

Citizen's Academy



Follow the Money

Charleston County

- ◆ Touches many parts of citizens' lives
 - ◆ Court system
 - ◆ Waste disposal and recycling
 - ◆ Emergency medical service
 - ◆ Public safety
 - ◆ Mosquito control
 - ◆ Road construction
 - ◆ Libraries
 - ◆ Drainage



Charleston County

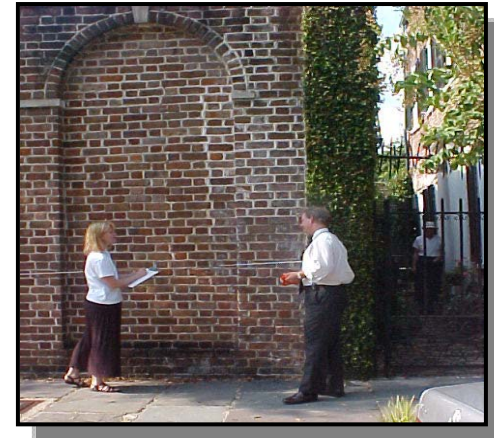
- ◆ Big
 - ◆ 2,400 employees (6th largest employer)
 - ◆ 139 locations throughout the county
 - ◆ \$376 million annual budget
 - ◆ Collects taxes for all local governments
 - ◆ Financially sound/AAA-rated
- ◆ Citizen involvement
 - ◆ Public hearings
 - ◆ Zoning changes
 - ◆ Ordinance (law) changes
 - ◆ Sale of public properties
 - ◆ Economic development incentives
 - ◆ Budgets

Follow the Money

- ◆ Assessor
 - ◆ Budget
 - ◆ Auditor
- ◆ Treasurer
- ◆ Revenue Collection
 - ◆ Procurement
 - ◆ Finance
- ◆ Revenue Collection
- ◆ Values all property
- ◆ Financial plan
- ◆ Sends out tax bills
- ◆ Collects taxes/invests
- ◆ Collects fees/licenses
- ◆ Buys goods/services
- ◆ Pays the bills
- ◆ Collects delinquent taxes

Assessor

- ◆ Staff of 51
- ◆ \$3.3 million annual budget
- ◆ State required annual training
- ◆ Records all property transactions
 - ◆ 170,000 parcels
 - ◆ 10,000 mobile homes



Assessor

- ◆ Taxes...*it's complicated*

- ◆ Theory

- ◆ Appraised value times
- ◆ Assessment ratio (4%, 6%, or 10.5%) times
- ◆ Millage rate equals
- ◆ Your tax bill

- ◆ Reality

- ◆ Homestead Exemption (65+ years)
- ◆ Local Option Sales Tax credit (county/muni)
- ◆ School Property Tax Relief (school district only)
- ◆ Solid Waste & Recycling Fee (county only)
- ◆ Stormwater Fee (county/muni)
- ◆ Millage cap (all local governments)
- ◆ Assessment cap (all properties)
- ◆ Assessable Transfer of Interest (all properties)



Assessor

- ◆ Appraisal
 - ◆ How are real property values developed?
 - ◆ Cost
 - ◆ Sales comparisons
 - ◆ Income
- ◆ Assessment
 - ◆ Appraised value multiplied by Assessment Ratio
 - ◆ Legal Residences: 4%
 - ◆ Homestead Exemption
 - ◆ Other Real Estate: 6%
 - ◆ Industrial Real Estate: 10.5%
- ◆ **Reassessment, or *Equalization***
 - ◆ Every five years

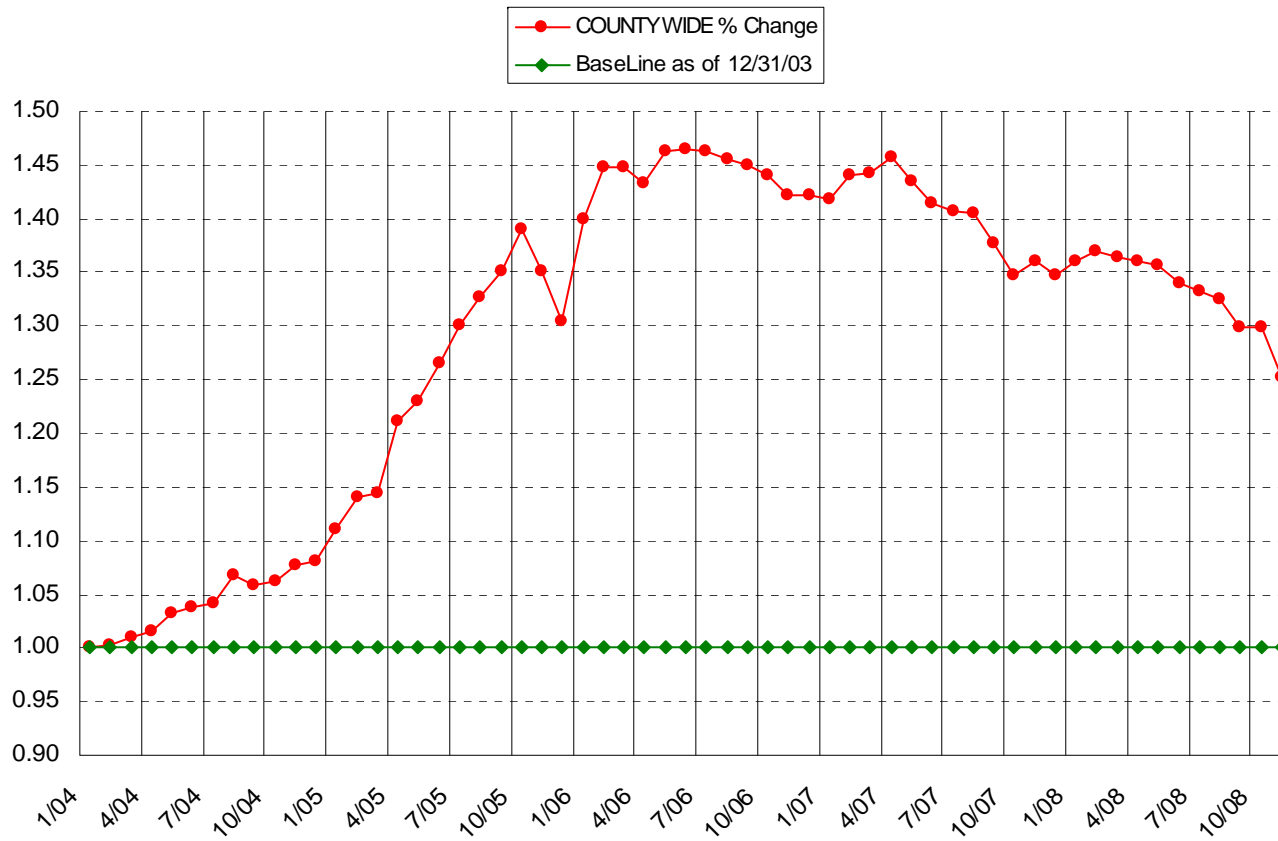
Assessor

- ◆ Appeals
 - ◆ Assessor
 - ◆ Letter of Objection
 - ◆ Conference with Appraiser
 - ◆ Application for Review
 - ◆ Review/Written Response
 - ◆ Board of Assessment Appeals
 - ◆ Board Conference/Decision
 - ◆ Administrative Law Court
 - ◆ South Carolina Court of Appeals
 - ◆ South Carolina Supreme Court



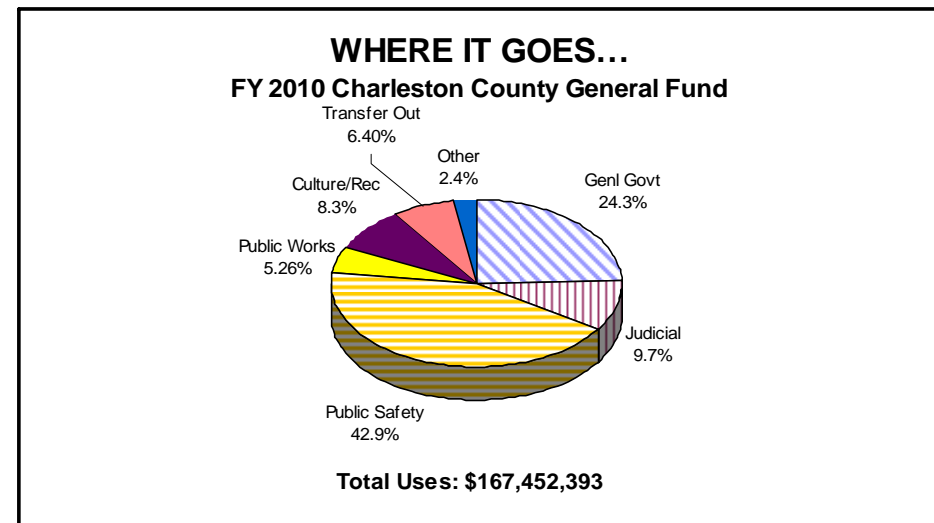
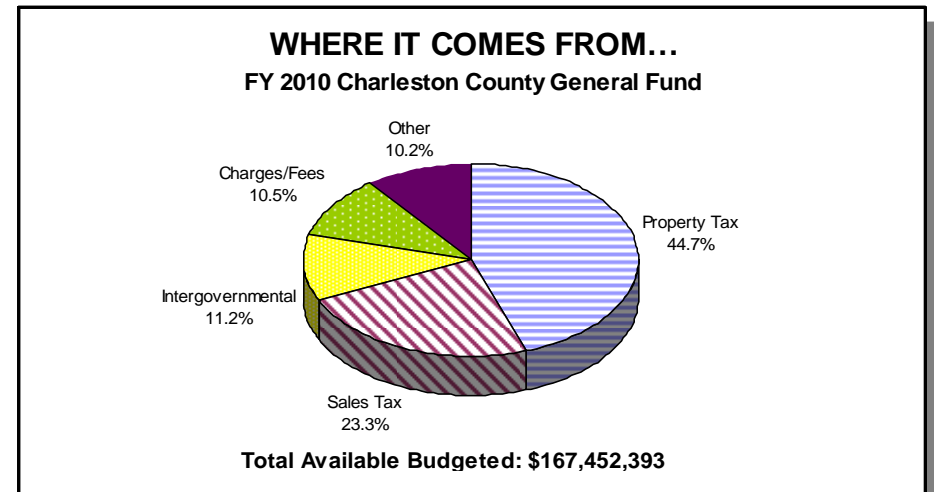
Assessor

County wide Property Appreciation 12/03 thru 12/08



Budget

- Fiscal year
 - June 1 to June 30
 - 7/1/09 to 6/30/10 is “Fiscal Year 2010”
- Budget Office
 - 7 staff
 - \$0.5 million budget



Budget

- ◆ Planning phase
 - ◆ October
 - ◆ County Administrator issues guidance
 - ◆ Budget Office issues “call” to departments
- ◆ Development phase
 - ◆ January
 - ◆ Departmental budget requests submitted to Budget
 - ◆ February-March
 - ◆ Budget Office develops revenue estimates
 - ◆ Input from Assessor (Real estate taxes)
 - ◆ Input from other departments
 - ◆ Budget Office reviews requests/recommends to County Administrator
 - ◆ April
 - ◆ County Administrator proposed budget to Council

Budget

- ◆ Approval phase
 - ◆ April through June
 - ◆ County Council's Finance Committee
 - ◆ Reviews the two-part “Proposed Budget” document
 - ◆ Narrative: discussion and schedules
 - ◆ Detail: traditional line item detail
 - ◆ County Council holds two Public Hearings to obtain citizen input
 - ◆ County votes three times (three “Readings”) on the Budget Ordinance
- ◆ Monitoring phase
 - ◆ Assures departments adhere to the budget



Auditor

- ◆ Auditor Peggy Moseley, CM
 - ◆ Elected continuously since 1992
- ◆ Duties
 - ◆ Calculation of millage
 - ◆ Billing of 13 property types
 - ◆ 600,000 tax bills annually
 - ◆ Updates and maintains tax records
 - ◆ Real Estate and Personal Property
 - ◆ Approves Homestead Exemptions applications
 - ◆ Grants High Mileage discounts
 - ◆ Reappraisal appeals on motor vehicles
 - ◆ Collects/deposits fees on 45-day license plate tags
 - ◆ Accepts 4% Assessor and Voter Registration apps



Auditor

◆ Duties

- ◆ Qualify 4% assessment ratio for live-aboard boat owners claiming residence
- ◆ Processes license plate refunds
- ◆ Assesses
 - ◆ Business personal property
 - ◆ Rental residential property
 - ◆ Motor vehicles, boat motors, and aircraft
- ◆ Processes
 - ◆ Personal property tax appeals
 - ◆ 4% and 6% applications for RVs
- ◆ 30 staff
 - ◆ Downtown and 3 service centers
 - ◆ \$1.8 million annual budget

Treasurer

- ◆ Treasurer Andy Smith, CPA
 - ◆ Elected continuously since 1997
 - ◆ Worked as Deputy Treasurer since 1988
- 18 staff
 - ◆ Downtown and service centers
 - ◆ \$1.6 million budget



Treasurer

◆ Duties

- ◆ Collect taxes for all local governments
 - ◆ Over \$650 million collected for all jurisdictions
- ◆ Central bank for the county
 - ◆ Over \$800 million in annual receipts
- ◆ Invest taxes until needed
- ◆ Issues tax refunds
- ◆ Motor vehicle suspensions for non-payment
- ◆ Processes all on-line tax payments
- ◆ Makes principal and interest payments on bonds

Revenue Collections

- ◆ 22 staff
- ◆ \$2.1 million annual budget
 - ◆ Self-supported by collection fees
 - ◆ Over \$113 million collected for all jurisdictions
 - ◆ Collects fees/licenses for 14 local governments
 - ◆ Business licenses (7)
 - ◆ Solid waste & recycling user fee (1)
 - ◆ Stormwater user fees (6)
 - ◆ Accommodations fees (8)
 - ◆ Hospitality fees (4)
 - ◆ Improvement District assessments (3)
 - ◆ Hazardous Materials fees (1)
 - ◆ Cable TV franchise fees (1)

Revenue Collections

- ◆ Customer Service
 - ◆ Mail out billings
 - ◆ Some fees on tax bills
 - ◆ Over-the-counter service
- ◆ Inspections
 - ◆ Thousands of annual physical inspections
 - ◆ Businesses
 - ◆ Assists law enforcement
- ◆ Legal
 - ◆ Audits over 1,000 business license accounts
 - ◆ Delinquent collections
 - ◆ Courtesy letters, cases file in Small Claims court
 - ◆ Bankruptcy collections



Procurement

- ◆ 11 staff
- ◆ \$0.9 million annual budget
- ◆ Mission
 - ◆ Obtain quality services and products for the entire County at the lowest possible cost and in a timely manner
- ◆ Procedures
 - ◆ Bids
 - ◆ Quotes
 - ◆ Proposals



Procurement

- ◆ Competition
 - ◆ Informal purchases
 - ◆ <\$5,000: Procurement card
 - ◆ <\$25,000: Three quotes
 - ◆ Formal purchases
 - ◆ >\$25,000
 - ◆ Bids
 - ◆ Proposals
 - ◆ Qualifications
 - ◆ County Council approval if >\$50,000

Procurement

◆ Procurement cards

- ◆ Issued to individual County employees
 - ◆ In departments making routine small purchases
- ◆ Only works for purchases <\$5,000
- ◆ Employee receives training on appropriate use
- ◆ Employee subject to termination for improper use
- ◆ Benefits
 - ◆ Less paperwork & bureaucracy: 2 fewer employees
 - ◆ Rebates (almost \$30,000)



Procurement

- ◆ Sole Source/Non-competitive procurements
 - ◆ When only available from one source
 - ◆ Approved by County Administrator
- ◆ Emergency procurements
 - ◆ When threat to public health, welfare, or safety exists
 - ◆ Only Director of Procurement authorized

Procurement



- ◆ Small Business Enterprise (SBE) program
 - ◆ County Council authorized September 2007
 - ◆ What is a Small Business?
 - ◆ <\$7.5 million annual gross receipts
 - ◆ Been in business for at least the past 12 months
 - ◆ Owner is actively involved in day-to-day management
 - ◆ All taxes, business licenses, and fee paid
 - ◆ Mandatory SBE subcontracting requirements
 - ◆ Construction: 12.2%
 - ◆ Architectural & Engineering: 10.4%
 - ◆ Professional Services & Consulting: 17.5%
 - ◆ Goods & Supplies: 4.7%

Procurement



- ◆ Small Business Enterprise program
 - ◆ Easy, one-page certification application
 - ◆ Workshops
 - ◆ “How to do business with government”
 - ◆ Periodic meetings with department heads
 - ◆ “Meet and greets” with prime contractors and subs
 - ◆ Special bond consideration
 - ◆ Access to SBE network of consultants
 - ◆ Other participating governments
 - ◆ Parks and Recreation Commission
 - ◆ CARTA
 - ◆ Charleston Water System

Finance

- ◆ 13 staff
 - ◆ \$1.1 million annual budget
- ◆ Duties
 - ◆ Accounts Payable
 - ◆ 13,500 checks annually
 - ◆ Payroll
 - ◆ 65,000 checks annually
 - ◆ Fixed Assets
 - ◆ 2,500 assets inventoried annually
 - ◆ Financial Reporting
 - ◆ Comprehensive Financial Annual Report (“audit”)
 - ◆ Certificate of Excellence in Financial Reporting



Revenue Collections

- ◆ Delinquent Tax division
 - ◆ 10 staff
 - ◆ \$1.1 million budget
 - ◆ Entirely supported by fees paid by delinquent taxpayers
- ◆ Collects delinquent Real and Personal Property taxes



Revenue Collections

- ◆ Life Cycle of Property Taxes
 - ◆ Phase 1: Initial Collection
 - ◆ Bills mailed by September 30
 - ◆ Payable to Treasurer and due by January 15
 - ◆ 3% late penalty added after January 15
 - ◆ 7% late penalty added after February 1
 - ◆ 15% late penalty added after March 15
 - ◆ After March 15, collection is responsibility of
 - ◆ Delinquent Tax Collector



Revenue Collections

- ◆ Life Cycle of Property Taxes
 - ◆ Phase 2: Execution Notice
 - ◆ First delinquency notice (“Execution Notice”)
 - ◆ mailed early April
 - ◆ 38,000 Execution Notices sent April 2009
 - ◆ Additional Fee (“Levy”) is added
 - ◆ Mailing and collection cost

Revenue Collections

- ◆ Life Cycle of Property Taxes
 - ◆ Phase 3: Official Notice of Levy
 - ◆ Second delinquency notice (“Official Notice of Levy”)
 - ◆ Mailed via Certified Mail, Return Receipt Requested
 - ◆ Duplicate copy sent by regular mail
 - ◆ Additional Levy is added
 - ◆ Additional mailing and additional collection costs



Revenue Collections

- ◆ Life Cycle of Property Taxes
 - ◆ Phase 4: Posting and Advertisement
 - ◆ Physical posting of Delinquent Tax Notice
 - ◆ On a conspicuous position on the property
 - ◆ If still not paid...
 - ◆ Classified advertisement in Legal section of P&C
 - ◆ Once a week for 3 weeks (Real Property)
 - ◆ Once a week for 2 weeks (Mobile Homes/Personal Property)
 - ◆ Additional Levy is added
 - ◆ Additional collection and advertising costs

The Post and Courier



Revenue Collections

- ◆ Life Cycle of Property Taxes
 - ◆ Phase 5: Delinquent Tax Sale
 - ◆ Alternates between October and November
 - ◆ First business Monday of the month
 - ◆ Bids start at Taxes plus Interest plus Levy owed
 - ◆ 11/08 sales: 726 properties
 - ◆ 10/09 sales: 1,209 properties
 - ◆ Up 67 percent



Revenue Collections

- ◆ Life Cycle of Property Taxes
 - ◆ Phase 6: Redemption Period
 - ◆ Defaulting taxpayer still have 12 months to Redeem
 - ◆ Bidders are entitled to interest on their bid money
 - ◆ Defaulting taxpayer pays the interest
 - ◆ Quarterly interest increase notices are sent to delinquent taxpayer
 - ◆ If not redeemed, Tax Deed is issued to Bidder
 - ◆ Bidder pays for Tax Deed costs
 - ◆ 11/08 sales: 726 properties
 - ◆ Redemptions: 611 properties
 - ◆ Conveyances: 115 properties
 - ◆ 0.06 percent of all properties conveyed

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