

COUNTY OF CHARLESTON SOUTH CAROLINA

APPROVED BUDGET FOR FISCAL YEAR 2004

BUDGET NARRATIVE

COUNTY COUNCIL

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COUNTY ADMINISTRATOR

ROLAND H. WINDHAM, JR.

Cover:

This year's front cover depicts the latest project in South Carolina's design-build portfolio, the new Cooper River Bridge. The 2.5 mile long span features a full eight-lane project which includes a 12 foot wide bike path and vertical clearance to accommodate the new 1,000 foot wide shipping channel into Charleston. Completion date for the bridge is scheduled a year earlier than the original 2006 date. The South Carolina Department of Transportation (SCDOT) will provide construction oversight and maintenance for the project. Promoting community and continual economic development, County Council agreed in fiscal year 2001 to support the Cooper River Bridges replacement project with an annual contribution of \$3 million for 25 years, beginning in fiscal year 2004. The project will enhance national and international shipping accessibility to the Port of Charleston.

Photograph courtesy of SCDOT.

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Distinguished Budget Presentation Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Charleston County, South Carolina for its annual budget for the fiscal year beginning July 1, 2002. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Mission Statement

We will promote and protect the quality of life in Charleston County by delivering services of value to the community.





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Charleston County

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Honorable Chairman and Members of Charleston County Council:

This document represents the fiscal year 2004 Charleston County Operating Budget, as adopted by Charleston County Council on June 3, 2003. I believe the fiscal year 2004 budget meets the following budget objectives:

- < **No net increase in taxes and fees for the homeowner.** The net tax *and* fee bill for the four percent assessed property homeowner of \$100,000 in appraised property value will total \$224.80 which is unchanged from the current year. The Local Option Sales Tax credit¹ of \$109.00 for the \$100,000 homeowner also remains unchanged. The fee portion of the homeowner's tax bill reflects an \$89 user fee for disposal of solid waste and remains unchanged.
- < **Maintain existing levels of basic services to the community.** The County will continue to maintain its level of basic services to the community even though the costs to provide these services continue to increase.
- < **Maintain a compensation and benefits package sufficient for attracting and retaining a qualified and highly motivated work force.**
 - < **Compensation.** The budget includes \$3.4 million in funding to maintain the existing compensation plan. This plan includes pay for performance, a longevity program, and a 2.5 percent Cost of Living Adjustment.
 - < **Benefits.** The budget includes an additional \$1.8 million to maintain benefits including state retirement, health insurance, dental insurance, life insurance, workers' compensation and contributions to employees' 401K plans as allowed by state law. The County participates in South Carolina's retirement plan which does not anticipate any changes in funding requirements for the upcoming fiscal year. The County also provides funding for health insurance coverage for employees based on the cost of the Blue Cross Standard Plan, and provides partial funding for health insurance coverage for spouses and dependents of employees. The health insurance coverage includes rate increases for all insurance carriers for fiscal year 2004. In addition, the Workers' Compensation Fund reflects premium increases based on the County's experience factor and the loss of a discount for self insuring.

¹ For more information related to Local Option Sales Tax, please refer to p. xxxviii in **Major Revenue Sources**.

THE BUDGET IN BRIEF

Current revenues and transfers in for all operating funds² total \$255.3 million for fiscal year 2004, an increase of \$11.3 million over the current year. One of the major sources for this increase is a net growth in taxes. Ad valorem taxes less the Local Option Sales Tax (LOST) are up \$2.3 million reflecting an expanding tax base. The Local Option Sales Tax is up \$1.2 million reflecting the current status of the economy. The revenues from taxes have significantly declined as a funding source for the General Fund from 55 percent in fiscal year 1991 to 39.4 percent in fiscal year 2004 as the result of the LOST credit. An additional source of revenue growth is a \$3.9 million increase in Charges and Fees. The Charges and Fees reflect additional interfund revenues of \$1.7 million for health insurance and workers' compensation. Charges and Fees also include growth in Solid Waste User Fee revenues and growth in business license fee revenues coupled with an increase in rates. The growth in revenues for the County is offset somewhat by lower interest earnings of \$0.8 million reflective of prevailing interest rates.

Expenditures and other uses for all operating funds total \$267.7 million for fiscal year 2004, a \$12.2 million increase from the current year. The budget includes approximately \$5.2 million in additional personnel costs to maintain the compensation plan, provide for a Cost of Living Adjustment, and fund the related benefits. In addition, the budget includes \$0.9 million to fund 24 new positions to maintain current service levels for Emergency Medical Services and the Detention Center. Also included is a \$1.5 million increase in debt service that is according to schedule. These increases are partially offset by \$1.5 million in savings from an early retirement program completed in fiscal year 2003.

Beginning fund balance for all funds for fiscal year 2004 is \$105.3 million. The General Fund's beginning fund balance is \$16.0 million which represents excess revenues and lapsed appropriations from fiscal year 2003 and unbudgeted surplus from fiscal year 2002. In addition, the County maintains a portion of fund balance in the General Fund for a "Rainy Day" per the County's budget ordinance. The "Rainy Day" reserve was established to provide funds for use in the event of a major calamity. This amount is anticipated to be \$7.5 million at the end of fiscal year 2003 and is required to be maintained at no less than four percent of General Fund disbursements.

MAJOR POLICY ISSUES

The County is currently facing several major issues which affected the development of this budget. These issues represent challenges and opportunities which will impact how the County develops over the next several years.

Economy

Along with the rest of the nation, the County continues to experience the effects of an economic downturn. For more than a decade, the County has relied upon the growth in the economy to fund new programs and rising costs due to inflation. Therefore, because economic growth has slowed, the County has had to adjust its spending to fit the available funding.

² The operating funds include all funds appropriated on an annual basis which excludes project-length budgets, e.g., Capital Projects Funds.

State Actions

The South Carolina state legislature passed a bill during the 2000 legislative session that will have a significant impact on County revenues in the future. The act called for a statewide referendum in November 2000 to reduce the taxable portion of the appraised value of personal motor vehicles. The referendum passed, and as a result the taxable portion will be reduced from 10.5 percent to 6.0 percent over a six-year period beginning January 1, 2002. This bill reduces fiscal year 2004 revenue by \$1.0 million, and it will have an estimated impact of \$6.6 million upon full implementation in fiscal year 2008.

During fiscal year 2003, the State began adjusting the Local Option Sales Tax revenue for point of collections that were reported incorrectly. The effect on fiscal year 2003 revenues was minimal due to a hold harmless provision. However, the County will not experience any revenue growth until additional revenues exceed the deficit between actual collections and the hold harmless amount.

Outstanding Litigation

The County is party to several legal proceedings that may affect the County's operations. The Department of Justice has sued the County over minority representation on County Council. The outcome of this lawsuit may require the County to change the method of electing Council members from countywide to single member districts. The Court ruled in favor of the Department of Justice, and the County is in the process of appealing the decision.

In a countywide referendum during November 2002, voters approved a half-penny sales tax to fund greenspace preservation, public transportation, and road and bridge projects. The referendum was challenged in court and the State Supreme Court overturned the results of the election. The Court has been petitioned for a reconsideration of its ruling.

The County is also involved with litigation relating to a reassessment cap that was enacted during fiscal year 2002. This reassessment cap limited the growth in the assessed value of four percent owner-occupied property to fifteen percent. The State Supreme Court ruled that the County's reassessment cap ordinance was invalid. Several cases are still outstanding related to refunds of bills for fiscal year 2002. The most significant of these cases was initially ruled against the County, and the County intends to appeal this ruling.

During July 2002, Council passed an ordinance that would have capped the growth in assessed value to fifteen percent for all real properties effective for the 2003 tax bill (fiscal year 2004). This ordinance has been challenged in court, and Council has delayed implementation of the cap until the lawsuit has been resolved.

LOOKING AHEAD - CHALLENGES IN FISCAL YEAR 2005 AND BEYOND

Although the County faced many challenges in developing the fiscal year 2004 budget, the County has identified several additional challenges for fiscal year 2005 and beyond.

Operating Impact of Building Program

The John's Island branch library (scheduled to open in July 2004) will require full-year funding during fiscal year 2005. The construction of a replacement Juvenile Detention facility is currently under study by an independent consulting firm, and the renovation of the former temporary judicial complex is under consideration as well. Both projects, if adopted, will require operational funding in the future.

In addition, the County continues to face inmate population overcrowding and personnel staffing issues at its Detention facility. At the direction of Council, the Jail Oversight Committee was formed to explore solutions. While the work of the committee is not yet complete, one alternative being discussed is an expansion of the Detention facility. If this alternative is approved by Council, it would have a significant operational funding impact in the years ahead.

State Actions

A major issue for the Lowcountry is the replacement of the Cooper River Bridges. Although the bridges are owned and maintained by the State, the State has required local funding for the project. The State, the Federal government, and Charleston County are funding the project. Charleston County has committed to pay \$3.0 million a year for 25 years beginning in fiscal year 2004. If the County is not successful in its appeal to the State Supreme Court for a reconsideration of the ruling against the half-penny sales tax, alternative sources of funding will need to be found. Although a specific source of funding has not yet been identified, alternative options are an increase in property taxes, a motor vehicle fee, the sale of property, or a combination of accommodations fee and property taxes.

The reduction in the taxable portion of the appraised value of motor vehicles will continue to be phased in from fiscal year 2005 through fiscal year 2008. The County will see a reduction in property tax revenue from motor vehicles as follows:

Fiscal Year	Reduced Revenue	Cumulative Reduced Revenue
2005	\$1.1 million	\$3.3 million
2006	\$1.2 million	\$4.5 million
2007	\$1.3 million	\$5.8 million
2008	\$0.9 million	\$6.6 million

Roads

As the County continues to strive to reduce the miles of roads that need to be constructed or repaired, additional funding will be necessary to support this program. Due to budget constraints, no annual appropriation for roads was included in the fiscal year 2003 or fiscal year 2004 budgets. A half-penny sales tax approved by voter referendum was intended to provide funding for these projects. However, the State Supreme Court's overturning of the referendum leaves the County searching for additional funding sources.

CONCLUSION

The fiscal year 2004 Charleston County Operating Budget meets the County's budget objectives and addresses the major policy issues that face the County. As the County enters a new year and looks forward to future years, we will continue to strive to efficiently and effectively meet the needs of Charleston County's citizens.

Respectfully submitted,

Roland H. Windham, Jr.

Budget User's Guide

Charleston County

It is our objective to present budgetary information as clearly and concisely as possible. The following constitutes a "Budget User's Guide" for the interested citizen:

The County prepares two budget documents: the **Approved Budget Detail Book** and the **Approved Budget Narrative Book**. The Detail Book provides detailed capital listings; full-time equivalent (FTE) listings, which break down each department's total full-time employees by position and pay grade; and copies of the County's line item budget printouts. The Narrative Book presents the County's operating budget through schedules and detailed narratives. This User's Guide is tailored to the Narrative Book.

The **Table of Contents** is divided into seven sections which correspond to the tabs. The first section includes summarized financial schedules comprising FY 2001 actual figures, FY 2002 actual figures, FY 2003 adjusted budget figures, and FY 2004 Council-approved budget figures. The County's operating budgets are divided into five major directorates: Council Agencies, Elected Officials, Appointed Officials, Administrator, Chief Deputy Administrator, and Chief Financial Officer. Note that individual departmental budgets are listed alphabetically within each section. The last two sections contain the County's capital budget, statistical financial information, a summary of the County's financial systems, an index, and a glossary.

The **Letter of Transmittal** from the County Administrator discusses the contents of the Approved Budget. The **Budget Highlights** section points out some of the approved budget's significant elements, addressing such often-asked questions as: "How much is the County's FY 2004 operating budget?" and "Is there a tax increase?". The **Description of Funds** provides a brief description of the various fund types and funds included in this document and indicates total budgeted expenditures for each fund type and fund.

The **Budget Analysis** highlights the major changes in the County's budgets and Council's decisions made during their six weeks of deliberations. This section also outlines financial policies, short and long-term goals, summarizes new activities and programs, and explains revenue assumptions.

The **Goals and Projects** section highlights short-term and long-term goals and projects for the County and its departments. The **Major Revenue Sources** portion indicates the County's largest revenue sources and addresses how the County arrived at these revenue estimates.

The **Schedules** section includes a high-level summary of the County's available funds and disbursements. In addition, this section includes combined summaries of revenues, expenditures, interfund transfers, and authorized positions for all funds. These summaries are illustrated by graphs detailing the sources of revenues and the function of the expenditures and authorized positions. The last portion of this section displays individual fund statements of revenues and expenditures. This section answers such relevant budget questions as "How many permanent employees does the County maintain?", "How many of these permanent employees work in certain offices?", "How much revenue is budgeted for FY 2004 and what are the sources?", and "What is the County's total FY 2004 expenditure budget?".

Each budget narrative is generally divided into five sections: Mission, Department or Division Summary, Funding Adjustments for FY 2004, Objectives, and Performance Measures. Where appropriate, a departmental organizational chart is included. The **Mission** states the purpose

Budget User's Guide

Charleston County

of the department or division. The **Department** or **Division Summary** provides summary financial information for four fiscal years, consisting of two years of the most recently audited figures, the current year's adjusted budget, and Council's approved FY 2004 budget. In addition, the dollar and percentage change from FY 2003 is computed. The financial information is broken down by major categories of revenue and major objects of expenditure (i.e., personnel, operating, and capital expenditures). The **Funding Adjustments for FY 2004** section is broken down into several categories, including revenues, major objects of expenditure, and other relevant categories. This section reflects the significant changes in funding from FY 2003.

The **Objectives** specify achievements to be attained to meet the end results that a service or program is expected to accomplish in a given time period.

The narratives report **Performance Measures** enabling the reader to determine how an objective is accomplished through the delivery of products, services, or processes. There are four types of performance measures recognized by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA): input measures, output measures, efficiency measures, and outcome measures. Output measures detail the quantity or volume of products or services provided. Efficiency measures quantify the relationship between input and output measures and are a useful indicator of the cost-effectiveness of a program or service. Finally, outcome measures provide program results in a numeric format (i.e., measures of timeliness and effectiveness of programs) and report the quality of service being provided.

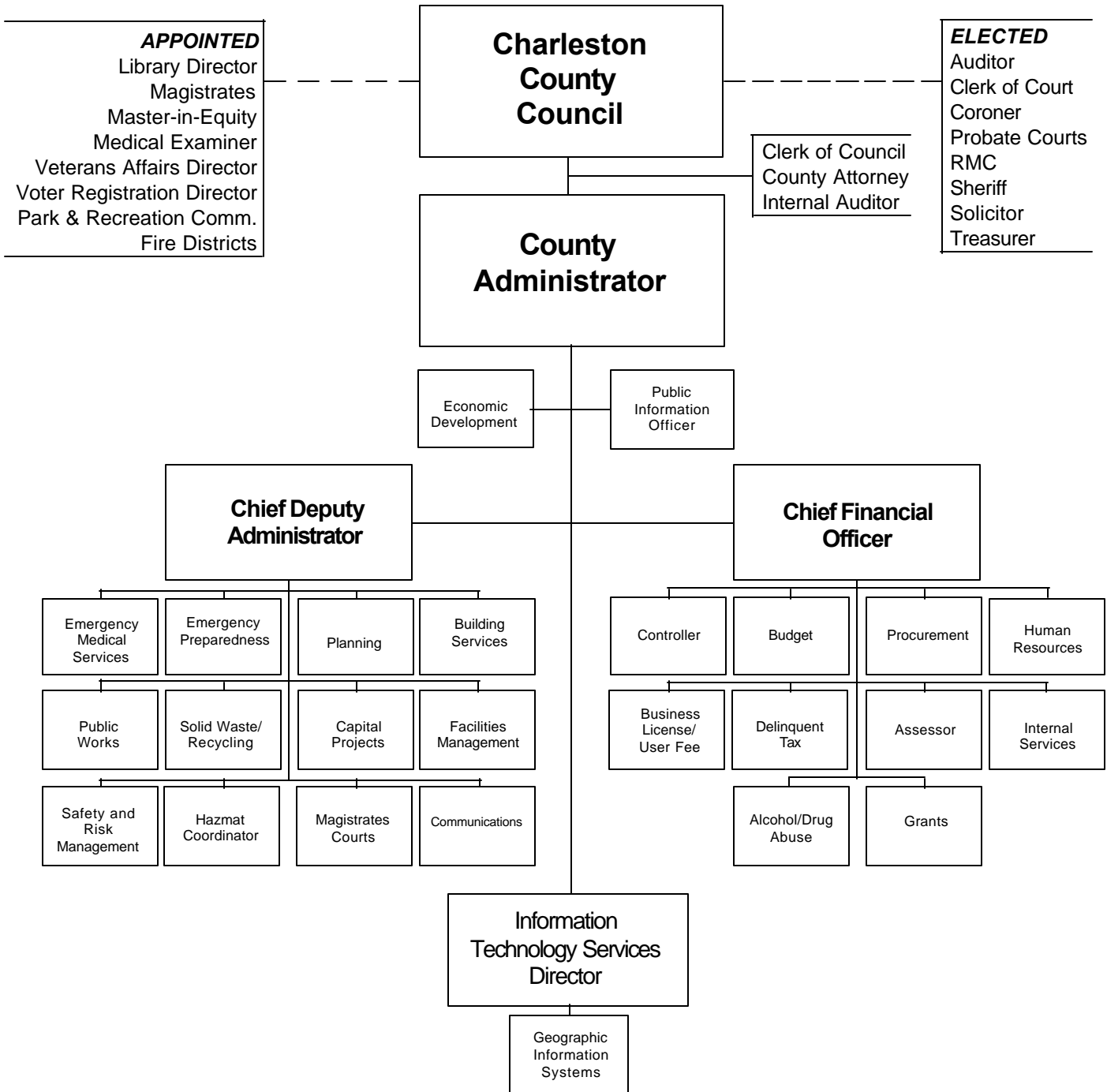
The County's Capital Improvement Program is presented in detail in the **Capital** section. A summary listing of all major appropriated projects, a current estimate of the total cost of the project, the sources of funding, and debt issues are disclosed. In addition, a brief description, including progress to date, of each project is included.

Finally, the **Appendix** section contains a community profile, a description of the County's financial policies, general statistical information, a description of the budget process, the County's financial policies, the FY 2004 Budget Ordinance, a glossary of terms and concepts used in this document, and the index.

Charleston County, South Carolina Organizational Chart

Revised
09/27/2002

County Departments
Effective 10/01/2002



Budget Highlights

Charleston County

Overview:

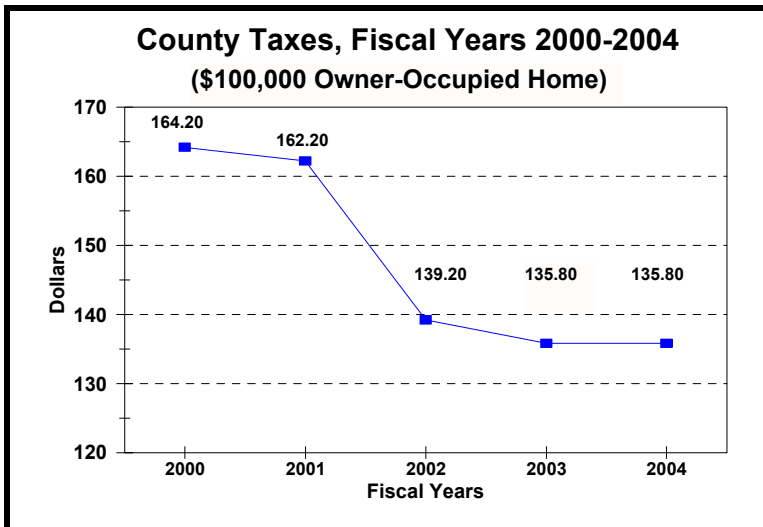
The General Fund operating budget is \$134.8 million - up \$6.0 million or 4.7 percent. Revenues and other sources are up \$6.0 million or 4.7 percent, and the millage rate is unchanged (before adjustment for reassessment cap).

Debt service millage is unchanged (before adjustment for reassessment cap).

Local Option Sales Tax credit is unchanged (before adjustment for reassessment cap).

Net taxes on a \$100,000 owner-occupied home are unchanged (before adjustment for reassessment cap).

Solid Waste, Recycling & Disposal Fee is unchanged.



	<u>FY 2003</u>	<u>FY 2004*</u>
Taxes with L.O.S.T.	\$ 135.80	\$ 135.80
Recycling/Disposal Fee	<u>89.00</u>	<u>89.00</u>
Total Tax Bill**	<u>\$ 224.80</u>	<u>\$ 224.80</u>

*Before adjustment for reassessment cap.
 **See following page for further information on tax bill.

Initiatives/Projects During Fiscal Year 2004

- Complete renovation of O.T. Wallace County Office Building
- Complete renovation of Blake Tenement Building
- Begin implementation of new computerized tax system
- Continue construction on John's Island Branch Library
- Continue construction on three EMS Medic Stations



Budget Highlights

Charleston County

The Assessor supervises the valuation process following the appropriate state laws, regulations, and professional guidelines.

EXEMPTIONS

Exemptions are provided by South Carolina law to qualified real property owners to reduce the value of property subject to taxation. Some of the more frequently used exemptions are:

Homestead - The first \$50,000 of the value of an owner-occupied residence is exempt for all legal residents of South Carolina that have resided in the state for at least one year on or before December 31 of the year prior to exemption and are one of the following:

- 65 on or before December 31, preceding the tax year in which you wish to claim exemption
- certified totally and permanently disabled by State or Federal agency
- legally blind
- at least 50 years of age when your spouse who was eligible for exemption died

Legal Residence - For all permanent residents of South Carolina, a four percent assessment ratio on an owner-occupied legal residence applies.

Widows - Residences for all spouses of law enforcement officers or servicemen killed in action or 100 percent totally and permanently disabled service connected veterans are exempt.

Disability - Residences for all totally and permanently disabled or blind service connected veterans are exempt.

Institutional - All properties of non-profit organizations used for literary, scientific, educational, and charitable purposes are exempt.

COMPUTING REAL PROPERTY TAXES

The following information is needed to compute property tax on a parcel:

- the appraised value as determined by the property appraiser
- the amount of the value which is not subject to the tax due to the application of exemptions
- the millage rate authorized by a taxing authority

<u>WITH HOMESTEAD</u>		<u>WITHOUT HOMESTEAD</u>	
\$ 100,000	Appraised Property Value	\$ 100,000	
<u>(50,000)</u>	Less Homestead Exemption		
50,000	Adjusted Appraised Property Value		
<u>.04</u>	Multiplied by the Legal Residence Assessment Ratio	<u>.04</u>	
2,000	Total Assessment	4,000	
	Multiplied by the combined millage, for example, using the FY 2003 adopted		
<u>0.0612</u>	County millage rate (before adjustment for reassessment cap)*	<u>0.0612</u>	
122.40	Total Property Tax Due for Charleston County	244.80	
	Less County Government Sales Tax Credit (before adjustment for		
<u>(109.00)</u>	reassessment cap) x Appraised Value (.00109 x 100,000)	<u>(109.00)</u>	
13.40	Tax Due	135.80	
<u>89.00</u>	Solid Waste Recycling and Disposal Fee	<u>89.00</u>	
<u>\$ 102.40</u>	Total Amount Due	<u>\$ 224.80</u>	

*Note: Does not include the following entities: Trident Technical College, Charleston Co. Park & Recreation Commission, Charleston County School District, or various special purpose districts or municipalities.

Description of Funds

Charleston County

ALL FUND TYPES - \$267,658,555¹

GOVERNMENTAL FUND TYPES - \$190,923,411²

The governmental fund types include the General Fund, the Debt Service Fund, the Special Revenue Funds, and the Capital Projects Funds.

GENERAL FUND - \$134,822,963

This fund is the general operating fund of the County and accounts for all financial resources except those required to be accounted for in other funds.

DEBT SERVICE FUND - \$21,063,400

This fund collects resources to service the County's General Obligation Bonds, Certificates of Participation, and capital leases.

SPECIAL REVENUE FUNDS - \$35,037,048²

These funds account for revenue sources that are legally restricted to expenditure for specific purposes.

CAPITAL PROJECTS FUNDS

These funds account for capital projects that are financed from the County's General Obligation Bonds, Certificates of Participation, Notes Payable, sales of property, and transfers from the General Fund. These funds are not included in the annual budget due to their project-length budgeting basis.

PROPRIETARY FUND TYPES - \$76,735,144³

The proprietary fund types include the Enterprise Funds and the Internal Service Funds.

ENTERPRISE FUNDS - \$46,235,450³

These funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

INTERNAL SERVICE FUNDS - \$30,499,694

These funds account for operations that provide services to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

¹ Does not reflect \$1,626,970 in budgeted increase in ending fund balance.

² Does not reflect \$811,580 in budgeted increase in ending fund balance.

³ Does not reflect \$815,390 in budgeted increase in ending fund balance.

Description of Funds

Charleston County

GOVERNMENTAL FUND TYPES

SPECIAL REVENUE FUNDS - \$35,037,048⁴

These funds account for revenue sources that are legally restricted to expenditure for specific purposes.

Accommodations Tax - \$22,000

This fund is used to account for the two percent sales tax collection from transient room rentals in the unincorporated areas of the county. The first \$25,000 and five percent of the excess of this tax are transferred to the General Fund. The expenditure of the funds transferred to the General Fund is unrestricted, and the expenditure of the remaining funds is restricted to tourist-related activities.

Business License/User Fee - Accommodations Fee - \$6,152,420⁴

This fund records a two percent charge against transient room rentals throughout the county. These funds are restricted to tourist-related expenditures.

Chief Deputy Administrator - Hazardous Materials Enforcement - \$217,222

This fund records the hazardous materials fee charged to various businesses within the county that store or use hazardous materials. These funds are available for training and the acquisition of equipment to assist fire departments within the county in hazardous materials situations.

Clerk of Court - IV-D Child Support Enforcement - \$481,095

This fund accounts for federal monies received to enforce child support obligations at the local level.

Coroner - Training - \$18,360

This fund accounts for revenues generated through clinical training under forensic nurse investigators.

East Cooper Fire District - \$145,000

This fund accounts for revenues generated by ad valorem taxes in the district. The County contracts with the Town of Mt. Pleasant to provide fire service for the district.

Economic Development - Multi-County Parks - \$458,387

This fund records revenues from the multi-county industrial park fee assessed in lieu of property taxes. These revenues fund economic development activities among local governments.

Emergency Preparedness Grants - \$2,500

This fund records state grants awarded to support emergency preparedness projects.

⁴ Does not reflect \$811,580 in budgeted increase in ending fund balance.

Description of Funds

Charleston County

Emergency Services - Awendaw Fire Department - \$1,157,361

This fund accounts for the revenues generated by ad valorem property taxes in the Awendaw Special Tax District, the Boone Hall Fire District, and the McClellanville Area Fire District. These districts were created by referendum of the voters within the districts to upgrade an all volunteer fire department to a full-time paid staff.

Emergency Services - Emergency Medical Service State Grants - \$60,760

This fund accounts for state grants and the County's matching funds to purchase emergency medical service equipment.

Emergency Services - McClellanville Fire Contract - \$287,660

This fund records the monies provided through a contract with the Town of McClellanville and Charleston County for full-time fire protection for the Town.

Geographic Information System - GIS Mapping and Development - \$20,000

This fund accounts for the revenues from the sale of maps produced by the system to be used for future development and expansion of the system.

Grants Administration - Charleston Area Regional Transportation Authority (CARTA) - \$37,852

This fund receives funding from CARTA to administer the issuance of discount cards to the economically disadvantaged in the county.

Grants Administration - Local Law Enforcement Block Grant (LLEBG) - \$143,696

This fund accounts for federal grants received to underwrite projects reducing crime and improving public safety.

Grants Administration - Urban Entitlement - \$3,888,740

This fund accounts for federal grants received through the County's Urban Entitlement status.

Grants Administration - Workforce Investment Act (WIA) Title I - \$2,421,521

This fund accounts for federal grants to provide the citizens of Berkeley, Charleston, and Dorchester Counties with access to employment, training and high-risk youth services.

Library - \$12,331,052

This fund accumulates the funding from the General Fund and other sources for the operation of the County's public library system.

Probate Courts - Adult Drug Court - \$159,000

This fund accounts for funding from the General Fund and program fees for the treatment of nonviolent adults with substance abuse problems.

Public Works - Mosquito Abatement - \$371,000

This fund accounts for state and federal contracts to regulate the mosquito population on state and federal managed sites.

Description of Funds

Charleston County

Sheriff - Asset Forfeiture - \$660,347

This fund records the revenues from the seizure of assets associated with the drug trade. These revenues are dedicated to the control of illicit drug traffic.

Sheriff - Grants and Programs - \$462,910

This fund accounts for various grants and programs within the Sheriff's Office, the largest of which is the Detention Center Recreation Fund.

Sheriff - IV-D Child Support Enforcement - \$77,106

This fund accounts for federal monies received to track and distribute IV-D papers.

Solicitor - Pretrial Intervention - \$293,578

This fund accounts for fees charged to first-time defendants entering the program. After successfully completing the program, applicants have their records expunged.

Solicitor - State Appropriation - \$671,507

This fund receives funding from the state to supplement the County's funding of the Solicitor's office.

Solicitor - Victim-Witness State Appropriation - \$42,229

This fund accounts for state funding to provide assistance to victims and witnesses before, during and after the court case.

Trident Technical College - \$3,737,000

This fund accounts for revenues generated by county-wide ad valorem taxes. The County remits the entire amount collected to Trident Technical College to fund plant maintenance.

Victim's Bill of Rights - Assessments - \$323,865

This fund accumulates assessments from General Sessions Court and Magistrates' Courts and provides victim services with these funds according to the State's victim's bill of rights.

Victim's Bill of Rights - Conviction Surcharge - \$384,880

This fund accumulates surcharges on fines for convictions in General Sessions Court and Magistrates' Courts and provides victim services with these funds according to the State's victim's bill of rights.

West St. Andrew's Fire District - \$8,000

This fund accounts for revenues generated by ad valorem taxes in the district. The County contracts with the St. Andrew's Public Service District to provide fire service for the district.

Description of Funds

Charleston County

PROPRIETARY FUND TYPES

ENTERPRISE FUNDS - \$46,235,450⁵

These funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Department of Alcohol and Other Drug Abuse Services (DAODAS) - \$10,193,034⁶

This fund records the activity of programs administered by DAODAS. These programs reduce the negative impact of alcohol and other drugs on constituents by planning and implementing comprehensive and effective programs of professional services. State and federal funding, Medicaid, client fees, ad valorem taxes and other funding sources support these programs.

Internal Services - Parking Garages - \$3,027,771⁷

This fund accounts for the operation, financing and construction of County parking facilities.

Planning - Emergency 911 Communications - \$979,760⁸

This fund records the fees levied county-wide through telephone bills to support the emergency 911 system.

Solid Waste - \$32,034,885

This fund records the operations of the County's solid waste disposal services including the incineration plant and the landfill. This fund also records the County's recycling operations including curbside collection, drop site collection, a materials recovery facility, and a yard waste/mulch facility. These services are funded through a county-wide user fee, tipping fees, sales of recyclables, sales of steam and electricity, grants and other revenues.

INTERNAL SERVICE FUNDS - \$30,499,694

These funds account for operations that provide services to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

Employee Benefits Trust - \$14,838,000

This fund accounts for the revenues and costs of providing health and life insurance to the County's employees and retirees.

Fleet Operations/ Procurement Services - Central Parts Warehouse - \$9,249,042

This fund accounts for the purchase and maintenance of the County's vehicles. This fund also records the operations of the fleet parts warehouse.

⁵ Does not reflect \$815,390 in budgeted increase in ending fund balance.

⁶ Does not reflect \$249,633 in budgeted increase in ending fund balance.

⁷ Does not reflect \$394,527 in budgeted increase in ending fund balance.

⁸ Does not reflect \$171,230 in budgeted increase in ending fund balance.

Description of Funds

Charleston County

Internal Services - Office Support Services - \$3,532,652

This fund accounts for centrally administered telephone systems, mail processing and delivery service, photocopying, postage metering service, and records management.

Safety & Risk Management - Safety/Workers' Compensation - \$2,880,000

This fund records the operations of the County's safety program which reduces the impact of worker-related accidents. This fund also accounts for self-insured workers' compensation claims which are less than \$100,000. In addition, this fund accounts for workers' compensation insurance through the S.C. Association of County Commissioners' Self-Insurance Fund.

Budget Analysis

Charleston County

OVERVIEW

During the preparation of the fiscal year (FY) 2004 budget, the County Administrator directed the budget staff to assemble a General Fund or operational budget that included sufficient funding to allow for the following:

- no net increase in taxes
- maintain existing levels of basic services to the community
- maintain a compensation and benefits package sufficient for attracting and retaining a qualified and highly motivated work force
- maintain staffing at or below current levels

The budget presented to County Council met these directives with the exception of four positions added for the Emergency Medical Services Department. However, during budget deliberations, the Administrator's proposed budget was adjusted by Council to provide for an additional 20 Detention Officers for the Sheriff's Department and an additional five FTEs for the County's Library system.

The FY 2004 Council Approved budgeted available funds and disbursements (including budgeted increases in fund balance) for all operating funds reflect a \$12.4 million or 4.8 percent increase from the FY 2003 budget. The FY 2004 operating budget is summarized in Figure 1. Additionally, graphs are presented on pages 2 and 3 that represent the total available budgeted funds and the total disbursements for all of the County's annually appropriated operating funds. This budget does not include project-length budgets (i.e., Capital Projects Funds or grants) appropriated in previous years.

Figure 1. Summary of FY 2004 Operating Budget

(Expressed in Millions)

<u>Description</u>	
Available Funds (Including Beginning Fund Balance)	\$ 360.6
Less Budgeted Disbursements	<u>267.7</u>
Reserved (Obligated) For External Parties	16.7
Designated Internally For Specific Purpose	7.8
Unreserved and Undesignated	<u>68.4</u>
Ending Fund Balance	<u>\$ 92.9</u>

The millage rate for the County is comprised of the General Fund (or operating) millage and the debt service millage. The General Fund millage remains unchanged from FY 2003 at 50.8 mills (before adjustment for reassessment cap). The debt service levy, used to pay interest and principal on funds borrowed for capital projects, also remains unchanged from FY 2003 at 10.4 mills (before adjustment for reassessment cap). The combined operating and debt service levy is therefore 61.2 mills.

Budget Analysis

Charleston County

Figure 2 presents a summary of the County's millage rates for the last ten years. For the owner of a \$100,000 home (four percent assessed property) the 61.2 mills equate to a tax of \$244.80. As allowed under state law, the County elected in FY 1991 to reduce property taxes by levying a one percent Local Option Sales Tax (LOST). The Sales Tax credit for FY 2004 is \$109.00 for the \$100,000 homeowner and remains unchanged from the prior year. After applying the Sales Tax credit, the net tax is \$135.80 representing no change from FY 2003 for the \$100,000 homeowner. Compared to FY 1991, the last year before the Sales Tax credit, real property taxes are down 48.3 percent.

Figure 2. County Millage Rates

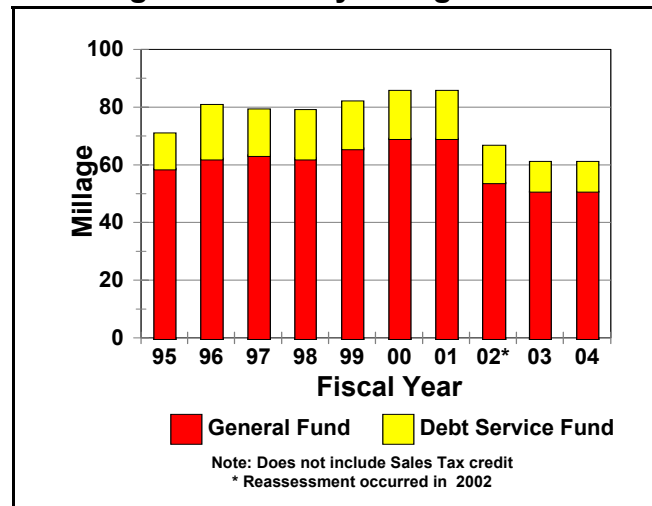
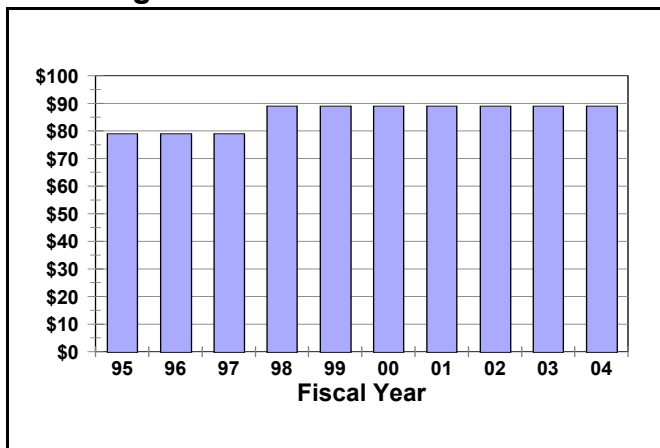


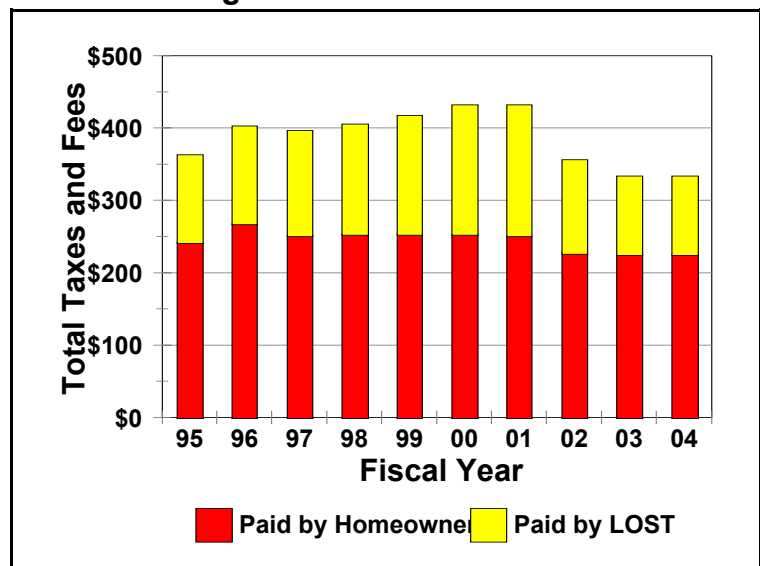
Figure 3. Solid Waste User Fee



The Solid Waste, Recycling and Disposal Fee remains constant at \$89.00 for a single-family residence. Figure 3 presents a ten year history of the Solid Waste User Fee.

When the Solid Waste, Recycling and Disposal Fee is included, the overall tax and fee bill for the owner of a \$100,000 home (four percent assessed property) amounts to \$224.80 representing no change from the prior year. Figure 4 illustrates these amounts, as well as provides a ten-year history of the County's tax and fee bill paid by the homeowner and paid by the LOST credit.

Figure 4. Tax and Fee Bill



Budget Analysis

Charleston County

There were 32 Full-Time Equivalents (FTEs) added for FY 2004, bringing the total number of FTEs employed by Charleston County to 2,353. The majority of the positions added were in the Sheriff's Department which gained 20 Detention Officers. Emergency Medical Services gained four FTEs, and five FTEs were added to the Library in preparation for a new branch scheduled to open in the latter part of FY 2004. Also added were three grant-funded FTEs in the Department of Alcohol and Other Drugs (DAODAS).

GENERAL FUND

SUMMARY

The FY 2004 Council Approved budgeted disbursements for the General Fund total \$134.8 million, a \$6.0 million or 4.6 percent increase from the FY 2003 budget. Budgeted funds available for the FY 2004 budget also total \$134.8 million. The General Fund millage (before adjustment for reassessment cap) is 50.8 mills representing no change from the prior year.

Page 34 shows a graphical representation of the County's General Fund budget. Page 35 shows a fund statement which depicts the numerical summary of the General Fund budget.

BEGINNING BALANCE

The General Fund beginning fund balance for FY 2004 is \$16.0 million. This fund balance consists of unanticipated prior year revenues and transfers in, lapsed prior year funds, and the "Rainy Day Fund" which is a reserve established and maintained by County Ordinance for catastrophes. (See Figure 5 for additional detail.)

Figure 5. General Fund Beginning Balance

(Expressed in Thousands)

Rainy Day Fund	\$	7,500
Unanticipated FY 2003 Revenues		2,358
Unexpended FY 2003 Budget		1,570
Undesignated FY 2002 Ending Fund Balance		<u>4,572</u>
Total	\$	<u>16,000</u>

The funds designated for Rainy Day will be increased by \$0.5 million to a balance of \$7.5 million, pending completion of the FY 2003 audit. The first \$0.5 million of actual tax revenues over budget goes to the Rainy Day designation per County Ordinance. This designation was established in FY 1992 to strengthen the County's balance sheet and to strengthen the County's disaster preparedness position. The designation is intended to equal no less than four percent of the General Fund disbursements as required by the Budget Ordinance.

Budget Analysis

Charleston County

REVENUES

General Fund budgeted revenues of \$124.9 million reflect an increase of \$5.2 million or 4.3 percent from FY 2003. Figure 6 shows the significant budget changes in revenues.

Figure 6. Changes In Revenues

(Expressed in Thousands)

<u>Department/Division</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
Non-depart. - Ad Valorem Taxes	\$ 49,303	\$ 50,308	\$ 1,005	2.0
Non-depart. - Local Option Sales Tax	31,200	32,350	1,150	3.7
Clerk of Court - Family Court Fees	960	1,500	540	56.3
Sheriff - Fed Prisoner Reimbursement	1,125	1,660	535	47.6
BL/UF - Business Licenses	1,675	2,100	425	25.4

The County's largest single revenue source, Ad Valorem Taxes, reflects an increase of \$1.0 million due to a growing tax base, currently estimated to be expanding at a rate of 2.5 percent over current-year valuations. This growth rate is based upon estimated growth per the Assessor. The County's second largest revenue source, Local Option Sales Tax, reflects an increase of \$1.2 million based on historical collections.

Other significant changes in General Fund revenues are the result of adjustments to certain fee structures combined with projections based on historical growth trends. These include a \$0.5 million increase in Family Court Fees, a \$0.5 million increase for the housing of federal prisoners, and a \$0.4 million increase in business license revenues.

EXPENDITURES

The FY 2004 Council Approved budgeted expenditures for the General Fund total \$118.5 million, representing a \$3.3 million or 2.9 percent increase over the FY 2003 budget. Figure 7 shows the significant budget changes in expenditures for FY 2004.

Figure 7. Changes In Expenditures

(Expressed in Thousands)

<u>Department/Division</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
Sheriff - Detention Center	\$ 18,613	\$ 20,374	\$ 1,761	9.5
Salary Adjustment	393	2,078	1,685	428.5
Early Retirement	1,449	0	(1,449)	(100.0)
County Council	1,559	2,415	856	54.9

The largest single increase in General Fund expenditures this year is in the Sheriff's Department. The increase to this department's budget reflects the full-year cost of twenty FTEs added to the Detention Center in FY 2003 plus funding for an additional twenty Detention Center FTEs added by County Council during FY 2004 budget deliberations. The next largest increase is attributable to the salary adjustment granted by County Council. This cost of living adjustment (COLA) represents a 2.5 percent salary increase for full-time County employees, and is based on the Southeastern Consumer Price Index for December 2002. The dollar

Budget Analysis

Charleston County

amount of the COLA was reduced by County Council's decision during budget deliberations to delay implementation by two pay periods. The FY 2003 amount in the table in Figure 7 represents the remaining portion of the prior year's salary adjustment after initial allocation to the departments, while the FY 2004 amount is unallocated. Figure 7 also reflects the effect of a one-time early retirement incentive program budgeted in FY 2003 not being rebudgeted for FY 2004.

Another significant change to the General Fund budget is reflected in the appropriation to County Council. The major portion of this increase is due to County Council's decision to transfer funding from the Election Commission and the Voter Registration Department to Council's contingency. This was done in anticipation of state legislation to merge these two functions during FY 2004.

INTERFUND TRANSFERS OUT

Approximately \$16.3 million is transferred from the General Fund to various other funds. The transfers are increased \$2.6 million or 19.3 percent from the FY 2003 budget.

The increase is principally due to funds transferred to Fleet for anticipated expenditures related to capital. The transfer to the Library was also increased to accommodate rising personnel costs. In addition, during budget deliberations, County Council further increased the transfer to the Library in order to maintain services at current levels.

ENDING BALANCE

Although the estimated General Fund's ending balance for FY 2004 does not include any unreserved/undesignated amounts, the actual ending balance is expected to include some unreserved and undesignated funds. This expectation is the result of conservative budgets for revenues and anticipated savings on expenditures. If the ending balance is not replenished during FY 2004, the County will need to find additional revenue sources (e.g., taxes) or reduce services for FY 2005 to balance the budget.

DEBT SERVICE FUND

SUMMARY

The FY 2004 Council approved budgeted disbursements for the Debt Service Fund total \$21.1 million which is a \$1.0 million or 4.8 percent increase from the FY 2003 budget. The increase reflects the County's planned debt repayment schedule. Budgeted funds available for FY 2004 also total \$21.1 million. The Debt Service Fund millage is 10.4 mills (before adjustment for reassessment cap) representing no change from FY 2003.

Page 36 displays a graphical representation of the County's Debt Service Fund budget. Page 37 contains a fund statement which is a numerical summary of the Debt Service Fund.

Budget Analysis

Charleston County

REVENUES

Debt Service Fund revenues total \$18.2 million and reflect a \$0.2 million or 1.3 percent increase from the prior year reflecting growth in the tax base.

EXPENDITURES

The FY 2004 budgeted expenditures for the Debt Service Fund total \$19.8 million. This amount reflects a \$1.0 million or 5.1 percent increase from FY 2003. This amount will continue to service the County's outstanding debt obligations.

SPECIAL REVENUE FUNDS

SUMMARY

The FY 2004 Council Approved budgeted disbursements for the Special Revenue Funds total \$35.8 million (including budgeted increases in fund balance), a \$0.8 million or 2.2 percent increase from the FY 2003 budget. Budgeted funds available for FY 2004 also total \$35.8 million.

Page 38 shows a graphical representation of the County's Special Revenue Fund budgets, while pages 39-67 contain fund statements reflecting numerical summaries of the budgets.

REVENUES

Special Revenue Funds revenues total \$22.8 million and represent no overall change from the FY 2003 budget. However, Figure 8 provides information on departments and entities that individually did have significant revenue changes.

Figure 8. Changes In Revenues

(Expressed in Thousands)

<u>Department/Division</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
Grants Admin - Urban Entitlement	\$ 4,131	\$ 3,714	\$ (417)	(10.1)
Trident Technical College	3,455	3,737	282	8.2
EMS - Awendaw Fire Department	1,053	1,064	11	1.0

Urban Entitlement Grant revenues are reduced in anticipation of a decline in Federal Housing and Urban Development funding for Community Development Block Grant programs. Trident Technical College's revenues are budgeted higher reflecting growth in the tax base. The Awendaw Fire Department's revenues reflect an 8.9 mill increase for a total of 40.0 mills. The additional tax revenues are offset by the elimination of capital lease proceeds.

INTERFUND TRANSFERS IN

In total, approximately \$11.3 million is transferred into the Special Revenue Funds from various other funds. The transfers are increased \$0.9 million or 8.4 percent from the FY 2003 budget. The primary portion of the increase comes from the General Fund to fund Library operations. During budget deliberations, County Council increased appropriations to maintain current service levels.

Budget Analysis

Charleston County

EXPENDITURES

The FY 2004 budgeted expenditures for the Special Revenue Funds total \$32.6 million which is a \$0.6 million or 1.8 percent increase over FY 2003. Figure 9 shows the significant budget changes in expenditures.

Figure 9. Changes In Expenditures

(Expressed in Thousands)

<u>Department/Division</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
Econ Development - Multi-County Parks	\$ 0	\$ 458	\$ 458	100.0
Library	12,049	12,331	282	2.3
Trident Technical College	3,455	3,737	282	8.2
EMS - Awendaw Fire Department	1,056	1,157	101	9.6
Grants Admin - Urban Entitlement	4,306	3,889	(417)	(9.7)

Of the County's Special Revenue Funds, Economic Development's Multi-County Parks program had the largest increase. The amount shown in Table 8 reflects the expansion of economic development services and partial funding for the Charleston Regional Development Alliance. During budget deliberations, Council shifted a portion of the General Fund's allocation for the Council of Governments to the Special Revenue Fund and allocated additional funding for military base preservation.

The Charleston County Library's budget includes higher personnel costs and building maintenance costs. During budget deliberations Council added five positions to prepare for the opening of the John's Island Library in early FY 2005.

Trident Technical College's budget was increased to accommodate higher personnel, building renovation, and maintenance costs. These expenditure increases are entirely offset through increased revenues derived from a growing tax base.

Awendaw Fire Department's budget is also increased for FY 2004. This increase is primarily attributable to an Occupational Safety and Health Administration's (OSHA) mandate that requires additional personnel. In an effort to comply with this mandate, the Awendaw Fire Department added temporary staff.

Partially offsetting the increases to expenditures in the Special Revenue Funds is a reduction to the Urban Entitlement Grant budget which reflects a corresponding anticipated decline in program revenue.

Budget Analysis

Charleston County

INTERFUND TRANSFERS OUT

The increase in the Interfund Transfer Out for the Special Revenue funds amounts to \$0.5 million for FY 2004. A larger portion of Accommodations Fee revenue is being transferred this year to the General Fund for tourist-related expenses and accounts for a little more than half this amount. The remainder of the increase consists primarily of a one-time transfer from the Sheriff's Asset Forfeiture Fund to the General Fund to partially cover the cost of adding twenty new FTEs for the Detention Center.

FUND BALANCE

Council authorized, in total, the use of 0.9 million from the Special Revenue Funds' fund balance. The FY 2004 ending fund balance is projected to be \$9.2 million.

ENTERPRISE FUNDS

SUMMARY

The FY 2004 Council Approved budgeted disbursements for the Enterprise Funds total \$47.1 million (including budgeted increases in fund balance). This is a \$1.7 million or 3.9 percent increase from the FY 2003 budget. Funds available for FY 2004 also total \$47.1 million.

Page 68 displays a graphical representation of the County's Enterprise Funds budgets, while pages 69-72 contain fund statements reflecting numerical summaries of the budgets.

REVENUES

Revenues for the Enterprise Funds total \$42.8 million and reflect an increase of \$1.2 million or 2.8 percent over FY 2003. Figure 10 illustrates the significant budgeted revenue changes.

Figure 10. Changes In Revenue

(Expressed in Thousands)

<u>Department/Division</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
BL/UF - User Fee Administration	\$ 20,800	\$ 21,280	\$ 480	2.3
Internal Services - Parking Garages	2,478	2,753	275	11.1
DAODAS	7,965	8,210	245	3.1
Planning - Emergency 911	950	1,151	201	21.2

The budgeted revenue from the Business License User Fee division reflects continued growth in user fee revenue due to an expanding collection base. Also contributing to the overall increase in Enterprise Fund revenue are the collective revenues from the County's three parking garages. Revenues are expected to grow due to increases in transient and independent customer monthly leasing requirements. Revenues for the Department of Alcohol and Other Drug Services (DAODAS) have also been budgeted higher to reflect additional medicaid billings and new program income. The County's Emergency 911 revenues are budgeted higher to reflect continued growth in the subscriber base.

Budget Analysis

Charleston County

EXPENSES

The FY 2004 budgeted expenses for the Enterprise Funds total \$45.6 million representing a \$1.2 million or 2.7 percent increase from the FY 2003 budget. Figure 11 illustrates the significant budget changes for FY 2004.

Figure 11. Changes In Expenses

(Expressed in Thousands)

<u>Department/Division</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
Solid Waste	\$ 30,518	\$ 31,385	\$ 867	2.8
DAODAS	9,583	10,193	610	6.4

Solid Waste expenses primarily reflect a scheduled increase in the reserve for debt service payments and increases for depreciation expense and the accrual for landfill closure costs. The increase to expenditures in DAODAS are driven mainly by personnel costs related to both new as well as existing programs.

FUND BALANCE

The approved budgets allow for a total net increase of \$0.2 million to the combined fund balances of the Enterprise Funds. The FY 2004 combined ending fund balance is projected to be \$52.7 million.

INTERNAL SERVICE FUNDS

SUMMARY

The FY 2004 Council Approved budgeted disbursements for the Internal Service Funds total \$30.5 million, a \$3.0 million or 10.9 percent increase over the FY 2003 budget. Funds available for FY 2004 also total \$30.5 million.

Page 73 shows a graphical representation of the County's Internal Service Funds budgets, while pages 74-77 contain fund statements reflecting numerical summaries of the budgets.

REVENUES

Internal Service Funds revenues total \$25.8 million and reflect an overall increase of \$1.6 million or 6.7 percent. Figure 12 shows the significant budget changes for FY 2004.

Figure 12. Changes In Revenue

(Expressed in Thousands)

<u>Department/Division</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
Safety & Risk - Safety/Workers' Comp	\$ 1,300	\$ 2,380	\$ 1,080	83.1
Human Resources - Employee Benefits	13,484	14,088	604	4.5

The Internal Service Funds revenues reflect increases in charges to County departments and external agencies. The two primary areas increased for FY 2004 are Workers' Compensation

Budget Analysis

Charleston County

and Employee Benefits. The revenues have been increased to capture the effect of rising costs in these areas.

INTERFUND TRANSFERS IN

A combined \$3.4 million is transferred into the Internal Service Funds from the General Fund and Debt Service Fund. These transfers are increased \$1.5 million or 75.8 percent from the FY 2003 budget. The primary reason for this increase is due to costs related to Fleet Operations capital.

EXPENSES

The FY 2004 budgeted expenses for the Internal Service Funds total \$30.5 million which is a \$3.0 million or 10.9 percent increase over the FY 2003 budget. Figure 13 shows the significant budget changes for FY 2004.

Figure 13. Changes In Expenses

(Expressed in Thousands)

<u>Department/Division</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
Fleet Operations	\$ 6,850	\$ 8,082	\$ 1,232	18.0
Safety & Risk - Safety/Workers' Comp	1,772	2,880	1,108	62.6
Human Resources - Employee Benefits	13,984	14,838	854	6.1

The majority of the increase reflects rising costs for health insurance and workers' compensation insurance. The increase in Fleet expenses reflects capital related expenses including depreciation expense.

FUND BALANCE

Council authorized, in total, the use of \$1.3 million from fund balance. The FY 2004 ending fund balance is projected to be \$16.3 million.

CAPITAL IMPROVEMENT PROGRAM

The County's capital improvement program is continuous. Facility and infrastructure repair and replacement remain high on the list of goals and prioritized service to the community. The County is currently working to implement a five year facilities and capital plan to ensure timeliness of maintenance and assure efficient allocation of capital resources.

Construction continues on the new John's Island Branch Library, which has a scheduled completion date in July 2004. Design on the replacement EMS Medic Stations (Medic 4 on James Island, Medic 6 located in McClellanville, and Medic 7 on John's Island) has been completed and the construction site work is underway. Construction of each medic station is projected to require twelve months to complete. Renovation continues on the O.T. Wallace Office Building and the Blake Tenement Building. Scheduled for completion in May 2004, Phase two includes renovation of floors one, two, and three. The County has contracted for a

Budget Analysis

Charleston County

replacement computerized Tax System (\$1.8 million), which is scheduled to be fully operational during the second quarter of FY 2005.

The County's Roadwork program is ongoing. With a budget of \$18.0 million for paving, resurfacing, rocking, construction of bikepaths, and sidewalks, the County's Roadwork program is aggressive. The state appropriates funding using a formula based on volume of gasoline sold by jurisdictions. These "C" funds must be used for low priority state roads and local roads. The selection of projects for the "C" funds is performed by the Charleston County Transportation Committee which prioritizes the needs of the County and its municipalities. In addition, the County performs road maintenance and additions based on citizen requests and findings from scheduled inspections of existing infrastructure.

DISTINGUISHED BUDGET AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the County of Charleston, South Carolina for its annual budget for the fiscal year beginning July 1, 2002. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Strategic Goals and Projects

Charleston County

COUNTYWIDE STRATEGIC GOALS

The County is currently developing a performance measurement system to be driven by countywide and departmental goals. Ongoing countywide plans include consolidating services with area governments and advancing progress on its capital projects.

The individual directorates have established strategic goals and projects, which include initiating or completing long-term projects.

COUNCIL AGENCIES

INTERNAL AUDITOR

- < increase the number of operational and performance audits
- < expand services to include assistance with consulting, control self-assessment, and training
- < develop early warning indicators to quickly identify problem areas
- < install and implement computer software to assist with audits
- < perform electronic data processing audits
- < research the needs of various levels of management for audit assistance
- < develop an annual summary report based on audits completed during the year
- < revise and update departmental audit manual

STATE AGENCIES - PUBLIC DEFENDER

- < continue to support the Charleston County General Sessions Liaison Committee in its effort to improve the General Sessions docket
- < continue to assist with the jail overcrowding problem by monitoring attorney caseloads, educating attorneys regarding assessment of their cases, and monitoring the disposition of jail cases
- < identify programs and procedures that impact jail overcrowding
- < continue to pursue parity with the Solicitor's Office in an attempt to have less personnel turnover and to maintain an experienced office

ELECTED OFFICIALS

PROBATE COURT

- < secure permanent funding for the Mental Health Court Program in addition to working toward placement and transportation assistance for the participants in the program
- < continue applying for grant funding to enhance the Adult Drug Court Program
- < upgrade the computer software system in the Commitment Division

REGISTER MESNE CONVEYANCE

- < implement Phase II of an electronic filing system to provide access to records using the most up-to-date technology

TREASURER

- < maintain a 95% collection rate
- < expand the acceptance of on-line payments using the Internet to additional County departments to create an e-commerce system for the taxpayers of Charleston County

Strategic Goals and Projects

Charleston County

APPOINTED OFFICIALS

LIBRARY

- < consider ways to implement the recommendations of the “Five Year Plan For Library Services”
- < monitor the construction process for the John’s Island Branch Library to determine the appropriate dates to obtain collection materials and to recruit branch staff

MASTER-IN-EQUITY

- < acquire a computer software system to obtain advanced statistical data for tracking and disposition of cases

VETERANS AFFAIRS

- < identify and retire inactive files with the objective of reducing required storage space

VOTER REGISTRATION

- < finalize adjustment of all voter records following reapportionment to fit the Senate lines as redrawn by the State Legislature
- < implement absentee voting at satellite locations throughout the county
- < break down document files into manageable groupings

ADMINISTRATOR

GEOGRAPHIC INFORMATION SYSTEMS (GIS)

- < develop approved spatial applications for county departments
- < promote a cooperative effort of application development and shared databases by maintaining strong relationships with governmental and private agencies
- < perform final quality control and quality assurance for all digital geographic information being considered for inclusion in the County’s enterprise-wide database, rejecting that which does not conform to standards
- < perform project management activities for all GIS projects
- < establish a repository and public dissemination point for all county-maintained digital spatial data

INFORMATION TECHNOLOGY SERVICES

- < implement initial phases of a new tax software package
- < develop and implement Refresh Phase III
- < develop IT Strategic Plan and participate in Facilities 5-year Master Plan with focus on technology
- < develop and prioritize infrastructure upgrades, including server refresh
- < complete implementation of Onbase Imaging System to replace the MIMS imaging system and initiate Records Center use of imaging for various departmental needs
- < update and combine all computer usage policies which includes email, Internet and computer software
- < devise plan of action for increased disaster recovery preparedness

Strategic Goals and Projects

Charleston County

CHIEF DEPUTY ADMINISTRATOR

BUILDING SERVICES

- < acquire and implement a stand-alone permitting software system with Internet service access capability
- < convert departmental operational systems to Internet web-site usage
- < acquire a wireless Internet map server for day-to-day operations, including updating of current county residential and commercial building stock
- < create all systems required to network with other users for day-to-day and emergency operating models
- < create/coordinate departmental resources in support of Terrorism Task Force
- < expand the community educational program through Project Impact and related programs
- < expand utilization of wireless GPS compatibility in support of addressing, storm drainage, assessment and emergency operations

CAPITAL PROJECTS

- < complete the following projects: Phase II of the O.T. Wallace Building renovations, Blake Tenement renovation, John's Island Branch Library, James Island Medic #4, and the East Cooper Fuel Facility in FY 2004
- < complete design and award contracts for Museum glass walls and roof repairs, King and Queen Garage renovations, Courtyard Square, Charleston Center Crisis Stabilization, and Detention Facility Infirmary in FY 2004

EMERGENCY PREPAREDNESS

- < establish a Cable-Over-Ride Warning System for the Public Services Building
- < establish Emergency Managers' Weather Information Network weather radar on-line within Public Services Building's CATV
- < pursue in-house GIS map display capability for integration into emergency plans
- < facilitate the Lowcountry Coroners' reestablishment of the Mass Fatality Plan working group
- < increase Earthquake Hazard awareness throughout the county
- < reestablish Continuity of Government data base including Municipal Emergency Operations Centers (EOC)
- < update Terrorism Plans in coordination with the State's Terrorism Task Force initiative
- < initiate Citizen Emergency Response Teams
- < update County EOC ICW State and Federal requirements
- < determine best way to establish EOC Incident Tracking and Messaging
- < further develop EOC Activation Protocols
- < further develop alternate EOC location(s)

EMERGENCY SERVICES

- < implement Continuous Positive Airway Pressure therapy capability
- < implement mobile data collection solution for patient and billing data entry
- < increase collection rate for ambulance billing
- < establish back-up Emergency Communications Center
- < monitor construction progress of EMS stations in McClellanville and John's Island
- < monitor construction progress of EMS station on James Island, relocate crews to new station, and re-evaluate Response District boundaries with new station location
- < achieve accreditation of EMS Communications Center
- < institute Emergency Fire Dispatch training

Strategic Goals and Projects

Charleston County

- < implement first phase of District Supervisor program
- < implement Field Training Officer (FTO) program

FACILITIES MANAGEMENT

- < develop a fully integrated Facilities Management Information System
- < complete improvements to Senior Citizen/Clemson Extension Facility by the end of FY 2004
- < connect centralized energy management cost control software to each large County facility and capture utility cost savings
- < initiate special programs to upgrade/improve degraded building systems
- < implement real-time contract expenditure tracking

HAZARDOUS MATERIALS

- < obtain an additional trailer for dividing terrorism and marine firefighting equipment into three local staging areas: East Cooper, Peninsular and West Ashley
- < conduct marine firefighting live burn refresher exercise annually
- < exercise the Low Country COBRA Terrorism Task Force (TTF) communications and call-out procedures
- < participate in a statewide COBRA TTF exercise
- < continue to send members of local emergency response and industry to national training seminars based on budgetary and time constraints

MAGISTRATES' COURTS

- < develop and implement a method to transmit data electronically between the Magistrates' Courts and the South Carolina Highway Department and to allow access to each other's records
- < update the South Carolina Driver's License Records files
- < implement procedure allowing the Courts to accept fines and fees through debit and credit cards
- < research acceptance of payment of fines and fees using the Internet
- < research acceptance of South Carolina Highway Department fees to expedite the reinstatement of driving privileges

PLANNING

- < initiate 911/GIS Addressing Project
- < facilitate the Planning Commission and County Council in the five year review of the Comprehensive Plan due 2004
- < coordinate an updated permit tracking system with Building Services

PUBLIC WORKS

- < continue to develop with the Legal Department a Right-of-Way Management Ordinance that will formalize the encroachment permit process
- < complete an environmental impact study with the U.S. Forest Service on the effects of mosquito control activities in the Francis Marion National Forest
- < implement design work on the Federal Emergency Management Agency grant funded drainage project in the Yorktown and Riverland South drainage basins on James Island
- < develop and implement a vegetation management program (herbicide) on all major outfall canals in inventory during fiscal year 2004

Strategic Goals and Projects

Charleston County

- < develop a comprehensive database for sign inventory control
- < continue to mitigate work at the Kinsey-Blake borrow pit on John's Island as required by the South Carolina Department of Health and Environmental Control Mining Operations Division
- < continue to upgrade the County's road and drainage infrastructure which includes upgrading non-standard earth roads and associated drainage to County maintenance standards that may meet Charleston Transportation Committee requirements for rock or paved surfaces
- < continue to assist the GIS department with quality assurance reviews of the topographic map
- < continue the pre-disaster contracted debris management program which was expanded in fiscal year 2002 to include response for the City of Charleston, the City of North Charleston, and the Town of Mt. Pleasant.

RADIO COMMUNICATIONS

- < continue to replace obsolete radios
- < upgrade public safety radio system infrastructure
- < complete the implementation of the fire interoperability plan for County departments
- < develop a statewide 800 MHz interoperability plan for public safety

SAFETY & RISK MANAGEMENT

- < develop a plan to reduce the number of strain injuries by 39% under FY 2002 levels by FY 2005
- < continue analysis of workers compensation and vehicular accidents and develop plans and training programs to reduce any identified frequencies, severities, or trends
- < reduce workers compensation experience modification by 24 points to the 1.18 in FY 2006 and by another 18 points to 1.00 in FY 2007
- < furnish building appraisals and insurance values annually for County owned buildings to Facilities Management that will be included in the Real Property Inventory Manual
- < continue professional and career development of Safety & Risk Management staff that will improve staff knowledge and technical capabilities

SOLID WASTE

- < complete the Facilities Issues Negotiations for the new Bees Ferry Municipal Solid Waste landfill (MSW)
- < submit the permit application package to the South Carolina Department of Health and Environmental Control for the new (MSW) landfill
- < restart the compost program
- < create an interactive website/page with pertinent information on solid waste programs and services
- < build a new classroom facility for presentations, workshops, meetings, and school children who visit the recycling center
- < increase business recycling rate through aggressive data collection for the county's annual report and through targeted education and outreach
- < initiate a new program targeting new residential communities or move-ins and provide the new residents with bins and information outlining how to recycle
- < initiate studies to reduce contaminants handled at the Materials Recovery Facility

Strategic Goals and Projects

Charleston County

- < determine best methods to redesign or relocate current recycling center to handle material storage and paper sorting problems
- < negotiate long-term contract with Montenay (WTE provider) or other vendor to run the Recycling Recovery Facility after 2010
- < expand the planning aspect for MSW and Construction and Demolition landfill needs
- < define and identify the need for a transfer facility
- < identify borrow pit facilities, which includes possible acquisition

CHIEF FINANCIAL OFFICER

BUDGET

- < assist departments in full implementation of performance measures for the document
- < develop ability to submit budget transfers electronically
- < develop electronic submission of budget requests on Intranet
- < assist in review of County's financial policies
- < assist in creation of annual capital budget to implement five year facility and equipment capital plan
- < develop multi-year budget to address County's current and long-term financial needs

BUSINESS LICENSE/USER FEE

- < consolidate similar functions with local municipalities to reduce cost of countywide governmental services
- < develop Internet access for payments and license renewals
- < attract additional municipalities into our consolidated programs
- < increase total revenue collections for this department above \$56,000,000 for FY 2004
- < share delinquent collection service with other county departments
- < standardize all software within department to operate at current computer speeds
- < migrate billing and collection software to operate on the newly approved Microsoft platform
- < develop additional training videos for all aspects of department

CONTROLLER

- < complete implementation of the new reporting model for the State and Local Governments required by the Governmental Accounting Standards Board (GASB) with the issuance of GASB Statement No. 34
- < publish the Comprehensive Annual Financial Report on the County's website
- < publish a popular annual report which would be more easily understood by the citizens of the County
- < complete interfaces to third party accounts receivable and billing systems
- < investigate the feasibility of document imaging as an alternative to paper files of original source documents
- < evaluate various alternatives for offline storage of transaction detail for financial software on the Integrated Fund Accounting Software system

DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE SERVICES (DAODAS)

- < increase range of funding sources and improve payer mix through more aggressive marketing of business and industry and grant development

Strategic Goals and Projects

Charleston County

- < lease space on second floor to Department of Mental Health for Crisis Stabilization Unit and develop collaborative procedures and programs to facilitate access of dual diagnosis patients
- < take a “back to basics” approach with customer service, increasing communication with all stakeholders through personal contact, newsletters and e-mails
- < begin long range development of services for special populations such as Spanish speaking clients
- < audit programs in preparation for CAFR recertification in FY 2005
- < improve contacts for outcome studies and analyze data to improve services
- < take an active role in statewide agency reorganization activities through Behavioral Health Services to ensure maintenance of addiction prevention, intervention, and treatment services

GRANTS ADMINISTRATION

- < continue to develop and assist in the development of grant applications
- < provide programmatic and financial oversight as needed
- < ensure compliance with grant terms and conditions
- < administer the Urban County Entitlement program awarded throughout the United States Department of Housing and Urban Development and add municipalities as appropriate
- < address infrastructure with emphasis on improving sewer and water systems
- < increase affordable housing for low-moderate income families
- < maintain and expand a comprehensive database to ensure adequate tracking and reporting of services
- < expand and maintain the comprehensive workforce development system to ensure accessible tri-county service coverage for local employers and job seekers
- < assess the operating structure feasibility and cost effectiveness of the Trident One Stop Career Center system
- < initiate the development of a new comprehensive One Stop Career Center system devoted to services to youth
- < develop a revenue generation plan that supports 50% of One Stop Operations by current lease end

HUMAN RESOURCES

- < expand implementation of the Pay for Performance Project
- < expand the Leadership Development Program
- < develop remote access capability for the Human Resources Information System including migration to kiosk and other customer-centered technology
- < implement process analysis initiatives to improve customer service and productivity
- < update the Personnel Policies and Procedures Manual
- < expand the “Career Center” model for training delivery as part of a broader career development initiative
- < research and develop a plan to incorporate “e-learning” as part of Charleston County’s training tools

Strategic Goals and Projects

Charleston County

INTERNAL SERVICES

- < seek approval to implement the Six Fleet Reduction Initiatives
- < develop and implement a Fleet Operations Policy and Procedures Manual
- < create a Fleet Management Advisory Committee (FleetMAC) which will serve in an advisory capacity to the Fleet Operations Division
- < upgrade fueling sites with new terminal heads
- < develop and complete the FASTER automated fleet management systems administrator standard operating procedures
- < develop and execute a written memorandum of understanding concerning responsibilities and actions between the Election Warehouse division and the merged Elections and Voter Registration Commission
- < implement the provisions of the Help America Vote Act of 2002 for compliance with handicap voting machine accessibility
- < consider the feasibility of unattended point of sale transaction control equipment for parking operations which includes pay on foot kiosks and rechargeable cash cards
- < complete ADA compliance construction project items in the King and Queen Street Garage
- < implement parking operations automated central management system
- < fully exploit imaging technology in appropriate office areas with digital copier applications
- < seek and achieve postal discount savings through standardization of mailers and full exploitation of pre-sorting and automated mailing contract providers
- < determine the most cost effective course of action in applying and implementing Records Management imaging and microfilming technologies with customer ease of accessibility
- < deploy an effective records destruction program to reduce the retention of retired records
- < secure most cost effective long distance telephone service contract for the County
- < obtain optimal service and rates for cellular wireless communications
- < pursue replacement communication devices for paging networks and instruments

MEDICALLY INDIGENT ASSISTANCE PROGRAM

- < reduce the turn around time for applicants' right to appeal and fair hearing for reconsideration request
- < produce a public brochure of information about the MIAP program
- < initiate possible collaborative efforts with Project C.A.R.E. that meet the needs of the uninsured population

PROCUREMENT

- < increase the overall efficiency of the procurement process
- < reduce the number of Sole Source and Emergency Procurement Requests by increasing the number of new sources for goods and services
- < improve Procurement Card usage by reducing improper use of card
- < improve minority participation in procurement process
- < process utility bills on procurement card
- < review specification development with departments
- < provide purchasing procedures update to departments

Major Revenue Sources

Charleston County

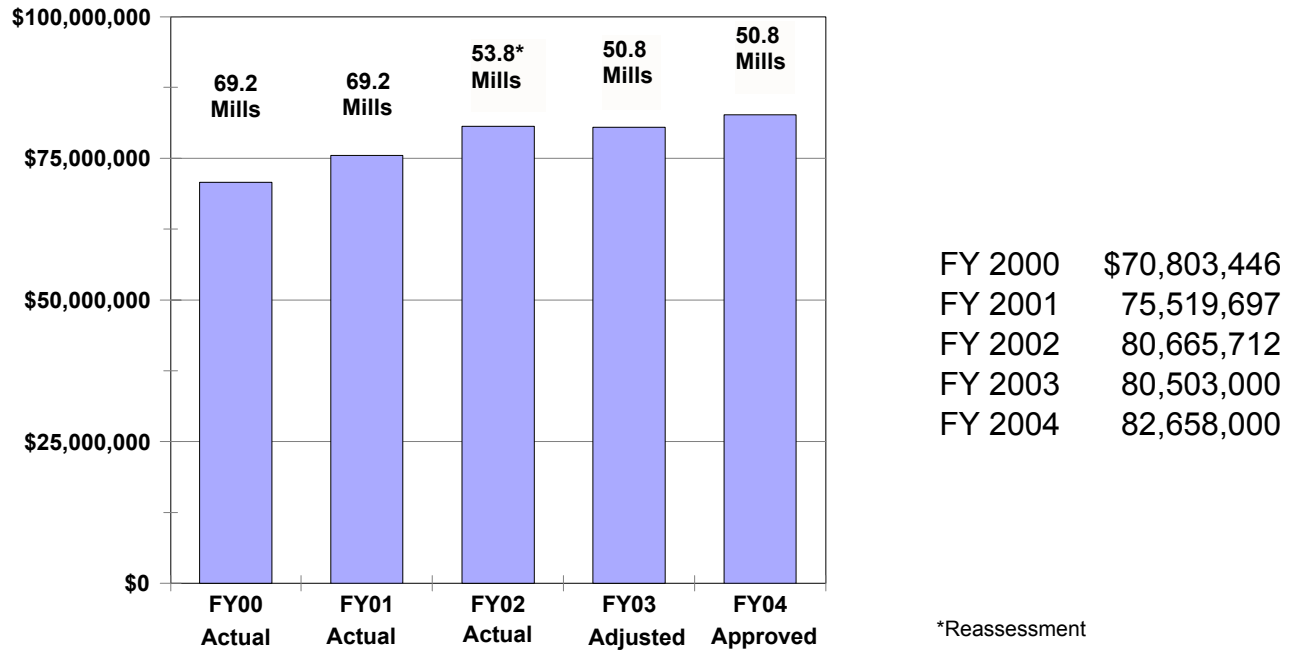
General Fund Ad Valorem Taxes

Description

The County Assessor, the County Auditor, and the State calculate the taxable value of the county's real property, personal property and motor vehicles. The County Auditor applies the appropriate millage rates for the various taxing entities in the county to determine the ad valorem taxes. The Treasurer collects the ad valorem taxes for all of the taxing entities in the county and remits these collections in the following month. The real and personal property are billed annually in September and are due the following January. The motor vehicles are billed annually during the month when the taxpayer's license registration is due for renewal.

Trend

The County's portion of ad valorem taxes for its General Fund has a general trend of increasing. This increase in revenue reflects a growth in the County's tax base.



Revenue Estimate

The tax base for FY 2004 is estimated to grow at 2.5 percent over the current year's projections.

Major Revenue Sources

Charleston County

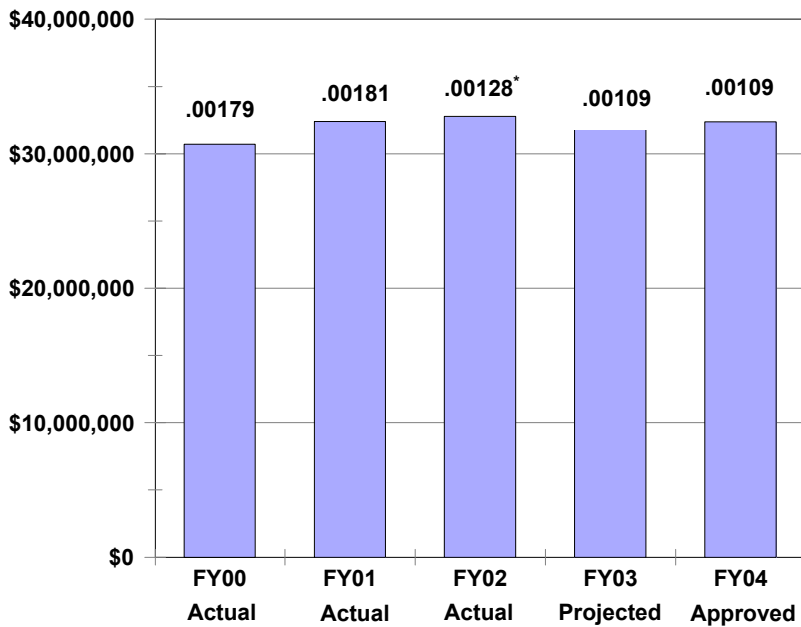
General Fund Local Option Sales Tax

Description

The citizens of Charleston County passed by referendum an additional one percent sales tax to take effect during FY 1991. According to state law, a portion of the sales tax revenues was designated to reduce local property taxes. Charleston County applies 100 percent of the local option sales tax revenues as credits against local property taxes. As the local option sales tax revenues increase, the credit applied increases.

Trend

The revenue from the local option sales tax showed a consistent trend of increasing through FY 2002. Due to the economic downturn in FY 2003, the local option sales tax showed a decrease. As a result of some economic recovery, Charleston County anticipates increased local option sales tax for FY 2004. The local option sales tax is tied directly to the level of consumer spending in Charleston County.



FY 2000	\$30,705,579
FY 2001	32,375,877
FY 2002	32,787,102
FY 2003	31,900,000
FY 2004	32,350,000

*Reassessment

Revenue Estimate

The budgeted revenues from local option sales tax reflect a \$450,000 or 1.4 percent increase from the current year's projections. The revenue for FY 2004 equates to a credit of \$109 on \$100,000 of appraised value. This reflects no change in the local option sales tax credit.

Major Revenue Sources

Charleston County

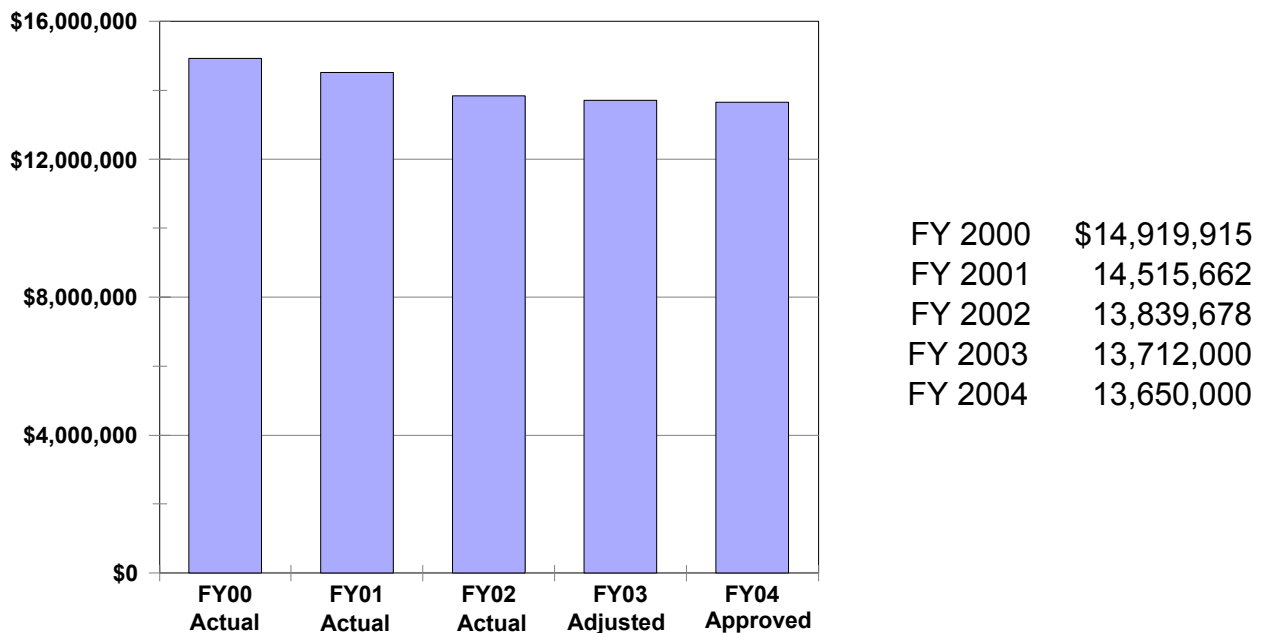
General Fund Aid to Local Subdivisions

Description

The County receives funds from the State of South Carolina to subsidize its operations. This funding was created to reduce the pressure on property taxes and to provide a predictable source of revenue for county and municipal budgeting. In FY 1992, the aid to local subdivisions replaced and consolidated many other taxes allocated by the state. These taxes included the alcohol beverage tax, the bank tax, the beer and wine tax, the brokers tax, the gasoline tax, the income tax and insurance license fees. The State determines the local government fund based on 4.5 percent of the State's General Fund revenues for the State's last completed fiscal year.

Trend

The revenues from aid to local subdivisions reflect an increase through FY 2000 with a general trend of decreasing from FY 2000 forward. The revenues reflect how the State's economy is performing.



Revenue Estimate

The FY 2004 budgeted aid to local subdivisions is lower than the current years projections. This decrease represents the current economic downturn in the state's overall economy.

Major Revenue Sources

Charleston County

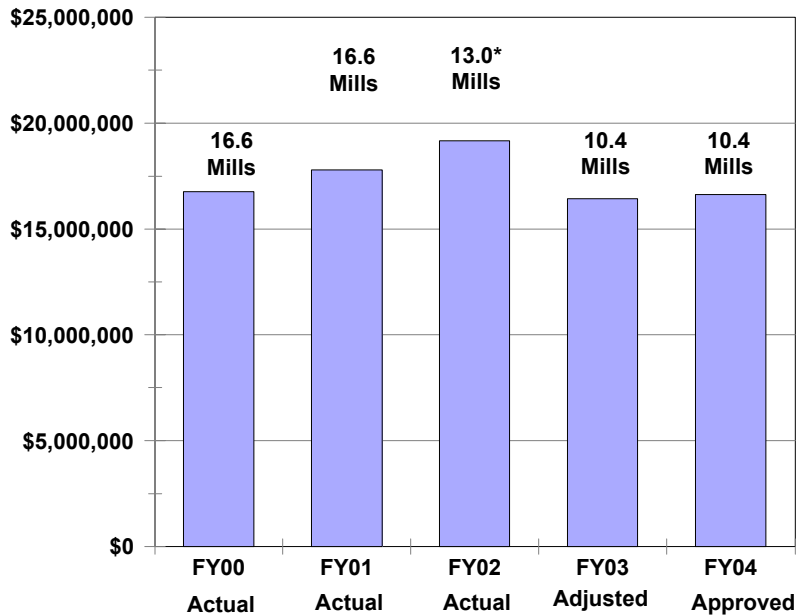
Debt Service Fund Ad Valorem Taxes

Description

The County Assessor, the County Auditor, and the State calculate the taxable value of the county's real property, personal property and motor vehicles. The County Auditor applies the appropriate millage rates for the various taxing entities in the county to determine the ad valorem taxes. The Treasurer collects the ad valorem taxes for all of the taxing entities in the county and remits these collections in the following month. The real and personal property are billed annually in September and are due the following January. The motor vehicles are billed annually during the month when the taxpayer's license registration is due for renewal.

Trend

The County's portion of ad valorem taxes for its Debt Service Fund has a general trend of increasing. Revenues decreased in FY 2003 due to a reduction in the millage rate to reflect lower anticipated needs for the capital lease program. The increase in FY 2004 revenue reflects growth in the County's tax base.



FY 2000	\$16,767,794
FY 2001	17,798,623
FY 2002	19,168,768
FY 2003	16,420,000
FY 2004	16,632,082

*Reassessment

Revenue Estimate

The FY 2004 millage rate will remain constant at 10.4 mills. The tax base for FY 2004 is estimated to grow at 2.5 percent over the current year's projections.

Major Revenue Sources

Charleston County

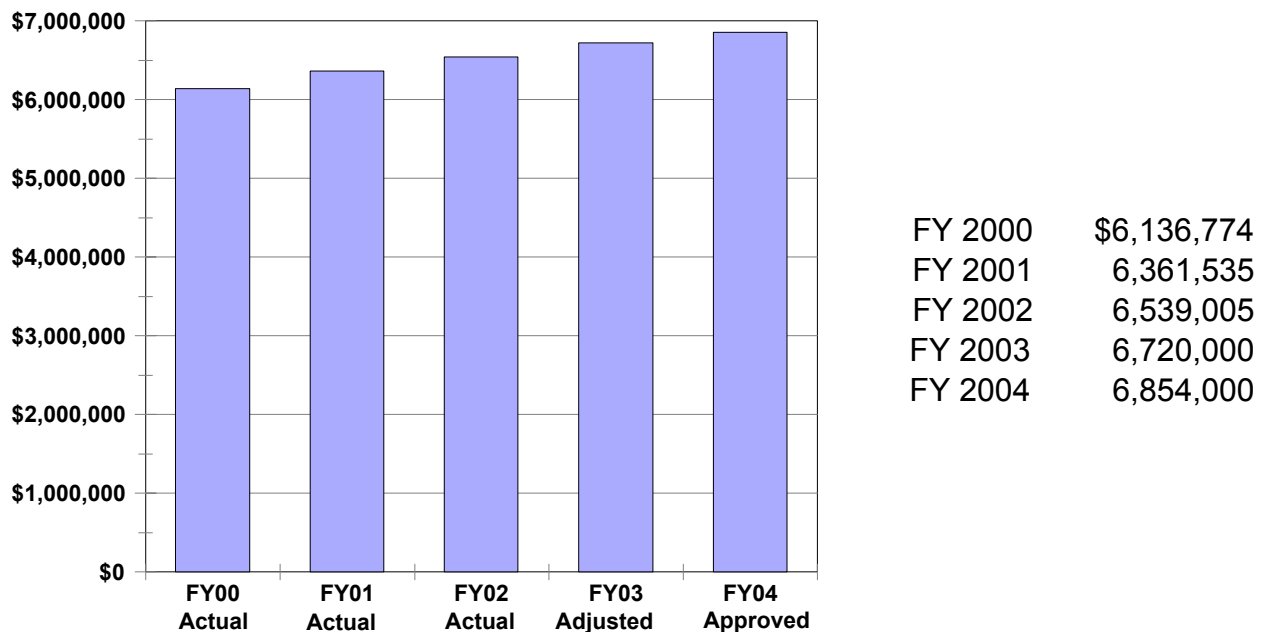
Special Revenue Fund Accommodations Fee

Description

County Council enacted the accommodations fee in FY 1994 to charge a two percent fee against transient room rentals throughout the county. The County began collections on April 1, 1994, but the fee was challenged in court. In November 1995, the state Supreme Court ruled in favor of the fee. The accommodation fee is collected on a monthly basis.

Trend

The revenues from accommodations fee have shown a steady increase, although the downturn in the economy has slowed growth in the past two years. The growth reflects the continued economic expansion and growth in tourism.



Revenue Estimate

The budgeted accommodations fee reflects an estimated 2.0 percent increase from FY 2003 projections.

Major Revenue Sources

Charleston County

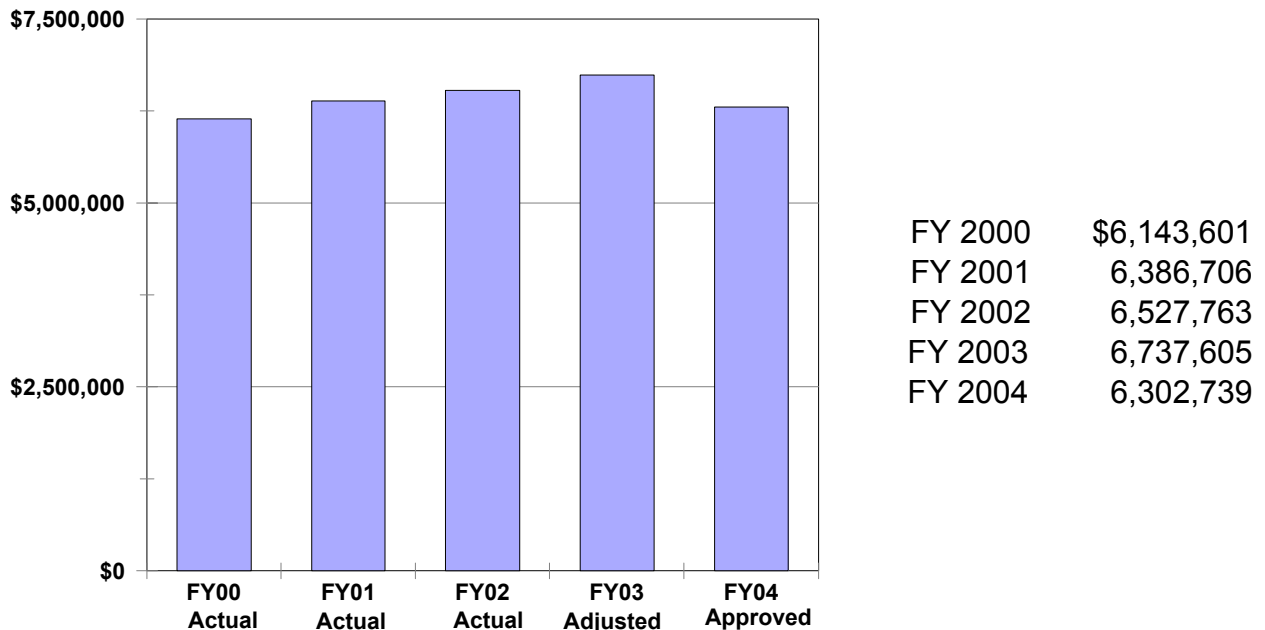
Special Revenue Fund Grants Administration-Grants

Description

The Grants Administration Department develops, administers and monitors grants related to community and workforce development. Significant accomplishments for this department and the County include obtaining the designation as an Urban Entitlement County under the Community Development Block Grant Program and the creating the state's first One Stop Career Center. Funding for this program began in FY 1998.

Trend

This revenue reflects a general trend of increases from FY 2000 through FY 2003, with a decrease expected for FY 2004.



Revenue Estimate

The budgeted revenues for grants under the Grants Administration Department reflect the anticipated awards for the various community and workforce development grants. The decrease in FY 2004 reflects a smaller allocation under the Urban Entitlement Program and the Workforce Investment Act.

Major Revenue Sources

Charleston County

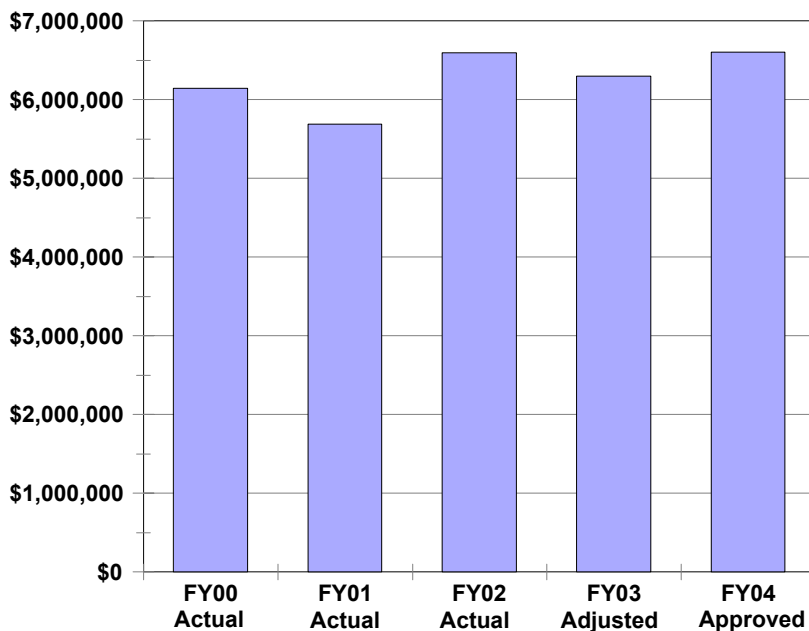
Enterprise Fund Steam & Energy Sales

Description

The Solid Waste Department contracts with Montenay Charleston Resource, Inc. to manage the County's incinerator. The incinerator began commercial operations on November 1, 1989. As the incinerator burns waste, the incinerator generates steam and electricity. The County then sells the steam and electricity to offset the costs of the incinerator. The steam is sold to the United States Navy located at the Charleston Naval Shipyard, and the electricity is sold primarily to Carolina Power and Light. Even though the Charleston Naval Shipyard is closed, the United States Navy has an existing contract to purchase a minimum amount of steam through January 1, 2010.

Trend

The revenue from steam and electrical sales shows a general trend of increasing. Sales are dependent upon the market rate for electricity. However, contract prices are set above market rate.



FY 2000	\$6,142,723
FY 2001	5,689,752
FY 2002	6,591,490
FY 2003	6,300,000
FY 2004	6,600,000

Revenue Estimate

The budgeted revenues from steam and energy sales reflect the guaranteed payment from the United States Navy and the long-term purchase contract with Carolina Power and Light. The revenues for FY 2004 reflect an increase in the price received for generating electricity.

Major Revenue Sources

Charleston County

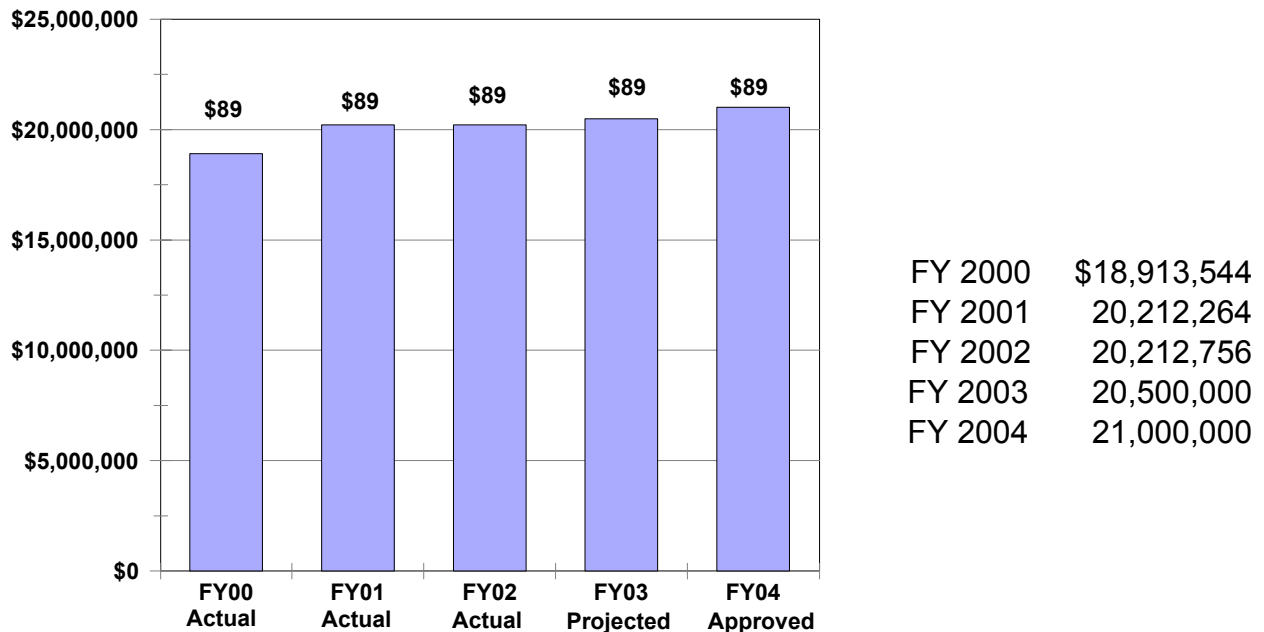
Enterprise Fund User Fee

Description

The County charges a user fee to real property owners and certain commercial and governmental entities to provide funding for the County's solid waste collection and disposal effort. The User Fee Division of the Business License/User Fee Department administers the billing and collection of this fee. The user fee for residential property owners is included in the County Auditor's annual tax bill. The User Fee Division calculates and bills the commercial and governmental entities on an annual basis.

Trend

The revenue from the User Fee has shown a consistent trend of increasing. This increase reflects an expanding number of residents and businesses in the county. The budget has tended to be conservative in relation to actual collections.



Revenue Estimate

Each \$1 of the user fee rate generates approximately \$235,000 in revenue. The user fee is anticipated to remain at \$89 dollars through FY 2005. The next user fee increase is estimated at \$116 in FY 2006.