND
- SAN. SERV. FUND
- UTILITIES FUND
- RECREATION FUND
- STREET IMPROVEMENT FUND
- CAPITAL PROJECTS
- RIVERFRONT/CC FUND
- SALES TAX 2 FUND



2007 CONSOLIDATED BUDGET - BY PURPOSE



PERSONAL SERVICES
CAPITAL
LEASE PURCHASE
O & M
DEBT

