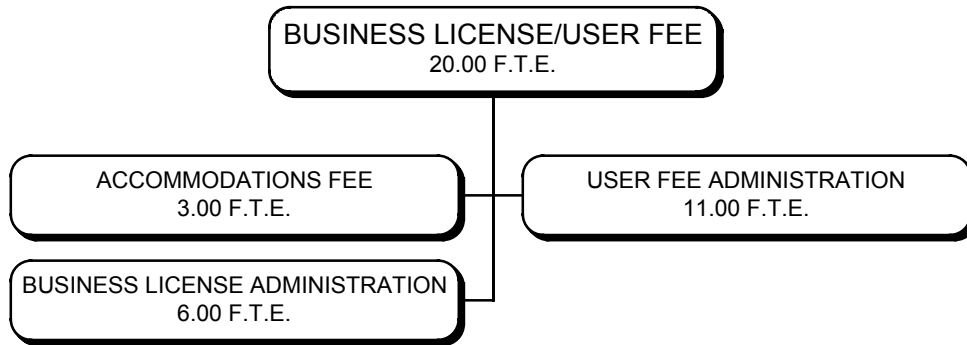


BUSINESS LICENSE/USER FEE



BUSINESS LICENSE/USER FEE

Mission: The Business License/User Fee Department administers the provisions of the County's Business License Ordinance, the Solid Waste Disposal/User Fee Ordinance, and the Accommodations Fee Ordinance.

DEPARTMENTAL SUMMARY:	FY 2001 <u>Actual</u>	FY 2002 <u>Actual</u>	FY 2003 <u>Adjusted</u>	FY 2004 <u>Approved</u>	Dollar <u>Change</u>	Percent <u>Change</u>
Positions/FTE	20.00	20.00	20.00	20.00	0.00	0.0
General Fund	\$ 2,083,267	\$ 2,114,295	\$ 1,875,000	\$ 2,350,000	\$ 475,000	25.3
Special Revenue Fund	6,574,565	6,618,225	6,790,000	6,964,000	174,000	2.6
Enterprise Fund	<u>20,504,385</u>	<u>20,533,860</u>	<u>20,800,000</u>	<u>21,280,000</u>	<u>480,000</u>	2.3
TOTAL SOURCES	<u>\$ 29,162,217</u>	<u>\$ 29,266,380</u>	<u>\$ 29,465,000</u>	<u>\$ 30,594,000</u>	<u>\$ 1,129,000</u>	3.8
General Fund	\$ 252,821	\$ 264,693	\$ 272,585	\$ 348,506	\$ 75,921	27.9
Special Revenue Fund	6,483,319	5,718,006	5,960,403	6,152,420	192,017	3.2
Enterprise Fund	<u>1,753,406</u>	<u>1,208,889</u>	<u>758,069</u>	<u>831,600</u>	<u>73,531</u>	9.7
TOTAL DISBURSEMENTS	<u>\$ 8,489,546</u>	<u>\$ 7,191,588</u>	<u>\$ 6,991,057</u>	<u>\$ 7,332,526</u>	<u>\$ 341,469</u>	4.9

Sources: The sources of funds for Business License/User Fee's FY 2004 budget represent expected growth in the business license fee, accommodations fee, and Solid Waste User Fee collections based on continued positive historical trends. Sources also reflect an increase in the rate structure for business licenses.

Disbursements: Disbursements reflect an increase in accommodations fee allocations to municipalities within Charleston County, as well as an increase in the transfer to the General Fund. Also reflected are increased personnel expenses due to increased fringe benefit costs and a provision for a Cost of Living Adjustment (COLA). During budget deliberations, Council increased funding for contributions to outside agencies and for tourist-related expenditures in the General Fund.

BUSINESS LICENSE/USER FEE (continued)**SPECIAL REVENUE FUND****CULTURE AND RECREATION**

DIVISION - Accommodations Fee

Mission: The Accommodations Fee Division assesses and collects revenues, performs field inspections and audits of gross income, and files legal actions against delinquent accounts.

DIVISION SUMMARY:	FY 2001 Actual	FY 2002 Actual	FY 2003 Adjusted	FY 2004 Approved	Dollar Change	Percent Change
Positions/FTE	3.00	3.00	3.00	3.00	0.00	0.0
Charges and Fees	\$ 6,361,535	\$ 6,539,005	\$ 6,720,000	\$ 6,854,000	\$ 134,000	2.0
Interest	213,030	79,220	70,000	110,000	40,000	57.1
TOTAL REVENUES	\$ 6,574,565	\$ 6,618,225	\$ 6,790,000	\$ 6,964,000	\$ 174,000	2.6
Personnel	\$ 125,204	\$ 125,504	\$ 135,007	\$ 149,194	\$ 14,187	10.5
Operating	3,349,465	3,656,586	3,879,758	3,783,226	(96,532)	(2.5)
Capital	0	0	0	0	0	0.0
TOTAL EXPENDITURES	3,474,669	3,782,090	4,014,765	3,932,420	(82,345)	(2.1)
Interfund Transfer Out	3,008,650	1,935,916	1,945,638	2,220,000	274,362	4.8
TOTAL DISBURSEMENTS	\$ 6,483,319	\$ 5,718,006	\$ 5,960,403	\$ 6,152,420	\$ 192,017	3.2
Increase (Use) of Fund Balance	\$ 91,246	\$ 900,219	\$ 829,597	\$ 811,580	\$ (18,017)	(2.2)
Beginning Fund Balance	1,356,061	1,447,307	2,347,526	3,151,752	804,226	34.3
Ending Fund Balance	<u>\$ 1,447,307</u>	<u>\$ 2,347,526</u>	<u>\$ 3,177,123</u>	<u>\$ 3,963,332</u>	<u>\$ 786,209</u>	<u>24.7</u>

Funding Adjustments for FY 2004 Include:

- Revenues represent continued growth in tourism in the Charleston area.
- Personnel expenditures represent the actual grades and steps of the incumbents, increased fringe benefit costs, and a provision for a Cost of Living Adjustment (COLA).
- Operating expenditures reflect a one-time increase to the contribution to the Charleston Visitor's Bureau in FY 2003 not being re-budgeted in FY 2004. Partially offsetting this decrease is an increase in allocations due to municipalities within Charleston County based on formula. Additionally, during budget deliberations County Council increased contributions to outside agencies by \$25,000.
- Interfund transfer out represents funds used to reimburse the General Fund for expenditures incurred from providing services to tourists visiting the area and to reimburse the Debt Service Fund for payments on tourist-related facilities. During budget deliberations, Council increased the interfund transfer out by \$180,000 reflecting increased demand on the General Fund for tourist-related expenditures.

BUSINESS LICENSE/USER FEE (continued)**GENERAL FUND****GENERAL GOVERNMENT**

DIVISION - Business License Administration

Mission: Business License Administration, in accordance with the County Business License Ordinance, collects revenues in the form of business licenses. This Division also files legal actions against delinquent accounts and maintains bankruptcy files.

DIVISION SUMMARY:	FY 2001 Actual	FY 2002 Actual	FY 2003 Adjusted	FY 2004 Approved	Dollar Change	Percent Change
Positions/FTE	5.00	5.00	6.00	6.00	0.00	0.0
Licenses and Permits	\$ 2,081,393	\$ 2,113,715	\$ 1,875,000	\$ 2,350,000	\$ 475,000	25.3
Interest Revenues	0	331	0	0	0	0.0
Miscellaneous	1,874	249	0	0	0	0.0
TOTAL REVENUES	\$ 2,083,267	\$ 2,114,295	\$ 1,875,000	\$ 2,350,000	\$ 475,000	25.3
Personnel	\$ 210,967	\$ 226,079	\$ 234,239	\$ 284,366	\$ 50,127	21.4
Operating	33,885	38,614	38,346	64,140	25,794	67.3
Capital	7,969	0	0	0	0	0.0
TOTAL EXPENDITURES	\$ 252,821	\$ 264,693	\$ 272,585	\$ 348,506	\$ 75,921	27.9

Funding Adjustments for FY 2004 Include:

- Revenues reflect a proposed increase in the rate structure for business license fees. The new structure would make rates comparable with, but still less than, the county's three largest municipalities. Revenues also reflect projections for continued expansion of the business sector based on historical trends and analysis. Also reflected is the addition of a new contract for collection services, proceeds of which are used to fund associated additional personnel costs.
- Personnel expenditures reflect full-year funding for an additional FTE added during FY 2003. They also represent the actual grades and steps of the incumbents and increased fringe benefit costs.
- Operating expenditures represent increased postage and printing costs for new business license code books.

BUSINESS LICENSE/USER FEE (continued)

GENERAL FUND

GENERAL GOVERNMENT

Objectives:

- Increase business license field inspections by 2%.
- Locate 2% more businesses operating illegally.
- Increase audits conducted by 2%.

Performance Measures:

MEASURE:	FY 2002 <u>Actual</u>	FY 2003 <u>Actual</u>	FY 2004 <u>Projected</u>
Output:			
Field inspections	15,768	16,505	16,830
Illegal business located	831	982	1,000
Audits conducted	917	1,004	1,025
Efficiency:			
Average chargeback per audit	n/a	\$613.18	\$487.80
Outcome:			
Percent increase of business license inspections	62.0%	2.0%	2.0%
Percent increase of locating businesses operating illegally	47.0%	2.0%	2.0%
Percent increase of audits conducted	61.0%	2.0%	2.0%
Collections from audit chargebacks	n/a	\$615,636	\$500,000

BUSINESS LICENSE/USER FEE (continued)**ENTERPRISE FUND****PUBLIC WORKS**

DIVISION - User Fee Administration

Mission: The User Fee Administration Division administers the provisions of the County's Solid Waste Disposal/User Fee Ordinance and the Solid Waste/User Fee Rate Ordinance to collect funds to offset the bond payments to finance the Foster Wheeler facility, additional landfill sites and recycling programs.

DIVISION SUMMARY:	FY 2001 Actual	FY 2002 Actual	FY 2003 Adjusted	FY 2004 Approved	Dollar Change	Percent Change
Positions/FTE	12.00	12.00	11.00	11.00	0.00	0.0
Charges and Fees	\$ 20,440,330	\$ 20,501,361	\$ 20,740,000	\$ 21,250,000	\$ 510,000	2.5
Interest	55,807	24,556	55,000	25,000	(30,000)	(54.5)
Miscellaneous	8,248	7,943	5,000	5,000	0	0.0
TOTAL REVENUES	\$ 20,504,385	\$ 20,533,860	\$ 20,800,000	\$ 21,280,000	\$ 480,000	2.3
Personnel	\$ 505,447	\$ 574,658	\$ 532,257	\$ 582,359	\$ 50,102	9.4
Operating	1,247,959	634,231	220,262	211,638	(8,624)	(3.9)
Capital	0	0	0	32,000	32,000	100.0
TOTAL EXPENSES	1,753,406	1,208,889	752,519	825,997	73,478	9.8
Interfund Transfer Out	0	0	2,550	0	(2,550)	(100.0)
TOTAL DISBURSEMENTS	\$ 1,753,406	\$ 1,208,889	\$ 755,069	\$ 825,997	\$ 70,928	9.4

Funding Adjustments for FY 2004 Include:

- Revenues are increased based on historical trends reflecting continued growth in user fee collections.
- Personnel expenses reflect the actual grades and steps of the incumbents, increased fringe benefit costs, and a provision for a Cost of Living Adjustment (COLA). Also reflected is an increase in temporary personnel costs to provide assistance with expanded collection services.
- Operating expenses represent lower charges for allocated computer replacement costs and non-capital computer equipment purchases in FY 2003 not being re-budgeted for FY 2004. They also represent one-time consultant fees budgeted in FY 2003 that have not been re-budgeted. Also reflected are lower charges for telecommunications costs based on reduced rates.
- Capital expenses represent the replacement purchase of two mid-size sedans.

BUSINESS LICENSE/USER FEE (continued)

ENTERPRISE FUND

PUBLIC WORKS

Objectives:

- Increase User Fee field inspections by 2%.
- Increase hauler updates by 3%.
- Increase court actions by 3%.
- Increase collection letters by 5%.

Performance Measures:

MEASURE:	FY 2002 <u>Actual</u>	FY 2003 <u>Actual</u>	FY 2004 <u>Projected</u>
Output:			
Field inspections	4,365	4,276	4,360
Hauler accounts examined	7,090	4,195	4,320
Court cases prepared	2,290	1,993	2,050
Collection letters prepared	3,513	3,368	3,530
Efficiency:			
Collections per case filed	n/a	\$512.91	\$487.80
Outcome:			
Percent increase of User Fee field inspections	36.0%	2.0%	2.0%
Percent increase of hauler updates	113.0%	2.0%	3.0%
Percent increase of court actions	41.0%	2.0%	3.0%
Percent increase of collection letters	780.0%	2.0%	5.0%
Court cases resolved	n/a	1,269	1,270
Collections from court filings	n/a	\$1,051,470	\$1,000,000